CITY OF DALY CITY

Regular Meeting - CITY COUNCIL

AGENDA

MONDAY, JULY 13, 2020
7:00 p.m.

Visit Daly City's virtual meeting website to watch the livestream of the City Council meeting and submit comment on agenda items, all in one place online:

https://bit.ly/dalycityjuly13

Please note, the virtual meeting website will only be available during the meeting on **Monday, July 13, 2020 at 7:00 p.m.**

COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS

Pursuant to Governor Newsom's Executive Order N-25-20, members of the Daly City Council and staff will participate in this meeting via a teleconference. Members of the public are encouraged to watch the meeting via Livestream (City Council Meeting Livestream) at https://bit.ly/dalycityjuly13 and to submit comments through the livestream website and/or submit public comments via email to cityclerk@dalycity.org prior to the public meeting.

To submit a comment in writing, please email cityclerk@dalycity.org and write "Public Comment" in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments. All comments received by 4:00 pm will be emailed to the City Council members and included as an "Add to Packet" on the City's website prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the City Council members for the public meeting.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078 as soon as possible.

CALL TO ORDER:

PLEDGE TO THE FLAG:

ROLL CALL:

PRESENTATIONS:

Update on City's Financial Forecast (Management Partners)

AVAILABILITY OF PUBLIC RECORDS:

All public record to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk's Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.

APPROVAL OF MINUTES:

Regular Meeting of June 22, 2020

APPROVAL OF AGENDA:

CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and may be approved by one roll call vote of the City Council. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the City Council. If discussion is required, that item will be removed from the Consent Agenda and will be considered separately at the end of the Agenda.

Resolutions:

1. Resolution Adopting Health and Welfare Benefits for City Treasurer and City Clerk

2. Amending Traffic Regulations to: Install No Parking (red) zone between the driveways of 80 and 88 Fairlawn Court and a red zone north of the driveway at 88 Fairlawn Court (TSR 20/60).

3. Resolution Adopting Health and Welfare Benefits for the City Council

4. Adoption of Reserve Policies

5. Supporting and Urging Members of the California State Legislature and Governor to Explore New Progressive Revenue Options, Including a Millionaire Tax to Ensure Safety Net Programs are Not Cut Due to an Unprecedented $54.3 Billion Deficit as a Result of COVID-19 Pandemic and Recession

6. Set Time and Place for a Public Hearing to Consider Revised 2020-21 HUD One Year Action Plan to Reflect Use of HOME Funds for an Emergency HOME TBRA (Tenant Based Rental Assistance) Program **Set Hearing: 07/27/20**

7. Approval of Investment Policy

Check Registers:

8. Check Registers for the Month of June 2020

END OF CONSENT AGENDA

PUBLIC HEARINGS:

9. Public Hearing – Adopting National Pollutant Discharge Elimination System Local Stormwater Program Regulatory Fee

Staff: Chiu

Recommended Action: Open/Close Hearing

Recommended Action: Adopt Resolution by Roll Call

10. Proposed New Fee for Lap Swim at Giammona Pool

Staff: Curran

Recommended Action: Open/Close Hearing

Recommended Action: Adopt Resolution by Roll Call

ORDINANCES:

11. Second Reading, Ordinance No. 1439, Amending the Daly City Zoning Map by Amending Ordinance No. 1260 to Planned Development Zone (PD -54A) and Establishing Planned Development Standards

Staff: Zimmerman

Recommended Action: Adopt Ordinance by Roll Call

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

NOTE: Speakers are limited to two minutes, unless modified by the Mayor. The Council cannot take action on any matter raised under this item.

APPOINTMENTS: Board/Commission Membership Committee Appointments

REPORTS:

12. Council Committee

A. Council Committee Meetings June 21 - July 12, 2020

13. City Council

14. Staff

A. City Manager's Report
B. Department of Water Wastewater Resources

ADJOURNMENT:

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
JUNE 22, 2020

To view videos of the City Council meetings, visit http://yt.vu/+dalycitycouncil

Note on Public Comments: *For this meeting, members of the public were encouraged to watch the meeting via livestream at https://bit.ly/dalycityjune22 and to submit comments through the livestream website and/or submit public comments via email to cityclerk@dalycity.org prior to the public meeting. Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting were instructed to call the office of the City Clerk at 991-8078 prior to the meeting.*

The meeting was called to order by Mayor Sylvester at 7:28 P.M. by video conference call pursuant to Governor Gavin Newsom's Executive Order N-25-20.

ROLL CALL: Councilmembers Present:
Glenn R. Sylvester, Mayor
Juslyn C. Manalo, Vice Mayor
Raymond A. Buenaventura
Rod Daus-Magbual
Pamela DiGiovanni

Staff Present:
Shawnna Maltbie, City Manager
Rose L. Zimmerman, City Attorney
K. Annette Hipona, City Clerk

APPROVAL OF MINUTES:

Regular Meetings of June 8, 2020

It was moved by Vice Mayor Manalo, seconded by Councilmember DiGiovanni and carried to approve the minutes of the regular meeting of June 8, 2020.

APPROVAL OF AGENDA:

Mayor Sylvester approved the agenda.

CONSENT AGENDA:

It was moved by Vice Mayor Manalo, seconded by Councilmember DiGiovanni and carried to approve the consent agenda with the exception of items #1, 3, and 7 which were pulled for further discussion.

Resolutions:

Approving Landscape Maintenance Service Agreement with Loral Landscaping, Inc. for Fiscal Year 2020-21

Director of Public Works Richard Chiu confirmed Daly City contracts are subject to the prevailing wage.

It was moved by Vice Mayor Manalo, seconded by Councilmember DiGiovanni and carried by voice vote to adopt the following resolution:

Resolution 20-105, Authorizing Approval of the Landscape Maintenance Service Agreement with Loral Landscaping, Inc. for Fiscal Year 2020/2021

Approving Tree Maintenance Service Agreement with West Coast Arborist for Fiscal Year 2020-21

Resolution 20-106, Authorizing the Tree Maintenance Service Agreement with West Coast Arborist Inc. for Fiscal Year 2020/2021

Approving Abandonment of a Portion of Street Right-of-Way on Carter Street, Martin Street, Reynolds Street, Brown Street and Idalene Street, Approval of Subdivision Improvement Agreements Between the City of Daly City and Point Martin LLC, Approval of the Final Map SUB-6-15-11016 for Point Martin I and Approval of the Final Map SUB-9-17-12296 for Point Martin II.

Mr. Chiu provided a description of the development located in the Bayshore neighborhood and addressed questions about street names and other concerns about the project.

It was moved by Vice Mayor Manalo, seconded by Mayor Sylvester and carried by voice vote to adopt the following resolution:

Resolution 20-107, Approving Vacation of a Portion Street Right-Of-Way on Carter Street, Martin Street, Reynolds Street, Brown Street and Idalene Street, Approval of Subdivision Improvement Agreements Between the City Of Daly City and Point Martin LLC, Approval of the Final Map SUB-6-15-11016 for Point Martin I and Approval of the Final Map SUB-9-17-12296 for Point Martin II

Approving Notice of Completion for the Belhaven Court, Savage Way, and Cerro Drive Water Main Improvements Project

Resolution 20-108, Accepting Completion of Certain Project in the Department of Public Works (Belhaven Court, Savage Way, and Cerro Drive Water Main Improvements)

Adopting Appropriations Limitation

Resolution 20-109, Establishing City's Appropriations Limitation for Fiscal Year 2020-2021

Approving Junipero Serra Well Emergency Maintenance and Repair Services

Resolution 20-110, Authorizing Contract with Pump Repair Service for the Emergency Maintenance and Repair Services for Junipero Serra Well

Affirming Support of AB2016 California Ethnic Studies Model Curriculum Draft

Council voiced its support for passing this model curriculum to address the racism in the country while giving students an early education that reflects themselves in said curriculum.

Mr. Stolte relayed a public comment received: Aaliyah Christie voiced support for Arab students and Ethnic Studies.

It was moved by Councilmember Daus-Magbual, seconded by Vice Mayor Manalo and carried by voice vote to adopt the following resolution:

Resolution 20-111, Affirming Support of AB2016 California Ethnic Studies Model Curriculum Draft

Authorizing the City Manager to Support the League of California Cities Support Local Recovery Coalition

Resolution 20-112, Authorizing the City Manager to Join the League of California Cities Support Local Recovery Coalition

END OF CONSENT AGENDA

PUBLIC HEARINGS:

Adopting Resolution Approving Government Code Section 52201 Summary Report in Connection with the Disposition and Development of Property by and Between the City of Daly City, Duggan's Serra Mortuary, and Sierra Enterprises located at the Northeast Corner of Junipero Serra Blvd. and Westlake Avenue, Daly City, CA

Director of Economic and Community Development Tatum Mothershead reported on consultant Kosmont Companies' preparation of the subject summary report affirming the fair use of the property and its creation of an economic opportunity. Ken Hira, Kosmont Companies, summarized the report and presented the terms of the Disposition and Development Agreement for the sale of City property for $2,689,000.

Mayor Sylvester opened the public hearing.

Mr. Stolte relayed a public comment received: Sing Kwan voiced concern with building a giant used car lot next to a neighborhood struggling with parking and requested the City to provide more walking and biking spaces.

Mayor Sylvester closed the public hearing.

It was moved by Councilmember Buenaventura, seconded by Vice Mayor Manalo and carried by unanimous roll call vote to adopt the following resolution:

Resolution 20-113, Approving Government Code Section 52201 Summary Report in Connection with the Disposition and Development of Property by and Between the City of Daly City and Duggan-Sierra (Northeast Corner of Junipero Serra Boulevard and Westlake Avenue)

Disposition and Development Agreement Between the City of Daly City and Duggan-Sierra for Property Located at the Northeast Corner of Junipero Serra Boulevard and Westlake Avenue, Daly City, CA

Ms. Mothershead presented the agreement for the proposed expansion of the existing mortuary with a two-story 30,605 sq. ft. event center with ground level parking. She reported developer Duggan-Sierra is also requesting to acquire a second site to redevelop a 44-space parking lot located across the way on Westlake Avenue.

Mayor Sylvester opened the public hearing.

Mr. Stolte relayed a public comment received: Claudine Falcese voiced concern about the construction of a parking garage and noted how the limited parking in the area is already impacted by the surrounding development.

Mayor Sylvester closed the public hearing.

It was moved by Councilmember Buenaventura, seconded by Councilmember DiGiovanni and carried by unanimous roll call vote to adopt the following resolution:

Resolution 20-114, Approving the Execution of a Disposition and Development Agreement Between the City of Daly City and Duggan-Sierra (Northeast Corner of Junipero Serra Boulevard and Westlake Avenue)

Adopting Resolution Approving Government Code Section 52201 Summary Report in Connection with the Disposition and Development of Property by and Between the City of Daly City and Thunder Village Property II LLC located at the Southeast Corner of Junipero Serra Blvd. and Westlake Avenue, Daly City, CA

Consultant Kosmont Companies also prepared the subject report for this property in compliance with government code. Mr. Hira of Kosmont reported the 44,000 sq. ft. development will be an automobile vehicle vending machine fulfillment center, aka Carvana. He provided background and findings for the City property for which the developer has made a proposed offer of $2,770,000. Staff addressed questions regarding the tax revenues and the fiscal impact of COVID-19 on construction costs.

Mayor Sylvester opened the public hearing. There were no public comments on this matter.

Mayor Sylvester closed the public hearing.

It was moved by Councilmember DiGiovanni, seconded by Mayor Sylvester and carried by unanimous roll call vote to adopt the following resolution:

Resolution 20-115, Approving Government Code Section 52201 Summary Report in Connection with the Disposition and Development of Property by and Between the City of Daly City and Thunder Village Property II LLC (Southeast Corner of Junipero Serra Boulevard and Westlake Avenue)

Disposition and Development Agreement Between the City of Daly City and KJE (Thunder Village Property II LLC) for Property Located at the Southeast Corner of Junipero Serra Boulevard and Westlake Avenue, Daly City, CA

Ms. Mothershead provided background and the fiscal impact analysis for the property. For the project, a Planned Development is being proposed in coordination with Duggan-Sierra. Mayor Sylvester provided information on point-of-sale tax and background information on developer Carvana. Mr. Louie, applicant, and Mr. Sassen addressed questions on whether prevailing wages will be utilized. Ms. Zimmerman reported there is currently no public labor agreement related to the project.

Ms. Zimmerman addressed Council concern by confirming to amend language in the DDA for the developer to make a good-faith effort to reach out to local contractors and trades through local exchange programs to provide them invitation to bids and to have a level of proof that the resource was utilized.

Mayor Sylvester opened the public hearing. There were no public comments.

Mayor Sylvester closed the public hearing.

It was moved by Mayor Sylvester, seconded by Councilmember Buenaventura and carried by unanimous roll call vote to adopt the following resolution, as amended.

Resolution 20-116, Approving the Execution of a Disposition and Development Agreement Between the City of Daly City and KJE (Thunder Village Property II LLC), (2123-2157 Junipero Serra Boulevard)

Planned Development PD-04-19-013998, Use Permit UPR-04-19-013999, and Design Review DR-04-19-014000 – Duggan's Serra Mortuary/Carvana Project at 500 Westlake Avenue

Associate Planner Carmelisa Morales provided the land use perspective as well as the entitlements required for the subject project. Mr. Sassen from Carvana along with City staff addressed questions regarding the art component, relocation of the PBRC, the process of car delivery, the vending machine display, the exit and entrance to the property, and how other spaces will be utilized.

Mayor Sylvester opened the public hearing. There were no comments received on the matter.

Mayor Sylvester closed the public hearing.

It was moved by Councilmember Buenaventura, seconded by Councilmember DiGiovanni and carried for the City Attorney to read by title only.

Councilmember Manalo introduced the following ordinance:

Ordinance 1439, Amending the Daly City Zoning Map by Amending Ordinance No. 1260 to Planned Development Zone (PD -54A) and Establishing Planned Development Standards

It was moved by Mayor Sylvester, seconded by Councilmember DiGiovanni and carried by unanimous roll call vote to adopt the following resolution:

Resolution 20-117, Adopting Mitigation Monitoring and Reporting Program, Adopting Findings of Fact for Planned Development (PD-04-19-013998), Use Permit UPR-04-19-013999 and Design Review DR-04-19-014000 for Duggan's Serra Mortuary/Carvana Project (500 Westlake Avenue)

Notice of Lien and Special Assessment to Rental Property

Director of Finance and Administrative Services Todd High reported on the timeline in which notices were sent to rental property owners in an effort to bring them to compliance. Projected revenue collection of unpaid business license tax is down from the previous year at $133,813.30 from 175 property licenses that are outstanding.

Mayor Sylvester opened the public hearing. Mr. Stolte relayed one public comment: Asgar Jhinnu, owner of 631 Hickey Boulevard, requested his property be reassessed as it is no longer a business property.

Mayor Sylvester closed the public hearing.

Mr. High addressed Council questions on the timeline of when taxes will be collected and when the notices of lien are sent to the County.

It was moved by Councilmember Buenaventura, seconded by Vice Mayor Manalo and carried by unanimous roll call vote to adopt the following resolution:

Resolution 20-118, Approving Notice of Lien and Special Assessment to Real Property

Mayor Sylvester left the meeting at 10:20 PM and returned at 10:27 PM. During that time, Vice Mayor Manalo presided over the meeting.

COMMUNICATIONS:

Coastal Development Permit for Deck, Sunroom, and Detached Accessory Structure at 431 Westmoor Avenue – Use Permit UPR 10-19-14238 and Design Review DR-10-19-14243

Assistant Planner Brian Paland presented the applicant's proposal to legalize an existing second-floor, rear yard deck with sunroom and detached accessory structure. The applicant addressed Council questions regarding the motivation for the project.

It was moved by Councilmember Buenaventura, seconded by Councilmember Daus-Magbual and carried by unanimous roll call vote to adopt the following resolution:

Resolution 20-119, Adopting Findings of Fact and Imposing Conditions of Approval on Coastal Development Permit for Deck, Sunroom and Detached Accessory Structure at 431 Westmoor Avenue – Use Permit UPR-10-19-14238 and Design Review DR-10-19-14243

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

Mr. Stolte relayed one public comment. Jack Angeles questioned whether there will be a follow-up to the last week's study session on Daly City Police use of force since the press release did not address the community's comments about reallocating police funds to mental health and social services.

REPORTS:

Council Committee – June 8-21, 2020

Commute.org (DiGiovanni)
Peninsula Clean Energy (Daus-Magbual)
Association of Bay Area Governments (Manalo)
COVID-19 Relief Committee (Manalo)

City Council

Mayor Sylvester reported on the very successful community feed that occurred on Father's Day and thanked staff, Pilipino Bayanihan Resource Center, FilAm Democratic Committee for hosting and Councilmember Buenaventura for the idea. Other events attended by Councilmembers included the 5th annual Filipino flag-raising to celebrate Philippine Independence, and various events at Seton, Jefferson High School and Serramonte Center. Councilmember Buenaventura requested information on the upcoming schedule of the City Council regular meetings and the upcoming Seton Hospital public meeting. Vice Mayor Manalo acknowledged the Filipino Mental Health Initiative and Skyline's CIPHER and Bayanihan Response to COVID-19 with a recent community event called Showcase Solidarity Humanity Outreach Work Creativity All-In Shine Empathy on June 10th.

City Manager Report

City Manager Shawnna Maltbie reported on an upcoming meeting with City department heads to discuss the reopening of City Hall to the public in the safest way possible and looking at a potential date of July 6th. Ms. Maltbie also provided an update on the summer schedule for Council meetings and was amenable on which date the Council would like to have a meeting off. However, under the current Shelter In Place order, City Council meetings will continue to occur via televideo/audio conference app Zoom.

ADJOURNMENT:

At 11:00 PM, Mayor Sylvester adjourned the meeting in memory of David William Lutz, Willie Thomas Dotson, Lydia Scarcella Fleming, Mary Allicson Hobson-Coard, Daniel Guevarra San Jose.

Approved as submitted, this 13th

day of July, 2020.

____
City Clerk

____
Mayor

City Council Meeting Agenda Report

Item # _____

Meeting Date: July 13, 2020

Subject: Resolution Adopting Health and Welfare Benefits for City Treasurer and City Clerk

Recommended Action

That the City Council adopt a resolution to implement health and welfare benefits for City Treasurer and City Clerk fully consistent with previous adjustments granted to other recognized bargaining units.

Discussion

The City Council has authorized the following health and welfare benefits for City Treasurer and City Clerk:

Cafeteria Plan Allowance:

Effective December 2019, City shall contribute to the monthly Cafeteria Allowance for City Treasurer and City Clerk in an amount as follows:

a) Employee Only: 100% of the Kaiser Bay Area medical premium (for employees hired before January 1, 2020, the employee only contribution is frozen at $1405/month until it equals the employee only Kaiser Bay Area rate.)

b) Employee + 1: 95% of the Kaiser Bay Area medical premium. In the event that the Kaiser Bay Area rate increases 15% or more in any year the parties shall split the cost of the rate increase above 15% for the plan year.

c) Employee plus 2: 95% the Kaiser Bay Area medical premium. In the event that the Kaiser Bay Area rate increases 15% or more in any year the parties shall split the cost of the rate increase above 15% for the plan year.

- There is no cash back except for those employees hired before January 1, 2020 and frozen at the Employee Only rate.

- Cash in lieu is frozen for all current employees and shall be $500 per month for all employees hired on or after January 1, 2020. (Cash in lieu is also reduced to $500 if Employee changes plan to no coverage).

- No Coverage/Waiving Coverage: Five hundred dollars ($500) per month shall be added to employee wages. This amount is not compensation for retirement purposes as defined by the California Public Employees' Retirement System. An employee who waives coverage must provide proof of acceptable coverage in compliance with the law.

- Cash in lieu Eligibility: Employees who opt out of the CalPERS medical plan and receive cash must provide the following: (1) proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period"); and (2) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the City will not in fact make payment if the City knows that the employee or tax family member doesn't have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied. Employees and known dependents who do not provide the annual information required will be enrolled in the lowest cost health plan.

<u>Vision Reimbursement Program:</u> The maximum reimbursement will increase to $200 per year effective January 2020.

<u>Retiree Health Benefits:</u> The retiree health benefit for all employees hired on or after ratification and approval of this Agreement shall be limited to the PEMHCA minimum.

<u>Sick Leave Cash Out:</u> Shall be eliminated for all employees hired on or after July 1, 2020.

<u>Fiscal Impact:</u>

The total estimated cost of these changes is $24,000 over the three year period (July 1, 2019 to June 30, 2022).

<u>Summary/Conclusion:</u>

Staff recommends that the City Council adopt a resolution approving health and welfare benefits for City Treasurer and City Clerk.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Natalie Sakkal

Natalie Sakkal
Director of Human Resources

City Council Agenda Report

Item # _____

Meeting Date: July 13, 2020

Subject: **Amend Traffic Regulations to: Install a 14.5 ft. No Parking (red) zone between the driveways of 80 and 88 Fairlawn Court, a 4 ft. red zone north of the driveway at 88 Fairlawn Court and an 11 ft. red zone east of the catch basin at the north-east end of Fairlawn Court (TSR 20/60).**

Recommended Action

Recommend the City Council amend the City's traffic regulations to install a 14.5 ft. red zone between the driveways of 80 and 88 Fairlawn Court, a 4 ft. red zone north of the driveway at 88 Fairlawn Court and an 11 ft. red zone east of the catch basin at the north-east end of Fairlawn Court (TSR 20/60).

Background

On June 11, 2020 , the City's Traffic Safety Committee met and reviewed various requests for traffic improvements, signage and pavement markings, and recommended that the City Manager proceed with amending the aforementioned traffic regulations.

Discussion

Staff received a request from a resident to install a red zone between the driveways of 80 and 88 Fairlawn Court. The three red zones at the east end of Fairlawn Court are need to allow emergency vehicles to turn around at the end of the cul-de-sac.

Fiscal Impact

Funding is available for the proposed signs and/or markings in the Street Maintenance operating budget 17-314-330-4241 for the current Fiscal Year 2020-2021.

Summary/Conclusion

Recommend the City Council amend the aforementioned traffic regulations.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

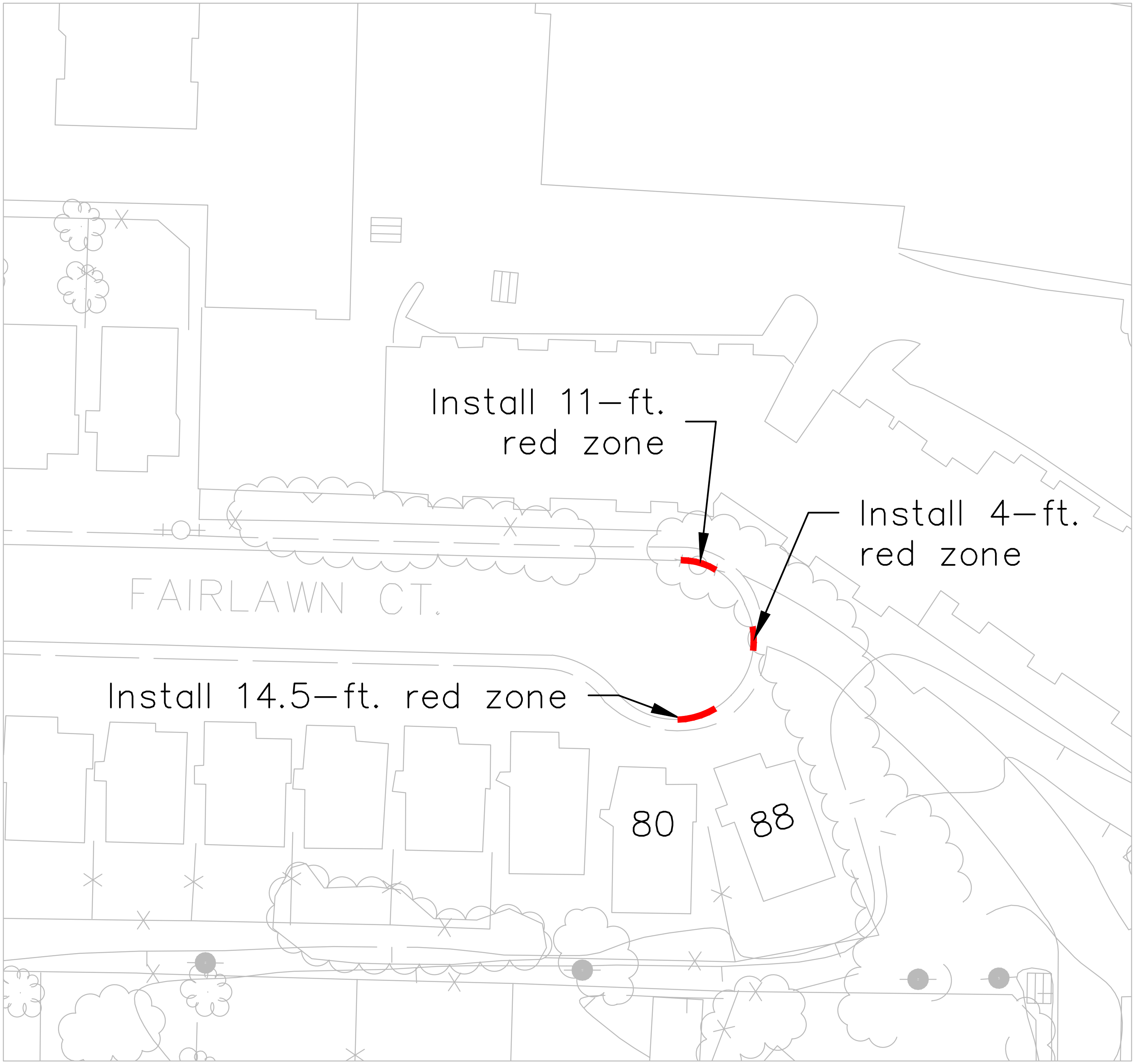
Respectfully submitted,

Shirley Chan
Traffic Engineer

Richard Chiu, Jr.,
Director of Public Works

Attachment: Traffic Improvements Location Map

TSR 20/60



N.T.S.

THE CITY OF DALY CITY
CALIFORNIA
DEPARTMENT OF PUBLIC WORKS

TRAFFIC IMPROVEMENTS
80–88 Fairlawn Court
TSR 20–60

DRAWN JZ	DATE 6/20	APPROVED ____ CITY ENGINEER	
CHECKED KF	SCALE NTS		
DESIGNED SCY	SURVEY NO.	SHEET NO. 1 OF 1	TSR 20-60 DRAWING NUMBER	REV.

City Council Meeting Agenda Report

Item # _____

Meeting Date: July 13, 2020

Subject: Resolution Adopting Health and Welfare Benefits for the City Council

Recommended Action

Adopt a resolution to implement health and welfare benefits for the City Council.

Discussion

City Council has not received adjustments to Cafeteria Allowance since 2010. The recommended action will authorize health and welfare benefits as follows:

Cafeteria Plan Allowance:

Effective December 2019, City shall contribute to the monthly Cafeteria Allowance for eligible Councilmembers in an amount as follows:

a) Employee Only – 100% of the Kaiser Bay Area medical premium. (The employee only rate contribution is frozen at $1,485 until it equals 100% of the employee only Kaiser Bay Area medical premium.)

b) Employee + 1 – 95% of the Kaiser Bay Area medical premium. (The employee plus one rate contribution is frozen at $1,485 until it equals 100% of the employee plus one Kaiser Bay Area medical premium.) In the event that the Kaiser Bay Area medical premium increases 15% or more in any year the parties shall split the cost of the rate increase above 15% for the plan year.

c) Employee + 2 - 95% of the Kaiser Bay Area medical premium. In the event that the Kaiser Bay Area medical premium increases 15% or more in any year the parties shall split the cost of the rate increase above 15% for the plan year.

d) Councilmembers who opt out of the CalPERS medical plan shall place $1385 less mandated insurance premiums into a 457 Deferred Compensation account. Those who opt out must provide the following: (1) proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period"); and (2) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the City will not in fact make payment if the City knows that the employee or tax family member doesn't have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied. Employees and known dependents who do not provide the annual information required will be enrolled in the lowest cost health plan.

Councilmembers with leftover cafeteria allowance after deducting mandated insurance premiums shall place remaining allowance into a 457 deferred compensation account.

Vision Reimbursement Program: The maximum reimbursement will increase to $200 per year effective January 2020.

Fiscal Impact:

Based on continuance of current coverage levels, the only projected fiscal impact over three years (Fiscal Year 2020 to Fiscal Year 2022) is approximately $50,000.

Summary/Conclusion:

Staff recommend that the adoption of a resolution approving health and welfare benefits for City Council.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Natalie Sakkal

Natalie Sakkal
Director of Human Resources

City Council Meeting Agenda Report

Item # _____

Meeting Date: July 13, 2020

Subject: Adoption of Reserve Policies

Recommended Action

Adopt a resolution adopting the proposed Reserves Policy for the City of Daly City.

Background

In the context of financial reporting, the terms *fund balance* and *reserves* (which are used synonymously within this policy) are used to describe the net position of governmental funds calculated in accordance with Generally Accepted Accounting Principles (GAAP). Fund balance is intended to serve as a measure of the financial resources available in a governmental fund, such as the General Fund, Special Revenue Funds, and Capital Project Funds.

The Government Accounting Standards Board (GASB) issued Statement No. 54 ("GASB 54") in February 2009. GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions," set forth standards regarding the presentation of fund balance classifications in government agencies' Comprehensive Annual Financial Reports (CAFR). It established a hierarchy of fund balance classifications. This hierarchy is based primarily upon the extent to which a government is required to observe constraints on the use of the resources reported in governmental funds. GASB 54 has no impact on the presentation of Enterprise Funds (e.g., the City's Water and North San Mateo County Sanitation District Funds). The provisions of the pronouncement were implemented for fiscal years beginning on or after June 15, 2010. For the City, GASB 54 was implemented in its CAFR for the year ended June 30, 2011.

It is essential that governments maintain adequate levels of reserves to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable revenue sources through taxes, fees and charges. In most cases, discussions of reserves will focus on a government's general fund. Financial resources available in other funds must also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

Discussion

Two policies are provided as attachments to this report:

1. **Fund Balance Policy and Procedures:** To codify policies regarding the treatment and presentation of fund balances in the City's Comprehensive Annual Financial Report; and
2. **Minimum and Targeted Reserves Policy:** To establish a safety net for the City's General and Capital Projects Funds to respond to unexpected fiscal hardships such as local disasters, economic downturns (revenue shortfalls), external revenue attacks (California state budget takeaways), unforeseen operating and capital needs, and ongoing replacement of assets used in the delivery of services to the community.

Fiscal Impact

There will be no current cost incurred by the City as a result of the adoption of the Fund Balance Policy and Procedures and Minimum and Targeted Reserves Policy. Adoption of these policies will have fiscal impacts on the City's budgetary practices by formalizing a reserves policy.

Summary/Conclusion

Staff recommends that the City Council adopt a resolution adopting the proposed Fund Balance Policy and Procedures and Minimum and Targeted Reserves Policy for the City of Daly City.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Todd High
Director of Finance and Administrative Services

Attachments (2): Fund Balance Policy
Minimum and Targeted Reserves Policy

Fund Balance Policy and Procedures

Background

The Government Accounting Standards Board (GASB) issued Statement No. 54 ("GASB 54") in February 2009. GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions," set forth standards regarding the presentation of fund balance classifications in government agencies' Comprehensive Annual Financial Reports (CAFR). It established a hierarchy of fund balance classifications. This hierarchy is based primarily upon the extent to which a government is required to observe constraints on the use of the resources reported in governmental funds. GASB 54 has no impact on the presentation of Enterprise Funds (e.g., the City's Water and North San Mateo County Sanitation District Funds).

Hierarchy of Fund Balance Classifications

GASB 54 has established the following hierarchy of fund balance classifications, presented from the **most** restrictive to the **least** restrictive.

- **Non-Spendable** – amounts that cannot be spent because they are either:
  - Not in spendable form; or,
  - Legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – amounts that are restricted to specific purposes that may be placed on the use of those resources by either:
  - Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or,
  - Imposed by law through constitutional provisions or enabling legislation[1]
- **Committed Fund Balance** – amounts that can only be used for specific purposes that are constrained by the formal action of the city's highest level of decision-making authority, and cannot be used for any other purpose unless that authority removes or changes the specified use through the same type of action which placed the commitment on the fund previously.
- **Assigned Fund Balance** – amounts that are constrained by the city's intent to be used for specific purposes, but do not fit the definitions of either Restricted or Committed funds. The authority for making an assignment does not require the agency's highest level of decision-making authority.
- **Unassigned Fund Balance** – this represents the residual classification for the General Fund, as all other funds would fall under the prior categories. It should be noted that minimum reserve policies for the General Fund would be categorized as Unassigned fund balance but can be disclosed in the footnotes to the CAFR.

[1] "Enabling legislation" would authorize the City to assess, levy, charge, or otherwise mandate payment of resources with legally enforceable provisions that those resources can only be used for the specific purposes in that legislation.

- **Stabilization Arrangements** – this is a special provision whereby an agency may elect to set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise. These would be classified as restricted or committed funds based upon the nature of the arrangement.

Fund Balance Procedures

The City hereby establishes the following procedures relating to its fund balance classifications.

1. **Committed Fund Balances**

    a. *Highest Level of Decision-Making Authority.* The City Council is hereby acknowledged as the highest level of decision-making authority in terms of establishing fund balance classifications and creating Committed Fund Balances.

    b. *Formal Action Required.* The Council shall have the authority to establish, modify or rescind Committed Fund Balances by Ordinance, Resolution or Minute Order, where appropriate, passed by a majority vote.

    c. *Timing.* The Council will take formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual CAFR.

2. **Assigned Fund Balances**

    a. *Approval Authority.* The Council delegates the authority to the City Manager to assign fund balance amounts to specific purposes when such policies are enacted by the governing body.

    b. *Specific Policies.* The Council may establish policies as needed to delegate authority to an appropriate official to assign resources to specific purposes in terms of creating, modifying or rescinding Assigned Fund Balances. Such policies will be approved by the governing body by Resolution or Minute Order passed by a majority vote.

3. **Expenditure of Funds – Order of Expenditure**

    a. *Restricted and Unrestricted Funds.* When an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund Balances are available, the City shall consider that Restricted Funds shall be spent first until such funds are exhausted, at which time Committed, Assigned or Unassigned Funds will be used as provided below.

    b. *Committed, Assigned or Unassigned Funds.* When an expenditure is incurred where there are no Restricted Funds available, and for which Committed and/or Assigned Fund Balances are available, the City shall exhaust Committed Funds first until such funds are exhausted, then shall exhaust Assigned Funds until such funds are exhausted.

4. Classification of Fund Balances

a. *Listing of Fund Balances.* The City shall at least on an annual basis, and by virtue of the adoption of its annual budget, establish a listing of all Fund Balances and their classifications. This GASB 54 Fund Balances Listing shall be approved by the City Council and is incorporated by reference to this Policy.

<u>Minimum and Targeted Reserves Policy</u>

<u>Purpose and Context</u>

It is the policy of the City Council to construct the various fund budgets in such a way that there will be sufficient uncommitted resources to cover cash flow needs at all times, regardless of seasonal fluctuations in expenditures or revenues, and to provide adequate and reserves for emergency needs. Surplus cash may be used to generate investment earnings in accordance with the City's Investment Policy.

Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. Maintenance of reserves for each accounting fund assures adequate resources for cash flow and to mitigate short-term effects of revenue shortages. Reserve funds are necessary to enable the City to deal with unforeseen emergencies or changes in condition.

The City adopts this Policy to establish minimum and targeted reserve levels that are appropriate to the City's own unique circumstances. The City has considered the following factors in establishing its minimum and targeted reserve levels:

- Predictability of revenues and the volatility of expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
- Perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
- Potential drain upon general fund resources from other funds, as well as the availability of resources in other funds;
- Potential impact on the City's bond ratings and the corresponding increased cost of borrowed funds; and
- Commitments and assignments exclusive of other resources that have been committed or assigned to some other purpose (i.e., maintaining higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose).

<u>Minimum and Targeted Reserves Procedure</u>

1. **Compliance with Law, Agreements and Covenants.** The City shall maintain reserves required by law, ordinance and/or bond covenants.

2. **Council Approval.** All expenditures drawn from reserve accounts require prior Council approval unless previously authorized by the City Council for expenditure within the City's annual budget.

3. **Fiscal Stabilization and Restoration Plan.** If reserves are projected to fall below, or unexpectedly fall below, the minimum levels as set by this policy, the City shall include within its annual budget a plan to restore reserves to the minimum levels within two years based on its long-range financial forecast. Such a plan may include, but not be limited to, revenue enhancements, service delivery changes, expenditure controls/cost shifts, and/or

service level reductions. At no time shall reserves be planned to fall below zero for any operating or capital fund.

4. **Use of Debt.** Relative to reserve restoration plans, for capital funds, financing bridges may be used in a restoration plan to the extent that the City is able to fully pay for the debt within in accordance with the City's existing Debt Management Policy. The restoration plan shall not include debt financing to cover operating fund shortages unless the plan includes a two-year payback plan for any debt financing. This policy does not limit interfund borrowing allowed by Council policy and applicable laws or regulations governing the source of the funds used for borrowing.

5. **Minimum vs. Targeted Reserves.** This policy establishes a ***minimum reserve*** level for each fund indicated herein by which the City shall not plan to expend resources below by the end of any fiscal year in which a budget is approved by the City Council. This policy also establishes a ***targeted reserve*** level for each fund indicated herein that the City will attempt to maintain in its long-range financial forecast but in which an adopted budget may plan to fall below at City Council's discretion.

6. **Unrestricted and Uncommitted Reserves.** This policy establishes minimum and targeted reserves that are considered Assigned and Unassigned in accordance with the City's Fund Balance Policy.

7. **Minimum and Targeted Reserve Levels**

    a. *Contingency Fund*

    The City shall maintain a *minimum* Contingency Fund reserve equal to $1,000,000 within its General Fund to provide a financial cushion to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods or to provide funds in the event of major unplanned expenditures the City could face as a result of natural or man-made disasters such as earthquakes, windstorms, landslides, floods, wildfires, natural gas leaks, or terrorist attacks.

    b. *General Fund Operating Reserve*

    The City shall maintain a *minimum* General Fund operating reserve equal to two months (17%), and a *targeted* reserve equal to three months (25%), of General Fund annual operating expenditures plus recurring (i.e., not one-time) transfers to other funds for that fiscal year. These reserves will be used to provide adequate cash flow and budget contingencies.

RESOLUTION NO: _______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALY CITY SUPPORTING AND URGING MEMBERS OF THE CALIFORNIA STATE LEGISLATURE AND GOVERNOR TO EXPLORE NEW PROGRESSIVE REVENUE OPTIONS, INCLUDING A MILLIONAIRE TAX TO ENSURE SAFETY NET PROGRAMS ARE NOT CUT DUE TO AN UNPRECEDENTED $54.3 BILLION DEFICIT AS A RESULT OF COVID-19 PANDEMIC AND RECESSION

WHEREAS, according to the Center for Disease Control, COVID-19, a respiratory disease, is a serious global health threat, with over 7 million cases of infection and over 404,000 deaths globally; and

WHEREAS, on March 3, 2020, and pursuant to Section 101080 of the California Health and Safety Code, the San Mateo County Health Officer (the "Health Officer") declared a local health emergency throughout San Mateo County (the "County") related to the novel coronavirus ("COVID-19"); and

WHEREAS, on March 3, 2020, and pursuant to Section 8630 of the California Government Code and Chapter 2.46 of the San Mateo County Ordinance Code, the San Mateo County Director of Emergency Services proclaimed a local emergency throughout San Mateo County related to COVID-19 ("Local Emergency"); and

WHEREAS, on March 4, 2020, Governor Newsom also declared a State of Emergency related to COVID-19 effective throughout the State of California; and

WHEREAS, on March 10, 2020, the San Mateo County Board of Supervisors ratified and extended the declaration of a local health emergency; and

WHEREAS, on March 16, 2020, pursuant to Government Code Section 8630 the City Council of the City of Daly City declared a local State of Emergency; and

WHEREAS, the pandemic has deeply impacted California's economy as U.S. Department of Labor data shows California's pandemic-related unemployment claims reached to 4.9 million, or an estimated 25% of California's workforce; and

WHEREAS, in May 2020, a statewide poll of likely voters by Binder Research Associates for Build Affordable Faster CA, 40% of those polled had lost their jobs or had hours or wages reduced at work due to the COVID-19 pandemic; and

WHEREAS, in this same poll, a near-unanimous 93% of Californians expressed strong concern about the impact of the COVID-19 epidemic on the California economy, and 70% were concerned that vital programs and services, such as our public schools and fire departments, will be cut in the next year because of reduced tax revenue; and

WHEREAS, California now faces an unprecedented $54.3 billion deficit, an estimated 37% of the state's current general fund budget; and

WHEREAS, while the Governor's May budget revised proposal includes $4.4 billion in new revenue, it is still largely predicated on borrowing, deferrals and an even greater federal bailout and $14 billion in triggered
cuts; and

WHEREAS, borrowing/deferrals and a federal bailout are part of the solution, and borrowed money will need to be repaid and federal reliance is tenuous; and

WHEREAS, the Americans for Tax Fairness and the Institute for Policy Studies' Program for Inequality have noted that U.S. billionaires gained $434 billion during the COVID-19 pandemic; and

WHEREAS, there was already great income inequality in California before the pandemic, and the Public Policy Institute of California (PPIC) stated that "the large gap between the state's top earners and others has grown substantially over the past four decades"; and

WHEREAS, according to the PPIC, 20% of all net worth is concentrated in the 30 wealthiest zip codes, home to just 2% of Californians, and that African American and Latino families have significantly lower levels of wealth in comparison to white families; and

WHEREAS, according to the PPIC, in their California Poverty Measure report, major tax and safety net programs reduce this inequality by 48%; and

WHEREAS, according to the PPIC which analyzed 2018 U.S. Census bureau data, the Bay Area, top income earners in the Bay Area make 12.2 times as much as those at the bottom of the economic ladder; and

WHEREAS, according to a report by Get Healthy San Mateo County, San Mateo has one of the highest level of income inequality among Bay Area counties; and

WHEREAS, during a time of hardship, our most vulnerable residents in Daly City, and throughout the state, will rely more heavily on safety net services and that these programs will require deeper financial investments; and

WHEREAS, making cuts to public education, affordable housing, health care services and other public programs will have dire consequences for all Californians; and

WHEREAS, in the 1950s and 1960s, the wealthiest Americans paid a top income tax rate of 91%, compared to 43.4% in reviewing Tax Rate Schedules from the U.S. Department of the Treasury; and

WHEREAS, polling by Binder Research Associates for Build Affordable Faster CA shows that 70% of California voters support a Millionaire's Tax -- which would raise $6 billion annually -- to protect vital public and community services; and

WHEREAS, the proposed Millionaire tax would add a modest 2% increase on taxable personal income for our wealthiest Californians, whose take-home salary is over a million dollars a year, and whose top marginal income tax rate currently stands at 13.3%;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Daly City hereby supports and urges members of our State Legislature and Governor to explore new progressive revenue options, including a millionaire tax, to ensure safety net programs are not cut due to an unprecedented deficit; and

BE IT FURTHER RESOLVED that the City Clerk is authorized to transmit copies of this Resolution to Governor Newsom, State Senator Scott Wiener, Assemblymember Phil Ting, Senate President pro Tempore

Toni Atkins and Speaker of the California State Assembly Anthony Rendon.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the City Council of Daly City, California, at a regular meeting thereof held on the___day of___________________, 2020, by the following vote of the members thereof:

AYES, and in favor thereof, Councilmembers:____

____

NOES, Councilmembers:____

ABSENT, Councilmembers:____

____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

____

MAYOR OF THE CITY OF DALY CITY

City Council Meeting Agenda Report

Item # ____

Meeting Date: July 13, 2020

Subject: **Set Time and Place for a Public Hearing to Consider Revised 2020-21 HUD One Year Action Plan to Reflect Use of HOME Funds for an Emergency HOME TBRA (Tenant Based Rental Assistance) Program**

Recommended Action

Set a Public Hearing for July 27, 2020 for the purpose of citizen review and comment on a revised 20-21 HUD One Year Action Plan to reflect the use of HOME funds for emergency HOME TBRA to assist low income renters affected by COVID-19.

Background

The One-Year HUD Action Plan identifies how CDBG and HOME monies will be allocated. Prior to Council allocating these funds for FY 2020-21, the Department of Housing and Urban Development (HUD) requires the City to hold a public hearing to allow for citizen comment on Daly City's proposed One-Year Action Plan for Fiscal Year 2020-21.

On June 8, 2020, the Council conducted a public hearing and approved a One-Year Action Plan for Fiscal Year 2020-21. Since then and based on subsequent discussion with the Affordable Housing Committee, staff is recommending allocation of up to $750,000 in HOME funds to the Daly City Partnership for the purpose of an emergency Tenant Based Rental Assistance Program. The City has prior year HOME funds that it can use for the program. Inclusion of this program constitutes a revision to the 2020-21 HUD Action Plan approved in June.

Discussion

Pursuant to the City's Community Participation Plan, which allows for shortened public comment periods in the event of a national, state or local emergency such as the COVID-19 pandemic, the revised 2020-21 HUD Action Plan will be available for a 10-day public comment period prior to the public hearing and Council consideration. The revised FY 20-21 HUD Action Plan, will be available at City Hall and all City libraries for a 10-day review period beginning July 17 through July 27. Notice of the availability of these documents and a summary of the draft Revised FY HUD 2020-21 Action Plan will be published in *The Examiner* and made available on the City's web site.

Summary/Conclusion

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Betsy ZoBell
Housing and Community Development Supervisor

Tatum Mothershead
Director, Economic & Community Development

City Council Meeting Agenda Report

Item # _____

Meeting Date: July 13, 2020

Subject: Approval of Investment Policy

Recommended Action

Adopt a resolution approving the proposed updated Investment Policy for the City of Daly City.

Discussion

A generally accepted best practice is to update a public entity's investment policy on an annual basis. The last update to the City of Daly City's investment policy was in December 2014 (Resolution No. 14-209). The City of Daly City primarily uses the San Mateo County Investment Pool to manage the City's investments. The County Pool provides professional management, safety, liquidity and a market based yield which the City would incur a duplicate cost to obtain third party services to manage the investments.

Fiscal Impact

There will be no current cost incurred by the City as a result of the adoption of the investment policy.

Summary/Conclusion

Staff recommends that the City Council adopt a resolution approving the proposed updated Investment Policy for the City of Daly City.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Todd High
Director of Finance and Administrative Services

Daneca Halvorson
City Treasurer

Attachment: Proposed Investment Policy

CITY OF DALY CITY, CALIFORNIA

STATEMENT OF INVESTMENT POLICY

7/8/2020

CITY OF DALY CITY
STATEMENT OF INVESTMENT POLICY

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I. INTRODUCTION

Moneys not required for immediate expenditure by the City of Daly City shall be invested in compliance with governing provisions of law and this policy. The City will maintain adequate cash availability while ensuring that principal invested is protected from loss. Only after those two overriding requirements are met will the City will strive for maximum yield on invested idle funds.

II. SCOPE

This investment policy applies to all financial assets under direct control of the City of Daly City. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include the General Fund, Special Revenue Funds, Capital Project Fund, Enterprise Funds, Internal Service Funds, certain Agency Funds, and other funds that may be created from time to time.

This policy does not apply to investment activities of moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or certificates of participation, or assets of the City-sponsored Deferred Compensation Plan. Such funds are invested in accordance with statutory provisions governing the issuance, or in accordance with the ordinance, resolution, indenture, or agreement of the City which provides for the issuance, or the instructions of the participants. These funds are identified in the CAFR as Cash with Fiscal Agent, debt service components of certain Enterprise Funds, or as Amounts Due Participants in the Deferred Compensation Plan.

III. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of the City of Daly City's investment activities shall be:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

C. Return

Attainment of a market value rate of return throughout budgetary and economic cycles. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.

- A security trade will improve the quality, yield or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

IV. STANDARDS OF CARE

A. Prudence

The City adheres to the guidance provided by the "prudent investor standard," which obligates a fiduciary to ensure that investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of individual business matters, not for speculation but for investment. Exercise of prudence considers the probable safety of capital as well as the probable income to be derived.

This standard of prudence shall be applied in the context of managing an overall portfolio. Investment officials acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.

B. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any material personal financial or investment positions that could be related to the performance of the City's portfolio. All persons authorized to place or approve investments shall report annually on Form 730 or Form 721 of the California Fair Political Practices Commission all required economic interests for that year.

V. SAFEKEEPING AND CUSTODY

A. Authorized Financial Dealers and Institutions

1. <u>Broker/Dealers</u>

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by conducting a process of due diligence. These may include ‘primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

The Treasurer shall determine which financial institutions are authorized to provide investment services to the City. Institutions eligible to transact investment business with City include:

a. Primary government dealers as designated by the Federal Reserve Bank;
b. Nationally or state-chartered banks;
c. The Federal Reserve Bank; and,
d. Direct issuers of securities eligible for purchase.

All broker/dealers who desire to become qualified for investment transactions must supply the following (as appropriate):

- Proof of Financial Industry Regulatory Authority certification
- Proof of State registration
- Certification of having read the City's investment policy, including a statement that the dealer shall make a good faith effort to ensure that recommended investments conform to this policy
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Evidence of adequate insurance coverage

Selection of financial institutions and broker/dealers authorized to engage in transactions with the City shall be at the sole discretion of the City.

2. <u>Financial Institutions</u>

The Treasurer shall establish selection criteria for approval of institutions to do business with the City of Daly City. To qualify for consideration, an institution must have an office in California and that office must perform the transactions with the City. Additionally, all financial institutions who desire to become depositories must supply the following (as appropriate):

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of state registration
- Evidence of adequate insurance coverage

Upon adoption, and when changes are made thereafter, the City shall send a copy of the current investment policy to all parties doing business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to show the City only appropriate investments.

3. Competitive Transactions

The Treasurer shall obtain competitive bid information on all purchases of investment instruments purchased on the secondary market (excluding FDIC Insured certificates of deposit). A competitive bid can be executed through a bidding process involving at least three separate brokers/ financial institutions or through the use of a nationally recognized trading platform.

If the City is offered a security for which there is no readily available competitive offering on the same specific issue, then the Treasurer shall document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price.

If the City hires an investment adviser to provide investment management services, the adviser must provide documentation of competitive pricing execution on each transaction. The investment adviser will retain documentation and provide upon request.

B. Delivery Versus Payment

Securities transactions, including collateral for repurchase agreements, shall be executed on a delivery vs. payment (DVP) basis. Funds are not wire-transferred until securities are delivered into safekeeping with the City's third-party custodian. The custodial relationship is subject to an agreement for services which may be separate from the agreement for other banking services. The safekeeping requirement does not apply to LAIF, purchase of mutual funds or securities which are physically delivered to the City.

C. Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls - Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011.)

D. Internal Control

The City Treasurer shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed annually by the independent auditor. These controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

VI. AUTHORIZED AND SUITABLE INVESTMENTS

A. Investment Types

The City is governed by California Government Code § 53600 et seq. The City's investment portfolio may include the following instruments, subject to the limits provided in the Government Code as noted:

CA Code Limit	City Limit	Authorized Investment
None	None	United States Treasury Notes, Bonds, Bills or Certificates of Indebtedness for which the full faith and credit of the United States are pledged for the payment of principal and interest.
None	None	Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
State Treasurer's Limit	**State Treasurer's Limit**	The State of California Local Agency Investment Fund
None	None	San Mateo County Treasurer's Pool
None	None	Registered State Warrants of Treasury Notes or Bonds of the State of California
None	30%	Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
40%	40%	Banker's Acceptances of 180 days or less maturity.
25%	25%	Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO) and may not have a maturity of greater than 270 days.
30%	30%	Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank.
30%	30%	Non-Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank.
None	30%	FDIC Insured/Collateralized Time Certificates of Deposit
20%	15%	Money-Market Mutual Funds (issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).)
None	None	Passbook Savings Account (FDIC Insured/Collateralized)
None	15%	Repurchase Agreements
20%	15%	Reverse Repurchase Agreements

If the Government Code is amended to allow additional investments or is changed regarding the limits on certain categories, the City is authorized to conform to the changes in the revised Code, provided that the changes are not specifically prohibited by the City's policy. These changes will be presented in the next annual review of the policy and will be incorporated into the policy at that time.

Authorized Investment Type	Maximum Maturity	Authorized Investment Limit	Per Issuer % Limit	Minimum Credit Quality	Government Code
U.S. Treasury Bonds, Notes, and Bills	5 years	None	None	N/A	53601(b)
U.S. Government Agency and U.S. Government Sponsored Enterprises	5 years	None	N/A	None	53601(f)
State of California Local Agency Investment Fund	None	State Treasurer's Limit	None	N/A	16429.1
San Mateo County Treasurer's Pool	None	None	None	N/A	27133
Registered State Warrants of Treasury Notes or Bonds of the State of California	5 years	None	5%	Highest Rating Category	53601(a)
Bonds, notes, warrants, or other evidence of indebtedness of a local agency within this state	5 years	None	30%	"A"	53601(a)
Bankers' Acceptances	180 days or less	40%	5%	N/A	53601(g)
Commercial paper of "prime" quality provided for b a nationally recognized statistical rating organization (NRSRO)	270 days	25%	5%	Highest Rating Category	53601(h)(2xc)
Negotiable Certificates of Deposit	5 years	30%	None	A	53601(i)
Non-Negotiable Certificates of Deposit	5 years	30%	None	A	53630 et Seq.
Money-Market Mutual Funds	Upon Demand	15%	5%	AAA	53601(l) & 53601.6(b)
Repurchase Agreements	1 year	15%	5%	N/A	53601(n)
Reverse Purchase Agreements	92 days	15%	5%	N/A	53601(n)

B. Collateralization

Collateralization is required on two types of investments: time certificates of deposit whose combined principal and interest exceed FDIC Insurance Limit and repurchase (and reverse repurchase) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level is 110% of market value of principal and accrued interest for government securities pledged as collateral, or 150% for first trust deeds pledged as collateral. Collateral will be held by the independent third-party custodian selected by the City.

VII. DIVERSIFICATION, MAXIMUM MATURITIES, AND CREDIT QUALITY

The City will diversify its investments by security type, maturity, and institution in order to reduce market and credit risks associated with concentrating investments in specific security types, maturity segments, or in individual financial institutions.

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Generally, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of five years. However, the City Council specifically grants the authority to the City Treasurer to invest **a maximum of $14,000,000** of the City's portfolio in **Government National Mortgage Association** securities which, at the time of investment, have terms remaining to maturity in excess of five years. Additionally, the City Council may grant express authority to exceed this term for **this or other** individual investments.

Credit quality will be A or above including modifiers for fixed income securities and Al/Pl for commercial paper. In the event of credit downgrades after purchase, sale of the security will be evaluated on a case by case basis.

No more than 5% of the portfolio may be invested in any one issuer, excluding Treasuries and Federal Agency issuers, Local Agency Investment Fund (LAIF), San Mateo County Treasurer's Pool, and FDIC Insured/ Collateralized investments.

VIII. PERFORMANCE

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity and credit profile as the portfolio.

IX. INVESTMENT REPORTING

The City Treasurer will make quarterly reports to the City Council. The reports will include the following informational items:

- A listing of all securities, investments, and moneys held by the City, showing the type of investment, issuer, date of maturity, rate of interest earned over the quarter, par, and dollar amount invested.

- A description of any of the City's funds, investments, or programs that are under the management of contracted parties, including lending programs.

- With respect to all securities held by the City, and under management of any outside party that is not also a local agency of the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

- The transaction details of any transactions in the City's portfolio, including reinvestments, purchases, and sales of securities.

- A statement that the portfolio conforms to this Statement of Investment Policy or the manner in which the portfolio is not in compliance.

- A statement of the City's ability to meet its cash pool expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

X. AUTHORITY TO INVEST MONIES

Pursuant to Government Code § 53600 et. Seq., with the annual adoption of this Statement of Investment Policy, the City Council hereby delegates the authority to invest or reinvest funds of the City, and sell or exchange securities so purchased, to the City Treasurer for a one-year period, who will thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, in accordance with this Statement of Investment Policy.

XI. ADOPTION

The investment policy shall be adopted by resolution of the City Council of the City of Daly City. The policy shall be reviewed at a public meeting on an annual basis by the City Council and any modifications to the policy must be approved by the City Council.

XII. APPENDIX A-INVESTMENT TYPES

DEPOSITORY SERVICES

Active deposits are demand or checking accounts which receive revenues and pay disbursements.

Interest-bearing active deposits are money market accounts at a financial institution (i.e., bank, savings and loan, credit union). These accounts are demand accounts (i.e., checking accounts) with restricted transaction activity.

Inactive deposits are certificates of deposit issued in any amount for periods of time as short as fourteen days and as long as several years. Interest must be calculated on a 360-day basis, actual number of days.

Passbook savings accounts are similar to inactive deposits except they are not for a fixed term. The interest rate is typically lower than for CDs.

INVESTMENT SECURITIES

U.S. TREASURY ISSUES are direct obligations of the United States Government. These issues are as follows:

- Treasury Bills are issued weekly with maturity dates from 13 weeks up to one year. They are issued and traded on a discount basis and are also known as discount securities. Interest is computed on a 360-day basis, actual number of days. They are issued in amounts of $10,000 and up in multiples of $5,000 and are a highly liquid security.

- Treasury Notes are initially issued with two to 10-year maturities. They are actively traded in the secondary market and are very liquid. The Treasury may issue notes with a minimum of $1,000, however, $5,000 is more common.

- Treasury Bonds are long-term securities having initial maturities of more than 10 years.

FEDERAL AGENCY obligations ("Agencies") are securities issued by U.S. Government agencies or quasi-government agencies in order to supply credit to various classes of institutions or individuals. These issues are guaranteed directly or indirectly by the United States Government. All agency obligation qualifies as legal investments and are acceptable as security for public deposits. They usually provide higher yields than regular Treasury issues and have many of the same advantages. Examples are:

- Federal Farm Credit Bank (FFCB) are notes and bonds used to finance the short and intermediate needs of farmers. They are issued monthly with three- and six-month maturities. The FFCB issues larger issues (one to ten years) on a periodic basis. Interest is calculated on a 360-day, 30-day month basis.

- Federal Home Loan Bank (FHLB) notes and bonds are issued by the FHLB to help finance the housing industry. These securities provide liquidity and mortgage credit to savings and loan associations, mutual savings banks, cooperative banks, insurance companies and mortgage-lending institutions. They are issued irregularly for various maturities. The minimum denomination is $5,000. The notes are issued with maturities of less than one year and interest is paid at maturity. The bonds are issued with various maturities and carry semi-annual coupons. Interest is calculated on a 360-day, 30-day month basis.

- Federal National Mortgage Association (FNMA) Fannie Maes are used to assist the home mortgage market by purchasing mortgages insured by the Federal Housing Administration and the Farmers Home Administration, as well as those guaranteed by the Veterans Administration. They are issued about four times a year for maturities ranging from a few months to eight years. They are issued in minimum denominations of $10,000. They carry semi-annual coupons. Interest is computed on a 360-day, 30-day month basis.

- Federal Home Loan Mortgage Corporation (FHLMC) Freddie Mac is a publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market.

- Government National Mortgage Association (GNMA) Ginnie Mae is a government owned corporation and an agency of the U.S. Department of Housing and Urban Development. GNMA guarantees, with the full faith and credit of the U.S. Government, full and timely payment of all monthly principal and interest payments on the mortgage-backed pass-through securities of registered holders. The securities, which are issued by private firms such as mortgage bankers and savings institutions, and which are typically marketed through security broker/dealers, represent pools of residential mortgages.

TIME CERTIFICATES OF DEPOSIT are investments for inactive funds issued by banks, savings and loans and credit unions. Investments of $250,000 are insured by Federal Deposit Insurance Corporation (FDIC). Certificates of Deposit can be issued from 14 days to several years in maturity. For deposits exceeding $250,000 we require that financial institution collateralize at 110%.

NEGOTIABLE CERTIFICATES OF DEPOSIT are unsecured obligations of the financial institution. These securities are generally issued in bearer form and pay interest at maturity. Although negotiable, a strong secondary market exists only in the NCD's issued by the largest United States banks. These securities generally trade with minimum amounts of $l million per trade with the average trade in the secondary market of $5 million.

COMMERCIAL PAPER is a short term unsecured promissory note issued by a corporation to raise working capital. These negotiable instruments may be purchased at a discount to par value or interest bearing. Commercial paper is issued by corporations such as Ford Motor Credit Corporation, Amex, Bank of America, Wells Fargo Bank, etc. Local agencies are permitted by state law to invest in commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO).

MEDIUM TERM CORPORATE NOTES are unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments and are traded in the secondary market. Medium Term Corporate Notes can be defined as extended maturity commercial paper. Corporations use these notes to raise capital. Examples of issuers are General Electric Credit Corporation, ExxonMobil, Chevron, Consolidated Edison, etc.

LOCAL AGENCY INVESTMENT FUND (LAIF) The Local Agency Investment Fund was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the Treasurer has elected to invest these monies as a part of the PMIA.

Each participating agency determines the length of time its money will be on deposit with the Treasurer with the exception of bond proceeds, which must remain for a minimum of 30 days. At the end of each calendar quarter, all earnings derived from investments are distributed by the Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the LAIF and the length of time such amounts remained. Prior to the distribution, the State's reasonable costs of administering the program are deducted from the earnings.

MONEY-MARKET MUTUAL FUNDS Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). The company shall have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

BONDS ISSUED BY THE LOCAL AGENCY, include both taxable and tax-exempt bonds issued by the City or another municipality or local agency. A possible application for purchasing tax-exempt bonds would be to qualify for an exception from rebate requirements under the Tax Reform Act of 1986.

DEBENTURES Bonds secured only by the general credit of the issuer.

DERIVATIVES Financial products that are dependent for their value on, or derived from, an underlying financial instrument (such as stocks, bonds or foreign currencies), a commodity, or an index representing values of groups of such instruments or assets. Examples are interest rate swaps, futures, options, and forwards. Participants in derivatives markets include dealers and end users (including financial institutions, commercial firms, mutual funds, pension funds, state and local governments) and entities that use derivatives to hedge financial risks or to speculate.

FINANCIAL FUTURES AND FINANCIAL OPTIONS are forward contracts for securities and is a type of derivative. The government code states that a local agency may incur future contracts/options in any of the investment securities enumerated in § 53601, a-m. Due to the volatility of trading in financial futures, the City does not invest in financial futures or financial options.

XIII. APPENDIX B-GLOSSARY OF INVESTMENT TERMS

AGENCIES Federal agency securities (see Appendix A).

ASKED The price at which securities are offered.

BID The price offered for securities.

BOOK VALUE The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium and sometimes plus accretion of discount.

BROKER A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

COLLATERAL Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) The official annual financial report of the City. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP.

COUPON (1) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (2) A certificate attached to a bond evidencing interest due on a payment date.

CREDIT RISK Credit risk is the risk of loss due to the failure of the security issuer or backer.

DEALER A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VS. PAYMENT (DVP) Delivery versus payment is delivery of securities with an exchange of money for the securities.

DISCOUNT The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale is also considered to be at a discount.

DISCOUNT RATE The discount rate is the interest rate charged to depository institutions when they borrow from their district Federal Reserve banks. The discount rate is typically lower than the federal funds rate. Any change in the discount rate requires a majority vote of the seven Fed governors and must be based on a request from one or more of the Fed's twelve regional reserve banks.

DIVERSIFICATION Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) A federal agency that insures bank deposits up to $250,000 per depositor.

FEDERAL FUNDS (1) Non-interest bearing deposits held by member banks at the Federal Reserve. (2) Used to denote "immediately available" funds in the clearing sense.

FEDERAL FUNDS RATE The rate of interest at which Fed funds are traded. The federal funds rate is the rate charged on overnight loans between banks. This rate is currently pegged by the Federal Reserve through open market operations. For instance, if the FOMC decides to raise the federal funds rate, it directs the Federal Reserve Bank of New York to sell government securities on the Fed's behalf. Changes in the federal funds rate may be done without changing the discount rate.

FEDERAL OPEN MARKET COMMITTEE (FOMC) Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The Committee normally meets eight times per year to set Fed guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM The Federal Reserve is the central bank of the United States. Its unique structure includes a federal government agency, the Board of Governors, in Washington, D.C., and 12 regional Reserve Banks.

FISCAL POLICY Congressional manner of managing taxes and public spending through budget actions, with the goal of full employment and economic growth. Contrasts with monetary policy through the Fed, used to regulate the economy.

INTEREST RATE RISK Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates.

LIQUIDITY A liquid asset is one that can be converted easily into cash without substantial loss of value. In the money market, a security is liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MARKET VALUE The price at which a security is trading and could presumably be purchased or sold.

MATURITY The date upon which the principal or stated value of an investment becomes due and payable.

MONETARY POLICY The way in which the money supply is managed by the Federal Reserve Board. The Fed manipulates the money supply either through open market transactions, member bank reserve requirements, or through changing the discount rate.

MONEY MARKET The market in which short-term debt instruments are issued and traded.

OPEN MARKET OPERATIONS Open market operations are the Fed's most important and most flexible monetary policy tool. Purchases of government and certain other securities inject reserves into the bank system and stimulate growth of money and credit; sales of securities have a tightening effect.

PORTFOLIO Collection of securities held by an investor.

PREMIUM (1) The amount by which the trading price of an issue exceeds the issue's par value. (2) The amount that must be paid in excess of pay to call or refund an issue before maturity. (3) In money markets, the fact that a particular bank's CDs trade at a rate higher than others of its class, or that a bank has to pay up to acquire funds.

PRIMARY DEALER A group of government securities dealers that submit daily reports of market activity and positions to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include SEC registered securities broker-dealers, banks, and a few unregulated firms.

PRIME RATE The rate at which banks lend to their best or prime customers. The all-in cost of a bank loan to a prime credit equals the prime rate plus the cost of holding compensating balances.

QUALIFIED PUBLIC DEPOSITORIES A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of the State of California, which has segregated for the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

RISK Degree of uncertainty of return on an asset.

SAFEKEEPING A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET A market made for the purchase and sale of outstanding issues following the initial distribution.

SEC RULE 15c3-l See uniform net capital rule.

SECURITIES & EXCHANGE COMMISSION (SEC) Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SETTLEMENT DATE The date on which a trade is cleared by delivery of securities against funds. The settlement date may be the trade date or a later date.

YIELD The rate of annual income return on an investment, expressed as a percentage. (l) Income yield is obtained by dividing the current dollar income by the current market price for the security. (2) Yield to maturity or net yield is the current income yield minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

UNIFORM NET CAPITAL RULE SEC requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15:1; also called net capital rule and net capital ratio.

CITY OF DALY CITY
CHECK REGISTERS
FOR THE MONTH OF JUNE 2020

06/15/2020

CHECKS ISSUED	-	#383991 TO 384269
CANCELLED CHECK	-	#384051, 384123, 384149
VOID CHECK	-	NONE

06/15/2020

CHASE CREDIT CARD	-	N/A – Electronic Payment

06/29/2020

CHECKS ISSUED	-	#384577 TO 384578
CANCELLED CHECK	-	NONE
VOID CHECK	-	NONE

06/30/2020

CHECKS ISSUED	-	#384270 TO 384576
CANCELLED CHECK	-	#384559
VOID CHECK	-	NONE

AUDITED Todd Gatzigl 7/8/2020 FINANCE DIRECTOR

APPROVED ______________________ CITY MANAGER

APPROVED ______________________ MAYOR

APPROVED ______________________ VICE MAYOR

ACCOUNTS PAYABLE CHECK RUN SUMMARY
FISCAL YEAR 2019-2020

	MONTH		TOTAL
2019	July	$	7,801,241.60
	August		8,749,338.00
	September		5,910,518.69
	October		6,620,395.03
	November		5,830,383.97
	December		4,008,506.69
2020	January		8,413,199.86
	February		6,577,975.14
	March		6,500,381.17
	April		5,388,054.88
	May		6,339,719.89
	June		6,820,256.08
	TOTAL	**$**	**78,959,971.00**

JUNE 2020 BREAK DOWN OF EXPENSES BY FUND

Fund	**Total for Month**	**Total for Year**	**% of Total**
General Fund	$ 2,198,811.65	$ 24,359,782.46	30.9%
Gas Tax Fund	305,803.16	6,197,564.49	7.8%
Utility/Enterprise Funds	4,315,641.27	48,402,624.05	61.3%
Total:	**$ 6,820,256.08**	**$ 78,959,971.00**	100.0%

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00383991	46218R	24/7 ROOTER & PLUMBING SERVIC	06/15/20	2,000.00	MW	OH		
AP00383992	55582R	3D REMODELING	06/15/20	198.63	MW	OH		
AP00383993	52558	ACCOUNTEMPS	06/15/20	4,554.40	MW	OH		
AP00383994	15222	ACTION SPORTS	06/15/20	2,258.20	MW	OH		
AP00383995	53561	ACTION TOWING	06/15/20	959.50	MW	OH		
AP00383996	31324	ACTIVE NETWORK INC, THE	06/15/20	60,000.00	MW	OH		
AP00383997	55575	ACTIVE WELLNESS LLC	06/15/20	330.00	MW	OH		
AP00383998	1514	ADAM HILL COMPANY, THE	06/15/20	4,504.02	MW	OH		
AP00383999	5034	ADAMSON POLICE PRODUCTS	06/15/20	679.03	MW	OH		
AP00384000	54172	ADAPT PHARMA INC	06/15/20	2,700.00	MW	OH		
AP00384001	55486	ADLER TANK RENTALS LLC	06/15/20	1,727.24	MW	OH		
AP00384002	50393	AEROTECH LABORATORIES INC	06/15/20	24.25	MW	OH		
AP00384003	32391R	AGUIRRE III, BALTAZAR	06/15/20	782.20	MW	OH		
AP00384004	51358R	ALABA, LAMBERTO	06/15/20	400.00	MW	OH		
AP00384005	14004	ALERT PEST CONTROL COMPANY IN	06/15/20	4,288.50	MW	OH		
AP00384006	1025	ALHAMBRA	06/15/20	603.14	MW	OH		
AP00384007	37095	ALL INDUSTRIAL ELECTRIC SUPPL	06/15/20	1,980.61	MW	OH		
AP00384008	39657	ALL STAR GLASS	06/15/20	521.73	MW	OH		
AP00384009	55609R	ALVIAR, CORA	06/15/20	400.00	MW	OH		
AP00384010	32813R	AMERICAN ASPHALT REPAIR & RES	06/15/20	1,000.00	MW	OH		
AP00384011	55583R	AMERICAN FAMILY CONNECT PROPE	06/15/20	7,000.00	MW	OH		
AP00384012	45439JREN	AMERICAN MEDICAL RESPONSE	06/15/20	500.00	MW	OH		
AP00384013	38846	AMERICAN MESSAGING	06/15/20	28.94	MW	OH		
AP00384014	27427	AMERICAN TEXTILE & SUPPLY INC	06/15/20	482.38	MW	OH		
AP00384015	14988	AMERICAN TOWER CORPORATION	06/15/20	15,801.17	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384016	2719	AMERICAN WATER WORKS ASSOCIAT	06/15/20	3,964.00	MW	OH		
AP00384017	42310	AMERINAT	06/15/20	362.70	MW	OH		
AP00384018	35696	AMERIPRIDE	06/15/20	895.92	MW	OH		
AP00384019	43080	ANDRITZ SEPARATION INC	06/15/20	4,374.96	MW	OH		
AP00384020	24868	ANIXTER INC	06/15/20	3,453.82	MW	OH		
AP00384021	1101	AT&T	06/15/20	276.18	MW	OH		
AP00384022	47003	AT&T	06/15/20	89.46	MW	OH		
AP00384023	47003	AT&T	06/15/20	89.46	MW	OH		
AP00384024	47003	AT&T	06/15/20	94.85	MW	OH		
AP00384025	6413	AT&T	06/15/20	128.09	MW	OH		
AP00384026	6413	AT&T	06/15/20	1,414.76	MW	OH		
AP00384027	6413	AT&T	06/15/20	7.47	MW	OH		
AP00384028	6413	AT&T	06/15/20	63.20	MW	OH		
AP00384029	6413	AT&T	06/15/20	3,143.22	MW	OH		
AP00384030	6413	AT&T	06/15/20	968.26	MW	OH		
AP00384031	6413	AT&T	06/15/20	300.55	MW	OH		
AP00384032	6413	AT&T	06/15/20	110.80	MW	OH		
AP00384033	6413	AT&T	06/15/20	164.93	MW	OH		
AP00384034	6413	AT&T	06/15/20	295.78	MW	OH		
AP00384035	6413	AT&T	06/15/20	1,102.41	MW	OH		
AP00384036	6413	AT&T	06/15/20	2,370.62	MW	OH		
AP00384037	43938JLAW	ATKINSON FARASYN LLP	06/15/20	1,150.00	MW	OH		
AP00384038	54858	AU ENERGY	06/15/20	468.00	MW	OH		
AP00384039	53625	AVENU MUNISERVICES LLC	06/15/20	1,128.14	MW	OH		
AP00384040	49645	BADGE FRAME INC	06/15/20	85.80	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384041	1232	BAKER & TAYLOR COMPANY INC	06/15/20	14,279.80	MW	OH		
AP00384042	34520	BAKER ENGINEERING	06/15/20	1,150.00	MW	OH		
AP00384043	55611R	BATULAYAN, CLYDE	06/15/20	400.00	MW	OH		
AP00384044	7950	BAY AREA AIR QUALITY MANAGEME	06/15/20	362.00	MW	OH		
AP00384045	23411	BAY CITY SCALE INC	06/15/20	300.00	MW	OH		
AP00384046	38585	BFI OF CALIFORNIA INC	06/15/20	2,033.25	MW	OH		
AP00384047	38059R	BIRCH, TIMOTHY K	06/15/20	268.99	MW	OH		
AP00384048	19200	BIRITE FOODSERVICE DISTRIBUTO	06/15/20	5,905.63	MW	OH		
AP00384049	54518R	BLOOM AND LAWN LANDSCAPING IN	06/15/20	500.00	MW	OH		
AP00384050	3349	BROADMOOR LANDSCAPE SUPPLY	06/15/20	1,439.56	MW	OH		
~~AP00384051~~	~~50902R~~	~~BROADWAY, CHRIS~~	~~06/15/20~~	~~115.00~~	~~MW~~	~~OH~~		
AP00384052	44468	BUDGET CONFERENCING INC	06/15/20	829.76	MW	OH		
AP00384053	48259	BWNVT MOTORS INC	06/15/20	6,181.22	MW	OH		
AP00384054	42973	CAL SIGNAL CORP	06/15/20	4,480.18	MW	OH		
AP00384055	1196	CALIFORNIA WATER SERVICE COMP	06/15/20	279.70	MW	OH		
AP00384056	55585R	CAMACHO, DONNA	06/15/20	600.00	MW	OH		
AP00384057	28636	CDW GOVERNMENT INC	06/15/20	6,471.51	MW	OH		
AP00384058	2930	CED CONTRACTORS SF	06/15/20	1,676.18	MW	OH		
AP00384059	10299JPA	CENTRAL COUNTY FIRE DEPARTMEN	06/15/20	22,231.67	MW	OH		
AP00384060	3893	CERTIFIED LABORATORIES	06/15/20	596.73	MW	OH		
AP00384061	55584R	CHEN, GAO	06/15/20	55.00	MW	OH		
AP00384062	55613R	CHOI, GREGORY	06/15/20	400.00	MW	OH		
AP00384063	48727	CINTAS CORPORATION	06/15/20	1,491.15	MW	OH		
AP00384064	3678	CINTAS CORPORATION #464	06/15/20	4,073.48	MW	OH		
AP00384065	35395	CITY AUTO SUPPLY	06/15/20	5,325.37	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384066	46465JPA	CITY OF BELMONT	06/15/20	5,357.50	MW	OH		
AP00384067	6649JPA	CITY OF BRISBANE	06/15/20	3,389.33	MW	OH		
AP00384068	43155JPA	CITY OF DALY CITY	06/15/20	13,677.42	MW	OH		
AP00384069	5342JPA	CITY OF FOSTER CITY	06/15/20	5,892.42	MW	OH		
AP00384070	6034JPA	CITY OF PACIFICA	06/15/20	4,888.00	MW	OH		
AP00384071	55405JPA	CITY OF REDWOOD CITY	06/15/20	10,204.75	MW	OH		
AP00384072	20562JPA	CITY OF SAN BRUNO	06/15/20	3,568.58	MW	OH		
AP00384073	46083JPA	CITY OF SAN CARLOS	06/15/20	6,008.67	MW	OH		
AP00384074	25816JPA	CITY OF SAN MATEO	06/15/20	14,993.58	MW	OH		
AP00384075	40147	CITY TOYOTA	06/15/20	256.64	MW	OH		
AP00384076	19943	CLEAN HARBORS ENV SERVICES	06/15/20	5,995.36	MW	OH		
AP00384077	20045	CLEANSMART SOLUTIONS INC	06/15/20	5,244.21	MW	OH		
AP00384078	25819JPA	COLMA FIRE PROTECTION DISTRIC	06/15/20	2,968.08	MW	OH		
AP00384079	47244	COMCAST	06/15/20	90.22	MW	OH		
AP00384080	51634	COMCAST	06/15/20	79.95	MW	OH		
AP00384081	51804	COMCAST	06/15/20	336.34	MW	OH		
AP00384082	30109	CORELOGIC SOLUTIONS LLC	06/15/20	226.97	MW	OH		
AP00384083	11249	CPRS	06/15/20	2,470.00	MW	OH		
AP00384084	42324	CRIME SCENE CLEANERS INC	06/15/20	520.00	MW	OH		
AP00384085	48323	CRYSTAL CREAMERY	06/15/20	738.24	MW	OH		
AP00384086	28906	CSG CONSULTANTS INC	06/15/20	7,702.50	MW	OH		
AP00384087	19907	CWEA-TCP	06/15/20	104.00	MW	OH		
AP00384088	1836	DAILY JOURNAL CORPORATION	06/15/20	1,564.50	MW	OH		
AP00384089	30935	DALY CITY POLICE OFFICERS BEN	06/15/20	1,581.05	MW	OH		
AP00384090	1124	DALY CITY SAW & LAWNMOWER	06/15/20	1,098.37	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384091	1793	DALY CITY TOOL MART	06/15/20	1,688.98	MW	OH		
AP00384092	51806	DAVID J POWERS & ASSOCIATES I	06/15/20	22,510.82	MW	OH		
AP00384093	55614R	DAYAO, BETH	06/15/20	400.00	MW	OH		
AP00384094	13265	DEPARTMENT OF FORESTRY & FIRE	06/15/20	3,856.43	MW	OH		
AP00384095	46826	DIRECTV LLC	06/15/20	31.99	MW	OH		
AP00384096	36682	DU ALL SAFETY LLC	06/15/20	105.00	MW	OH		
AP00384097	40611	ECMS INC	06/15/20	2,082.72	MW	OH		
AP00384098	53583	ECOHERO SHOW LLC, THE	06/15/20	2,375.00	MW	OH		
AP00384099	55586R	ESQUIVEL, RONALD	06/15/20	400.00	MW	OH		
AP00384100	26327	EWING IRRIGATION PRODUCTS INC	06/15/20	162.43	MW	OH		
AP00384101	54397	FBD VANGUARD CONSTRUCTION INC	06/15/20	10,193.50	MW	OH		
AP00384102	17884	FEDEX	06/15/20	182.67	MW	OH		
AP00384103	55587R	FONTANILLA, GILLIAN	06/15/20	1,640.00	MW	OH		
AP00384104	G-HOLMES	FRANCHISE TAX BOARD	06/15/20	200.00	MW	OH		
AP00384105	48009	GALE CENGAGE LEARNING	06/15/20	232.40	MW	OH		
AP00384106	20221	GAMETIME	06/15/20	1,056.16	MW	OH		
AP00384107	53703	GATES & ASSOCIATES	06/15/20	386.25	MW	OH		
AP00384108	48247	GCS ENVIRONMENTAL EQUIPMENT S	06/15/20	546.08	MW	OH		
AP00384109	55588R	GINILO, JANET	06/15/20	128.86	MW	OH		
AP00384110	34864	GOLDEN STATE FLOW MEASUREMENT	06/15/20	87.40	MW	OH		
AP00384111	52777	GOVERNMENT STAFFING SERVICES	06/15/20	4,357.50	MW	OH		
AP00384112	1754	GRAINGER INC	06/15/20	3,915.43	MW	OH		
AP00384113	1571	GRANITEROCK	06/15/20	2,458.87	MW	OH		
AP00384114	2223	HACH COMPANY	06/15/20	1,566.35	MW	OH		
AP00384115	3702	HARRINGTON INDUSTRIAL PLASTIC	06/15/20	1,142.87	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384116	30684	HD SUPPLY CONSTRUCTION AND	06/15/20	387.05	MW	OH		
AP00384117	36841	HEART OF SAN MATEO COUNTY	06/15/20	33,264.00	MW	OH		
AP00384118	49850	HELLO HOUSING	06/15/20	8,000.00	MW	OH		
AP00384119	4011	HILTI INC	06/15/20	1,243.81	MW	OH		
AP00384120	15857	HOME DEPOT CREDIT SERVICES	06/15/20	9,210.54	MW	OH		
AP00384121	54590	HOME DEPOT PRO, THE	06/15/20	4,956.92	MW	OH		
AP00384122	41818	HUNTINGTON COURT REPORTERS	06/15/20	753.86	MW	OH		
~~AP00384123~~	~~15675~~	~~HUNTZE, JEFFREY~~	~~06/15/20~~	~~1,118.72~~	~~MW~~	~~OH~~		
AP00384124	48013	HYLAND SOFTWARE INC	06/15/20	1,835.94	MW	OH		
AP00384125	37457	IDEXX DISTRIBUTION INC	06/15/20	1,035.14	MW	OH		
AP00384126	54402	IMEG CORP	06/15/20	937.50	MW	OH		
AP00384127	53460	INDEPENDENT CODE CONSULTANTS	06/15/20	7,887.29	MW	OH		
AP00384128	48933	INFOSEND INC	06/15/20	5,719.87	MW	OH		
AP00384129	53983	JOE, CHRISTOPHER	06/15/20	700.00	MW	OH		
AP00384130	55589R	KING, JASMIN	06/15/20	60.00	MW	OH		
AP00384131	33914	KOFFLER ELECTRICAL MECHANICAL	06/15/20	5,102.19	MW	OH		
AP00384132	36720	KONECRANES INC	06/15/20	1,356.84	MW	OH		
AP00384133	31870R	KRAUSS, GREG	06/15/20	110.00	MW	OH		
AP00384134	55610R	KUANG, HUANNA	06/15/20	56.82	MW	OH		
AP00384135	1108	L N CURTIS AND SONS	06/15/20	6,649.59	MW	OH		
AP00384136	55590R	LACHICA, MARIA	06/15/20	400.00	MW	OH		
AP00384137	13776	LANGUAGE LINE SERVICES	06/15/20	183.29	MW	OH		
AP00384138	55591R	LAU, ALICE	06/15/20	500.00	MW	OH		
AP00384139	1148	LAWSON PRODUCTS INC	06/15/20	263.12	MW	OH		
AP00384140	8614	LC ACTION POLICE SUPPLY LTD	06/15/20	14,433.45	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384141	55592R	LEE, JULIE	06/15/20	55.00	MW	OH		
AP00384142	55593R	LEE, SHI	06/15/20	1,229.28	MW	OH		
AP00384143	55594R	LEE, WILBERT	06/15/20	184.00	MW	OH		
AP00384144	33497	LEGACY MECHANICAL & ENERGY SE	06/15/20	15,965.04	MW	OH		
AP00384145	29200	LEGAL SHIELD	06/15/20	311.08	MW	OH		
AP00384146	45083	LEHR	06/15/20	2,507.09	MW	OH		
AP00384147	53869	LEW EDWARDS GROUP, THE	06/15/20	6,500.00	MW	OH		
AP00384148	12906LAW	LIEBERT CASSIDY WHITMORE	06/15/20	2,716.00	MW	OH		
~~AP00384149~~	~~40169~~	~~LIFELOC TECHNOLOGIES INC~~	~~06/15/20~~	~~204.61~~	~~MW~~	~~OH~~		
AP00384150	55595R	LIM, JENNIFER	06/15/20	400.00	MW	OH		
AP00384151	55596R	LOPEZ, HEIDY	06/15/20	69.00	MW	OH		
AP00384152	55597R	LOPEZ, SANDRA	06/15/20	111.00	MW	OH		
AP00384153	29332	LORAL LANDSCAPING	06/15/20	515.00	MW	OH		
AP00384154	49874	LOU'S GLOVES INC	06/15/20	352.00	MW	OH		
AP00384155	27066	MANAGED HEALTH NETWORK	06/15/20	1,857.60	MW	OH		
AP00384156	28105	MANAGEMENT PARTNERS INC	06/15/20	720.00	MW	OH		
AP00384157	1166	MATTHEW BENDER & COMPANY INC	06/15/20	603.45	MW	OH		
AP00384158	54358	MAVERICK NETWORKS INC	06/15/20	465.00	MW	OH		
AP00384159	25805JPA	MENLO PARK FIRE PROTECTION DI	06/15/20	19,454.83	MW	OH		
AP00384160	23949	METRO MOBILE COMMUNICATIONS	06/15/20	1,545.00	MW	OH		
AP00384161	33993LAW	MEYERS NAVE RIBACK SILVER & W	06/15/20	1,578.38	MW	OH		
AP00384162	50996	MICHAEL BAKER INTERNATIONAL I	06/15/20	550.00	MW	OH		
AP00384163	26465	MID PENINSULA BOYS & GIRLS CL	06/15/20	12,500.00	MW	OH		
AP00384164	22863	MIDWEST TAPE INC	06/15/20	372.67	MW	OH		
AP00384165	54757	MSI FUEL MANAGEMENT	06/15/20	4,982.77	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384166	6850	NATIONAL BUSINESS FURNITURE L	06/15/20	1,570.09	MW	OH		
AP00384167	41244	NETWORK INNOVATIONS US INC	06/15/20	1,427.06	MW	OH		
AP00384168	46852	NEWEGG BUSINESS INC	06/15/20	98.54	MW	OH		
AP00384169	55547	NIGHTVISION4LESS	06/15/20	59,620.00	MW	OH		
AP00384170	55490	NORTHSTAR CHEMICAL	06/15/20	24,236.90	MW	OH		
AP00384171	1055	OFFICE DEPOT	06/15/20	426.58	MW	OH		
AP00384172	15337	OFFICE DEPOT	06/15/20	41.21	MW	OH		
AP00384173	42500	OFFICE DEPOT	06/15/20	3,151.21	MW	OH		
AP00384174	55503	OLIVER PACKAGING & EQUIPMENT	06/15/20	982.43	MW	OH		
AP00384175	53946	OLSON, ALAN RAY	06/15/20	733.50	MW	OH		
AP00384176	55555	OVERDRIVE INC	06/15/20	2,129.24	MW	OH		
AP00384177	49188	PACIFIC CRANE INSPECTIONS	06/15/20	6,150.00	MW	OH		
AP00384178	1216	PACIFIC GAS & ELECTRIC	06/15/20	31,546.81	MW	OH		
AP00384179	29252	PACIFIC PRODUCE INC	06/15/20	927.40	MW	OH		
AP00384180	55598R	PALTING, MARIA	06/15/20	50.00	MW	OH		
AP00384181	20794	PELCO SALES & SERVICE INC	06/15/20	9,342.40	MW	OH		
AP00384182	55580	PEREZ TACTICAL	06/15/20	6,719.37	MW	OH		
AP00384183	19678	PERS LONG TERM CARE PROGRAM	06/15/20	194.99	MW	OH		
AP00384184	51799	PET FOOD EXPRESS	06/15/20	309.89	MW	OH		
AP00384185	47044	PETERSON TRUCKS INC	06/15/20	451.13	MW	OH		
AP00384186	54331	PIIAN SYSTEMS LLC	06/15/20	7,213.22	MW	OH		
AP00384187	25817JPA	POINT MONTARA HALF MOON BAY F	06/15/20	9,857.25	MW	OH		
AP00384188	54067	POLITICAL DATA INC	06/15/20	1,590.49	MW	OH		
AP00384189	16440	PRAXAIR DISTRIBUTION INC	06/15/20	72.38	MW	OH		
AP00384190	14431	PRAXAIR SERVICES INC	06/15/20	16,994.33	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384191	1115	R & B COMPANY	06/15/20	5,954.13	MW	OH		
AP00384192	27398	R & S ERECTION NORTH PENINSUL	06/15/20	810.00	MW	OH		
AP00384193	12539	R A METAL PRODUCTS INC	06/15/20	2,099.52	MW	OH		
AP00384194	54978	RAIN FOR RENT	06/15/20	1,260.01	MW	OH		
AP00384195	48668JPA	RAVNTECH CORPORATION	06/15/20	27,467.74	MW	OH		
AP00384196	42475	RB PETROLEUM SERVICES	06/15/20	5,885.00	MW	OH		
AP00384197	55298	RDO EQUIPMENT CO	06/15/20	247.91	MW	OH		
AP00384198	50803	READYREFRESH BY NESTLE	06/15/20	10.91	MW	OH		
AP00384199	30925	REBUILDING TOGETHER	06/15/20	11,138.50	MW	OH		
AP00384200	1687	RED WING SHOES	06/15/20	552.66	MW	OH		
AP00384201	41528	REDFLEX TRAFFIC SYSTEMS INC	06/15/20	20,000.00	MW	OH		
AP00384202	32503R	REES, JOSHUA	06/15/20	1,270.71	MW	OH		
AP00384203	1200	REPUBLIC SERVICES OF NORTH AM	06/15/20	1,407,722.72	MW	OH		
AP00384204	38568R	REYES, CUAUHTEMOC	06/15/20	332.77	MW	OH		
AP00384205	51931	ROADPOST USA INC	06/15/20	636.92	MW	OH		
AP00384206	53532	ROBERT HALF TECHNOLOGY	06/15/20	6,076.00	MW	OH		
AP00384207	55599R	ROSAS, JUAN	06/15/20	400.00	MW	OH		
AP00384208	55608R	ROSETES, CHARLENE	06/15/20	400.00	MW	OH		
AP00384209	52843R	S F UNDERGROUND	06/15/20	4,000.00	MW	OH		
AP00384210	1087	SAFETY KLEEN SYSTEMS INC	06/15/20	4,694.61	MW	OH		
AP00384211	45148	SAFEWAY SIGN COMPANY	06/15/20	606.77	MW	OH		
AP00384212	51614	SAN MATEO CART SERVICE	06/15/20	750.00	MW	OH		
AP00384213	12544	SAN MATEO COUNTY CONTROLLERS	06/15/20	30,394.80	MW	OH		
AP00384214	43158JPA	SAN MATEO COUNTY FIRE COUNTY	06/15/20	16,570.00	MW	OH		
AP00384215	G-BLACKMAN3	SAN MATEO COUNTY SHERIFF	06/15/20	312.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384216	1790	SAN MATEO COUNTY TRANSIT DIST	06/15/20	37,153.02	MW	OH		
AP00384217	55602R	SANCHEZ, LIZBETH	06/15/20	111.00	MW	OH		
AP00384218	55607	SANTANA, BRUNO	06/15/20	1,000.00	MW	OH		
AP00384219	54717	SANTANA, VALERIA CRISTINA	06/15/20	5,900.00	MW	OH		
AP00384220	49441	SC FUELS	06/15/20	2,760.20	MW	OH		
AP00384221	1111	SF - WATER	06/15/20	666,767.81	MW	OH		
AP00384222	55600R	SIN, MATTHEW	06/15/20	111.00	MW	OH		
AP00384223	55581	SMARTFORCE TECHNOLOGIES INC	06/15/20	2,500.00	MW	OH		
AP00384224	18862R	SMELLY MELS PLUMBING INC	06/15/20	4,500.00	MW	OH		
AP00384225	29998	SNAP ON INDUSTRIAL	06/15/20	332.72	MW	OH		
AP00384226	55601R	SOY, MICHAEL	06/15/20	400.00	MW	OH		
AP00384227	32055	SPRINT	06/15/20	100.00	MW	OH		
AP00384228	36510	STANTEC CONSULTING INC	06/15/20	12,966.50	MW	OH		
AP00384229	50423R	STATE FARM INSURANCE COMPANY	06/15/20	2,513.63	MW	OH		
AP00384230	1090	STEWART CHEVROLET CADILLAC	06/15/20	457.35	MW	OH		
AP00384231	29237	SYNAGRO WEST LLC	06/15/20	24,551.92	MW	OH		
AP00384232	45319	T MOBILE USA INC	06/15/20	561.00	MW	OH		
AP00384233	24619	TALX UC EXPRESS	06/15/20	533.00	MW	OH		
AP00384234	53452	THATCHER COMPANY OF CALIFORNI	06/15/20	4,989.04	MW	OH		
AP00384235	55353	THE PUBLIC RESTROOM COMPANY	06/15/20	115,400.00	MW	OH		
AP00384236	1201	THOMSON REUTERS WEST	06/15/20	2,381.86	MW	OH		
AP00384237	17883	TRAFFIC PARTS INC	06/15/20	2,214.00	MW	OH		
AP00384238	55263	TRANSCRIBEME INC	06/15/20	143.86	MW	OH		
AP00384239	55227R	TRANSFORM SR HOME IMPROVEMENT	06/15/20	745.77	MW	OH		
AP00384240	54720	TRANSPORTENGINEERING	06/15/20	9,720.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384241	53970	TRIDENT K9 CONSULTING	06/15/20	900.00	MW	OH		
AP00384242	54173	TTI POLYGRAPH	06/15/20	2,400.00	MW	OH		
AP00384243	55612R	TUGADE, LIZETTE	06/15/20	400.00	MW	OH		
AP00384244	55576R	TUGADO, ZENAIDA	06/15/20	105.50	MW	OH		
AP00384245	26803	TURBO DATA SYSTEMS INC	06/15/20	9,504.94	MW	OH		
AP00384246	4675	TURF & INDUSTRIAL EQUIPMENT C	06/15/20	464.27	MW	OH		
AP00384247	32209	UNIVAR USA INC	06/15/20	14,115.58	MW	OH		
AP00384248	3904	UPS	06/15/20	74.67	MW	OH		
AP00384249	7873	URBAN FARMER STORE, THE	06/15/20	104.55	MW	OH		
AP00384250	46998	UTILITY TELECOM GROUP LLC	06/15/20	1,544.00	MW	OH		
AP00384251	50628R	VANLANDINGHAM, NIKOLAS	06/15/20	635.00	MW	OH		
AP00384252	55603R	VASQUEZ, YESSENIA	06/15/20	1,065.17	MW	OH		
AP00384253	55604R	VELASQUEZ, VILMA	06/15/20	400.00	MW	OH		
AP00384254	29329	VERIZON WIRELESS SERVICES LLC	06/15/20	5,106.78	MW	OH		
AP00384255	50837	VIA HEART PROJECT	06/15/20	282.27	MW	OH		
AP00384256	41056R	VIOLA, ANNA MARIE	06/15/20	769.50	MW	OH		
AP00384257	50978R	VORIS, WILLIAM	06/15/20	975.00	MW	OH		
AP00384258	1579	VWR INTERNATIONAL LLC	06/15/20	1,185.74	MW	OH		
AP00384259	36355	WASTEWATER SOLUTIONS INC	06/15/20	4,125.00	MW	OH		
AP00384260	13540	WATER ENVIRONMENT FEDERATION	06/15/20	332.00	MW	OH		
AP00384261	50485	WAVE BROADBAND	06/15/20	243.50	MW	OH		
AP00384262	49085	WEST COAST ARBORISTS INC	06/15/20	8,147.75	MW	OH		
AP00384263	39237	WEST COAST CODE CONSULTANTS I	06/15/20	2,154.86	MW	OH		
AP00384264	19825	WESTERN STATES TOOL AND SUPPL	06/15/20	3,554.47	MW	OH		
AP00384265	25139	WITMER PUBLIC SAFETY GROUP IN	06/15/20	134.69	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384266	18388JPA	WOODSIDE FIRE PROTECTION DIST	06/15/20	11,273.92	MW	OH		
AP00384267	55605R	YE, JUN	06/15/20	150.00	MW	OH		
AP00384268	55606R	YEE, KENNY	06/15/20	97.66	MW	OH		
AP00384269	12694R	ZALINSKIS, KLAUS	06/15/20	721.54	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	3,269,464.77	Number of Checks Processed:	279
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
Total EPAYs	0.00	Number of EPAYs Processed:	0
G R A N D T O T A L	3,269,464.77		

LESS CANCELED CHECKS:

AP00384051	50902R	BROADWAY, CHRIS	06/15/20	115.00
AP00384123	15675	HUNTZE, JEFFREY	06/15/20	1,118.72
AP00384149	40169	LIFELOC TECHNOLOGIES INC	06/15/20	204.61
				$3,268,026.44

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
CB00061020	49024	JP MORGAN CHASE BANK N	06/15/20	27,914.34	HW	TR		Hand Written

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	27,914.34	Number of Checks Processed:	1
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
Total EPAYs	0.00	Number of EPAYs Processed:	0
G R A N D T O T A L	27,914.34		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384577	1110	UNITED STATES POSTAL SERVICE	06/29/20	6,500.00	MW	OH		
AP00384578	1110	UNITED STATES POSTAL SERVICE	06/29/20	25,000.00	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	31,500.00	Number of Checks Processed:	2
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
Total EPAYs	0.00	Number of EPAYs Processed:	0
G R A N D T O T A L	31,500.00		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384270	46218R	24/7 ROOTER & PLUMBING SERVIC	06/30/20	4,000.00	MW	OH		
AP00384271	25627	A S F ELECTRIC INC	06/30/20	3,270.00	MW	OH		
AP00384272	50236	ABM BUILDING SOLUTIONS SAN FR	06/30/20	1,720.00	MW	OH		
AP00384273	52558	ACCOUNTEMPS	06/30/20	7,173.32	MW	OH		
AP00384274	15222	ACTION SPORTS	06/30/20	2,499.09	MW	OH		
AP00384275	34666	AD BRAKES	06/30/20	195.11	MW	OH		
AP00384276	1514	ADAM HILL COMPANY, THE	06/30/20	11,798.77	MW	OH		
AP00384277	5034	ADAMSON POLICE PRODUCTS	06/30/20	1,759.13	MW	OH		
AP00384278	55633R	ADLER, VOLF	06/30/20	83.92	MW	OH		
AP00384279	13854	AECO SYSTEMS INC	06/30/20	960.00	MW	OH		
AP00384280	15226	AFSCME DISTRICT COUNCIL 57	06/30/20	4,035.60	MW	OH		
AP00384281	55632R	AGUILERA, JENNYFER	06/30/20	79.26	MW	OH		
AP00384282	39256	AIR EXCHANGE INC	06/30/20	9,430.04	MW	OH		
AP00384283	29880	AIRGAS USA LLC	06/30/20	5,976.48	MW	OH		
AP00384284	1025	ALHAMBRA	06/30/20	43.13	MW	OH		
AP00384285	37095	ALL INDUSTRIAL ELECTRIC SUPPL	06/30/20	2,073.73	MW	OH		
AP00384286	7941	ALLIANT INSURANCE SERVICES IN	06/30/20	4,170.00	MW	OH		
AP00384287	18401	ALLIED ELECTRONICS INC	06/30/20	1,159.64	MW	OH		
AP00384288	22544	ALLSTAR FIRE EQUIPMENT INC	06/30/20	21,101.64	MW	OH		
AP00384289	37116	ALPHA ANALYTICAL LABORATORIES	06/30/20	10,872.50	MW	OH		
AP00384290	55629R	ALPHA CONSTRUCTION & SOLUTION	06/30/20	3,609.51	MW	OH		
AP00384291	40755	AMAZON	06/30/20	4,264.56	MW	OH		
AP00384292	37512	AMBROSE FLOORING LLC	06/30/20	250.00	MW	OH		
AP00384293	55316	AMERICAN TERRAZZO CO	06/30/20	42,680.00	MW	OH		
AP00384294	23649	AMERICAN TRUCK & TRAILER BODY	06/30/20	3,399.55	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384295	35696	AMERIPRIDE	06/30/20	2,709.64	MW	OH		
AP00384296	24868	ANIXTER INC	06/30/20	2,969.21	MW	OH		
AP00384297	46585	ANTHEM BLUE CROSS	06/30/20	87.90	MW	OH		
AP00384298	46585	ANTHEM BLUE CROSS	06/30/20	100.10	MW	OH		
AP00384299	24478	ARAMARK	06/30/20	146.94	MW	OH		
AP00384300	1259	ARAMARK UNIFORM SERVICES INC	06/30/20	303.95	MW	OH		
AP00384301	55617R	ASKENASY, KEPA	06/30/20	614.00	MW	OH		
AP00384302	32577	AT&T	06/30/20	1,573.11	MW	OH		
AP00384303	32577	AT&T	06/30/20	9,225.95	MW	OH		
AP00384304	32577	AT&T	06/30/20	385.10	MW	OH		
AP00384305	45195	AT&T	06/30/20	825.00	MW	OH		
AP00384306	47003	AT&T	06/30/20	89.46	MW	OH		
AP00384307	47003	AT&T	06/30/20	89.46	MW	OH		
AP00384308	6413	AT&T	06/30/20	40.24	MW	OH		
AP00384309	6413	AT&T	06/30/20	40.24	MW	OH		
AP00384310	6413	AT&T	06/30/20	134.14	MW	OH		
AP00384311	6413	AT&T	06/30/20	669.58	MW	OH		
AP00384312	6413	AT&T	06/30/20	922.88	MW	OH		
AP00384313	6413	AT&T	06/30/20	803.57	MW	OH		
AP00384314	6413	AT&T	06/30/20	57.96	MW	OH		
AP00384315	44649	ATLAS COPCO COMPRESSORS LLC	06/30/20	2,455.35	MW	OH		
AP00384316	13192	AUDIOLOGICAL SERVICES	06/30/20	585.00	MW	OH		
AP00384317	29643	AUTO COLLISION CENTER	06/30/20	9,661.46	MW	OH		
AP00384318	1232	BAKER & TAYLOR COMPANY INC	06/30/20	13,119.26	MW	OH		
AP00384319	48725R	BANDUCCI, BRANDON	06/30/20	6.52	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384320	35698	BARTEL ASSOCIATES LLC	06/30/20	3,210.00	MW	OH		
AP00384321	1562	BAY AREA WATER SUPPLY & CONSE	06/30/20	5,800.00	MW	OH		
AP00384322	8796	BAY CITY BOILER & ENGINEERING	06/30/20	19,695.00	MW	OH		
AP00384323	55621R	BENNER-BOXER, SHANNON	06/30/20	173.17	MW	OH		
AP00384324	19200	BIRITE FOODSERVICE DISTRIBUTO	06/30/20	3,694.59	MW	OH		
AP00384325	50467	BPS TACTICAL INC	06/30/20	1,132.96	MW	OH		
AP00384326	35592R	BRENNAN, MICHAEL	06/30/20	100.60	MW	OH		
AP00384327	3349	BROADMOOR LANDSCAPE SUPPLY	06/30/20	1,384.99	MW	OH		
AP00384328	50902R	BROADWAY, CHRIS	06/30/20	136.53	MW	OH		
AP00384329	3064	BROWN & CALDWELL INC	06/30/20	2,345.06	MW	OH		
AP00384330	17997	C.L.E.A.	06/30/20	2,180.50	MW	OH		
AP00384331	33981	CAGWIN & DORWARD	06/30/20	335.00	MW	OH		
AP00384332	44675JPA	CALIFORNIA DEPARTMENT OF PUBL	06/30/20	113.00	MW	OH		
AP00384333	2724	CALIFORNIA FIRE CHIEFS ASSOCI	06/30/20	1,600.00	MW	OH		
AP00384334	1196	CALIFORNIA WATER SERVICE COMP	06/30/20	98.02	MW	OH		
AP00384335	55389R	CARDENAS, BRENDA	06/30/20	85.99	MW	OH		
AP00384336	17888	CARL WARREN & COMPANY INC	06/30/20	4,022.60	MW	OH		
AP00384337	48351	CAVENDISH SQUARE PUBLISHING	06/30/20	777.46	MW	OH		
AP00384338	28636	CDW GOVERNMENT INC	06/30/20	14,280.16	MW	OH		
AP00384339	2930	CED CONTRACTORS SF	06/30/20	440.48	MW	OH		
AP00384340	42277	CEL ANALYTICAL INC	06/30/20	260.00	MW	OH		
AP00384341	31956	CENTRAL VALLEY BUSINESS FORMS	06/30/20	1,259.16	MW	OH		
AP00384342	30689	CENTRISYS CORPORATION	06/30/20	577.52	MW	OH		
AP00384343	3893	CERTIFIED LABORATORIES	06/30/20	597.27	MW	OH		
AP00384344	55620R	CHANG, ROBERT	06/30/20	500.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384345	55619R	CHILVERS, DEBORAH	06/30/20	660.00	MW	OH		
AP00384346	48727	CINTAS CORPORATION	06/30/20	488.16	MW	OH		
AP00384347	3678	CINTAS CORPORATION #464	06/30/20	4,322.46	MW	OH		
AP00384348	25602	CITY OF DALY CITY	06/30/20	2,375.56	MW	OH		
AP00384349	5692	CITY OF SOUTH SAN FRANCISCO	06/30/20	284,687.87	MW	OH		
AP00384350	20045	CLEANSMART SOLUTIONS INC	06/30/20	2,347.89	MW	OH		
AP00384351	34153	COMCAST	06/30/20	28.70	MW	OH		
AP00384352	47244	COMCAST	06/30/20	94.97	MW	OH		
AP00384353	48517	COMCAST	06/30/20	259.84	MW	OH		
AP00384354	48645	COMCAST	06/30/20	112.25	MW	OH		
AP00384355	49446	COMCAST	06/30/20	116.24	MW	OH		
AP00384356	51634	COMCAST	06/30/20	79.95	MW	OH		
AP00384357	52453	COMCAST	06/30/20	115.06	MW	OH		
AP00384358	52652	COMCAST	06/30/20	11.55	MW	OH		
AP00384359	12578	COMPLETE LINEN SERVICE INC	06/30/20	320.05	MW	OH		
AP00384360	34500R	CORBITT, JOHN	06/30/20	200.00	MW	OH		
AP00384361	30109	CORELOGIC SOLUTIONS LLC	06/30/20	300.00	MW	OH		
AP00384362	14930	COUNTY OF SAN MATEO	06/30/20	4,053.62	MW	OH		
AP00384363	21727	COUNTY OF SAN MATEO	06/30/20	115.00	MW	OH		
AP00384364	43157JPA	COUNTY OF SAN MATEO	06/30/20	1,092.99	MW	OH		
AP00384365	40976R	COUNTY ROOFING COMPANY	06/30/20	275.00	MW	OH		
AP00384366	42324	CRIME SCENE CLEANERS INC	06/30/20	70.00	MW	OH		
AP00384367	48323	CRYSTAL CREAMERY	06/30/20	129.81	MW	OH		
AP00384368	28906	CSG CONSULTANTS INC	06/30/20	7,550.55	MW	OH		
AP00384369	53761	CT WEST INC	06/30/20	2,566.50	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384370	25580	CWEA-MEMBERSHIP	06/30/20	64.00	MW	OH		
AP00384371	19907	CWEA-TCP	06/30/20	89.00	MW	OH		
AP00384372	19907	CWEA-TCP	06/30/20	89.00	MW	OH		
AP00384373	19907	CWEA-TCP	06/30/20	99.00	MW	OH		
AP00384374	1042	D C LOCK & SECURITY SERVICE	06/30/20	42.01	MW	OH		
AP00384375	1836	DAILY JOURNAL CORPORATION	06/30/20	814.50	MW	OH		
AP00384376	1414	DALY CITY CENTRAL CASHIER	06/30/20	1,069.97	MW	OH		
AP00384377	1937	DALY CITY FIREFIGHTERS UNION	06/30/20	14,472.50	MW	OH		
AP00384378	30935	DALY CITY POLICE OFFICERS BEN	06/30/20	1,060.90	MW	OH		
AP00384379	9290	DALY CITY POLICE OFFICERS ASS	06/30/20	13,341.60	MW	OH		
AP00384380	9290	DALY CITY POLICE OFFICERS ASS	06/30/20	1,800.00	MW	OH		
AP00384381	36807	DALY CITY TEST ONLY	06/30/20	120.00	MW	OH		
AP00384382	1793	DALY CITY TOOL MART	06/30/20	985.42	MW	OH		
AP00384383	42706	DASH MEDICAL GLOVES INC	06/30/20	936.17	MW	OH		
AP00384384	51806	DAVID J POWERS & ASSOCIATES I	06/30/20	5,457.50	MW	OH		
AP00384385	1510	DEMCO SUPPLY INC	06/30/20	800.71	MW	OH		
AP00384386	1299	DEPARTMENT OF JUSTICE	06/30/20	132.00	MW	OH		
AP00384387	28282	DEPARTMENT OF TOXIC SUBSTANCE	06/30/20	3,387.48	MW	OH		
AP00384388	42371	DIAL GLASS AND WINDOW COMPANY	06/30/20	22,493.00	MW	OH		
AP00384389	55637R	DIU, MICHAEL	06/30/20	1,925.00	MW	OH		
AP00384390	30629LAW	DOWNEY BRAND ATTORNEYS LLP	06/30/20	17,033.01	MW	OH		
AP00384391	1061	DUNN EDWARDS CORPORATION	06/30/20	931.58	MW	OH		
AP00384392	48177	EAST BAY TIRE CO	06/30/20	619.89	MW	OH		
AP00384393	54143	EKI ENVIRONMENT & WATER	06/30/20	10,022.74	MW	OH		
AP00384394	51834	EMERGENCY REPORTING	06/30/20	643.58	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384395	3786	ENVIRONMENTAL RESOURCE ASSOCI	06/30/20	1,062.40	MW	OH		
AP00384396	1049	EQUIFAX INFORMATION SVCS LLC	06/30/20	50.00	MW	OH		
AP00384397	55625R	ERICSSON INC	06/30/20	425.00	MW	OH		
AP00384398	23816	ESRI INC	06/30/20	27,500.00	MW	OH		
AP00384399	1383	FEDEX	06/30/20	99.75	MW	OH		
AP00384400	17884	FEDEX	06/30/20	11.79	MW	OH		
AP00384401	10971	FEDEX OFFICE	06/30/20	21.83	MW	OH		
AP00384402	55630R	FERRARI, ANDREW	06/30/20	485.00	MW	OH		
AP00384403	19787	FIRST CHOICE COFFEE SERVICES	06/30/20	477.99	MW	OH		
AP00384404	55616	FOREST STORE	06/30/20	5,962.68	MW	OH		
AP00384405	G-HOLMES	FRANCHISE TAX BOARD	06/30/20	200.00	MW	OH		
AP00384406	55639	FRESNO OXYGEN	06/30/20	69.47	MW	OH		
AP00384407	48009	GALE CENGAGE LEARNING	06/30/20	332.01	MW	OH		
AP00384408	51421	GARETH STEVENS PUBLISHING	06/30/20	941.23	MW	OH		
AP00384409	54289	GARLAND DBS INC	06/30/20	80,037.00	MW	OH		
AP00384410	48247	GCS ENVIRONMENTAL EQUIPMENT S	06/30/20	516.04	MW	OH		
AP00384411	26968	GOMEZ IRON WORKS	06/30/20	13,000.00	MW	OH		
AP00384412	55635R	GOMEZ, SYLVIA	06/30/20	10.00	MW	OH		
AP00384413	30509	GOODYEAR COMMERCIAL TIRE & SE	06/30/20	1,816.77	MW	OH		
AP00384414	27059	GOOMBAH'S EMBROIDERY	06/30/20	3,710.25	MW	OH		
AP00384415	31925	GOVCONNECTION INC	06/30/20	185.54	MW	OH		
AP00384416	52777	GOVERNMENT STAFFING SERVICES	06/30/20	3,307.50	MW	OH		
AP00384417	18532	GOW SUPPLY COMPANY INC	06/30/20	105.59	MW	OH		
AP00384418	1754	GRAINGER INC	06/30/20	6,904.47	MW	OH		
AP00384419	36985	GRAND INDUSTRIES INC	06/30/20	68,221.55	MW	OH		

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AP00384420	22404	GREGS TRUCKING SERVICE INC	06/30/20	2,926.47	MW	OH		
AP00384421	50963R	GRUMLEY, JOHN	06/30/20	110.00	MW	OH		
AP00384422	55622R	GUTIERREZ CRUZ, ANDRES	06/30/20	3,340.00	MW	OH		
AP00384423	2223	HACH COMPANY	06/30/20	2,087.46	MW	OH		
AP00384424	55636R	HARKNESS, SARA	06/30/20	40.00	MW	OH		
AP00384425	54235	HARRIS COMPUTER SYSTEMS	06/30/20	8,870.00	MW	OH		
AP00384426	55644R	HARTFORD UNDERWRITERS INSURAN	06/30/20	5,406.54	MW	OH		
AP00384427	55615R	HAYES, COREY	06/30/20	750.10	MW	OH		
AP00384428	11376	HEWLETT PACKARD ENTERPRISE	06/30/20	11,382.21	MW	OH		
AP00384429	17021	HF&H CONSULTANTS LLC	06/30/20	6,690.00	MW	OH		
AP00384430	9049	HI TECH EVS INC	06/30/20	1,255.86	MW	OH		
AP00384431	4011	HILTI INC	06/30/20	1,879.19	MW	OH		
AP00384432	54590	HOME DEPOT PRO, THE	06/30/20	9,253.71	MW	OH		
AP00384433	55626R	HOU, YANNA	06/30/20	2,789.89	MW	OH		
AP00384434	54402	IMEG CORP	06/30/20	375.00	MW	OH		
AP00384435	50666	INTERNATIONAL ASSOC OF ARSON	06/30/20	100.00	MW	OH		
AP00384436	2411	INTERSTATE TRAFFIC CONTROL PR	06/30/20	3,796.06	MW	OH		
AP00384437	47829	ITERIS INC	06/30/20	1,693.38	MW	OH		
AP00384438	26328	JAM SERVICES INC	06/30/20	4,599.42	MW	OH		
AP00384439	55645R	JEFFERSON SCHOOL DISTRICT	06/30/20	281.44	MW	OH		
AP00384440	50816R	JEM BUILDERS	06/30/20	500.00	MW	OH		
AP00384441	55638R	JONES, TANEIKA	06/30/20	206.00	MW	OH		
AP00384442	47002MED	KAISER PERMANENTE	06/30/20	2,482.55	MW	OH		
AP00384443	22450	KAPCO	06/30/20	458.57	MW	OH		
AP00384444	29633	KELLY MOORE PAINT COMPANY INC	06/30/20	193.03	MW	OH		

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AP00384445	39604	KIMBALL MIDWEST	06/30/20	1,032.35	MW	OH		
AP00384446	52243R	KING CRANE SERVICE	06/30/20	1,000.00	MW	OH		
AP00384447	51402R	KLATT, JOHN	06/30/20	56.00	MW	OH		
AP00384448	33914	KOFFLER ELECTRICAL MECHANICAL	06/30/20	12,975.04	MW	OH		
AP00384449	48573	KOSMONT COMPANIES	06/30/20	3,451.50	MW	OH		
AP00384450	1108	L N CURTIS AND SONS	06/30/20	934.85	MW	OH		
AP00384451	13776	LANGUAGE LINE SERVICES	06/30/20	196.27	MW	OH		
AP00384452	52612R	LC HOME BUILDER INC	06/30/20	5,054.58	MW	OH		
AP00384453	55642R	LEE, CHIU MING	06/30/20	1,350.00	MW	OH		
AP00384454	33497	LEGACY MECHANICAL & ENERGY SE	06/30/20	4,844.49	MW	OH		
AP00384455	45083	LEHR	06/30/20	14,864.96	MW	OH		
AP00384456	37094	LEXISNEXIS RISK DATA MANAGEME	06/30/20	15,513.20	MW	OH		
AP00384457	55627R	LIANG, WILSON	06/30/20	3,833.08	MW	OH		
AP00384458	12906LAW	LIEBERT CASSIDY WHITMORE	06/30/20	6,080.00	MW	OH		
AP00384459	29332	LORAL LANDSCAPING	06/30/20	2,275.00	MW	OH		
AP00384460	49874	LOU'S GLOVES INC	06/30/20	688.00	MW	OH		
AP00384461	52913R	LOVELL, DONN	06/30/20	149.90	MW	OH		
AP00384462	52830	M & M BACKFLOW & METER MAINTE	06/30/20	21,326.10	MW	OH		
AP00384463	55640R	MARTINEZ, GENARO	06/30/20	38.00	MW	OH		
AP00384464	1166	MATTHEW BENDER & COMPANY INC	06/30/20	245.92	MW	OH		
AP00384465	23949	METRO MOBILE COMMUNICATIONS	06/30/20	370.06	MW	OH		
AP00384466	37348	METROPOLITAN ELECTRICAL CONST	06/30/20	1,125.00	MW	OH		
AP00384467	22863	MIDWEST TAPE INC	06/30/20	524.82	MW	OH		
AP00384468	27389	MOORE IACOFANO GOLTSMAN INC	06/30/20	3,200.00	MW	OH		
AP00384469	39868R	MR ROOFING INC	06/30/20	550.00	MW	OH		

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AP00384470	42663	MUNICIPAL CODE CORPORATION	06/30/20	500.00	MW	OH		
AP00384471	15210	MUNICIPAL MAINTENANCE EQUIPME	06/30/20	3,419.22	MW	OH		
AP00384472	52901	MUNIQUIP LLC	06/30/20	5,193.18	MW	OH		
AP00384473	55618R	MURTIDJAJA, MELDAWATI	06/30/20	1,623.00	MW	OH		
AP00384474	46852	NEWEGG BUSINESS INC	06/30/20	174.73	MW	OH		
AP00384475	47296	NORTHERN TOOL & EQUIPMENT	06/30/20	39.99	MW	OH		
AP00384476	55490	NORTHSTAR CHEMICAL	06/30/20	5,930.83	MW	OH		
AP00384477	52305	NRC ENVIRONMENTAL SERVICES IN	06/30/20	5,589.43	MW	OH		
AP00384478	54672	OCEAN TREASURES SERVICING INC	06/30/20	300.00	MW	OH		
AP00384479	40765RJPA	ODLE, JOHN	06/30/20	99.60	MW	OH		
AP00384480	1055	OFFICE DEPOT	06/30/20	1,838.86	MW	OH		
AP00384481	15337	OFFICE DEPOT	06/30/20	264.17	MW	OH		
AP00384482	42500	OFFICE DEPOT	06/30/20	3,077.89	MW	OH		
AP00384483	55503	OLIVER PACKAGING & EQUIPMENT	06/30/20	81.94	MW	OH		
AP00384484	4918	OTIS ELEVATOR COMPANY	06/30/20	1,513.75	MW	OH		
AP00384485	42838	PACE SUPPLY CORP	06/30/20	166.09	MW	OH		
AP00384486	1216	PACIFIC GAS & ELECTRIC	06/30/20	301,819.76	MW	OH		
AP00384487	5564	PACIFIC GAS & ELECTRIC	06/30/20	40,180.00	MW	OH		
AP00384488	29252	PACIFIC PRODUCE INC	06/30/20	664.00	MW	OH		
AP00384489	30186	PACIFIC SKYLINE COUNCIL	06/30/20	2,379.25	MW	OH		
AP00384490	44482	PANKEY'S RADIATOR SHOP INC	06/30/20	2,282.39	MW	OH		
AP00384491	20794	PELCO SALES & SERVICE INC	06/30/20	5,158.39	MW	OH		
AP00384492	3297	PENINSULA LIBRARY SYSTEM	06/30/20	7,596.58	MW	OH		
AP00384493	1936	PENINSULA PEACE OFFICERS ASSO	06/30/20	252.00	MW	OH		
AP00384494	29738	PENINSULA UNIFORMS & EQUIPMEN	06/30/20	240.29	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384495	10255MED	PERMANENTE MEDICAL GROUP INC	06/30/20	2,790.00	MW	OH		
AP00384496	19678	PERS LONG TERM CARE PROGRAM	06/30/20	194.99	MW	OH		
AP00384497	51799	PET FOOD EXPRESS	06/30/20	194.81	MW	OH		
AP00384498	47044	PETERSON TRUCKS INC	06/30/20	1,343.27	MW	OH		
AP00384499	54331	PIIAN SYSTEMS LLC	06/30/20	8,388.72	MW	OH		
AP00384500	55634R	POLLOCK, TERESA	06/30/20	45.00	MW	OH		
AP00384501	54462	PORAC RETIREE MEDICAL TRUST	06/30/20	13,350.00	MW	OH		
AP00384502	14431	PRAXAIR SERVICES INC	06/30/20	24,690.65	MW	OH		
AP00384503	53942	PREFERRED ALLIANCE INC	06/30/20	543.81	MW	OH		
AP00384504	39043	PRO FORCE LAW ENFORCEMENT	06/30/20	2,582.75	MW	OH		
AP00384505	53664	PROPRINT	06/30/20	21,854.46	MW	OH		
AP00384506	55353	PUBLIC RESTROOM COMPANY, THE	06/30/20	29,560.00	MW	OH		
AP00384507	55248R	PUNZALAN, ROBERT	06/30/20	725.00	MW	OH		
AP00384508	54044	QUADIENT LEASING USA INC	06/30/20	1,647.56	MW	OH		
AP00384509	55624R	QUINONES, JOSE	06/30/20	1,971.89	MW	OH		
AP00384510	1115	R & B COMPANY	06/30/20	6,343.97	MW	OH		
AP00384511	12539	R A METAL PRODUCTS INC	06/30/20	2,631.35	MW	OH		
AP00384512	54978	RAIN FOR RENT	06/30/20	1,459.34	MW	OH		
AP00384513	55641R	RAMIREZ ROOFING CORP	06/30/20	275.00	MW	OH		
AP00384514	42475	RB PETROLEUM SERVICES	06/30/20	5,401.00	MW	OH		
AP00384515	50803	READYREFRESH BY NESTLE	06/30/20	169.70	MW	OH		
AP00384516	2439	RECORDED BOOKS INC	06/30/20	387.18	MW	OH		
AP00384517	1687	RED WING SHOES	06/30/20	194.99	MW	OH		
AP00384518	4186	REGENTS UNIVERSITY OF CALIF	06/30/20	738.38	MW	OH		
AP00384519	51106	RELIANCE BARCODE SOLUTIONS LL	06/30/20	558.31	MW	OH		

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AP00384545	50423R	STATE FARM INSURANCE COMPANY	06/30/20	2,310.73	MW	OH		
AP00384546	3613	STATIONARY ENGINEERS LOCAL 39	06/30/20	3,084.01	MW	OH		
AP00384547	40145R	SUPER ROOFING COMPANY	06/30/20	275.00	MW	OH		
AP00384548	42522R	TAN, ANDY	06/30/20	9,950.00	MW	OH		
AP00384549	2798	TEAMSTERS LOCAL 856	06/30/20	3,318.00	MW	OH		
AP00384550	13852	TELECOMMUNICATIONS ENGINEERIN	06/30/20	3,544.80	MW	OH		
AP00384551	42970JPA	TELECOMMUNICATIONS ENGINEERIN	06/30/20	16,053.00	MW	OH		
AP00384552	51891	TETRA TECH INC	06/30/20	29,336.05	MW	OH		
AP00384553	1201	THOMSON REUTERS WEST	06/30/20	496.54	MW	OH		
AP00384554	55263	TRANSCRIBEME INC	06/30/20	151.02	MW	OH		
AP00384555	49543	TRB AND ASSOCIATES INC	06/30/20	181,966.36	MW	OH		
AP00384556	15663	TRIMARK ECONOMY RESTAURANT FI	06/30/20	1,924.58	MW	OH		
AP00384557	52033	TRIPEPI SMITH & ASSOCIATES IN	06/30/20	2,045.00	MW	OH		
AP00384558	37637	ULINE INC	06/30/20	909.82	MW	OH		
~~AP00384559~~	~~1110~~	~~UNITED STATES POSTAL SERVICE~~	~~06/30/20~~	~~31,500.00~~	~~MW~~	~~OH~~		
AP00384560	50490	UNITEDHEALTHCARE INSURANCE CO	06/30/20	326.97	MW	OH		
AP00384561	32209	UNIVAR USA INC	06/30/20	17,315.71	MW	OH		
AP00384562	3904	UPS	06/30/20	12.15	MW	OH		
AP00384563	47099JPA	UTILITY TELECOM GROUP LLC	06/30/20	5,233.26	MW	OH		
AP00384564	29329	VERIZON WIRELESS SERVICES LLC	06/30/20	881.00	MW	OH		
AP00384565	1579	VWR INTERNATIONAL LLC	06/30/20	426.84	MW	OH		
AP00384566	38176	W BRADLEY ELECTRIC INC	06/30/20	182,590.00	MW	OH		
AP00384567	50485	WAVE BROADBAND	06/30/20	1,535.50	MW	OH		
AP00384568	3691	WECO INDUSTRIES LLC	06/30/20	1,143.18	MW	OH		
AP00384569	49085	WEST COAST ARBORISTS INC	06/30/20	8,409.85	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384520	46300R	RESCUE ROOFING COMPANY	06/30/20	550.00	MW	OH		
AP00384521	53532	ROBERT HALF TECHNOLOGY	06/30/20	3,797.50	MW	OH		
AP00384522	13761	ROSS RECREATION EQUIPMENT INC	06/30/20	1,782.24	MW	OH		
AP00384523	52843R	S F UNDERGROUND	06/30/20	4,000.00	MW	OH		
AP00384524	1087	SAFETY KLEEN SYSTEMS INC	06/30/20	986.16	MW	OH		
AP00384525	43156JPA	SAN MATEO COUNTY	06/30/20	906,899.64	MW	OH		
AP00384526	18047	SAN MATEO COUNTY PUBLIC	06/30/20	377,015.25	MW	OH		
AP00384527	35246	SAN MATEO COUNTY SHERIFFS OFF	06/30/20	3,754.00	MW	OH		
AP00384528	G-BLACKMAN3	SAN MATEO COUNTY SHERIFF	06/30/20	312.00	MW	OH		
AP00384529	1790	SAN MATEO COUNTY TRANSIT DIST	06/30/20	20,434.16	MW	OH		
AP00384530	9666	SAN MATEO LAWN MOWER SHOP	06/30/20	574.56	MW	OH		
AP00384531	13987MED	SAN MATEO MEDICAL CENTER	06/30/20	4,900.00	MW	OH		
AP00384532	55607	SANTANA, BRUNO	06/30/20	1,000.00	MW	OH		
AP00384533	54717	SANTANA, VALERIA CRISTINA	06/30/20	5,900.00	MW	OH		
AP00384534	49441	SC FUELS	06/30/20	21,415.28	MW	OH		
AP00384535	39310	SCHWING BIOSET INC	06/30/20	64,958.08	MW	OH		
AP00384536	50625R	SF CROWN ROOFING INC	06/30/20	275.00	MW	OH		
AP00384537	54509	SF UNDERGROUND INC	06/30/20	12,000.00	MW	OH		
AP00384538	54583R	SHAKER CONSTRUCTION	06/30/20	845.00	MW	OH		
AP00384539	49695	SHRED IT USA	06/30/20	81.56	MW	OH		
AP00384540	52666	SHRED WORKS INC	06/30/20	33.00	MW	OH		
AP00384541	29998	SNAP ON INDUSTRIAL	06/30/20	211.16	MW	OH		
AP00384542	2055	SOUTH CITY LUMBER & SUPPLY	06/30/20	1,052.53	MW	OH		
AP00384543	45112JPA	STATE COMPENSATION INSURANCE	06/30/20	272.25	MW	OH		
AP00384544	18948	STATE CONTROLLER	06/30/20	2,041.25	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00384570	6141	WEST COAST CONTRACTORS SERVIC	06/30/20	328.58	MW	OH		
AP00384571	29517	WEST-LITE SUPPLY COMPANY INC	06/30/20	311.31	MW	OH		
AP00384572	54330	WILLIAMS SCOTSMAN INC	06/30/20	531.86	MW	OH		
AP00384573	55628R	WOO, SIMON	06/30/20	5,075.00	MW	OH		
AP00384574	55631R	YUEN, WALLACE	06/30/20	144.55	MW	OH		
AP00384575	4510	ZAP MANUFACTURING INC	06/30/20	276.04	MW	OH		
AP00384576	55623R	ZHOU, EUGENE	06/30/20	965.00	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	3,524,315.30	Number of Checks Processed:	307
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
Total EPAYs	0.00	Number of EPAYs Processed:	0
G R A N D T O T A L	3,524,315.30		

LESS CANCELED CHECKS

AP00384559	1110	UNITED POSTAL SERVICE	06/30/20	31,500.00
				$3,492,815.30

City Council Meeting Agenda Report

Item # _____

Meeting Date: July 13, 2020

Subject: Public Hearing – National Pollutant Discharge Elimination System Local Stormwater Program Regulatory Fee

Recommended Action

Staff recommends the City Council adopt a resolution maintaining the existing National Pollutant Discharge Elimination System (NPDES) regulatory fee necessary to fund the City of Daly City local program activities required under the State mandated Stormwater Management Plan and authorize the City Manager to enter into a contract with the County of San Mateo for the collection of the NPDES Local Stormwater Program fee.

Background

The San Francisco Water Quality Control Board (Water Board) issued a consolidated Bay Area Municipal Regional Stormwater Permit (MRP) on November 19, 2015, with an implementation date of January 1, 2016. The MRP conditions cover municipal stormwater management activities over the five years of the permit. The City/County Association of Governments (C/CAG) continues to administer the General Program components, while each municipality is responsible for performing specific program activities.

Discussion

As part of the City's Biennial Budget, staff anticipated the continuation of the current regulatory fee enacted under Ordinance No. 1219 in 1995 to finance some of the locally specific program activities required under the conditions of the MRP and the San Mateo County Water Pollution Prevention Program. Public Works staff estimates the catch basin and Vista Grande Canal monitoring and cleaning cost for Fiscal Year 2021 at $489,287. This amount is derived from total personnel, equipment rental and inspection services costs as set forth in the enclosed program description.

The fees originally established are based on a nexus between parcel size and land use, with a base factor assigned to the single family/duplex parcel as it is the predominant land use in Daly City. The fees assessed to property owners for Daly City's local program have not increased over the past 24 years and they remain as originally establish at:

Single Family/Duplex	$9.80/APN
Multi-Family (3-10 units)	$19.60/APN
Multi-Family (11-20 units)	$36.76/APN
Unimproved Land	$4.90/APN
Commercial/Retail/Manufacturing	$56.84/APN, EDU

Condominiums.. $4.90/APN

All other categories of use are assigned a factor compared to the single family/duplex rate and take into account frontage, impervious surface coverage and vehicle trips to allocate costs proportionately.

Fiscal Impact

The fees collected are estimated to generate approximately $465,000 in revenue towards program costs. Currently, local stormwater program activity costs exceed the revenue derived from the property assessment due to cost escalation over time as well as the imposition of new activities since the fee was first established. With future needs to implement more Green Infrastructure type projects, an increase in the stormwater fee assessment will likely be required in the near future.

Summary/Conclusion

Public Works staff recommends re-adoption of the existing NPDES regulatory fee and authorization for the County Assessor to collect the fees on behalf of the City of Daly City on property owner's tax bills.

Staff is available to provide any additional information desired by the Mayor or Council members.

Respectfully submitted,

Richard Chiu Jr.

Richard Chiu, Jr
Director of Public Works

Attachment: NPDES Justification

Department of Public Works - Street Division
NPDES Regulatory Fee (3790)
Revenue Justifications

1. Storm water pollution prevention through inspection and/or cleaning of 2233 catch basins; and full trash capture devices in 80% of the catch basins. Programs include:

Annual Catch Basin Inspection & Cleaning
Monthly Inspections of Full Trash Capture Devices During the Rainy Season
Silt & Debris Testing and Removal from the Vista Grande Canal
Inclement Weather District Cleaning

	Est. Expenditures	
Areas	**FY 20/21**	**FY 21/22**
Salaries & Benefits (1)	$ 298,129	$ 307,073
Vehicle Cost (2)	$ 134,958	$ 134,958
Materials, Tools, Supplies, and Equipment Rental	$ 21,000	$ 21,000
Vista Grande Canal - Material Testing ($1200), Transporting, and Dumping Fee ($10800)	$ 12,000	$ 12,000
Program Administration (3)	$ 23,200	$ 23,896
Total for NPDES Program	**$ 489,287**	**$ 498,927**
Est. Revenue		
NPDES Regulatory Fee	**$ 466,027**	**$ 466,027**
Fund 17	**$ 23,260**	**$ 32,900**
Total Program Revenue	**$ 489,287**	**$ 498,927**

City Council Meeting Agenda Report

Item # ____

Meeting Date: July 13, 2020

Subject: Proposed New Fee for Lap Swim at Giammona Pool

Recommended Action

It is recommended that the City Council consider changing the fee for individual lap swim at Giammona Pool from $6 to $10.

Background

Since its opening in 2010, Giammona Pool has met the aquatic programming needs for Daly City residents. The pool has attracted more than 70,000 swimmers of all ages and skill levels each year.

Giammona Pool, along with other Daly City facilities, closed on March 9, 2020, in response to the San Mateo County Shelter-In-Place Order. The most current Health Order allows limited activity at public swimming pools where safety protocols can be implemented. If the City Council concurs, staff in the Aquatics Division of the Department of Library and Recreation Services will reopen Giammona Pool in late July for lap swim.

Discussion

Due to social distancing requirements, the number of swimmers in the pool at any one time will be reduced to just nine. At the current rate of $6 per swimmer, the maximum revenue generated would be $54 per session. The cost for staffing lap swim is approximately $106 per session (salaries only, not counting benefits or pool operating costs). Increasing the fee from $6 to $10 per swimmer could raise revenue to as much as $90 per session, for a potential cost recovery of 85% compared to 51% at the current rate.

Lap Swim	Current Fee (Resident/Non-Resident)	Proposed Fee (Resident/Non-Resident)
Youth/Seniors	$5/$6	$10
Adults	$6/$7	$10

Several cities in San Mateo County have closed public pools for the remainder of 2020 due to health concerns, including Belmont, Brisbane, San Bruno, San Carlos (Carlmont High School pool), and San Mateo. Public swimming pools in San Francisco remain closed but may re-open in August 2020. The City of Pacifica re-opened its pool at Oceana High School on July 6, 2020, for lap swim, and recently increased its fee to $10. Other cities in San Mateo County that offer lap swim include Redwood City ($10), South San Francisco ($6), and Burlingame ($6).

Giammona Pool has remained closed for more than four months. During that time, many members of the community have expressed interest in resuming swimming at Giammona Pool. While swimming is not deemed an essential activity, staff is confident that with protocols in place, patrons can safely return to pool. The San Mateo County Health Order released on May 15, 2020, allowed public swimming pools to re-open, stating, “pools may be opened, but only if they are actively monitored and managed to ensure that the facility is either (1) only used by members of the same household or (2) used in a manner that ensures that all social distancing, face covering and all other requirements (including the prohibitions against gathering and shared equipment), including Health Officer orders, are enforced."

Fiscal Impact

In recent years, revenue from adult lap swim generated approximately $30,000 annually. Due to the closure of Giammona Pool, revenue for pool-related activities dropped dramatically. A modified version of lap swim could possibly generate $20,000 to $25,000 in Fiscal Year 2010-21.

Summary/Conclusion

Staff is available to provide any additional information desired by the City Council.

Respectfully Submitted,

Romeo Benson	Denise Brown	Joseph F. Curran
Senior Recreation Program Supervisor	Recreation Services Manager	Director

ORDINANCE NO. 1439

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY AMENDING THE DALY CITY ZONING MAP BY AMENDING ORDINANCE NO. 1260 TO PLANNED DEVELOPMENT ZONE (PD -54A) AND ESTABLISHING PLANNED DEVELOPMENT STANDARDS

(Rezoning of Redevelopment Blocks 50, 51 and 52, Junipero Serra Boulevard (portion) Daly City)

BE IT ORDAINED by the City Council of the City of Daly City, as follows:

Section 1. Findings. The City Council of the City of Daly City finds that, as conditioned, Planned Development PD-04-19-013998 (Precise Plan) for Planned Development PD-54A, is in compliance with Title 17 of the Daly City Municipal Code (Zoning Ordinance), as well as the General Plan of the City of Daly City, as amended and as to each element of the Daly City General Plan. Approval of the zone change will not be detrimental to the health, safety, morals, comfort and general welfare of persons residing in or working in the neighborhood or be injurious or detrimental to the property and improvements in the neighborhood or the general welfare of the City of Daly City.

Section 2. Environmental Determination.

The City Council has reviewed the proposal under the requirements of the California Environmental Quality Act (CEQA) and determined the project will not result in additional impacts on the environments not previously evaluated in, and is consistent with the analysis in, the Peninsula Gateway Plaza Redevelopment Project Supplemental Environmental Impact Report for the adoption of Planned Development PD-54, certified on March 8, 1999 by the City Council, and the General Plan Final Environmental Impact Report for the adoption of the 2030 General Plan, certified on March 25, 2013 by the City Council. The Daly City Planning Commission and City staff recommend that addendums to the Peninsula Gateway Plaza Redevelopment Project Supplemental Environmental Impact Report and General Plan Final Environmental Impact Report per Section 15164 of the CEQA Guidelines be adopted for this project.

The City Council approves addendums to the Peninsula Gateway Plaza Redevelopment Project Supplemental Environmental Impact Report and General Plan Final Environmental Impact Report and determines that they comply and conform with the California Environmental Quality Act and the Guidelines implementing the Act.

Section 3. Zoning Reclassification. The zoning as designated upon the “Official Zoning Map” of the City of Daly City, as adopted by Daly City Ordinance No. 1260, and thereafter amended from time to time, is hereby changed as to the parcels identified on the attached map incorporated herein by this reference, to Planned Development Zoning PD-54A, which hereinafter provides for a change of boundary on the “Official Zoning Map” and the establishment of specific standards for development on the subject property. All improvement shall comply with the Planned Development Standards hereinafter adopted for Planned Development PD-54A.

PLANNED DEVELOPMENT STANDARDS
PLANNED DEVELOPMENT ZONE PD-54A

The purpose and intent of these Planned Development Standards for PD-54A is to establish a Planned Development Zoning District for properties located within Blocks 50, 51 and 52, Junipero Serra Boulevard, Daly City which encompasses the entire project site.

I. Applicable Regulations

When these Planned Development Standards conflict with other sections of the Zoning Ordinance, these regulations shall prevail only to the extent of the conflict with these provisions or any portion of these provisions.

When these Planned Development Standards do not provide for regulation, the Zoning Ordinance standards for the most similar land use shall be applicable.

Minor adjustments to the approved site plan due to site conditions or code requirements may be approved by the Director of Economic and Community Development. More significant modifications shall be subject to review and approval by the Design Review Committee. Modifications to the limitations established in the Planned Development Standards are subject to review by the Planning Commission and approval by the City Council.

II. Permitted Uses

Principal uses permitted shall include the following:

Phase I

A. Offices for any of the following occupations - executive, administrative, professional, technical, multimedia and computer skills, accounting, writing, clerical, stenographic, drafting, and sales.

B. Banks, credit unions, savings and loan associations and similar uses, except drive-thru facilities, which are subject to use permit requirements.

C. Government and public utility offices.

D. Support retail uses including, but not limited to: personal service establishments including barber and beauty shops, coffee shops, ice cream store, travel agents, restaurants and cafeterias, florists, book stores, newsstands, dry cleaning pick-up establishments without a plant on the premises, gift shops, health studios, photographic studios, and business services including graphic and printing services, office supplies, mailing and shipping services, internet and computer services.

E. Parking structures for employees, customers or service vendors for office or business either on-site or adjacent uses as authorized by the Redevelopment Agency.

F. Public Plaza containing benches and other outdoor seating areas, kiosks, fountains, street furniture and landscaping.

G. Uses similar to the above and accessory uses customarily incidental to the above permitted uses.

Phase II

A. Motion picture and performing art theaters, including snack bars and other support retail.

B. Hotel, including lodging accommodations, maid services, desk services, meeting rooms, health studios, incidental merchandise sales, and other incidental services and facilities that are principally intended to serve transients, guests or travelers.

C. Restaurants, coffee shops, bakeries and similar establishments.

D. Retail and entertainment establishments including, but not limited to: book stores and newsstands, flower shops, seasonal sales, hobby stores, and school and art supplies.

E. Personal and business services including, but not limited to barber and beauty shops, dry cleaning pick-up establishments without a plant on the premises, and photographic studios.

F. Parking structures for employees, customers or service vendors for office of business either on-site or adjacent uses as authorized by the Redevelopment Agency.

G. Uses similar to the above and accessory uses customarily incidental to the above permitted uses.

Phase III

A. Offices for any of the following occupations - executive, administrative, professional, technical, multimedia and computer skills, accounting, writing, clerical, stenographic, drafting, and sales.

B. Banks, credit unions, savings and loan associations and similar uses, except. drive-thru facilities, which are subject to use permit requirements.

C. Government and public utility offices.

D. Support retail uses including, but not limited to: personal service establishments including barber and beauty shops, coffee shops, ice cream store, travel agents, restaurants and cafeterias, florists, book stores, newsstands, dry cleaning pick-up establishments without a plant on the premises, gift shops, health studios, photographic studios, and business services including graphic and printing services, office supplies, mailing and shipping services, internet and computer services.

E. Parking structures for employees, customers or service vendors for office of business either on-site or adjacent uses as authorized by the Redevelopment Agency.

F. Commercial event centers that primarily function to provide a facility for social gatherings, typically consisting of, but not limited to, meeting rooms and a kitchen, that are available for use by various private groups for activities such as receptions and memorials.

G. Uses similar to the above and accessory uses, including but not limited to surface parking, customarily incidental to the above permitted uses.

III. Conditional Uses

Conditional uses permitted only with the granting of a use permit shall include the following:

A. Any use providing a drive-thru capability.

B. New or used car sales.

C. Any retail, office or entertainment use not deemed by the Director of Economic and Community Development to be similar to or included in the list of permitted uses established for each phase of the development.

IV. Minimum Lot Size

The minimum lot size for each component of the planned development shall be:

Phase I

Office Building Parcel - 45,000 square feet

Parking Structure Parcel - 54,000 square feet

Plaza Parcel - 15,000 square feet

Phase II

Motion Picture/Performing Arts Theater Parcel – 60,000 square feet

Parking Structure Parcel – 44,000 square feet

Hotel Parcel – 42,000 square feet

Phase III

Commercial Parcel – 43,000 square feet

Surface Parking Parcel – 28,000 square feet

V. Minimum Lot Frontage

The minimum lot frontage for each component of the planned development shall be:

Phase I

Office Building Parcel - 250 feet

Parking Structure Parcel - 300 feet

Phase II

Motion Picture/Performing Arts Theater Parcel – 225 feet

Parking Structure Parcel – 200 feet

Hotel Parcel – 150 feet

Phase III

Commercial Parcel – 175 feet

Surface Parking Parcel – 125 feet

VI. Maximum Building Height and Bulk

The maximum building height and bulk, expressed in leasable square feet, for each component of the planned development shall be:

Phase I

Office Building Parcel - 125 feet in height and 352,000 square feet of retail and office space.

Parking Structure Parcel - 65 feet in height

Phase II

Motion Picture/Performing Arts Theater Parcel – 95 feet in height and 82,000 square feet and 18,000 square feet of retail.

Parking Structure Parcel – 65 feet in height

Hotel Parcel – 110 feet in height and 210,000 gross square feet of hotel space and 25,000 gross square feet of meeting and banquet space.

Phase III

Commercial Parcel – 110 feet in height and 270,000 square feet.

Parking Parcel – 65 feet in height.

VII. Off Street Parking Requirements

The minimum number of off-street parking spaces for each component of the development shall be:

Phase I

Office Building Parcel - 1,265 spaces

Phase II

Motion Picture/Performing Arts Theater Parcel - One space per 1.8 seats.

Hotel Parcel - One space per room.

Phase III

Commercial event center - One space per 350 square feet of gross floor area

New and/or used car sales - One space per 2,000 square feet of total site area

All other permitted and conditioned uses shall be subject to the parking requirements in Title 17 of the Daly City Municipal Code.

VIII. Buffer Yards

The minimum rear buffer yard for each block of the development shall be:

Block 50 -- 20 feet

Block 51 -- 20 feet

Block 52 -- 40 feet

Parcels not located along the eastern boundary line of each block shall be exempt from the minimum rear buffer yard requirement.

Landscaping plans for the buffer yards are subject to approval by the Design Review Committee. All landscaping must be maintained so it meets the intended purpose.

IX. Design Review

All new buildings and the Central Events Plaza improvements shall require a Design Review Permit approved by a Design Review Committee appointed by the Mayor. Approval shall incorporate all adopted mitigation measures and all conditions of approval relating to architectural character, site design, exterior lighting, landscaping and signage.

X. Master Sign Program

Signage for the permitted and conditional uses would be provided consistent with the City's requirements. Signage should include signs for commercial storefronts, a marquee for the theater, directional signage and lighted signs. A Master Sign Program establishing uniform design standards such as color, size, shape and placement for all signage within the project is required. Off-premises signs serving adjoining businesses may be allowed.

XI. Deliveries and Drop-offs

Loading areas and deliveries shall be accessed from Junipero Serra Boulevard or Westlake Avenue. Drop-off areas and short-term parking shall also be provided along Junipero Serra Boulevard and Westlake Avenue. The drop-off area proposed from North Parkview Avenue and Niantic Avenue shall primarily be for activities in Marchbank Park and for emergency vehicle access and shall not be designated for general drop-off or used for delivery purposes.

Section 4. Summary Publication: Pursuant to the provisions of Government Code Section 36933, a summary of this Ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this Ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk's office a certified copy of this Ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk's office a certified copy of the full text of this Ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting. This Ordinance shall become effective thirty (30) days from and after its adoption.

Section 5. Severability: If any section, subsection or sentence of this Ordinance is found by a court of competent jurisdiction to be invalid or unlawful, the City Council finds and declares that the remainder of this Ordinance would be and is enforceable and would have been adopted notwithstanding the finding of invalidity as to any section, subsection or sentence.

Introduced this ___22nd___ day of ___June___ 2020.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the ________ day of ____________________ 2020 by the following vote:

AYES, Councilmembers____

____

NOES, Councilmembers____

Absent, Councilmembers:____

____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

____

MAYOR OF THE CITY OF DALY CITY

City Council Meeting Agenda Report

Item # _____

Meeting Date: July 13, 2020

To: Honorable City Council

From: Angie Padilla, City Manager's Office AP

Date: July 13, 2020

Subject: Council Committee Meetings June 21 – July 12, 2020

Date of Meeting:	Meeting:	In Attendance:
June 23, 2020	**Affordable Housing** -Final Terms and Conditions for Daly City Housing Trust Fund Loan to SHP Foundation for 21 apartments located on E. Moltke and Abbot Streets -Request for Development Funding Assistance from Core Companies for 72 units located at 493 Eastmoor -Request for Predevelopment Funding Assistance from Bridge Housing for Development for Carter/Martin Site -BMR Rental Housing Program Guidelines	Sylvester Manalo Maltbie Zimmerman Stolte Mothershead Zobell Suliguin
July 7, 2020	**Cannabis** Review of Cannabis Maps and Approach to Rezoning to Allow Cannabis Sales	Buenaventura Daus-Magbual Maltbie Zimmerman Stolte Mothershead Van Lonkhuysen

CITY OF DALY CITY INTER-OFFICE MEMORANDUM

DATE: June 19, 2020

TO: See Below

FROM: Angie Padilla, City Manager's Office

SUBJECT: **MEETING NOTICE**

RE: **Affordable Housing Council Committee Meeting—TOPICS TO BE DISCUSSED:**

- **Final terms and conditions for Daly City Housing Trust Fund loan to SHP Foundation for 21 apartments located on E. Moltke and Abbot Streets**
- **Request for development funding assistance from the Core Companies for 72 units located at 493 Eastmoor**
- **Request for predevelopment funding assistance from Bridge Housing for development for Carter/Martin site**
- **BMR rental housing program guidelines**

DATE: **Tuesday, June 23, 2020**

TIME: **5:30 p.m.**

PLACE: **ZOOM MEETING (Details to Follow)**

ATTENDING:

City Participants:	**Other Participants**:
Glenn Sylvester, Mayor	
Juslyn Manalo, Vice Mayor	
Shawnna Maltbie, City Manager	
Rose Zimmerman, City Attorney	
Stephen Stolte, Assistant to the City Mgr.	
Tatum Mothershead, Dir. of ECD	
Betsy Zobell, HCD Supervisor	
Lenelle Suliguin, Housing Coordinator	

Date Confirmed: June 19, 2020
cc: Council

Attachment 7

CITY OF DALY CITY
BELOW MARKET RATE RENTAL PROGRAM
PROGRAM GUIDELINES & OPERATIONAL MANUAL

Housing Trust Fund
Inclusionary Housing Ordinance
State Density Bonus

DRAFT

Department of Economic and
Community Development
January 2020

CITY OF DALY CITY
BELOW MARKET RATE RENTAL PROGRAM
PROGRAM GUIDELINES & OPERATIONAL MANUAL

TABLE OF CONTENTS

I. INTRODUCTION

The Council of the City of Daly City ("City") passed an **Inclusionary Housing Ordinance** ("Ordinance ") in September 2007 in response to the substantial need for affordable housing documented in the City's General Plan, Housing Element, and Consolidated Plan. The Ordinance was codified in Chapter 17.47 of the Daly City Municipal Code

In 2009, the California Court of Appeal ruled in *Palmer/Sixth Street Properties v. Los Angeles ("Palmer ')* that inclusionary housing requirements applicable to rental housing violated the Costa-Hawkins Rental act of 1995, thus prohibiting the City from requiring inclusionary units in new rental developments. The Court did not suggest that new development had no impact on a community's housing needs, however. Accordingly, the City quantified the housing demand generated by new market-rate development,and replaced its Inclusionary Housing Ordinance in 2014 with an Affordable Housing Ordinance that levied affordable housing impact fees on new rental developments, but still required below market rate units for new ownership developments.

California AB1505 signed in September 2017 allowed California cities to authorize inclusionary requirements on rental units. In response, the City once again repealed and replaced Chapter 17.47 of the Municipal Code. This Below Market-Rate Rental Housing Program Guidelines and Operations Manual offers guidance to all stakeholders regarding the administration of below market-rate rental units provided in market-rate developments pursuant to the requirements of City ordinances and guidelines, including:

- Rental units built under the Inclusionary Housing Ordinance and repealed Affordable Housing Ordinance;
- Below Market-Rate Units built in lieu of AHMF payments; and
- Rental units created under the State Density Bonus law
- Rental units financed with Daly City Housing Trust Fund or SB 341 funds

The beneficial effects of safe, decent, affordable housing built within market-rate developments are many. Most notably for the City of Daly City, it promotes the economic, social, and ethnic diversity that gives the City its unique and valued character, while also eliminating the detrimental effects to families, individuals and the environment caused by long commutes for workers otherwise forced out of the local housing market.

City of Daly City staff look forward to working closely with developers, owners, and renters to ensure that implementation of this Below Market-Rate (BMR) Rental Housing Program Guidelines and Operations Manual is clear and easy.

Each project's recorded agreement (Affordable Housing Agreement) includes the requirements to comply with the BMR Program. In addition, these guidelines provide more details on how to comply. In the case of a conflict between these guidelines and the recorded agreement, the recorded document will prevail.

II. DEFINITION OF TERMS

Affordable Housing Agreement (sometimes referred to as Inclusionary Housing Agreement)	A restrictive agreement between the City and an Owner recorded against a Project and containing the specific occupancy and use restrictions applicable to the Project, as defined in the Project's Use Permit, pursuant to the requirements of the Daly City Municipal Code ~~BMC~~. (In some developments, these restrictions are prescribed in the Regulatory Agreement.) This Agreement describes the implementation of the Project's Affordable Housing Plan.
Affordable Housing Plan	A plan containing information specified in and submitted in compliance with the Inclusionary Housing Ordinance.
Inclusionary Housing Ordinance	Chapter 17.47 of the Daly City Municipal Code, as amended from time to time.
Affordable Rents	Generally (unless otherwise specified), 30% of a household's Gross Income.
AMI	Area Median Income.
Annual Gross Income	Anticipated Gross Income for the twelve-month period following income determination, based upon documentation of the Household's current Gross Income See Appendix for information regarding calculation of income.
Area Median Income **(AMI)**	The gross median income published annually by HUD for the San Francisco, CA HUD Metropolitan Statistical Area **("MSA").**
Assets	The value in equity of savings, stocks, bonds, and other forms of capital investment. Specifically excluded are lump-sum additions such as inheritance, insurance settlement payments, or settlements for personal or property losses.
DCMC	Daly City Municipal Code.
BMR	Below Market-Rate. For purposes of these Guidelines, BMR is used to describe rent- and income-restricted units provided under the Inclusionary Housing Ordinance and the State Density Bonus law.
BMR Renter	Below Market-Rate Renter or current tenant of a BMR rental unit, including all members of the Household. May also be referred to as BMR Household and BMR Tenant.

BMR Unit	For the purpose of these guidelines, a BMR unit describes a rental housing unit that is subject to rent and income limits under the City's Inclusionary Housing Ordinance.

City	City of Daly City
City of Daly City BMR Program Income and Rent Limits	Table produced annually by City that is derived from HUD AMI values and which establishes rents and income limits for BMR units for the calendar year.
Density Bonus Law	California Government Code Section 65915, which sets forth Owners' rights to exceed established housing density limits defined in local planning regulations in exchange for the provision of BMR or Moderate Income units, as specified in Government Code Section 65915.
Density Bonus Units	A specific number of Units allowed in a Project in excess of the Base Project, pursuant to the Density Bonus Law.
Head of Household	A person within a household responsible for paying more than half the cost of meeting household expenses in any given year.
Household	Any person or persons residing or intending to reside in the same Unit, whether related or not.
Household Assets	Something of value that can generate income, including but not limited to: cash in savings/checking accounts, trusts, stocks, bonds, Treasury bills, certificates of deposit, mutual funds, money-market accounts, retirement accounts, pension funds (periodic receipts from retirement accounts are counted as income, lump sum payments are counted as assets), cash value of life insurance policies, lump sum receipts (monetary gifts, inheritance, settlements, insurance claims, one-time lottery winnings).
HUD	United States Department of Housing and Urban Development.
Inclusionary Housing Ordinance	Chapter 17.47 of the Daly City Municipal Code, as amended from time to time.
Live-In Aide	HUD's definition as established in 24 CFR 5.403: A person who resides with one or more elderly persons, near-elderly persons or persons with disabilities and who: (1) is determined to be essential to the care and well-being of the person(s); (2) is not obligated to provide support for the person(s); and (3) would not be living in the unit except to provide the necessary supportive services. [Note that a Live-In Aide may or may not be related to the disabled or elderly BMR Renter, but to qualify as an Aide, s/he must establish that there is no other reason to reside in the Unit except to provide essential care.]

Marketing Plan	Written documentation provided in a City-prescribed format containing information on Project advertising, Owner outreach, and other means by which the Owner will attract and select BMR residents for occupancy.
Maximum Household Income	The maximum income allowed for a Household applying for a BMR Unit as determined by Household size, derived from annual AMI values published by HUD and republished in the City of Berkeley BMR Housing Program Income and Rent Limits table.
Maximum Monthly Rent	The maximum monthly monetary consideration allowed for BMR units and paid by a BMR Renter Household for use of the designated BMR Unit as the Household's principal residence; published annually in the City of Daly City BMR Housing Program Income and Rent Limits.
MSA	Metropolitan Statistical Area.
Net Monthly Rent	Maximum Monthly Rent applicable to a BMR Unit less the value of the City-published utility allowance provided for Tenant-paid utilities and any other mandatory fee imposed by a BMR Owner as a condition of tenancy.

Owner	The person or entity financially and legally responsible for construction and operation of the Project and fulfillment of the Project's Conditions of Approval.
Primary Residence	A dwelling, such as a rental unit or single family home, where a Household lives for at least ten months out of the year.
Program	As the context requires, the City of Daly City Inclusionary Housing program defined in DCMC 17.47.
Project	A specific housing development that includes in its Conditions of Approval a requirement to construct BMR Units.
Qualifying Household (Renter)	An applicant for a BMR Rental Unit who meets the BMR Renter Qualifications specified in Section III B of this manual.
Qualifying Units	Affordable residential units included in a development for the purpose of obtaining a Density Bonus under the Density Bonus Law.

Section 8 or Section 8 Housing Choice Voucher Program	A federal housing program administered locally in which a public housing authority pays a portion of a participating renter Household's rent directly to an Owner.
Unit	A portion of a building designed for, or intended for the exclusive use of, persons living as one household.
Use Permit	A permit issued by the City of Daly City pursuant to the requirements of Title 23 of the DCMC that identifies, among other things, all applicable occupancy and use restrictions for a particular Project.
Utility Allowance	A dollar amount established periodically by the City based on HUD standards for the cost of basic utilities for Households that is paid by tenants. Currently the City uses the Housing Authority of County of San Mateo schedule.

III. GENERAL REQUIREMENTS

A. Project Types.
BMR obligations apply to:
   a. Rental developments of 20 or more Units
   b. Rehabilitation Projects for buildings constructed after January 2018 that add Units to produce a new Unit count of 20 or more
   c. Residential housing projects proposed on lots whose size and zoning designation allow construction of twenty or more Units.

B. Annual Monitoring Fee.
Every building Owner is subject to an annual monitoring fee for BMR rental units per the requirements under the Inclusionary Housing Ordinance (DCMC 17.47 Each year in January, Owners will receive a notice for the annual monitoring fee that includes the amount due and the due date.

City Council approved the adoption of the fees and the first fee schedule on __________, 020 (Resolution No. ________ The current fee schedule includes a per BMR unit fee with surcharges for late payment and a fee to lien the property for unpaid fees. From time to time, the City Council may update the fee schedule. Owners will be notified of any changes to the fee amount.

Regulatory Documents. The obligations of every building Owner subject to the Inclusionary Housing Ordinance will be incorporated into the Affordable Housing Agreement.
Relevant provisions include:

a. The number of restricted units required
b. The number of Density Bonus Units required, as applicable
c. The applicable AMI level that will determine the value of maximum monthly rents
d. The type and approximate size of restricted units (i.e., number of bedrooms, approximate square footage of the unit)
e. The location of BMR Units within the development, as applicable.
f. The marketing and tenant selection plan submission requirement.

The Regulatory Documents listed in Section 111.C establish the Owners' affordable housing obligations, and City staff will rely on them in implementing these Guidelines. Inclusionary Housing Ordinance obligations last for 55 years, while State Density Bonus law obligations last for 30 or 55 years depending on when the project was developed.

IV. RENTER QUALIFICATIONS AND RESTRICTIONS ON BELOW MARKET RATE RENTAL UNITS

A Qualifying Household must:

A. Meet the income limits defined in the Project's Affordable Housing Agreement

1. *Income Certification:* Income limits, expressed as a percentage of Area Median Income. The City produces a table starting on June 1 of every year showing the Gross Income for each relevant AMI category for BMR units. ("City of Daly City BMR Rental Housing Program Income and Rent Limits for [the Current Year]"). A Qualifying Household's income must not exceed the published income limits effective at the time of application for the BMR unit.

2. *Density Bonus and Inclusionary Units:* Each project's agreement states which units were created under the Inclusionary Housing Ordinance, and/or the State Density Bonus law. The incomes and rents for Inclusionary and density bonus units are based on the number of bedrooms in each unit and the corresponding household sizes. In the event that a unit is subject to both state and local requirements, and the applicable rent and income limits differ, the more stringent (lower) standard applies.

B. Reside in the BMR Unit at least 10 months of the year as the Household's permanent, sole residence.

1. BMR-renters may sublet their Units for up to 12 months if unexpected circumstances require a temporary relocation out of the area with pre-approval in writing by the City. Examples of conditions permitting subletting include:

i. Temporary work assignment.

i. Health care assistance required for family member living beyond commuting distance.

2. The City will approve a sublet only upon the provision of appropriate documentation. BMR Renters should submit a sublet request to the City, indicating:

i. Length of sublet, up to a maximum of 12 months

ii. Reason for sublet, with appropriate documentation, such as: (1) a letter from employer for work-related assignment; or (2) a letter from a physician, hospital or hospice confirming the need for care and the location of the family member's residence.

iii. Sublease terms

Sublessor Households must notify the City upon their return and resumption of occupancy in the Unit. Failure to do so will trigger non-compliance with the applicable regulatory restrictions and the City will be entitled to take all action necessary to enforce the BMR restrictions.

C. Occupy the Unit as his/her sole, permanent residence within 60 days of lease execution.

D. Have no ownership interest in any residence, either as an investment or alternate domicile.

E. Have a member of the household who is legally able to execute contracts (i.e., is at least 18 years old)

F. Document that the Head of Household, including full-time students, cannot be claimed as a dependent on another person's tax returns. Eligible BMR Renter households may be comprised of more than one full-time student if each full-time student satisfies all of the eligibility requirements. The Gross Income of each member of such households must be documented individually, and applicable income restrictions must be met for the household.

G. Demonstrate that no employment relationship with the property owner or property management company exists. Employees of the property management company are not eligible for BMR units regardless of their income.

H. Appendix B contains a list of Daly City employees who are not eligible for a BMR unit.

V. MARKETING AND LEASE UPPROCEDURES FOR OWNERS, PROPERTY MANAGERS AND LEASING CONSULTANTS

A. Initial Lease Up

1. *Marketing Plan.* At least 45 days prior to marketing the BMR Units, the Owner must submit a draft marketing plan to the City for review and approval. The City will approve or reject the marketing plan in writing within 30 business days of submission. Rejections will be based upon an Owner's failure to include the minimum components in the marketing plan described below and/or the City's determination that the marketing plan insufficiently reaches a wide cross-section of Daly City citizenry potentially eligible to participate in the Program. If the City rejects the marketing plan, the City will cite the reasons for withholding approval in writing. The Owner shall then submit a revised plan for City approval, which the City shall approve or reject in accordance with the procedures stated above. This process shall continue until the City approves the plan.

The marketing plan must include at least the following:

- Narrative of development, including overall description of the project, location, total number of units, amenities, and other descriptive features

- Overview of BMR Units, including the Unit count at the Project, breakdown by affordability level, unit square footage, number of bedrooms, and proposed BMR Rent
- List of newspapers and/or other publications where Units will be advertised
- List of civic groups, churches and other non-profit organizations to which Owner will transmit electronic or hard copy information fordistribution
- Daly City local businesses, community areas and other key City locations to which Owner will transmit electronic or hard copy information for distribution
- List of websites where Units will be advertised (i.e., Craigslist, Owner/property-specific website)
- Sample of flyer, electronic notices, and print advertisements
- Start date and duration of marketing period. BMR rental units shall be marketed for at least a 28-day period at initial lease up and for any subsequent marketing required to fill vacancies or to update the BMR waiting list at a specific site when the list has been exhausted. Owners must advertise the units for the duration of the 28-day period. They may begin accepting applications or pre-applications from prospective applicants during the 28-day period. Whether they choose to start receiving applications during or after the 28-day period, Owners must provide prospective applicants at least 2 weeks to submit their applications or pre-applications.
- How a random selection of applicants will be ensured through a lottery.

The marketing plan must also include procedures for the following activities both at initial lease up and during ongoing operations.

- Distributing and accepting applications, including a description of criteria that will be used for evaluating both BMR and market-rate applicants, e.g. credit history, rental history, criminal background, income history and references
- Notifying accepted applicants
- Notifying rejected applicants
- Placing applicants on a waiting list, including policies and procedures for updating the waiting list and removing applicants from waiting list. Transferring BMR tenants between units in the development to accommodate tenant needs, such as transferring tenants to higher or lower income units if their income changes or transferring households to a more appropriately sized unit if family composition changes

[Note: If an Owner desires to amend the approved marketing plan, s/he must submit proposed revisions to the City for approval. Whenever revisions are proposed, the City will approve or reject the revised marketing plan in writing within 10 business days of submission. If the City rejects the revised marketing plan, the City will cite the reasons for withholding approval in writing. The Owner must then submit a revised plan for City approval, which the City will approve or reject in accordance with the procedures set forth in Section IV. A.1. above.]

B. BMR Unit Waiting List/Ongoing Marketing

1. Following the initial lease-up of the BMR Units, and if demand for the BMR Units has exceeded supply, Owner must establish and maintain a BMR Unit Waiting List and refer to the waiting list first to fill vacancies. The initial BMR Unit Waiting List will consist of the applicants to the lottery for the initial lease-up and ordered by lottery number.

2. If, for whatever reason, waiting-list applicants cannot fill vacancies as they occur, Owners must use their City-approved marketing plan as a guide to market vacant units, carry out a second lottery and/or add to thewaiting list.

3. Owners of BMR units will update waitlists from time to time as necessary to ensure there is an adequate number of applicants when vacancies arise. The updating process will involve marketing the waitlist opening to the general public and include notifying the City. It might also include removal of applicants who are no longer interested in renting a BMR from the existing waitlist

4. During the annual online monitoring and during the onsite monitoring, Owners must inform the City if BMR Units are vacant and document steps taken to fill the vacancy from the waiting list.

5. If the property transfers to a new Owner, the current Owner must provide a copy of the waiting list to the new Owner. The new Owner must use the existing waiting list to fill vacancies and maintain the BMR applicants' place on the waiting list. The new Owner may implement procedures to update the waiting list, including properly notifying all BMR applicants of the Owner's process for updating the waiting list.

C. Application Process and City Approval at Initial Lease Up

1. The Owner is responsible for all elements of marketing and lease-up, including management of the BMR application process. The Owner may designate an agent to coordinate these activities, such as a property management company or leasing consultant. Owner is responsible for collecting and reviewing initial applications for the BMR units at their specific site.

2. At the time that the property is first rented, Owners must submit complete documentation of applicant income and eligibility and allowable rent calculations to the City for review and approval. The Owner cannot lease a BMR unit until the City provides the final approval of applicants.

3. The Owner is also responsible for recertifying every BMR tenant's eligibility and calculating the allowable rent on an annual basis after initial lease up, and for maintaining documentation consistent with these Guidelines.

After a property has been leased the first time, the Owner is not required to obtain the City's approval for new tenant income certifications or annual income recertifications for existing tenants after the building's initial lease-up, although the Owner will still be responsible for completing initial income certification of new BMR applicants and annual re-certification of existing tenants as described in more detail in the following section of these Guidelines. Owners should maintain this documentation on file but are only required to submit it to the City for review upon request.

4. The Owner may not subject BMR applicants to any additional screening, acceptance criteria, or other application procedures not also imposed upon market-rate applicants, with the exception of actions related to certifying income eligibility under the BMR Housing Program.

5. The Owner must provide in writing the reasons for denial to each applicant and keep the documentation on file. Once the Owner has determined that an applicant is not eligible for a certain BMR unit, the City will not entertain appeals of the Owner's decision.

VI. Establishing Tenant Eligibility and Calculating Rents

A. Determining Initial Eligibility

1. Owner Documents Tenant Income and Proposed Rent Using Tenant Approval Form. Provided by City and completed by Owner, this form requires the following information:
   - Property address and Unit number
   - Unit Square Footage and Unit Type (i.e., Studio, 1-Bedroom, 2-Bedroom, etc.)
   - Applicable Affordability Level (i.e. 50% AMI)
   - Proposed Rent, including breakdown of tenant-paid utilities
   - Utility allowances are based on the unit type (i.e., Studio, 1-Bedroom, 2-Bedroom, etc.) Each specific type of utility and its allowance must be listed separately to show the calculation clearly
   - Annual Gross Income for the BMR Renter Household (see "Gross Income" definition), including a list of 3rd party income documentation reviewed by Owner

   Every household member's income must be included and documented. Documentation includes:

   - Completed Tenant Approval Form (Each form may contain income and asset information for each member of the household)
   - 3 most recent pay stubs
   - Other non-wage income as listed on the Source Documentation Form
   - Most recent tax return
   - Most recent W-2

- 2 months of the most recent bank statements
- Letters of explanation for unusual circumstances
- Additional documentation as requested by the City to clarify or confirm information

Owners must use the income and asset information submitted at the time of the application. Owners may accept additional information only if they need clarification on household information and before they submit the application to the City for review/approval. Once Owners submit the application to the City for review and the City confirms household eligibility, Owners will not accept further documents from applicants.

2. Owner Determines Eligibility and Submits Eligible Tenants to City for Review/Approval of BMR Applicants (at Initial Lease-Up Only). Owner determines applicant's income, eligibility, and allowable rent by reviewing the following documentation). During the first lease up process, Owner must submit the application back-up documents listed above to the City for approval.

3. Student Applicants.
   Owners must determine a student's eligibility at move-in, initial and annual recertification. In order for a student to be eligible for a BMR unit, each individual student must meet the student eligibility requirements, including instances where two or more students are applying for one unit. Each student must meet all the following criteria to be eligible. The student must:
   a. Be of legal contract age under state law (or 18 years old in California);
   b. Have established a household separate from parents or legal guardians for at least one year prior to application for occupancy;
   c. Not be claimed as a dependent by parents or legal guardians or other individual pursuant to IRS Regulations; and
   d. Obtain a certification signed by his/her parent(s), legal guardian(s) or any individual providing financial support and confirming the amount of financial assistance that will be provided. This certification is required even if no assistance will be provided.

   Note: Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts going towards tuition and fees is included in annual income.

4. Retention of eligibility documentation.
   Owner must retain each applicant's original eligibility documentation for as long as the tenant lives in the unit. Owner must make files available to the City for review upon request.

5. Submission of Participation Agreement and Lease to City.
   Once Owner approves applicant, the Owner and applicant sign the Participation Agreement and lease. Owner uploads Participation Agreement and signed lease into City Data Services.

B. Annual Income Recertifications

BMR Renters must remain income-eligible, as further defined below, for the duration of their tenancies in BMR Units. To confirm continued eligibility, Owners and BMR Renters must proceed as follows:

1. Recertifications. Owner must re-certify Annual Gross Income of the Household.

    a. Annually, by the anniversary of the lease date, the BMR Renter must have completed a City-provided income certification form (Appendix __) and provided the documentation listed in VI.A to verify

Note: If a project's underlying funding requires more restrictive income certification than what the City requires, then Owner must comply with the more restrictive requirement. (Please see Appendix B for the City's Recertification Policy).

Once Owners have complete documentation of income and have determined the income of households, Owners may not accept further documents from households found ineligible in an effort to reduce income and make the household eligible for the Program. Owners must use the income submitted at the time of the initial recertification request.

2. **Over-Income Tenants:** Except if the Affordable Housing Agreement for the property has requirements different than what is described below, Owners must use the following guidelines to determine if a tenant is over-income. The recertification incomes are double the initial certification incomes and are provided annually by the City. If, upon re-certification, the Owner determines that the BMR Household's Annual Gross Income exceeds the recertification income limits, the following conditions apply to the Household's continued occupancy.

For a BMR Renter whose gross income is more than twice the Program's income limit for the unit at recertification (for example, more than 140% AMI for a unit targeted at 70% AMI) the Household is no longer eligible under the BMR Housing Program. For such Households, the Owner:

i. Must provide the BMR Renter with written notice of his/her over-income status and provide the tenant a six-month notice to vacate the unit

ii. Owner must then rent the unit to another BMR-eligible household.

    a) Retention of eligibility documentation. In addition to the original eligibility documentation described in section VI.5 above, the owner must retain the three most recent tenant income recertifications, as applicable, as long as the tenant lives in the unit.

C. Setting BMR Rents

1. Initial Rents. The City's BMR rents are based on income limits set annually by HUD for the San Francisco MSA. The City takes those income levels and produces a table that is transmitted to owners of affordable units. The table

sets the maximum Gross Income and Maximum Monthly Rent for each relevant AMI category for BMR.

Units. The BMR Rent calculation presumes the follow household sizes, as per California Health and Safety Code Section 50052.5:

a. 1 BR presumes a household size of 2 persons; 2 BR presumes a household size of 3 persons; 3 BR presumes a household size of 4 persons; and 4 BR presumes a household size of 5 persons.

BMR Tenants pay Net Rents, which are the Maximum Monthly Rents published by the City, as described above, less the value of the applicable tenant-paid Utility Allowance and Additional Fees, as described below. The City also publishes a table providing the range of Utility Allowances applicable to tenant- paid utilities.

2. Annual Rent Increases.
a. *Annual Rent Increase Limits.* Owners may, but are not obligated to, increase the rent annually on the BMR Tenant's lease anniversary date.

The rent increase is limited to the rent limits published by the City of Daly at the time of each tenant's annual recertification and lease renewal by the Owner. The City will monitor the Owner's compliance with the rent limits through the annual reporting process and on-site visits.

i. Where not inconsistent with the Regulatory Documents for a property, the annual rent increase for any tenant may not exceed 5%.

b. *Rent Increase Notices.* Owners must provide a minimum 30-day notice for any rent increase. All notices must be provided in writing and delivered to the BMR Tenant via U.S. mail.

c. *Hold Harmless Policy.* If income limits decrease for any year-to-year period, Owners will be allowed to use the existing, higher income and rent limits from the previous year when recertifying existing BMR Tenants.

3. Additional Fees above Affordable Rent Limit

a. *Usage Fees.* Some Owners may charge mandatory fees, such as usage fees for amenities. Any mandatory fees will reduce the BMR Rent by the amount of the mandatory fee. If Owner provides "unbundled" amenities or services to tenants, such as parking, BMR Renters may opt to participate in these amenities for an additional fee or opt not to participate. Owners must make such amenities and services available to BMR Renters in the same manner as they make them available to market-rate tenants, and in proportion to the number of BMR units to market-rate units. (Example: if 10% of total units are BMR units, then 10% of unbundled parking spaces must be made available to BMR Renters)

b. *Pet Security Deposits.* Owners may charge a refundable security deposit for pets in addition to the standard security deposit that is collected at the time of lease execution. The pet deposit value must be reasonable, correlate to actual required maintenance expenses, and be applied similarly to both BMR and market-rate Tenants. The City may request documentation verifying these conditions.

c. *Renter's Insurance.* The City deems any insurance requirement imposed on BMR Tenants by Owners as a condition of tenancy (whether for personal property or general liability) to be a mandatory fee, which shall reduce the Net Monthly Rent value accordingly, as shown in the chart published by the City.

D. Occupancy Requirements

1. Household Size. In order to ensure fair distribution of BMR housing opportunities, the City requires a minimum number of people per household based on unit size. Owners must rent vacant units to households with no less than the number of people specified in the following schedule:

Unit Size	Minimum Number of Persons in Household
SRO	1
0-BR	1
1-BR	1
2-BR	2
3-BR	3
4-BR	5
5-BR	7

2. Household Size Waivers. The Owner may request City approval to assign Tenant Households to units of sizes other than those indicated as appropriate under particular circumstances. The City reserves the right to reject Owner's request.

3. Live-In Aides.

(a) If a BMR Renter is disabled and requires the service of a Live-In Aide, then Owner must give priority to such Tenant for the next available two-bedroom BMR Unit (or the appropriate-sized BMR Unit requested by Tenant to accommodate BMR Tenant and Live-In Aide), if any, and if BMR Tenant can demonstrate the ability to pay the higher BMR Rent standard. The BMR Renter should make this request at the time of application and will be required to provide certain documentation of the condition(s) requiring the aide.

(b) If a BMR Renter requires live-in assistance after initial occupancy, the Owner should assist the Household in relocating to a larger BMR Unit within the Project if such a Unit is available. The BMR Renter must provide the documentation described above.

(c). The Live-In Aide's income is not counted towards the total Household Gross Income when establishing the BMR Renter's eligibility for the BMR Housing Program.

(d). Residency in a BMR Unit by a Live-In Aide does not establish a right of occupancy or rights under the lease for the Aide, and, upon vacancy of the Unit by the BMR Renter, for whatever reason, the Live-In Aide must also vacate the Unit. Live-In Aides must acknowledge their acceptance of this condition on a City-provided form.

E. Lease Requirements

1. BMR leases must be subject to the terms and conditions listed below:

a. A one-year term is required for initial occupancy; as provided under state law, Owners and BMR Renters may agree to month-to-month terms thereafter.

b. Rent increases may only occur once in any 12-month period.

c. Leases must include:*

- The City-approved monthly BMR Rent value
- The party responsible for utility payments and, if Tenant, specifically which utilities Tenant must pay
- The value of the security deposit and the conditions for obtaining a refund of the deposit at vacancy
- The terms of any additional fees, such as pet security deposits or insurance requirements. (Any fee imposed by Owner above rent that is characterized as a condition of tenancy must have an attached value that will reduce the BMR Renter's Net Rent.)
- Parking policies and procedures, if any
- Terms related to BMR Renter's voluntary breakage of lease
- Terms under which Owner may lawfully evict the BMR Renter
- House Rules
- Pet Rules
- Move-in Inspection Report, dated and signed by both the Owner and BMR Renter
- Live-In Aide Addendum (if applicable)
- BMR Housing Program - Participation Acknowledgment Form (See Appendix C), including signed/dated acknowledgement by both BMR Renter and Owner of each party's annual income recertification responsibilities

**The list provided above addresses Program requirements only and is in no way meant to be a comprehensive list of lease requirements required for full conformance to all applicable laws.*

2. Lease and Household Changes

a. If a new member of the Household that has not been approved for the BMR unit is being added to the lease, the income and asset documents must be submitted for all members of household as listed in Section IV 8.2, and Owner must review the household's continued eligibility for the BMR program.

If the new household member is added to the lease within the first year of tenancy, the household would need to qualify at the *initial income limits* that are effective at the time the new household member moves in.

If the change in household make-up occurs at least one year after initial income eligibility has been established, then the household could qualify at the recertification income limits effective at the time the new household member moves in.

F. Changes to the Units Designated as BMR Units

Owners may submit a written request to the City that the City allow a change the units designated as BMR Units in the Affordable Housing Agreement if not prohibited by the applicable Agreement. In general, changes should be proposed for the purpose of BMR program compliance and assisting tenants, for example, to designate a different BMR unit if an existing BMR tenant's income increases beyond the allowable limit, or to provide access to an accessible unit for a disabled tenant. Newly designated BMR units must be comparable in size and amenities to those in the Notice of Limitation. Such changes are allowable only with the City's prior written approval.

G. BMR Tenant Transfer to Other BMR Unit

If an eligible BMR Renter requests to transfer to a vacant BMR unit at the same property-whether existing or newly designated under section F above-before the unit is advertised or offered to applicants on the waiting list, the Owner may allow the transfer as long as all of the following conditions are met:

- The Owner has a written policy on this type of transfer that is applied consistently to all BMR Renters.
- The Household is income-qualified under the applicable recertification income.
- The Owner completes a Tenant Approval form and alerts the City of the change.

In situations where the Owner operates multiple buildings with separate waiting lists, the Owner may not allow the BMR Renter to transfer to a vacant BMR unit in another building. The BMR Renter must be placed on the waiting list at the other building and their application would be reviewed in order of the waiting list.

H. Record Keeping

Owners must keep on file: (1) initial tenant income certification documentation for the length of tenancy; and (2) all other BMR tenant records, including tenant income, rent and inspection information for the most recent two (2) years.

VII. MONITORING AND REPORTING REQUIREMENTS – BMR RENTAL UNITS

A. Owner Reporting Responsibilities

1. Submit an Annual Compliance Report (ACR) on a City-approved form (See Appendix A). The report documents rents, household income, physical condition of the property, planned improvements, and any other information the City may reasonably require for monitoring compliance with the BMR Housing Program. Unless otherwise directed, these reports are due every year on February 15TH.

2. Recertify BMR Renters annually for continued eligibility under the Program as required under the section titled, "Annual Income Recertifications". Owner must keep documentation of income certification in BMR Tenant' s file and provide recertification documentation upon City request.

3. Maintain BMR units and common areas in decent, habitable condition, free of health and safety hazards and up to the standards contained in local codes.

4. Provide for physical inspection of units as requested by the City. Copies of the inspection forms for each unit must be kept on file at the property.

5. Cooperate in City onsite monitoring, which may include physical inspections, interviews, and tenantfile reviews

B. City Monitoring Actions

In order to ensure full compliance and proper implementation of the Program, the City will:

1. Conduct a site visit for each property and on-site tenant file review at least every 3 years.

2. Review Owners' Annual Compliance Reports and work with Owners to address any issue regarding Program compliance

3. Maintain documentation related to each BMR property. Each project file should include the following:

   a. The Inclusionary Housing Agreement/ Regulatory Agreement, and all relevant BMR Unit information (e.g., affordability levels, Unit square footage, bedroom count)

   b. The last three years of Annual Compliance ReportForms

   c. Records of approval or rejection of BMRApplicants

4. Answer questions of Owners, property managers, tenants, and the general public regarding the City's Program

5. Refer interested, potential BMR Renters to Owners so that they may apply for tenancies or be included on Projects' waiting lists.

APPENDIX A

January 2020

Department of Economic and Community Development

CITY OF DALY CITY BELOW MARKET RATE PROGRAM
Initial Income Certifications and Annual Re-certifications

This memorandum clarifies the current Department policy on initial income certifications of new Below Market Rate (BMR) applicants and annual income re-certifications of existing BMR residents in Daly City.

Below Market Rate Housing - Affordability Requirements

Affordability restrictions for properties that have BMR units are enforced through a Regulatory Agreement, sometimes called *an Affordable Housing Agreement,* which is executed by the Owner and the City of Daly City at the time the project is approved by the City. The affordability levels for each project may vary and specific requirements are provided in the individual agreements. Owners are required to submit an annual report to the City, confirming the BMR tenants' household income and the rents for each BMR unit. The City is responsible for ensuring that Owners conduct annual re-certifications to verify tenant eligibility.

Income Certification of New BMR Applicants & Annual Re-certification of Existing BMR Tenants

The requirements for conducting income certifications are provided in detail in the *City of Daly City Program Guidelines and Operational Manual for the Below Market-Rate Rental Housing Program.* This memorandum provides a general summary for conducting income certifications for BMR applicants/tenants:

(1) **Initial Income Certification to Establish Tenant Eligibility, prior to execution of the lease:** Full income certification required, including review of 3rd party documentation of income and assets. City approval needed at project's initial lease-up only[1].

First Year Income Re-certification, at least 60 days prior to renewal of lease and at least 30 days prior to increase in rent: Full income certification, including review of 3rd party documentation of income and assets. City review and approval not required.

APPENDIX A

Note: Owners must give tenants at least 30 days' notice of rent increase. Therefore, it is recommended that Owners initiate the re-certification process at least 60 days prior to the lease anniversary date. City review and approval not required.

(2) **Years 5, 10, 15, etc. of the Lease Term:** Full income re-certification, including review of 3rd party documentation of income and assets. City review and approval not required.

(3) **Abbreviated Re-certifications for Reporting in Interim Years or every fifth year of the lease term** (Years 2,3 and 4 of the Lease Term; Years 6, 7, 8 & 9; Years 11,12,13 & 14, etc.): Completion of household income self-certification form signed by the tenant and a representative from the property owner/management company, confirming BMR tenant's eligibility (see attached form). City review and approval not required.

Record Keeping

Owners must keep on file: (1) initial tenant income certification documentation for the length of tenancy; and (2) all other BMR tenant records, including tenant Income, rent and inspection information for the most recent two (2) years.

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[1] As of January 2020, the Department implemented a policy which provides that the City will review and approve BMR applicants at Initial Lease-Up only. This means the City will no longer review/approve

Initial Income certifications of new BMR applicants after the original BMR tenants have been approved at initial lease up. However, Owners must keep all documentation re: certifications on file, including self-certification forms and 3rd party documentation when required (i.e., initial, first year and every 5th year of tenancy). We will review the tenant files as part of our on-site monitoring visits. If we find any compliance issues during the monitoring visits, we may impose new requirements for the project to obtain City review and approval of new BMR applicants until compliance with requirements is deemed satisfactory by the City.

APPENDIX B – ANNUAL REPORTING FORM

APPENDIX C

Approved January, 2020

Department of Economic and Community Development

PARTICIPATION IN THE CITY OF DALY CITY INCLUSIONARY HOUSING/BELOW MARKET RATE PROGRAM

ACKNOWLEDGEMENT FORM

[Note to Property Owner: Please attach this form, signed by Property Owner or Representative and BMR Renter, as an addendum to the executed lease]

Dear BMR Renter:

You are eligible to participate in the City of Daly City's Inclusionary Housing/Below Market Rate program and have been approved by the City of Daly City and the Property Owner to live in a Below Market Rate (BMR) Unit located at
____(Address of Property/Unit Number).
The City's BMR Units are rent-restricted and are available at a rent that is affordable to very low and low-income households, as defined by the City of Daly City Inclusionary Housing Ordinance and accompanying Inclusionary Housing/BMR Program Guidelines.

In order to participate in the program, you were required to certify your income to determine if you met the income limit for this particular unit. To ensure your continued participation, you will be required to meet the BMR requirements and to recertify your household income annually before your lease anniversary date. Refusal to comply with this requirement may result in your being disqualified from the program, and the rent for your unit may be increased to market-rate rent.

Please review the list of general program parameters and BMR Renter responsibilities below. Initial each line acknowledging you understand the program requirements.

General Program Parameters

BMR Renter must comply with the executed lease, including House Rules for the Property.

The initial lease term must be one year. Subsequent terms may be month- to-month, depending on the terms of the original agreement reached by the Property Owner and BMR Renter.

Your unit may be subject to an annual rent increase on or after the original lease anniversary date, and only after the Property Owner has received City approval of your income recertification.

Rent increases may only be implemented at the end of a 12-month period, regardless of the lease term, and are capped at the BMR Rent as approved by the City.

BMR Renter Responsibilities, Eligibility, and Annual Recertification

I understand that the purpose of the Below Market-Rate Program is to provide housing for low- and moderate-income households.

I understand that I must maintain eligibility for the entire period I have a BMR lease. Eligibility requires that I:

- Reside in the Inclusionary Unit at least 10 months of the year as my permanent, sole residence.
- Occupy the Unit as my sole, permanent residence within 60 days of lease execution and as long as I have the BMR lease.
- Have no ownership interest in any residence, either as an investment or alternate residence.
- Am legally able to execute contracts (i.e., at least 18 years old).
- Document that the Head of Household, including full-time students, cannot be claimed as a dependent on another person's tax returns.
- Demonstrate that I am not employed by the property owner or property management company.
- Meet minimum occupancy standards (meaning the number of people for the unit size).
- Report changes in the members of my household and be recertified based on my new household composition.

I agree to accurately report my income on the City-provided form every year, and I acknowledge that failure to do so is a substantial violation of a material term of my lease.

I agree that for the first year and every five years thereafter, I will provide documentation of my income as part of my certification, and that failure to do so is a substantial violation of a material term of my Lease. I also agree to provide income documentation as may be requested by the City and/or Owner related to the annual recertification during the in-between years, if needed.

I understand that at the time of my annual recertification, my income may rise up to 200% of the limit, at which I was originally certified, and I will still be eligible for the Program (i.e., for 50% AMI units, household income may increase to 100%; for 80% AMI units, household income may increase up to 160%).

I understand that at the time of my annual recertification, if my income exceeds the BMR income limits of the level at which my BMR unit is designated, I am considered "Over-Income", and it is a substantial violation of a material term of my Lease.

I understand that I may be evicted pursuant to BMC 13.76.130A2 for a substantial violation of a material term of my lease including, but not limited to, those listed in this Agreement, ("Participation in The City of Daly City Inclusionary Housing/Below Market Rate Program").

I understand the following procedures apply to Over-Income Households:

1. At the time of my annual income certification and finding that I am Over-Income, the Owner must give me notice of my Over-Income status.

2. The Owner will give me a 180-day notice to vacate the Unit so that/he can return the building to compliance with his/her BMR contractual obligations to the City. I must then vacate the Unit within the 180-day period. The Owner may offer me a market-rate unit in the building, if available.

Print Name of Head of Household

Signature of Head of Household Date

Property Address / Unit Number

For Property Management Staff Use Only

I have received the signed statement from the Head of Household and confirmed s/he understands the BMR Renter responsibilities per the City's Inclusionary Housing/BMR Program.

Signature of Owner or Representative Date

Appendix D:
Income Recertification Form

DALY CITY INTER-OFFICE MEMORANDUM

DATE: June 23, 2020

TO: Mayor Glenn Sylvester and Vice Mayor Juslyn C. Manalo

FROM: Tatum Mothershead, Director of Economic and Community Development
Betsy ZoBell, Housing and Community Development Supervisor
Lenelle Suliguin, Housing Coordinator

Subject: Final Loan Terms for 21 Affordable Units
Summary of Affordable Housing Financial Resources and Current Requests
BMR Rental Housing Program Guidelines

1. FINAL TERMS AND CONDITIONS FOR LOAN DOCUMENTS BETWEEN DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY AND SHP FOUNDATION FOR RECOMMENDED ACTION

Background

In 2018 the Agency appropriated $2.9 million from the Housing Trust Fund to Sand Hill Property Foundation (SHP Foundation) for acquisition and rehabilitation of 16 units located at 115 -131 E. Moltke Street. At the time of the Agency action, Agency Board members recognized the critical need to preserve affordability in housing units occupied by lower income households and that acquisition of these buildings without Agency and/or philanthropic assistance would likely lead to displacement of 16 low income households. In addition to financial assistance for the E. Moltke Street acquisition/rehab, the Agency resolved to transfer 260 Abbot, a five-unit apartment building owned by the former Daly City Redevelopment Agency to SHP Foundation.

A conditional loan commitment was executed at that time in order to give SHP Foundation time to complete various due diligence tasks such as confirmation of existing tenant income, environmental review and determination of rehabilitation needs.

SHP Foundation completed their purchase of the apartments in 2018 and intends to rehabilitate the buildings and preserve the housing units for lower income households who might otherwise be displaced if the property were acquired by a market rate property owner. SHP Foundation has completed all of the due diligence tasks described in the Conditional Loan Agreement and retained a professional property manager.

Discussion

The due diligence work carried out by SHP Foundation documents that the Agency's provision of $2.9 million in Housing Trust funds is needed to fill the funding gap for acquisition, and rehabilitation and to ensure the feasibility of ongoing property operation of 21 affordable units on E. Moltke and Abbot. Table 1 provides a summary and outcome of the various due diligence carried out by SHP Foundation.

Table 1

Task	Status
Preparation of Physical Needs Assessment	Physical Needs Assessment completed
Preparation of Environmental Study	Study completed; No evidence of recognized environmental conditions
Completion of MAI Appraisal	MAI appraisal confirms validity of purchase price
Completion of Existing Resident Income Verification	Existing tenant incomes, household sizes and ages confirmed. All but one of the 21 units are currently occupied by low-income tenants.
Preparation of a scope of work, schedule and budget for rehabilitation of the buildings	Rehabilitation scope of work and budget submitted by developer (see Attachment 1)
Preparation of final pro forma financial data including a sources and uses statement, a detailed rehabilitation budget and a 10 year operating statement.	Pro forma financial data provided. (see Attachment 2)
Determination of the optimal income targeting and affordable rent structure	Units will be targeted to individuals and families with incomes at or below 50% of the Area Median.
Preparation of a Marketing, Outreach, Resident Selection and Waitlist Policy	Marketing and Outreach plan provided (see attachment 3)

Staff finds that the transfer of 260 Abbot to SHP Foundation and its inclusion in a larger 21-unit permanent affordable housing asset ensures that it will be rehabilitated for the comfort and safety of its residents, professionally managed and subject to a 55-year affordability restriction with annual compliance monitoring. At this point, staff seeks the Committee's recommendation to present final documents to the Daly City Housing Development Agency Board as needed to transfer 260 Abbot and disburse loan funds.

Based on evaluation of the information provided by SHP Foundation and consideration of affordable housing needs in Daly City, staff proposes that final documents reflect that the units will be restricted to households with incomes at or below 50 percent of the area median for San Mateo County. Staff further proposes special consideration be given to tenants already living in the E. Moltke/Abbot apartments to ensure that the current transactions and use of Daly City Housing Trust Funds do not result in their displacement from the property. Final loan documents will memorialize transfer of 260 Abbot to SHP Foundation and the requirement that the owner complete the rehabilitation scope of work shown in Attachment 1.

Recommendation

Staff recommends approval of final loan documents by the DCHDFA Board reflecting a residual receipts loan of $2.9 million with a three percent interest rate and term of 55 years.

2. AFFORDABLE HOUSING FINANCIAL RESOURCES AND CURRENT REQUESTS FOR FUNDING

Summary of Daly City's Affordable Housing Financial Resources

Daly City receives four main categories of funding for affordable housing development activities. They are Federal HOME funds, In Lieu fees collected pursuant to the City's Inclusionary Housing Policy, SB 341 Housing Asset Funds and, beginning later this year, SB 2 Permanent Local Housing Allocation Funds. In total, Daly City has a current unencumbered balance of $3.1 million in funds that could be used for a variety of affordable housing activities. Staff estimates that an additional $5.2 million will be available over the next 24 months. Each source has its own administrative and regulatory requirements. Table 2 provides a summary of affordable housing financial resources in Daly City.

Request for Subsidy Financing from the Core Companies for 72-unit Affordable Housing Development Located at 294 Eastmoor

In February 2020 the City Council approved entitlements for the Core Companies' project at 294 Eastmoor. This project will provide 72 units of affordable housing (studio and one-bedroom units) for individuals and families earning up to 60 percent of the Area Median Income[1]. At the current published income levels, rent for a 1-bedroom unit at 294 Eastmoor would be $1,717 per month with a maximum household income of $83,520 for a 2-person household.

The Core Companies intends to seek Low Income Housing Tax Credits and bond financing as well as Affordable Housing and Sustainable Communities funds in order to finance their project. Based on current development cost estimates and potential subsidy financing, the developer estimates a funding gap of approximately $14 million. On June 2 the Core Companies submitted a letter requesting financial assistance for the 294 Eastmoor development from the City of Daly City (Attachment 4). Based on current development cost estimates and potential subsidy financing, the developer is requesting $3.5 million in subsidy financing from the City and $2.5 million in fee waivers. A commitment of funding from the City would increase the competitiveness of an application from the Core Companies to many State funding programs.

[1] Depending on subsidy source, some units will have deeper affordability

Staff is seeking direction from the Committee on which, if any, of the City's affordable housing funding resources might be allocated to the Core Companies for the project at 494 Eastmoor project and whether a full application should be requested.

Table 2
Daly City Available Funding for Affordable Housing

	Current Unencumbered Balance	Estimated Additional Funds by 6/30/22
Housing Trust Fund	1,300,000.00	3,473,000.00
Federal HOME Funds	1,062,373.00	342,744.00
SB 341 Housing Asset Funds	228,779.00	437,558.00
SB 2 Permanent Local Housing Allocation	511,821.00*	1,000,000.00
Total	3,102,973.00	5,253,302.00

* Estimated date of availability : October, 2020

Funding Request from Bridge Housing for Carter/Martin Project

On October 14, 2019 and following evaluation of qualifications from three affordable housing developers, the Daly City Housing Development Agency (DCHDFA) selected Bridge Housing as developer for a 12.5-acre site located at Carter and Martin Streets in the Bayshore area. Over the next year, Bridge will be evaluating the site and determining various alternatives to develop up to 300 units of new affordable housing.

On May 18 Bridge Housing submitted a letter requesting $45,000 in predevelopment funding to cover a portion of the costs for various due diligence activities such as soils studies, hazardous materials evaluation and a utility capacity (Attachment 5).

Staff is seeking direction from the Affordable Housing Committee on whether a full application from Bridge Housing to the City for Housing Trust Funds should be encouraged.

Emergency Rental Assistance

Since Governor Newsom's Shelter In Place order on March 19, 2019, many residents have experienced reduced work hours or layoffs, especially in the service sector. It is often the lowest wage workers who bear the greatest burden in the form of reduced income or job loss. While the CARES Act has provided financial stimulus checks and expanded unemployment benefits, not all residents have had access to this assistance.

Based on census data and estimates from the Terner Center for Housing Innovation at UC Berkeley, staff estimates there are at least 12,000 renter households in Daly City that are experiencing housing cost burdens as a result of the COVID-19 pandemic.

These financial impacts have already resulted in reduced ability to pay rent or mortgage payments and created an increased risk of homelessness for individuals and families in Daly City. Without stable housing, individuals and families could be forced into crowded living situations or become homeless, making them much more susceptible to contracting COVID-19.

Although County of San Mateo officials have implemented a Countywide moratorium on residential evictions in order to provide protection to tenants during this COVID-19 situation, the moratorium does not mean that tenants are not required to pay their rent in full when the moratorium expires on June 30, 2020. Tenants will need to repay all deferred rent within 90 days (or up to 180 days under specific circumstances), a prospect that is difficult to impossible for households who already struggle to meet monthly expenses.

On March 27 and in response to hardships created by the COVID-19 pandemic Daly City allocated $100,000 SB 341 funds to the Daly City Partnership (DCP) for the purpose of emergency rental assistance. On June 8 the Council voted to allocate an additional $438,828 to DCP in CDBG-CV funds to meet growing demand for rental assistance. At present, DCP estimates that its total currently available resources for emergency rental assistance will be exhausted within the next 60 days and that unusually high demand for rental assistance will continue for at least the next six months as rent repayment grace periods expire and potentially, a second wave of the COVID-19 pandemic occurs.

Given that DCP has done limited marketing and outreach regarding its rental assistance program, staff estimates that significant additional demand currently exists, particularly among households that did not receive flyers that were sent home with Jefferson Elementary School District students in Daly City.

Rental assistance is an eligible use of SB 2, SB 341 and Federal HOME funds. In light of the COVID-19 pandemic, HUD has issued waivers to many of the regulatory requirements associated with HOME rental assistance. In the current relaxed regulatory environment, a HOME-funded rental assistance program would be relatively easy to administer and an efficient way to meet a critical community need. These waivers expire on December 31, 2020.

3. BMR Rental Housing Program Guidelines

When the Committee met on January 15 and May 8, staff presented draft Below Market Rate Rental Program Guidelines for the Committee's consideration. The purpose of the guidelines is to implement the rental housing provisions of the City's Inclusionary Housing Ordinance and provide specific guidance for the leasing and operation of BMR rental units.

Waitlist Policies

In earlier meetings the Committee had a question about best practices for BMR waitlists, specifically, policies for renewing and refreshing waitlists over time.

Attachment 6 provides a matrix of the results from our survey of other cities regarding BMR waitlists. Based on discussions with other cities, staff has found that generally, waitlists are maintained to ensure that they represent accurate, current information, thereby usually avoiding the need for a second lottery. Generally, the individual property owners manage their own waitlists. The City of San Mateo has a full-time staff person coordinating the city's BMR program and manages one waitlist for all the rental BMRs in the city. Waitlists are kept open and persons are added to the waitlist in the order that they request to be added. None of the cities we surveyed, except for San Francisco, conduct a second lottery for their BMRs. San Francisco has DAHLIA, a centralized affordable housing portal that serves as a universal interest list for those seeking affordable housing. People can subscribe to and be directly notified of BMR vacancies. San Francisco's system involves a lottery whenever there are openings in BMR properties. Other jurisdictions in the region are exploring the use of centralized affordable housing interest/waitlist platforms similar to DAHLIA.

Rising Incomes

The Committee also had a question about policies for when tenants are found to be over-income at the time of annual recertification. We found a range of policies regarding this. Some cities allow for rising incomes, while others do not. Some allow for rents to rise as income rises. Staff recommends a policy where incomes are allowed to rise up to 120% AMI, at which point tenants would be given a notice of non-renewal of lease. The reason for suggesting that rents be allowed rents to rise as high as 120% AMI before corrective action is due to recognition of the challenge, in the Bay Area housing market for households to find another place to live if their incomes are less than 120% AMI. Attachment 6 summarizes findings of a survey of other cities regarding their policies for over income tenants in properties with BMRs

The draft BMR Program Guidelines are attached to this report (Attachment 7). Staff recommends that the Guidelines be formally approved by Council action when all the Committee's questions and concerns have been addressed.

Attachments:

Attachment 1 – Rehabilitation Budget for B. Moltke/Abbot Apartments
Attachment 2 – Pro Forma Financial information
Attachment 3 - Resident Selection and Marketing Plan
Attachment 4 - Letter from the Core Companies requesting financial assistance for development of 294 Eastmoor
Attachment 5 Letter from Bridge Housing requesting financial assistance for affordable housing predevelopment costs associated with Carter/Martin
Attachment 6 – Summary of BMR waitlist and rising income policies in other cities
Attachment 7 – Draft BMR Program Guidelines

Attachment 1
Rehabilitation Budget

THORNSTONE CONSTRUCTION GROUP

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CSLB 1030548: B-General Building Contractors
IICRC Certified Firm 226764, 245007: FSRT, OCT, WRT
EPA Certified Firm: RRP / CA Earthquake Certified

Recap by Category

O&P Items	Total	%
APPLIANCES	35,491.68	2.87%
CABINETRY	159,044.97	12.87%
CLEANING	9,441.60	0.76%
GENERAL DEMOLITION	6,527.91	0.53%
DOORS	41,540.52	3.36%
DRYWALL	62,512.17	5.06%
ELECTRICAL	161,243.67	13.05%
FLOOR COVERING - VINYL	60,548.88	4.90%
FINISH CARPENTRY / TRIMWORK	30,421.86	2.46%
FINISH HARDWARE	7,420.35	0.60%
HAZARDOUS MATERIAL REMEDIATION	110,250.00	8.92%
HEAT, VENT & AIR CONDITIONING	1,929.27	0.16%
INSULATION	4,416.93	0.36%
LABOR ONLY	23,102.80	1.87%
LIGHT FIXTURES	7,911.54	0.64%
MIRRORS & SHOWER DOORS	6,620.46	0.54%
PLUMBING	80,845.80	6.54%
PAINTING	174,782.86	14.14%
SCAFFOLDING	12,628.00	1.02%
WINDOW TREATMENT	9,456.09	0.77%
O&P Items Subtotal	1,006,137.36	81.42%
Permits and Fees	6.66	0.00%
Material Sales Tax	23,625.55	1.91%
Overhead	102,980.43	8.33%
Profit	102,980.43	8.33%
Total	1,235,730.43	100.00%

115 -131 East Moltke & 260 Abbot

Attachment 2

6/22/2020

SOURCES OF FUNDS

Daly City	[illegible]		$	2,900,000
County AHF				
SHP Foundation			$	4,505,362
	TOTAL SOURCES		$	7,405,362

USES OF FUNDS

ACQUISITION			
115 -131 East Moltke		$	5,650,000
Purchase of 5 Units on Abbot Currently Owned by DC		$	1
Legal/Broker Fees/title/holding costs/transfer tax		$	13,061
Total Acquisition Cost		**$**	**5,663,062**
REHABILITATION			
Maintenance Reserve		$	75,000
Initial Construction		$	975,000
Capital Improvements		$	150,000
Total Rehabilitation Cost		**$**	**1,200,000**
SOFT COSTS			
Architectural Fees	2.5%	$	30,000
Engineering Fees	2.5%	$	30,000
Legal Fees		$	25,000
Total Soft Costs			**85,000**
Contingency	8%	**$**	**102,800**
TOTAL REHABILITATION COSTS		**$**	**1,387,800**
Total Acquisition & Rehabilitation Costs			**7,050,862**
OVERHEAD COSTS			
Overhead	5%	$	282,500
HIP Admin Costs	6%	$	72,000
Total Developer Costs			**354,500**
TOTAL PROJECT COST			**7,405,362**

Attachment 2

115 -131 East Moltke & 260 Abbot

Rent / Tax Escalation	2.0%
Expenses Escalation	3.0%
Escalation Hold	3.0%

CASHFLOW		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Regulated Rent (50%)		*291,060*	*296,881*	*302,819*	*308,875*	*315,053*	*321,354*	*327,781*	*334,336*	*341,023*	*347,844*
In-Place Rent		*283,980*	*289,660*	*295,453*	*301,362*	*307,389*	*313,537*	*319,808*	*326,204*	*332,728*	*339,382*
Proforma Rent		283,980	296,881	302,819	308,875	315,053	321,354	327,781	326,204	332,728	339,382
Less: Vacancy		(14,199)	(14,844)	(15,141)	(15,444)	(15,753)	(16,068)	(16,389)	(16,310)	(16,636)	(16,969)
		5.0%	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Less: Manager's Unit		(7,455)	(7,605)	(7,757)	(7,912)	(8,070)	(8,231)	(8,396)	(8,564)	(8,735)	(8,910)
Total Rental Revenue		262,326	274,433	279,921	285,520	291,230	297,055	302,996	301,330	307,356	313,503
Other Income		1,085	1,107	1,129	1,151	1,174	1,198	1,222	1,246	1,271	1,297
Total Operating Income		**263,411**	**275,539**	**281,050**	**286,671**	**292,404**	**298,253**	**304,218**	**302,576**	**308,627**	**314,800**
Year-over-Year Growth		*2.0%*	*4.6%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*-0.5%*	*2.0%*	*2.0%*
Management Fee	8.00%	21,073	21,705	22,356	23,027	23,718	24,429	25,162	25,917	26,694	27,495
Property Taxes		95,000	96,900	98,838	100,815	102,831	104,888	106,985	109,125	111,308	113,534
Payroll		9,172	9,447	9,731	10,022	10,323	10,633	10,952	11,280	11,619	11,967
Administration		17,563	18,090	18,633	19,192	19,767	20,360	20,971	21,600	22,248	22,916
Marketing/Services		1,275	1,313	1,353	1,393	1,435	1,478	1,522	1,568	1,615	1,664
Insurance/License		8,016	8,256	8,504	8,759	9,022	9,293	9,572	9,859	10,154	10,459
Repairs/Grounds/Maintenance		28,250	29,098	29,970	30,870	31,796	32,749	33,732	34,744	35,786	36,860
Utilities		16,900	17,407	17,929	18,467	19,021	19,592	20,179	20,785	21,408	22,051
Capital Reserve	$1000/unit	21,000	21,630	22,279	22,947	23,636	24,345	25,075	25,827	26,602	27,400
Total Operating Expenses		**218,249**	**223,846**	**229,593**	**235,492**	**241,549**	**247,767**	**254,151**	**260,706**	**267,436**	**274,346**
Total Exp/unit		*$10,393*	*$10,659*	*$10,933*	*$11,214*	*$11,502*	*$11,798*	*$12,102*	*$12,415*	*$12,735*	*$13,064*
Net Operating Income		**45,162**	**51,693**	**51,457**	**51,179**	**50,856**	**50,486**	**50,067**	**41,870**	**41,192**	**40,454**
Year-over-Year Growth			*14.5%*	*-0.5%*	*-0.5%*	*-0.6%*	*-0.7%*	*-0.8%*	*-16.4%*	*-1.6%*	*-1.8%*

115-131 E. MOLTKE & 260 ABBOT AVENUE

RESIDENT SELECTION CRITERIA AND MARKETING PLAN

INTRODUCTION: 115-131 E. Moltke Street is a 16-unit property for individuals and families, with 16 units governed by Housing Trust Funds (HTF) by the Daly City Housing Development Finance Agency (HDFA). All units have one bedroom. 15 units are eligible to be leased to the general population whose household income does not exceed 50% AMI adjusted for household size, and 1 unit is set aside as a contracted employee unit. No pets are permitted other than approved companion or service animals. 115-131 E. Moltke Street is a No Smoking property. Smoking is not permitted in residential units or all common areas.

INTRODUCTION: 260 Abbot Avenue is a 5-unit property for individuals and families, with 5 units governed by Housing Trust Funds (HTF) by the Daly City Housing Development Finance Agency (HDFA). All units have one bedroom. 5 units are eligible to be leased to the general population whose household income does not exceed 50% AMI adjusted for household size. No pets are permitted other than approved companion or service animals. 260 Abbot Avenue is a No Smoking property. Smoking is not permitted in residential units or all common areas.

Both properties have existing tenants.

The purpose of this document is to provide implementation guidance on the affordability requirements described in the Regulatory Agreement between SHP Foundation and the Daly City Housing Development Finance Agency dated ____, 2020. To the extent the documents are inconsistent, the requirements established in the Regulatory Agreement will supersede policies and procedures described in this document.

A. AFFIRMATIVE FAIR HOUSING MARKETING PRACTICE

An affirmative marketing strategy will be used for recruitment, designed to assure equal access to all units by eligible applicants in all categories protected by federal, state, or local anti-discrimination laws. The Owner and Managing Agent (hereafter as owner/agent or management) will comply with all practices and procedures required by mortgagee, lender and/or all government agencies to insure that the prescribed fair housing goals are met in the operation of the project per Federal Code (24)CFR, part 200.620 (a)- (c).

Owner/Agent, fully familiar with established selection criteria including the preferences and the waitlist as addressed in the applicable regulatory agreements for the property, is responsible for resident selection. If review by a rejected applicant is requested, this is done by the next level of supervisor who was not involved in the initial selection for housing.

Advertising will include the following:

- Equal Housing Opportunity logos and affirmative marketing slogans and/or statements on all marketing and advertising materials;
- Display of Fair Housing posters in rental office and locations;
- An Equal Housing Opportunity logo on the project's sign;

- Notice of nondiscrimination on the basis of disability on all marketing and advertising materials; and
- Announcement of our TDD phone number.

B. PREFERENCES – Preferences are not permitted if they in any way negate affirmative marketing efforts or fair housing obligations. The following preferences apply to the subject property:

1) **Existing Tenant Preferences**– The following actions are always given priority for current households, if applicable.

   i. A unit transfer due to domestic violence, dating violence, sexual assault or stalking.
   ii. A unit transfer based on the need for an accessible unit, a verifiable medical necessity, or any other reason due to the need of a reasonable accommodation.
   iii. A unit transfer of a non-disabled individual living in a wheelchair accessible unit to accommodate an applicant on the Waiting List in need of a wheelchair accessible unit. (A lease addendum will be entered with non-disabled tenant living in a wheelchair accessible unit.)
   iv. A unit transfer based on the need of an emergency temporary relocation. (If a unit becomes uninhabitable due to a catastrophe, the resident family will be given any open unit for temporary living quarters until their own unit is repaired.)

C. INITIAL LEASE-UP PROCESS – This section does not apply as there are existing

tenants.

1) Units shall be marketed in accordance with Affirmative Fair Housing marketing guidelines and the Resident Selection Criteria.

2) Procedures will be followed to assure that waiting lists are current and have adequate numbers of applicants for each applicable preference category. When a property is initially leased the units will be filled from existing waiting lists that meet the requirements of the regulatory agency or referrals from direct funding source.

3) If both options cannot fill available units the owner/agent will advertise to attract eligible applicants. Advertising will be directed to all potential applicants regardless of race, color, religion, sex, disability, familial status, or national origin.

4) Two weeks prior to the commencement of the application process an informational flyer will be created and distributed to local newspapers and publications serving the area, Local Housing Listing Portals (if applicable), Local County Housing Search Databases (if applicable), Public agencies, Social Service agencies and local community groups. The flyer will indicate information about the property, and about the specific locations and distribution sites where an application can be obtained.

5) Once the application process begins, applicants can obtain an application and complete and submit to the designated location prior to the deadline indicated by the agent. Applications will be received on a first come first serve basis.

6) Applications submitted prior to the indicated deadline will be categorized first by preference categories and then by application date.

7) A project fact sheet and application will be provided at the request of potential applicant, whether in person or by telephone. The information sheet will contain at least the following:

   i. Brief description of units, and facilities

   ii. Occupancy & Income Restrictions

   iii. Rental Rates

   iv. Preference categories

8) It is not required that applications be completed in the presence of the staff. Staff will provide assistance in completing application if requested by applicant.

9) All applications received will be processed to assure that potential residents meet the household income criteria and the project's resident selection policy.

10) All applicants that are rejected during initial screening will be sent a written notice. They will be allowed a 14-day period in which to respond to their notification of rejection of their applications.

11) Only one application will be considered and processed per household. Multiple applications submitted by the same household which are identified at any point in the application process will be disqualified.

D. RENTAL PROCEDURES

The Owner/Agent will operate under the following standard rental procedures as outlined below. The site specific eligibility included in the Regulatory Agreement of the project provide specific details for the subject property as indicated in the preceding sections.

1) Processing of applications post-lease-up and Unit Selection happen in chronological order in which the application was received.

2) **Procedures for Taking Applications** - If a unit is available, it will be offered to the next person on the wait list, established in accordance with the Section F- Waitlist Procedures. Prospective residents obtain a housing application by telephoning the office and requesting that a, application be mailed, faxed or emailed or by picking up a hard copy of the application from the office during regular business hours. Preliminary screening consists of the following steps:
   i. Insure that required contact information is documented on the pre-application.
   ii. Review the prospective tenant's stated income and household size and verify that the portfolio has the appropriate units within the portfolio.
   iii. Review any specific regulatory requirements such as disability, homeless status, veteran status, etc. that may exist for the waitlist to ensure that applicant qualifies.

   Pending the results of preliminary screening, eligible applicants are processed for eligibility in chronological order as applications are received.

3) **Filling Vacant Units** – Applicants are processed from the Waiting List and offered units the order required by HUD rules and our policies.

i. When a unit becomes available, current residents who have submitted a Unit Transfer Request or at the owner's/agent's determination, and who are deemed eligible for the transfer, are given priority over New Applicants or Waiting List We must lease vacant accessible units to current tenants, and then applicants requiring special physical design features. If there is no current tenant or applicant requiring an accessible unit or its features, a non-physically disabled individual can move into the accessible unit. The non-physically disabled applicant must agree to move to a non-accessible unit at their own expense when there is a tenant or applicant that requires the accessible unit.

ii. If a current resident does not need to transfer, a letter will be sent to the next 5 applicants from the Waiting list based on the unit size available, preferences established for the property and our screening policies. Of the 5 applicants that were sent a letter, the first three applicants to respond will be processed. Of those three applicants, the first to submit all required documentation and meets eligibility, using the criteria described in the Applicant Screening section, can be approved and offered the unit.

iii. After mailing the notification letter, applicants are given seven (7) calendar days to respond to management regarding the available apartment. If an applicant does not respond, their name will be removed from the Waiting List..

iv. If an applicant declines the first offer of an available unit when notified in writing, his/her name will be placed on the bottom of the Waiting List. If an applicant declines the second offer of an available unit when notified in writing, his/her name will be placed on the bottom of the Waiting List. If an applicant declines an apartment a third time, his/her name will be removed from the Waiting List. Written notification of the attempt to contact, and cancellation of the application, will be mailed to the applicant.

4) **Filling Vacancies through Unit Transfers** - Upon receiving a notice of intent to vacate, Management will notify any eligible current residents on the in-house Transfer Waiting List. Transfers from one unit to another type of unit within the property will take precedence over new move-ins, and may be required by management for the following reasons only:

i. If the owner/agent determines that a tenant's current unit is too small as a result of a change in the family's size or composition (See Occupancy Standards Section), the owner/agent must decide whether to require the tenant to transfer to next available unit of appropriate size;

ii. For a reasonable accommodation to a household member's disability or for a verifiable medical necessity: for example, if a resident requires a wheelchair accessible unit or additional space for medical equipment, a larger unit to accommodate a Live-In Aide, or any other medical reasons. Transfers that are needed due to a reasonable accommodation will have priority over non- reasonable accommodation transfers;

iii. For emergency relocation due to domestic violence. (If a tenant is an actual or imminent victim or survivor of domestic violence, dating violence, sexual assault or stalking and requests to transfer, the resident family will be given another available and safe dwelling unit on this property.)

iv. For emergency temporary relocation. (If a unit becomes uninhabitable due to a catastrophe, the resident family will be given any open unit for temporary living quarters until their own unit is repaired. An "open unit" is a unit for which the keys are in the possession of the management company.)

Unit transfers are treated as a move-out and new move-in when the unit is not at the subject property. Residents who transfer are responsible for damages to the old unit and must provide a full security deposit for the new unit. Security Deposits can only be transferred if the transfer unit is at the same property.

Transfer list(s) will be maintained by Unit Size and/or Type, i.e. Wheelchair Accessible Unit. Transfer list(s) resident names will be maintained in a date and time order.

Depending upon the circumstances of the transfer, a tenant may be obligated to pay all costs associated with the move. However, if a tenant is transferred as a reasonable accommodation to a household member's disability, the tenant may also request the owner/agent to pay the costs associated with the transfer, unless doing so would be an undue financial and administrative burden.

E. RESIDENT SELECTION PROCESS & SCREENING

1) **Initial Interview** – All household members should be present at the initial interview, but must be present prior to the time of Initial Certification/Move-In.

At the scheduled interview, all eligibility factors will be explained to the applicants, with particular emphasis on the Applicant Screening Requirements. During the interview, the staff person will do the following:

- Clarify any information provided by the applicant;
- Income qualification verification: soliciting third-party verification from all sources in order to determine annual household income (the maximum income levels apply to this program), and all assets, including bank accounts;
  - The following documents shall be required of applicant to verify income: 3 most recent paystubs; other non-wage income, most recent tax return and W2, 2 months of most recent bank statements, letters of explanation for unusual circumstances, and additional documentation as needed to clarify or confirm household income information.
    -
- Make copies of photo identification, i.e. Driver's License or state I.D. card, passport, travel visa, I-94s or employment cards for adults 18 years of age and older, and birth certificates for children under the age of 18 years of age;
- Answer any questions the applicant may have.

2) **Applicant Screening**

i. **Application Fee** - An Application Fee of $30.00, paid by money order, is required for all adults 18 years or older that will reside in the apartment. No Application Fee is required for submission to the Waitlist but will be required for screening when a unit becomes available. (After background screening is approved, the Application Fee is non-refundable.)

ii. **Resident Selection Process** – Management uses a contracted Resident Screening Agency (currently Screening Works/Rentgrow, which can be contacted at (888-401-7999) to run a credit check and criminal background check on all applicants and it will check court records for evidence of evictions (or unlawful detainers) or judgments against the applicant and evidence of criminal convictions. The purpose of these checks is to obtain information on the applicant's past history of meeting financial obligations and future ability to make timely rent payments and to abide by the federal laws regarding the prohibition of admitting any applicant with specific criminal activity including drug-related activity.

iii. **Gross Rent as Percentage of Gross Income**

1. To protect the project from rent loss and rent delinquency, persons spending more than 50% of the household's combined monthly income for rent may not be accepted. Those household members listed on the application must be the same as those who have contributed to a household's history of paying more than 50% of gross household income for rent.
2. Current documentation of ability to pay higher rent above 50% must be within the past twelve months for a period of no less than eight (8) months. Suitable documentation shall include the following: cancelled checks, rent receipts or mortgage statements, lease agreement, and landlord verification.
3. All income must be verified by management.
4. For determining Gross Rent as Percentage of Gross Income, Gross Rent shall be calculated using Tenant Rent plus Utility Allowance. If there is no Utility Allowance, Tenant Rent shall be considered Gross Rent.

3) **Rejection & Appeal Procedures**

Written notice will be sent advising applicants of a denial and the reason for the denial. All applicants will be advised that they may appeal the decision on their application and be given a deadline in which to do so. The notice will include their right to request reasonable accommodation for a disability.

i. **Applicants may be rejected for any of the following reasons:**

- Failure to present all members of the family at the full family interview, except for hospitalization, medical reasons, emergency, etc., (or some other time acceptable to management) prior to completion of Initial Certification;
- Blatant disrespect, disruptive or antisocial behavior toward the management staff, the property or other residents exhibited by an applicant or family member any time priorto move-in (or a demonstrable history of such behavior);
- A negative landlord recommendation, encompassing failure to comply with the lease, poor payment history, poor housekeeping habits, crimes of violence to persons, destruction or theft of property, sales of narcotics, eviction for cause or other criminal acts which would adversely affect the health, safety, or welfare of other tenants;
- An applicant's inability to get utilities in their name;
- A criminal arrest record for crimes of violence to persons, child molestation, destruction or theft of property, sales of narcotics or other criminal acts which would adversely affect the health, safety, or welfare of other tenants.
- A negative credit report, including unlawful detainer action.
- Falsification of any information on the application.
- An applicant whose eligibility income exceeds the maximum allowed by program regulations.
- Household characteristics that are not appropriate for the specific type of unit available at the time, or the household is of a size not appropriate for the available unit sizes;
- Failure to update application for the Waiting List within specified time when notified;

- Failure to provide photo identification for adults 18 years of age or older;
- Declines an apartment offer after being contacted two times;
- Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.

Extenuating Circumstances: Consideration may be given for extenuating circumstances where this would be required as a reasonable accommodation when determining the acceptability of tenancy. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.

Management will review and consider self-disclosed descriptions of negative history and any mitigating circumstances that were present at the time through Requests for Consideration (issues resulting from unique life circumstances) and/or Accommodation (issues resulting from a disability). Both Requests for Consideration and for Accommodation forms are included in the rental application. If a Request for Consideration is filled out, the request will be reviewed by Management and if the mitigating circumstances are sufficient to waive the screening criteria, the application will be processed. The results of the background check must be essentially similar (or better) than issues stated in the request for consideration for the waiver to be given. A request for Reasonable Accommodation will be reviewed by Management and a recommendation given to the 504 compliance officer, whom will make the final decision about whether or not the request is reasonable. The following are guidelines for determining when a waiver is to be issued:

- Poor credit scores are typically waived with a reasonable request for consideration/accommodation if the debt is credit card, school loan or car loan related. For poor credit resulting from rental judgments and/or excessive non-payment of utility bills, a household may be required to have a representative payee which will mitigate the financial risk to the property. Involvement with services also generally mitigates this risk.
- Evictions are also typically waived with a reasonable request for consideration/accommodation if the eviction was related to a job loss, health situation, or other unique past event. Evictions resulting from non-payment of rent without mitigating circumstances will require a representative payee which will mitigate the financial risk to the property. Involvement with services also generally mitigates this risk. Evictions resulting from excessive property damage, violent crime, or other events that would endanger the whole community or property generally result in a denial.
- Criminal convictions for misdemeanors are waived. Criminal convictions for non-violent drug related offenses and homeless crimes like loitering, trespassing, failure to appear, disturbance of the peace, etc. are generally waived with a reasonable request for consideration/accommodation. Recent criminal convictions for drug dealing, prostitution, robbery are waived only with a substantial and compelling request for consideration based on mitigating circumstances or accommodation based on a disability. Violent crimes like armed robbery, assault, weapons possession, and the manufacturing of drugs are not generally waived until they are more than 7 years old from conviction. Severe crimes that endanger the property or community, such as arson, homicide, rape or other violent sexual crimes that result in registered sex offender status, are never waived. Any specific criminal activities prohibited by funding sources for that property are also never waived.

F. WAITLIST PROCEDURES

Management keeps its commitment to fair housing practices by following consistent waitlist procedures in order to ensure the fair and even treatment of all applicants. For waitlists not managed by an external agency, the external agency will utilize their waitlist procedures for selecting applicants.

i. If no units are available, an eligible applicant will be placed on a Waiting List.

ii. The Waiting List for all other units will be maintained according to family size, the percentage of area median income the annual income is, and type of unit for applicant households. The Waiting List is open with the understanding that those who are listed are fully informed of its length and the policies/procedures for selecting individuals and updating the list when they apply and are added to the list.

iii. WAITLIST SIZE: If the existing Waiting List contains so many names that the average wait for a unit is a year or more, the property may decline to accept additional applications. In this case, the Waiting List is "closed". An announcement (via posting in property office, and on property voicemail.) will be made when the Waiting List closes and when the Waiting List reopens. The notifications should be extensive, and the rules for applying and the order in which applications will be processed should be stated. Advertisements should include where and when to apply.

iv. EXHAUSTING WAITLIST: Management must exhaust the entire waitlist to fill a vacancy before advertising for new applicants (this includes posting availability on the internet or in any publication). If the Manager has gone through the entire waitlist without finding a prospective tenant, they may advertise for the immediate vacancy, if the waitlist is currently open. If the waitlist was previously closed, the Manager must go through the steps of opening the list at the same time as advertising for the immediate vacancy. Attachment A provides a list of organizations that will be notified regarding a waitlist opening. Additional organizations and media outlets might be notified at the discretion of the owner. The Director of Properties and Assets must be consulted before any action is taken regarding the opening and closing of waitlists or the marketing of a property outside of the waitlist. All currently available units that the applicant is qualified for within the same waitlist must be disclosed to an applicant.

v. CLOSING A WAITLIST: When the list of applicants is exceeds the number of applicants needed to fill anticipated vacancies for the upcoming six months in each designated income category and unit size, the waitlist may be closed. The Director of Properties and Assets will make the final decision to close a waitlist. The waitlist may be closed for an entire property or only for a particular unit size or income level.

vi. REMOVING APPLICANTS FROM THE WAITLIST.

- **Applicant cannot be contacted.** If Management has been unsuccessful in contacting an applicant by phone and has followed up by sending a letter, and the letter is returned as undeliverable or there has been no response to the letter within 10 days, the applicant will be moved to the inactive waitlist.
- **Purging.** Management is to carry out the process of purging/updating the applications on the existing waitlist at least once a year. This is to ensure that the list is still accurate. Purging consists of sending letters to all the applicants on the existing waiting list and asking them to update their information and their continued interest. The letter must inform applicants that their names will be taken off the active list within a certain time frame, usually 10 calendar days, if they do not respond. If, after purging the waitlist, the waitlist does not have the minimum number of required applications, the Manager should open the list for new

applications.

- **Missed appointment or declined unit.** When an applicant misses a scheduled showing/interview or declines to accept an available unit for any reason, Management verbally communicates to the applicant that they only get three total misses/declines before they are moved to the inactive waitlist. A written letter will be sent if verbal communication is unsuccessful. Each miss/decline shall be recorded and tracked in the waitlist. The third time an applicant declines an available unit or misses an appointment; they will receive a written notice that informs them that they are being moved to the inactive waitlist. If they wish to reapply, and the waitlist is currently open, they may reapply, but they will be at the bottom of the waitlist. If there are three units currently available and an applicant declines all three of the units for any reason, the applicant shall be moved to the inactive waitlist.
- **An applicant may request to remain on the waiting list to be reconsidered at a future time.** All under-income applicants requesting to remain on the waiting list will be placed at the bottom of the waiting list.

vii. OPENING A WAITLIST. Before opening the waitlist, Management will prepare an application packet, which consists of an application form, a brief description of the property, rent amounts, eligibility information (like updated income minimum and maximum requirements). Packets will be hand delivered or mailed and emailed to a list of community partners and agencies, including the City of Daly City and Daly City Partnership,and local media maintained and regularly updated by Management. If the waitlist is open and has been depleted and Management anticipates immediate vacancies, the Management may approve additional advertising in newspapers, circulars, Craigslist, or other internet listings. Applicants are to be placed on the waitlist in the order the applications are received.

G. FINAL ELIGIBILITY, INITIAL CERTIFICATION & RECERTIFICATIONS

Staff will make a final eligibility determination after reviewing the criminal report on each applicant, only after all the household's annual income, rental history, and credit history have been adequately verified, and the household would be considered to have met the initial qualification criteria. Eligible applicants will be notified in writing of their status and given an approximate date when they can expect to receive an offer of a unit. Ineligible applicants will be notified in writing of their ineligibility and the reason, and informed of their right to an informal review.

Management is also responsible for acquiring necessary documentation, establishing and maintaining a file for each resident, and distributing required forms to the Agency and the central office. The same responsibilities apply to recertification when indicated.

The initial screening of applicants is conducted using an application form to determine if the household meets minimum eligibility criteria (background check, income limit, occupancy standards, homelessness, disability or special needs as applicable). For the purposes of third party verifications, the criteria set forth by Section 42 of the IRS Code will be followed.

Applicants must show demonstrated ability to meet all monthly financial obligations and pay the asking rent. Allied Housing/HIP requires a rent-to-income ratio of 1:1.6 for a household on fixed income, and 1:2.0 for households with non-fixed income. Applicants who do not meet minimum income requirements will be rejected unless the unit is subsidized with rental assistance.

1) **Income Limits:** Income limits are subject to change annually and will not exceed the HUD income limit selected below in force and effect at the time of qualification. The income limits checked below are for

this property and are provided by Management upon request and at time of an application.

☐ Extremely Low Income - 30%
☒ Very Low Income - 50% AMI (10 units)
☐

2) **Occupancy Standards**: Households will be accommodated in accordance with the following occupancy standards:

Unit Size	Minimum	Maximum
1 Bedroom	1	3

The head of household must me eighteen years of age or older or be an emancipated minor.

A Live-In Aide is allowed to live in the apartment due to a reasonable accommodation.

The policy used to count an unborn child in qualifying for a larger unit is as determined by Fair Housing Law. Information concerning the pregnancy must be given voluntarily to management prior to counting the unborn child.

Except for births of children, additional household members may not move into the units without permission of the owner. If it is determined that more than four persons are occupying a unit, the owner may decline to renew the lease.

Existing residents occupying the property at the time of loan closing will be permitted to continue occupancy regardless of household size.

3) **Initial Certification**: All prospective residents who pass the initial screening will be required to attend an initial certification interview. At the time of the interview, all adult members of the family must be in attendance. . The initial screening is completed at the application phase and the initial interview will include procedures in determining eligibility based on income and family composition.

During the interview, Management will clarify any information provided by the applicant household and answer questions regarding admission procedures.

At the interview the following steps will be initiated to determine initial eligibility:

- Each applicant will complete signed releases for third party verification of income and references;
- The following checks will be made from the release:
  - Verification of Preference (if applicable)
  - Verification of Income
  - Verification of Assets
- Make copies of photo identification, i.e., Driver's License or State I.D. card, passport, travel visa, I-94's or employment cards for adults 18 years of age or older, birth certificates for children under the age of 18 years of age.

Written notice will be sent advising applicants of their final eligibility status and offering them an opportunity to request reconsideration, if rejected.

4) **Annual Income Recertification**: Local, state, and federal affordable or subsidy projects may

require the resident's income be recertified annually (within 12 months of the move-in or anniversary date). The annual recertification requires the household complete a new income certification form, which all adults must sign. The annual recertification only includes the verification of income and assets during this time. In the event the household fails to recertify, the appropriate actions are taken to terminate the tenancy of the resident. Annual recertification notices are delivered to residents with the following proof of service: by placing the Notice on the door of the leased dwelling unit and mailing a copy of the Notice by first-class mail, properly stamped and addressed to the residents, at his/her address at the development/complex with the proper return address.

Recertification process will begin 120 days prior to the resident's move-in anniversary date. Management will recertify residents according to the following procedure:

- 120 days prior: 1st Notice of Recertification
- 90 days prior: 2nd Notice of Recertification
- 60 days prior: Review Verified Income/Assets or Final Notice
- 30 days prior: Income Certification Form Signed & Completed

If, at the time of recertification, a household which at initial occupancy qualifies in a particular income category shall be treated as continuing to be of such income category so long as the household's gross income does not exceed one hundred twenty percent (1200%) of the applicable income limit. If the tenant's income exceeds the maximum income of 120 percent of Area Median income adjusted by household size for two (2) consecutive annual recertification periods, tenant will not be eligible for a renewal of lease. The owner will provide one hundred -eighty (180) day written Notice of Nonrenewal to the tenant to vacate unit. Should the tenant's income fall under 120% of AMI during the one hundred-eighty (180) day Notice period, the notice of non-renewal may be rescinded, at the owner's sole discretion.

5) **Temporary Absent Household Members**: The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit. All temporarily absent members are still required to pay rent. The head of household must promptly notify management of any absent member (i.e., resident hospitalized or in a rehabilitation facility). Management requires written approval for members absent for 30 or more days.

An individual who is or is expected to be absent from the unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. An individual who is or is expected to be absent from the unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Exceptions to the temporary absent policy:

- **Absent Students** – a family member attends school away from home, the person will be continuing to be considered a family member unless the student establishes a separate household, or the head of household declares that the student has established a separate household.
- **Foster Care** – Children temporarily absent from the home as a result of foster care are verified with the appropriate agency whether and when the child is expected to return home is considered a family member. Unless the agency confirms that the child has been permanently removed from the home, the child is counted as a family member.
- **Absent Spouse, Head, or Co-Head** - An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

- **Individuals Confined for Medical Reasons or Treatment** - An individual confined to a nursing home, treatment center, or hospital on a permanent basis is not considered a family member. If there is a question about the status of a family member, Management will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The household member may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.
- **Joint Custody of Children** - Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 51 percent or more of the time.

H. LIVE IN AIDE/ATTENDANT

A person who resides with one or more elderly persons, near elderly persons, or persons with disabilities, and who:

a) Is determined to be essential to the care and well-being of the person(s);

b) Is not obligated for the support of the person(s); and

c) Would not be living in the unit except to provide the necessary supportiveservices.

While a relative may be a live-in aide/attendant, they must meet all of the above requirements. The live-in aide qualifies for occupancy only as long as the individual needing supportive services requires the aide's services and remains a tenant, and may not qualify for continued occupancy as a remaining family member. The Project will deny occupancy of the unit to a live-in aide after the tenant, for whatever reason, is no longer living in the unit. The live-in aide must complete the proper forms, provide Photo ID, a copy of their Social Security card and complete the criminal background screening. The live-in aide must pass the same criminal background check the resident is required to pass. Those with tenant-based vouchers are required to obtain live-in aide approval from the housing authority prior to move-in.

Management will verify the need for the live-in aide by complying with Section 504 of the Rehabilitation Act of 1973, Reasonable Accommodation process. Please review the Reasonable Accommodation and Modification Policy.

1) **The Fair Housing Act** prohibits discrimination in housing and housing-related transactions based on race, color, religion, sex, national origin, disability, or familial status. It applies to housing, regardless of the presence of federal financial assistance.

2) **Title VI of the Civil Rights Act of 1964** prohibits discrimination on the basis of race, color or national origin in any program or activity receiving federal financial assistance from HUD.

3) **Age Discrimination Act of 1975** prohibits discrimination based upon age in federally assisted and funded program, except in limited circumstances.

4) **Protection Provided Based on Sexual Orientation, Gender Identity or Marital Status:** *Equal Access to Housing in HUD Programs – Regardless of Sexual Orientation, Gender Identity (including Gender Expression) or Marital Status* - Management will comply with the requirements established in the Final Rule which ensures that HUD's core housing programs are open to all eligible persons regardless of sexual orientation, gender identity or marital status in any phase of the occupancy process. No Owner/Agent or administrator of HUD-assisted housing may inquire about

the sexual orientation or gender identity of an applicant or occupant for purposes of determining eligibility. HUD further revises generally applicable definitions as follow:

a) The term "Family" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status:
b) A family with or without children (a child who is temporarily away from home because of placement in foster care is considered a member of the family);
c) An elderly family;
d) A near-elderly family;
e) A disabled family;
f) A displaced family; and
g) The remaining member of a tenant family.
h) The term "gender identity" means actual or perceived gender-related characteristics.
i) The term "sexual orientation" means homosexuality, heterosexuality or bisexuality.

Even though HUD does not create an additional protected class under the Fair HousingAct or the Civil Rights Law, housing discrimination based on sex may still be covered by the Fair Housing Act under the Equal Access Rule.

Persons with disabilities have the right to request reasonable accommodations and to participate in the informal hearing process. Please contact the 504 Coordinator for Management at which contact information can be provided by the Management Office.

I. PET POLICY

1) No pets are allowed.
2) Service animals or Companion animals (Assistance Animals) are allowed with a provider's verification. Please review the Reasonable Accommodation and Modification Policy.

J. SMOKING POLICY

In compliance with San Mateo County's Regulation and Ordinance (Ordinance No. 04718, § 2, 11-4-2014) of Smoking in and around Multi-Unit Residences applies to this property. Smoking is prohibited in all units and in any unenclosed and enclosed common area or any other area of a multi-family dwelling or multi-unit residence, and within 30 feet of any operable doorway, window, opening, or ventilation system.

1) No smoking is allowed in the apartments.
2) No smoking is allowed in any of the interior or exterior common areas of the community.
3) No smoking is allowed within 15 feet of the exterior of the building.
4) This includes vapor/e-cigarettes, little cigars, cigarillos, hookah pipes, or any substance containing tobacco leaf.

K. MODIFICATION OF THE RESIDENT SELECTION CRITERIA PLAN

This Resident Selection Criteria and Marketing Plan will be reviewed annually to ensure that it reflects current operating practices, program priorities, Fair Housing requirements. If this Resident Selection Criteria and Marketing Plan is substantially updated, you may be notified.

Attachment A - community agencies to advertise waitlist opening:

- Daly City Department of Library and Recreation Services
- San Mateo County Human Services
- Social Vocational Services
- City Hall
- Gellert Park Clubhouse
- African American Initiative (San Mateo County)
- Friendship House. Association of American Indians Inc.
- Daly City Partnership
- Outpatient Drug & Alcohol Services for Adults
- Pacific Islander Initiative (waiting on location)
- Asian American Recovery Services Substance Abuse & Treatment
- Asian American Recovery Services Mental Health Service
- North Peninsula Food Pantry and Dining Center
- Human Services Agency/Peninsula Works
- John's Closet
- Daly City Youth Health Center
- Daly City Health Center
- Bayshore Childcare Services
- Planned Parenthood
- Our Second Home
- Truancy Intervention Project/ Daly City Youth Center
- Housing and Community Development
- North Peninsula Neighborhood SVCS
- Daly City Community Service Center
- Social Security Administration
- Family Crossroads-Shelter Network
- Filipino Bayanihan Resource Center
- WIC Store-Baby Nutritional Care
- WIC Program
- Mike Nevin Health
- Daly City Clinic
- North East Medical Services-East Moor Clinic
- North County Medical Health-Daly City
- RotaCare Daly City Clinic
- North East Medical Services
- North County Mental Health
- Kaiser Permanente Daly City Medical Offices
- Seton Medical Center
- Adult Education
- Pacifica Resource Center
- Asian Women's Shelter

Attachment 4

THE CORE companies
Building Better Communities™

June 2, 2020

Betsy ZoBell
Housing and Community Development Supervisor
City of Daly City
333 90th Street
Daly City, CA 94015

Re: Affordable Housing Project at 493 Eastmoor Ave, Daly City, CA

Dear Ms ZoBell:

As previously discussed, we are writing to inquire whether the City of Daly City has any affordable housing funds available to support the development and construction of an affordable housing project at 493 Eastmoor. The project will target households earning 60% of the area median income (AMI) and below. We would welcome exploring any funds available including Home Funds, Housing Trust Funds, SB 2 Funds or any other capital source or fee waivers the city may be able to consider.

In February, 493 Eastmoor received unanimous approval from City Council and includes 72 apartments with a mix of 50% studio apartments and 50% bedroom apartments. It is anticipated to be a 4% Tax Credit Bond project. In addition to working with the City of Daly City for gap funds, the project will apply to the County of San Mateo for their Nofa(s) as well as applying to HCD for a variety of state programs. For example, we have engaged BART to inquire if there is a BART project we could work with them on to apply for the Affordable Housing & Sustainable Communities loans and grants next year.

Please let us know if you require any additional information.

Sincerely,

Chris Neale
Executive Vice President

Attachment 5

BRIDGE Housing

BUILDING SUSTAINING LEADING

BRIDGE HOUSING CORPORATION

BRIDGE PROPERTY MANAGEMENT COMPANY

BAY AREA SENIOR SERVICES, INC.

BRIDGE ECONOMIC DEVELOPMENT CORPORATION

May 18, 2020

Betsy Zobell
Housing and Community Development Supervisor
City of Daly City
333 90th Street
Daly City, CA 94015

Submitted Electronically

Subject: Predevelopment funding for Carter Martin Site

Dear Betsy:

On behalf of BRIDGE Housing, I am requesting $45,000 in predevelopment funding for BRIDGE's explorations of the feasibility of affordable housing on the Carter Martin site. The ENA requires BRIDGE to perform due diligence to evaluate site constraints including:

- Wetlands
- Habitat Areas
- Endangered Species
- Soils and Geotechnical
- Non-engineered fill
- Hazardous Materials and toxics
- Utility Capacity

In order to perform this due diligence and prepare a revised site plan, BRIDGE has identified professional services firms and received a cost estimate of $90,450.

Task	Firm	Budget
ENA Deposit	City	$20,000
Phase I - Environmental	SCS Engineers	$4,500
Soils & Geotechnical	Rockridge Geotechnical	$13,000
Biology (Wetlands &Habitat)	Dudek	$7,850
Site Plan/Design	Seidel Architects	$30,000
Utilities	BKF Engineering	$15,100
		$90,450

Based on these estimates, BRIDGE requests that Daly City's Housing Finance Authority provide $45,000 of funding to defray a portion of these costs. BRIDGE intends to fund the balance of the predevelopment costs ($45,450). BRIDGE has not fully estimated the costs of the schematic design and financial analysis required by the ENA.

600 CALIFORNIA STREET, SUITE 900, SAN FRANCISCO, CA 94108-2704 TEL: 415.989.1111 FAX: 415 495 4898 BRIDGEHOUSING.COM
2202 30TH STREET, SAN DIEGO CA 92104-5427 TEL 619 231 6300 FAX: 619 231 6301
20321 IRVINE AVENUE, SUITE F-1, NEWPORT BEACH, CA 92660 TEL 949 229 7070 FAX: 949.274 7688
925 NW 19TH AVENUE, STUDIO 8, PORTLAND, OR 97209 TEL. 503.360 1828 FAX 503 961 8897
BRIDGE HOUSING IS A NOT-FOR-PROFIT, PUBLIC-BENEFIT CORPORATION

Attachment 5

Thank you for your consideration on this matter.

Sincerely,

Jonathan Stern

Jonathan Stern
Director – Acquisitions & Planning
BRIDGE Housing Corp.

Cc: Brad Wiblin, Executive Vice President

ATTACHMENT 6: Matrix of Rising Income and Waitlist Policies

City	Income rising policy	Waiting list policy
Berkeley	When household income doubles relative to targeted income, the household must move out. For example, unit targeted at 70% AMI; tenant moves out if income gets to 140% AMI.	Individual property managers maintain the waiting lists. If waiting list is low, units may be marketed as per City approved marketing plan.
City of San Mateo	If income goes up 10% of targeted income for rent, household given six months to recertify. If after six months income still above 10% of targeted income, household must vacate property or pay market rent. For example, unit targeted at 60% AMI. Household recertified after six months. If income is still above 70% AMI, household must vacate unit or pay market rent. If income does not exceed 70% AMI, household can stay and signs one year lease.	City maintains the waiting list. It maintains one waiting list for all BMRs in the City. Waiting list is closed when there are 500 names on the list. An annual purge of waitlist is conducted.
Foster City	Program offers different levels of affordability for BMRs. As income rises, tenants may graduate thru the income levels. If income exceeds highest income level, tenant given 60-day notice that they are no longer eligible for the BMR program and must pay market rent.	Individual property managers maintain the waiting lists. Waiting lists are kept open, and are closed only when City approval is granted to close them. Waiting lists are ordered by order of preferences, lottery (if applicable), and date of application. Property Managers are encouraged to send "purge letter" annually to maintain waiting lists.
Menlo Park	If income exceeds income limit at recertification for two consecutive years, unit no longer considered a BMR and tenant pays market rent.	A third party, Hello Housing, maintains a BMR rental interest list which is made available to property managers upon request.
San Francisco	Income may exceed income limit only after twelve months of move-in date. After this, income may rise up to 175% AMI. If income exceed 175% AMI, household given 90 day notice to vacate.	Uses a centralized portal called DAHLIA where vacancies are posted for seven days and a lotter is conducted. An existing lottery list may be used if vacancy is within six months of a previous lottery for a similar unit in the building.
Sunnyvale	If income exceeds income limit for program, tenant is given 30-day notice that they are no longer eligible for the BMR program. They are required to vacate or pay market rent.	Individual property managers maintain the waiting lists. Waiting lists are not allowed to be closed, regardless of size. Persons may be removed from waitlist if they have refused BMR rental opportunity three times.

CITY OF DALY CITY INTER-OFFICE MEMORANDUM

DATE: June 24, 2020

TO: See Below

FROM: Angie Padilla, City Manager's Office

SUBJECT: **MEETING NOTICE**

RE: **Cannabis Council Committee**

DATE: **Tuesday, July 7, 2020**

TIME: **10:00 a.m.**

PLACE: Administrative Conference Room
City Hall

ATTENDING:

City Participants:	Other Participants:
Raymond Buenaventura, Councilmember	
Rod Daus-Magbual, Councilmember	
Shawnna Maltbie, City Manager	
Rose Zimmerman, City Attorney	
Stephen Stolte, Assistant to the City Manager	
Tatum Mothershead, Director of ECD	
Michael Van Lonkhuysen, Planning Mgr.	

cc: City Council

DALY CITY INTER-OFFICE MEMORANDUM

DATE: July 6, 2020

TO: Raymond A. Buenaventura, Mayor
Rod Daus-Magbual, Councilmember

FROM: Michael Van Lonkhuysen, Planning Manager
Rose Zimmerman, City Attorney

VIA: Shawnna Maltbie, City Manager
Tatum Mothershead, Economic and Community Development Director

SUBJECT: Draft Cannabis Retail Sale Overlay District Maps

Recommended Action

Staff recommends that the Council Committee review the discussion topics outlined in this staff report and be prepared to discuss the at the Council Committee meeting.

Background

In 2016, California voters enacted Proposition 64, intended to create a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of non-medical cannabis, and to tax the cultivation and retail sale of cannabis for non-medical use. In November 2018, Daly City voters approved a business license tax on all cannabis businesses of up to ten percent of gross receipts in anticipation of the future allowance of cannabis sales. In October 2019, the City Council adopted an ordinance which authorizes commercial cannabis activities and establishes the process for permitting and regulating commercial cannabis activities in Daly City.

As adopted, the ordinance requires that, in addition to a State license, operators of commercial cannabis businesses in Daly City obtain a Commercial Cannabis Business License from the City. All such licenses will be reviewed by the Chief of Police and will include a background check, Live Scan fingerprinting, security plan, and ensure compliance with the State Licensing Procedures.

The ordinance also requires staff to develop and to present to City Council for adoption an overlay district in which commercial cannabis operations would be allowed to operate. In April 2019, staff discussed with the Council Committee an option of not requiring a discretionary land use entitlement such as a use permit to operate commercial cannabis sales within the overlay district. The allowance of retail sales without a use permit would forego the need for a public hearing prior to the issuance of each commercial cannabis sales permit. Instead, public hearings would be held upon initial adoption of the overlay district.

Discussion

The purpose for the overlay district is to implement an approximate 600-foot buffer zone around schools and youth centers throughout Daly City. The Council had initially considered implementing a similar buffer zone around child daycare centers, but ultimately found that daycare centers may not in fact be included in the State-mandated buffer zone boundary. Staff has therefore developed an overlay district based generally on whether the frontage of a property (where the property abuts the public right-of-way) is greater than 600 feet from a public/private school and/or youth center (see Attachment A – Revised Cannabis Buffer Zone Maps).

Certain properties have been excluded from the overlay district even if they are outside the buffer zone boundaries. These include any properties that are in the Coastal Zone, situated on the County line with San Francisco, State-owned, or any property that is zoned Commercial Office (C-O), Manufacturing (M), or PD (Planned Development). These exclusions have essentially removed the ability for cannabis retail sales on the Cow Palace property, Serramonte Shopping Center, Westlake Shopping Center, industrially zoned properties on the Bayshore neighborhood, all gasoline stations, and several other properties.

Aggregating the buffer zones arounds schools and youth centers, and the exclusions identified in the previous paragraph, the following areas are tentatively identified as areas/parcels where retail sale of cannabis could be permitted:

1. Skyline Plaza Shopping Center
2. Saint Francis Square Shopping Center
3. Alto Serramonte Shopping Center
4. Gellert Marketplace
5. Serramonte Plaza (office building south of Gellert Marketplace)
6. City Heights Shopping Center
7. Commercially-zone properties north of Pierce Street between Sullivan Avenue and Edgeworth Avenue
8. Commercially-zone properties fronting School Street;
9. Commercially-zone properties fronting Mission Street between Crocker Avenue and Templeton Avenue;
10. Commercial building bounded by Junipero Serra, Washington Street, and San Pedro Avenue
11. Commercially-zone properties fronting Geneva Avenue between Castillo Street and Calgary Street;
12. Commercially-zone properties fronting Geneva Avenue west of Bayshore Boulevard;
13. Commercially-zone properties in the vicinity of Hillside Boulevard and Chester Street; and
14. Commercially-zone properties in the vicinity of the Mission Street/East Market Street intersection.

Again, the Council Committee should finalize its discussion of the option of requiring or not requiring a discretionary land use entitlement such as a use permit to operate commercial cannabis sales. Such entitlements would require a public hearing prior to the issuance of each commercial cannabis sales permit. The Council Committee, along with the entire City Council, should consider the merits of a public hearing process for each retail outlet, or perhaps not requiring a discretionary land use entitlement for each outlet and instead holding a public hearing only once at the time the overlay zones are adopted.

Staff is furthermore requesting Council Committee input of how staff should proceed with the public hearing process associated with the overlay district adoption. Staff is recommending that a geographical distribution for such public hearings which would include a hearing for areas west of Interstate 280 nouth of the Highway One/Interstate 280 interchange (Saint Francis and Westlake), a hearing for areas south of the Highway One/Interstate 280 interchange (Serramonte), and a hearing for areas east of Interstate 280 (Original Daly City), and the Bayshore neighborhood.

Summary/Conclusion

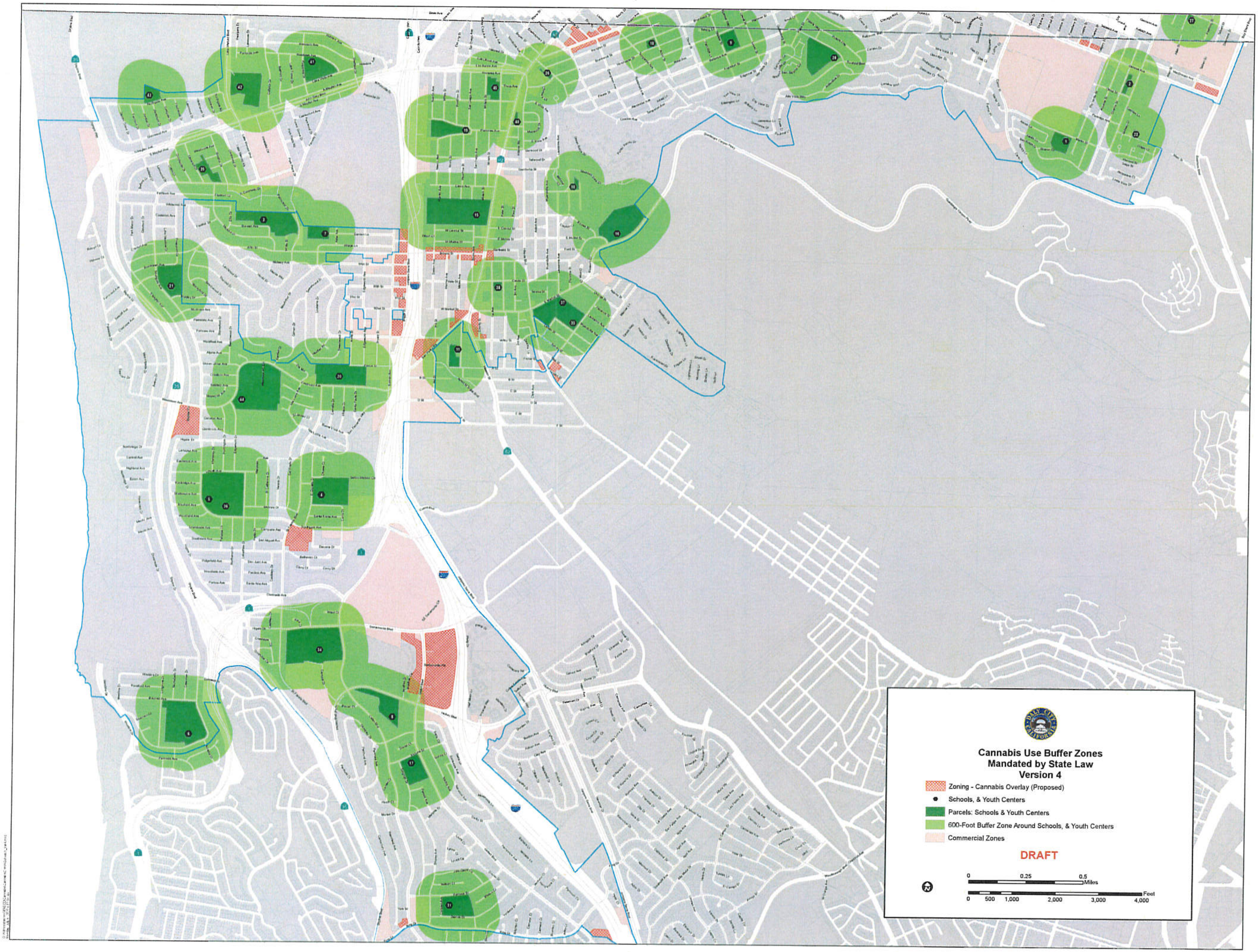
The Council Committee should consider the following:

1. Accepting the buffer zones and proposed exclusions for areas in Daly City allowing retail sale of cannabis for non-medical use, communicating any concerns to staff;

2. Finalizing its discussion of the option of requiring or not requiring a discretionary land use entitlement such as a use permit to operate commercial cannabis sales; and

3. Providing input on how staff should proceed with the public hearing process associated with the overlay district adoption.

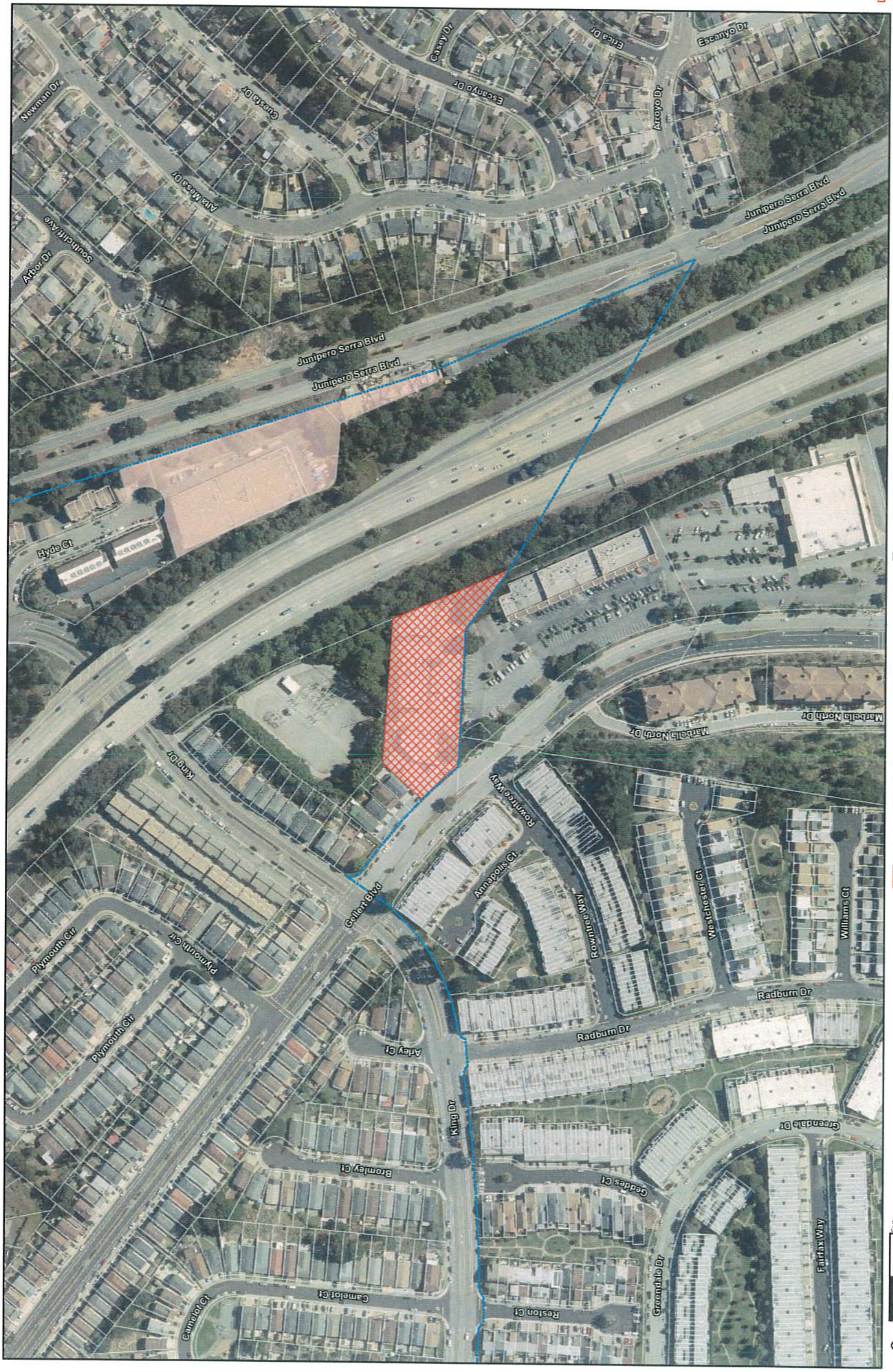
Attachment A – Revised Cannabis Buffer Zone Maps


Cannabis Use Buffer Zones
Mandated by State Law
Version 4
Zoning - Cannabis Overlay (Proposed)
Schools, & Youth Centers
Parcels: Schools & Youth Centers
600-Foot Buffer Zone Around Schools, & Youth Centers
Commercial Zones
DRAFT
0 0.25 0.5 Miles
0 500 1,000 2,000 3,000 4,000 Feet

Zoning - Cannabis Overlay (Proposed)

City Lights

DRAFT



Zoning - Cannabis Overlay (Proposed)

Commercial Zones

Schools, & Youth Centers

Parcels: Schools & Youth Centers

600-Foot Buffer Zone Around Schools, & Youth Centers

0 100 200 Feet

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Zoning - Cannabis Overlay (Proposed)

Gellert

DRAFT

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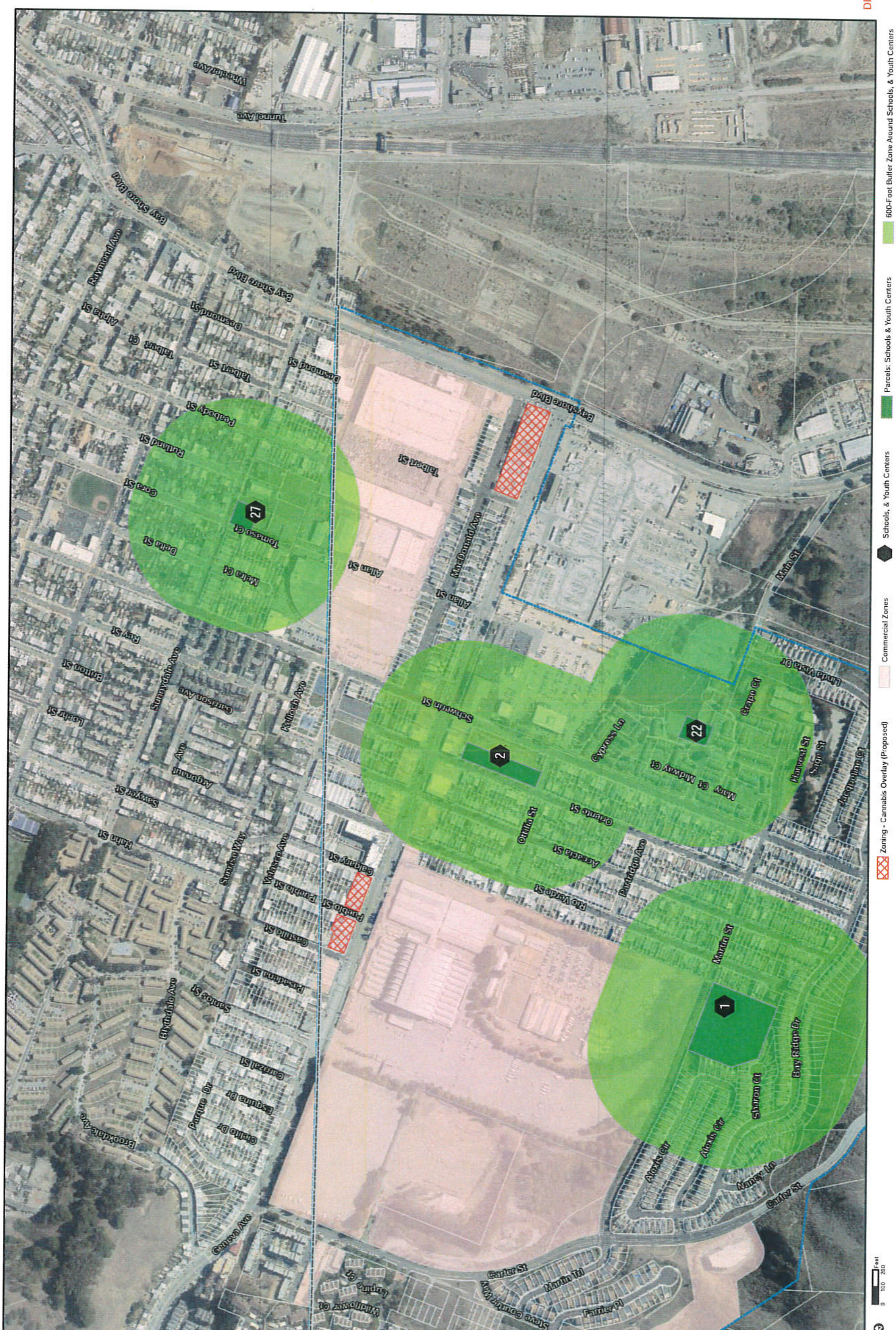
Zoning - Cannabis Overlay (Proposed)

Geneva

DRAFT



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Zoning - Cannabis Overlay (Proposed)

King Dr

DRAFT

600-Foot Buffer Zone Around Schools, & Youth Centers

Parcels: Schools & Youth Centers

Schools, & Youth Centers

Commercial Zones

Zoning - Cannabis Overlay (Proposed)

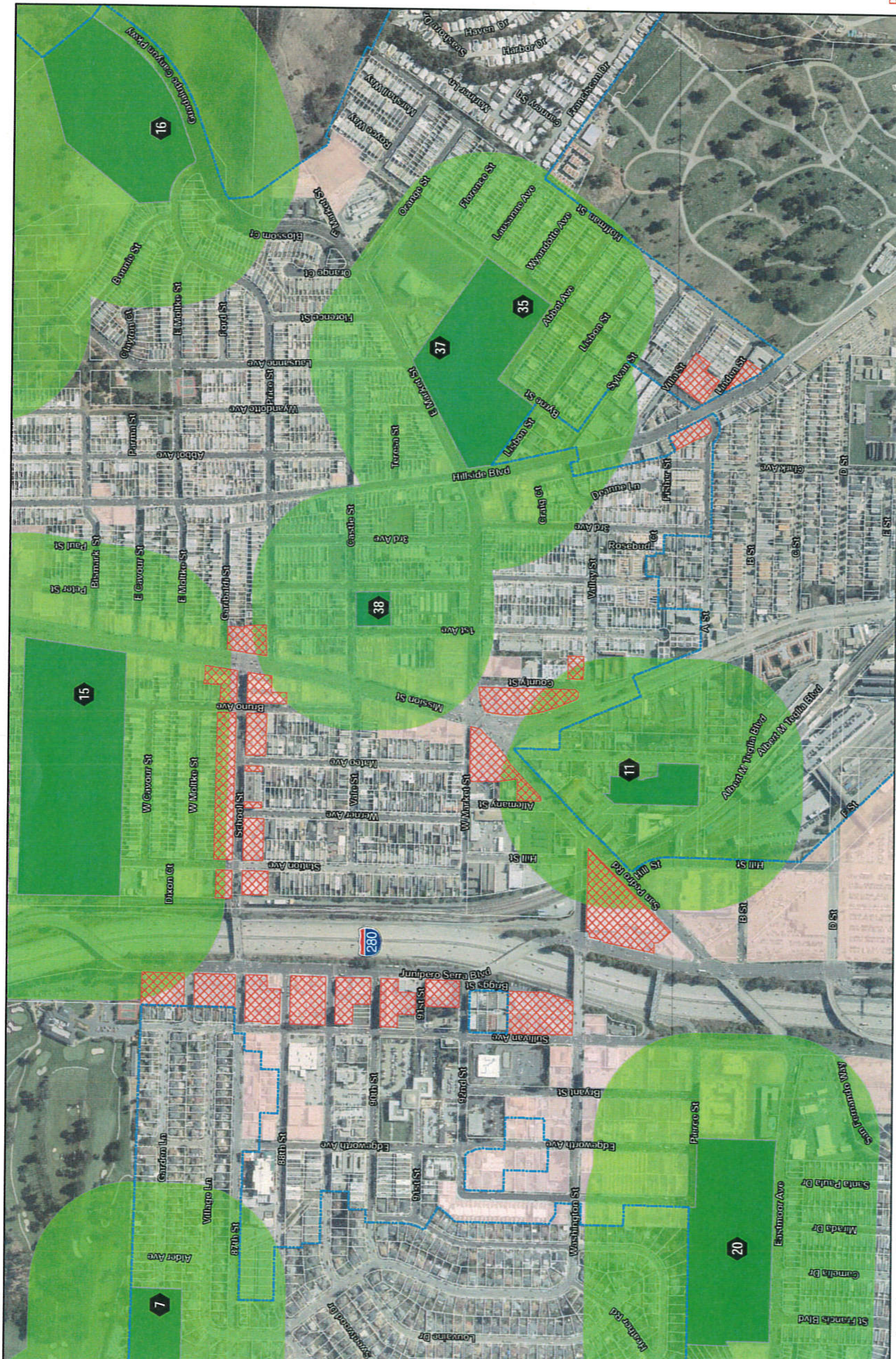
0 100 200 Feet

Monday, July 6, 2020 10:15:32 AM

Zoning - Cannabis Overlay (Proposed)

Lower Mission & Vicinity

DRAFT



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Zoning - Cannabis Overlay (Proposed)

Skyline Plaza

DRAFT

Zoning - Cannabis Overlay (Proposed)

St Francis Square

DRAFT

Zoning - Cannabis Overlay (Proposed)

Upper Mission

DRAFT

Zoning - Cannabis Overlay (Proposed)
Commercial Zones
Schools, & Youth Centers
Parcels: Schools & Youth Centers
600-Foot Buffer Zone Around Schools, & Youth Centers

0 100 200 Feet

Monday, July 6, 2020 10:15:32 AM

CITY MANAGER MEMO

Re: Update on City Services

City Council Meeting, July 13, 2020

Since the City Council declared a local emergency on March 16, 2020, coinciding with the County Health Officer's Shelter-in-Place Order, all 11 departments of the City of Daly City have continued to work tirelessly to preserve critical public services while protecting the health and safety of City employees and members of the public.

To recap, the following is a comprehensive list of the most critical services and resources provided to the community:

Communications

- Continually update the www.dalycity.org homepage to provide the most up to date COVID-19 resources, assistance programs and public health guidance.
- Produce weekly PSA videos highlighting important topics with the Mayor and guest speakers.
- Disseminate frequent residential and business mailers on COVID-19 information and resources.
- Created new, weekly electronic newsletter for seniors that is sent to more than 6,000 subscribers.
- Continue to produce weekly Recreation Division newsletter that features new, virtual programs.
- Preserved important public processes by transforming in-person City Council, Study Session and Commission meetings, including time-sensitive public hearings, into virtual experiences with dedicated virtual meeting webpages, meeting livestreams, and innovative, online public comment tool through OpenGov software.
- Contribute to and participate in several Countywide collaboration efforts, such as County Emergency Operations Center meetings, Countywide Public Information Officer meetings, City Manager meetings, Long-range Planning Committees and more.

Relief to Residents

- **Utility Bills:** No utility shut offs, no late fees, no interest charges on past due balances.
- **Street Sweeping:** Suspended to accommodate parking challenges faced by residents staying at home through June 15, 2020.
- **Library Materials:** Due dates extended to July 31, 2020. Overdue fines and late fees will not be assessed.
- **Residential Parking Permits:** Launched online platform to apply for parking permit and extended expiration through at least July 2020.
- **Uninterrupted Critical Services:** The Planning, Building and Engineering Divisions have continued to provide remote review of projects and in-person assistance by appointment. Police and North County Fire have provided uninterrupted emergency response and other services.

Community Resources

- **Volunteer Campaign:** Implemented citywide volunteer program with intake process for both volunteers and residents that require help on our website and hotline (650) 991-5739.

- **Library & Recreation Services:** Expanded virtual programming by both the Library and Recreation Divisions, including electronic library card enrollment, virtual story times, Curbside Pickup and Holds by Mail, the ever-evolving Virtual Recreation Center (#DalyCityRecAtHome), a dedicated YouTube channel, TikTok posts and much more. The Summer Youth Recreation Program (SYRP) kicked off its three week "bubble pods" of 12 or few children between six and 12 years old on July 6.
- **Senior Outreach:** Actively identifying vulnerable community members through direct calls of known program participants to gauge demand for services, with emphasis on assessing senior needs.
    - **Doelger Senior Center**: Created a hotline for seniors that need to be connected to food resources.
    - **Age-Friendly Task Force:** Shifting focus of the task force to COVID-19 and related issues with senior population, including how to stay connected with seniors in a user-friendly way. Revamped website and included senior-focused content in direct mailers.
    - **Peninsula Family Service:** Promoting hotline for aging adults.
    - **Great Plates Delivered:** So far, 484 eligible food insecure seniors in Daly City have been provided 38,454 meals.
    - **Congregate Nutrition Lunch Program:** The Recreation Division has increased the provision of meals, providing "Grab and Go" packages that include five frozen meals, to a total of 132 seniors. At Doelger Senior Center and Lincoln Community Center, 86 seniors access meals at weekly distribution events. An additional 46 home bound seniors are delivered meals by Recreation Division staff.

Small Business Assistance
- City Council approved donation of $75,000 to SMC Strong Fund to support Daly City businesses.
- New business resources website at www.dalycity.org/businessresources maintained by ECD includes information for small/medium businesses, nonprofits and sole proprietors/independent contractors.
- Created outdoor dining criteria and application process (in coordination with SMC Environmental Health) to support the reopening of local restaurants.

Support to Non-Profits, Community Organizations and Seton Medical Center
- **Community Service Center:**
    - **Rental Assistance:** In March, provided $100,000 in Housing Trust Funds to the Community Service Center to continue a residential emergency rental assistance program that had depleted an initial $80,000 in funding allocated in 2019. In June, allocated an additional $430,828 in new Community Development Block Grant funds made available through the CARES Act to further address high demand for rental support.
    - **Financial Support for COVID-19 Staffing:** Allocated $75,000 in Community Development Block Grant funding through the CARES Act to the Community Service Center to hire a COVID-19 Assistance Coordinator for a period of six to 12 months.
    - **Homeless Assistance:** Facilitated connection between the Community Service Center's Homeless Outreach Team and homeless individuals on Mission Street and in the Bayshore neighborhood. The Police Department will respond to homeless individuals requesting shelter, but all individuals must be processed through the Core Agency.

    - **Deployed City staff** to the Center to boost capacity to respond to increase in requests for assistance; providing Police Department support for resource distribution events.
    - **Sanitization:** Assigned custodial staff for enhanced clean-up efforts of high touch areas.
    - **PPE:** Donated masks, gloves and household supplies (such as toilet paper).
    - **Volunteer collaboration:** Actively working with the County's Volunteer Coordinator to assign support to the Center, including IT support and language translation services.
- **Second Harvest Foodbank:**
    - **Staff Assistance:** Deploy City staff to assist with food distribution events citywide.
    - **New Distribution Sites:** Implemented centralized food distribution at Doelger Senior Center and Lincoln Community Center.
    - **Food Distribution:** Since April, the Recreation Division has served 4,372 individuals in partnership with the Second Harvest Food Bank. This includes over 2,200 adults, over 970 youth, and over 1,180 seniors, collectively representing more than 1,390 households. Nearly 122,000 pounds of food have been distributed to residents in need.
- **Pacific Islands Together:** Providing Police Department support for traffic control for food distribution events.
- **Pilipino Bayanihan Resource Center:** Providing Police Department support for traffic control for food distribution events.
- **Seton Medical Center:** Donated 500 protective gowns, 750 gloves and 100 masks from limited City inventory of supplies.

Preparing for Reopening

- All City Departments are actively preparing plans for a full reopening, including policies and procedures for public access to services. Public Works staff and Department of Water & Wastewater Resources have installed office modifications with protective infrastructure, like glass shields and temperature checking equipment, to ensure safe working environment for both staff and members of the public.
- City employees look forward to safely reopening in the coming weeks and providing essential in-person services with face coverings and social distancing protocols.

Community Engagement on Local Recovery

- To better gauge community needs for local recovery from the pandemic, the City initiated a community priorities survey called the Daly City Discussion. The City is dedicated to providing services that are most important to the community. The survey was made available online and via mail. So far, nearly 550 responses have been received.

Responding to the Black Lives Matter movement

- The City held two special City Council Study Sessions - Navigating Tense Times: A Community Discussion - to engage community members in an active discussion with the City Council about racism in society, the Black Lives Matter movement and Police policies. The Daly City Police Department has made immediate changes to policies based on the 8cantwait.org campaign. The City has also provided support for two demonstrations at City Hall. Daly City is committed to working with the community regarding Black Lives Matter.

August City Council Meetings

- The Council will not hold any Council Meetings in the month of August and will resume its first Regular Meeting on Monday, September 14.

City Council Meeting Agenda Report

Item # _____

Meeting Date: July 13, 2020

Subject: Water Rate Adjustment (Deferral) to January 1, 2021

Recommended Action

Information item to the City Council.

Background/Discussion

Recognizing the uncertainty and economic challenges caused by the Covid-19 Pandemic and resulting Public Health Orders by the San Mateo County Public Health Officer and the Governor of California, DWWR staff and our financial consultants (HF&H) analyzed the ability of the Water Enterprise Fund to defer the programmed rate increase of 9.5% scheduled for July 1, 2020 to January 1, 2021. This was accomplished through the leadership and guidance of the City Council and City Manager. Other neighboring agencies have taken similar action, including, our wholesale water provider the San Francisco Public Utilities Commission (SFPUC). This action is permissible due to the enabling legislation approved by the City Council in 2018, Resolution No 18-164, which allows cost savings to be passed on to our customers through a lesser percentage increase. The adoption of a five-year rate plan by the Council in November of 2018 has corrected previous fund deficits and allows for this deferral.

After a thorough review, DWWR staff and our financial analysts determined the scheduled increase may be deferred. Three primary justifications were identified;

- The Operating and Capital Budgets for Fiscal Year 2020-21 provide adequate cost savings to support a six-month deferral of rates.
- We currently purchase all our water from the SFPUC and there will be no wholesale water rate increase this year.
- The current amount in the Water Enterprise Fund reserves allows us to absorb the short term-deferral.

Fiscal Impact

Projections under the rate structure approved in 2018 were for approximately $13 million from July to December of 2020. Forgoing the July 1, 2020 rate adjustment of 9.5% would provide approximately $12 million instead, an acceptable level of revenues during these unprecedented times. DWWR staff along with Finance will closely monitor the financial position of the fund in the coming months and keep the City Manager informed of any changes.

Summary/Conclusion

This provides some level of relief to our customers that we believe to be appropriate during these difficult times. Staff will continue to look for ways to create savings while fulfilling our responsibilities to the citizens we serve.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Thomas J Piccolotti
Director of Water and Wastewater Resources