CITY OF DALY CITY

Regular Meeting - CITY COUNCIL

AGENDA

Monday, April 11, 2022 - 7:00 PM

COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS

Pursuant to Government Code section 54953(e) et seq., 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 on the City's YouTube Channel at https://www.youtube.com/DalyCityVideoMeetings, the City's agenda website at https://www.dalycity.org/agendas or on local Channel 27 (Comcast).

Public Participation:

There are two ways to submit public comment: (1) send written comments by 4:00 pm on meeting day and (2) join to speak at the meeting via Zoom.

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 prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the City Council members following the public meeting. Comments are not read aloud into the record.

To speak at the meeting via Zoom, join at https://bit.ly/dalycityapr11zoom. Zoom will require an email address and name. The name entered will be visible online and will be used to notify you that it is your turn to speak. You may also join by visiting https://zoom.us/join. Enter meeting ID: 815 9020 6634, then enter email address and name. The April 11, 2022 Regular City Council meeting may also be accessed via telephone by dialing +1 669 900 6833 (Local). Enter the meeting ID: 815 9020 6634, then press #.

When you would like to speak on an item during the public comment portion of the meeting, you will need to use the "raise hand" feature in Zoom. Public comment is limited to two (2) minutes maximum, and speakers may only comment once per item. You must familiarize yourself with Zoom prior to joining the meeting. The City will not be providing technical support.

If you do not wish to speak, the City requests that you watch the livestream of the meeting on the City's YouTube Channel at https://www.youtube.com/DalyCityVideoMeetings, the City's agenda website at https://www.dalycity.org/agendas or on local Channel 27 (Comcast).

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

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.

CALL TO ORDER:

PLEDGE TO THE FLAG:

ROLL CALL:

PRESENTATIONS:

1. Proclaiming April 2022 as Fair Housing Month, Daniel Williams, Fair Housing Staff Attorney, Project Sentinel

2. Proclaiming April 10, 2022 as John Madden Day

APPROVAL OF MINUTES:

3. Regular Meeting of March 28, 2022

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.

Communications:

4. Receive and File Fiscal Year 2013-2014 Through Fiscal Year 2020-2021 Housing Successor Agency Annual Report

Resolutions:

5. Authorizing City Manager to Execute a Three-year Agreement with Looking Point for the Purchase of Cisco UCS Servers and VMware Software

6. Accepting and Appropriating Funding from the County of San Mateo for Summer Enrichment Programs

7. Setting Time and Place of Public Hearing - Proposed Adoption of Ordinance for Military Equipment Policy **(Set Hearing: 5/9/22)**

8. Authorizing the Elimination of Overdue Fines for Library Materials

9. Authorizing the City to Implement Teleconferenced Public Meetings Pursuant to Assembly Bill 361

END OF CONSENT AGENDA

PUBLIC HEARINGS:

10. Zone Change ZC-01-22-15477 – Amendment to Title 17 Zoning Locational Standards for Smoke Shops and Tobacco Stores

    STAFF: Michael Van Lonkhuysen

    RECOMMENDATION: Open/Close Hearing
    Motion for City Attorney to Read by Title Only
    Councilmember Introduce Ordinance

ORDINANCES:

11. Second Reading, Ordinance No. 1456, Amending Section 2.58.060 of the Municipal Code Re: Small Business Commission Meetings

    STAFF: Rose Zimmerman

    RECOMMENDATION: Adopt Ordinance by Roll Call Vote

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

13. City Council

14. Staff

ADJOURNMENT:

Proclamation

April as Fair Housing Month

WHEREAS, adequate housing is a basic need and right of all people; and

WHEREAS, this year we celebrate the 54th Anniversary of the enactment of the Federal Fair Housing Act of 1968 (Title3 VIII of the Civil Rights Act), which states that discrimination in the sale and rental of housing is illegal when based on race, color, religion, sex, or national origin; and

WHEREAS, the Fair Housing Amendments Act of 1988 extends fair housing rights based on familial status to families with children, and based on handicap to disabled persons; and

WHEREAS, California statutes additionally protect citizens based on age, marital status, sexual orientation, gender identity and source of income; and

WHEREAS, California celebrates the 62nd Anniversary of the Fair Employment and Housing Act (FEHA); and

WHEREAS, the City of Daly City supports fair housing efforts to eliminate discrimination in housing and recognizes the benefits of Project Sentinel to educate home seekers, apartment managers, and apartment owners on federal and state housing laws, and to investigate complaints of illegal housing discrimination in Daly City; and

WHEREAS, to heighten public awareness, the City of Daly City wishes to focus public attention on April as Fair Housing Month.

NOW, THEREFORE, I, Roderick Daus-Magbual, Mayor, and members of the City Council, hereby proclaim the month of April 2022, as **FAIR HOUSING MONTH** in the City of Daly City and encourage all residents and community organizations to celebrate the value of harmonious and diverse communities of neighbors and to support the goal of equal housing opportunity for all people.

Signed and sealed by the Mayor and City Council of the City of Daly City this 11th day of April, 2022.

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Roderick Daus-Magbual, Mayor

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Raymond A. Buenaventura, Vice Mayor

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Pamela DiGiovanni, Councilmember

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Juslyn C. Manalo, Councilmember

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Glenn R. Sylvester, Councilmember

Proclamation

John Madden Day

WHEREAS, John Madden was born April 10th, 1936, in Austin, Minnesota, to Earl Russell Madden and Mary Madden; His father, an auto mechanic, moved the Madden family to Daly City, California, in 1939, when John was 3 years old; and

WHEREAS, John Madden grew up in “Top of the Hill” Daly City, California where he played with friends in a vacant lot next to his house nicknamed “Madden’s Lot”, or played handball at the nearby Woodrow Wilson Elementary School or baseball and football at Marchbank Park; and

WHEREAS, John Madden attended the Catholic school Our Lady of Perpetual Help, graduating in 1950, and then attended Jefferson High School, graduating in 1954; and

WHEREAS, while playing football at Jefferson High School, John Madden became a rising football star and went on to play one season at the College of San Mateo in 1954 before he was given a scholarship to the University of Oregon, then attended Grays Harbor College playing in the fall of 1956, before transferring to Cal Poly in San Luis Obispo, where he played both offense and defense in 1957; and

WHEREAS, John Madden was drafted in the 21st round (244th overall) by the NFL's Philadelphia Eagles in 1958 but suffered a knee injury in his first training camp, ending his playing career without having had an opportunity to play professionally; and

WHEREAS, John Madden moved his focus to coaching at Hancock Junior College in Santa Maria and then at San Diego State before he was hired as an assistant coach by the Oakland Raiders in 1967; two years later, he was named head coach of the Oakland Raiders in 1969; and

WHEREAS, from 1979 through 2008, Madden worked as a color commentator/analyst on NFL games for all four major American television networks which included ABC, CBS, NBC, and FOX where his announcing style was punctuated with interjections such as "Boom!", "Whap!", "Bang!", and "Doink!" and his lively and flamboyant delivery won him critical acclaim and fourteen Sports Emmy Awards for Outstanding Sports Event Analyst; and

WHEREAS, in 2000, Jefferson High School alumnus John Madden donated the lighting for the campus football field, and they are named “Madden Lights” in his honor.

WHEREAS, Madden died of undisclosed causes at his home in Pleasanton, California, on December 28, 2021, at the age of 85 and in a press release announcing Madden's death, NFL Commissioner Roger Goodell said that Madden "*was football*", adding, "*there will never be another John Madden, and we will forever be indebted to him for all he did to make football and the NFL what it is today.*"

NOW, THEREFORE, I, Roderick Daus-Magbual, Mayor, and members of the City Council, hereby proclaim April 10, 2022, as **JOHN MADDEN DAY** in the City of Daly City and encourage the Daly City community to celebrate and remember John Madden and his dedication to his community and his legendary impact to the game of football.

Signed and sealed by the Mayor and City Council of the City of Daly City this 11th day of April 2022.

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Roderick Daus-Magbual, Mayor

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Raymond A. Buenaventura, Vice Mayor

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Pamela DiGiovanni, Councilmember

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Juslyn C. Manalo, Councilmember

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Glenn R. Sylvester, Councilmember

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 28, 2022

Visit https://www.youtube.com/c/DalyCityVideoMeetings **to view videos of the City Council meetings**

The meeting was called to order by Mayor Daus-Magbual at 7:00 P.M. by video conference call pursuant to Governor Gavin Newsom's Executive Order N-29-20.

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

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

PRESENTATIONS:

"Love Daly City" Citywide Community Volunteer Opportunities
Bob Eusebio II, Pastor Emeritus and Marlon Valladares, Pastor

Proclaiming the Week of April 3 to 9, 2022 as National Library Week in Daly City
Patricia de Vera, Daly City Public Library Associates (DCPLA) Board President

APPROVAL OF MINUTES:

Regular Meeting of March 14, 2022

It was moved by Councilmember Sylvester, seconded by Councilmember Manalo and carried to approve the minutes of March 14, 2022.

APPROVAL OF AGENDA:

It was moved by Councilmember Sylvester, second by Councilmember DiGiovanni to approve the agenda.

CONSENT AGENDA:

It was moved by Councilmember Manalo, seconded by Councilmember Sylvester and carried to approve the consent agenda.

Note on Public Comments: *For this meeting, members of the public were encouraged to watch the meeting via livestream and speak at the meeting via Zoom, and/or submit public comments via email to the City Clerk's Office 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.*

Resolutions:

Setting Time & Place of Public Hearing Regarding Linda Vista Area of Benefit FY 2022-2023

Resolution 22-47, Setting Time and Place of Public Hearing Re: Approve Engineer's Report and to Establish the Annual Benefit Assessments for the Linda Vista Area for Fiscal Year 2022-2023

Authorizing the City Manager to Execute a One-Day Temporary License for Use of City Hall Main Parking Lot for "Love Daly City" Citywide Community Volunteer Activities

Resolution 22-48, Authorizing Execution Of One-Day Temporary License Agreement For Use Of City Hall Main Parking Lot For "Love Daly City" Citywide Community Volunteer Activities

Approving a Joint Exercise of Powers Agreement for the Establishment of the Daly City Joint Powers Financing Authority

Resolution 22-49, Approving The Joint Exercise Of Powers Agreement For The Establishment Of The Daly City Joint Powers Financing Authority

END OF CONSENT AGENDA

PUBLIC HEARINGS:

Public Hearing – Proposed Ordinance Amending Chapter 2.58 of the Daly City Municipal Code – Small Business Commission Meeting Frequency

Economic Development Specialist Brandon Phipps presented a recommendation to increase the frequency of regularly scheduled Small Business Commission meetings from six to twelve meetings annually. The commissioners were asked to fill out a survey, and the survey showed their unanimous interest in increasing the frequency of their meetings.

It was moved by Councilmember DiGiovanni, seconded by Councilmember Sylvester and carried to open the public hearing. There were no speakers on this matter. It was moved by Councilmember Manalo, seconded by Councilmember Sylvester and carried to close the public hearing.

It was moved by Councilmember Manalo, seconded by Councilmember DiGiovanni and carried by voice vote for the City Attorney to read by title only. Councilmember Sylvester introduced the following ordinance:

Ordinance 1456, Amending Section 2.58.060 of Title 2 of the Daly City Municipal Code Re: Small Business Commission Meetings

COMMUNICATIONS:

Coastal Development Permit (Use Permit UPR-2-22-15536) — On-Site Movement of Landfill Waste at Mussel Rock Landfill (150 Westline Drive)

Planning Manager Michael Van Lonkhuysen presented the proposed site maintenance improvements which include removing landfill waste from the upper north canyon face, disposing of excavated materials on-site, constructing a drainage swale to guide drainage from the area, and hydroseeding the area upon completion. Mr. Van Lonkhuysen and City Engineer Kevin Fehr addressed questions regarding the sloughing of earth material onsite and whether maintenance improvements will be a recurring issue.

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

Resolution 22-50, Adopting Findings Of Fact And Imposing Conditions Of Approval On Coastal Development Permit For On-Site Movement Of Landfill Waste At Mussel Rock Landfill

ORDINANCES:

Second Reading, Ordinance No. 1454, Repealing and Replacing Chapter 8.64 Re: Regulating the Use of Disposable Food Service Ware

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

Ordinance 1454, Repealing and Replacing Chapter 8.64 of the Daly City Municipal Code Regulating the Use of Disposable Food Service Ware by Food Facilities

Second Reading, Ordinance No. 1455, Adding Chapter 15.80 to the Daly City Municipal Code Re: Electrical Vehicle Charging Stations

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

Ordinance 1455, Adding Chapter 15.80 to Title 15 Re: “Electric Vehicle Charging Stations” to Provide Expedited and Streamlined Permitting Process Consistent with State Law; Affirming the Planning Department’s Determination Under the California Environmental Quality Act

APPOINTMENTS:

It was moved by Mayor Daus-Magbual, seconded by Councilmember DiGiovanni and carried by voice vote to re-appoint Nate Ortiz to the Recreation Commission.

It was moved by Mayor Daus-Magbual, Councilmember Manalo and carried by voice vote to re-appoint Justine Santos to the Library Board of Trustees.

REPORTS:

Council Committee Meetings: March 10-March 23, 2022

CDBG Advisory Committee (Daus-Magbual/Manalo)
Youth Leadership Institute/JUHSD (Daus-Magbual/Manalo)
Water Issues (w/ Vista Grande Project Joint Powers Authority) (Daus-Magbual/Manalo)
Peninsula Clean Energy (Daus-Magbual)
Council of Cities of San Mateo County (Daus-Magbual)
Bay Area Water Supply and Conservation Agency (BAWSCA) (Manalo)

City Council

Councilmember DiGiovanni reported attendance at Daly City Public Library Associates' (DCPLA) St. Patrick's Day fundraiser to support City libraries; the event featured Irish dancers and was attended by staff. Councilmember DiGiovanni reported attendance at Jefferson High School's 100th Anniversary which featured a parade, entertainment and was attended by Assemblymember Kevin Mullen, Commissioner Theresa Faapuaa, Congresswoman Jackie Speier, Assemblymember Phil Ting, Senator Scott Wiener, Colma Mayor Helen Fisicaro and Colma Councilmember Diana Colvin. Councilmember DiGiovanni commended Mayor Daus-Magbual's State of the City Address.

Councilmember Manalo reported attendance at the prayer held for Ukraine at Redwood City by Supervisor David Canepa and also attended by the Consul General of Ukraine, community leader Oksana, and heard speeches and prayers by Ukrainian-American youth. Councilmember Manalo reported attendance at the DCPLA's St. Patrick's Day fundraiser and acknowledged DCPLA's Executive Director, Victoria Magbilang. As an alumnus, Councilmember Manalo attended Jefferson High School's 100th Anniversary and acknowledged the Jefferson High School faculty, alumni and parade coordinators. Councilmember Manalo commended Mayor Daus-Magbual's State of the City Address.

Vice Mayor Buenaventura commended Mayor Daus-Magbual's State of the City Address, noting its goal to inspire the community. Vice Mayor Buenaventura thanked City Manager Shawnna Maltbie and Assistant City Manager Stephen Stolte for their collaboration on the presentation for the State of the City.

Mayor Daus-Magbual participated in March for Meals Community Champions Week by serving free lunches to seniors alongside volunteers at Doelger Senior Center; Mayor Daus-Magbual also spoke with seniors by taking wellness calls and discussed the food delivery program with staff. The Mayor commended the work being done by Doelger Senior Center staff, acknowledging Active Adult/Senior Services Supervisor Ann Cooney and Food Service Assistant Opal Fuller. Mayor Daus-Magbual thanked Mr. Stolte and Ms. Ramos for their collaboration on the State of the City Address presentation.

Staff

City Manager Shawnna Maltbie acknowledged Mr. Stolte for compiling information for the State of the City Address, recognized Ms. Ramos for compiling the presentation and thanked the Mayor for his State of the City Address. Ms. Maltbie provided information on the scheduling of raising the Ukraine flag at city hall.

ADJOURNMENT:

Mayor Daus-Magbual adjourned the meeting at 8:36 PM in memory of Madeleine Albright, Sid Lorvan, Zenaida Lontoc Peralta and Jesse Gamez, Sr.

Approved as submitted, this 11th

day of April, 2022.

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City Clerk

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Mayor

City Council Agenda Report

Item # _____

Meeting Date: April 11, 2022

Subject: Receive and File Fiscal Year 2013-2014 through Fiscal Year 2020-2021 Housing Successor Agency Annual Report

Recommended Action

It is recommended that the City Council receive and file the Housing Successor Agency Annual Report for Fiscal Year 2013-2014 through Fiscal Year 2020-2021.

Background

The City of Daly City is the Housing Successor Agency to the former Daly City Redevelopment Agency, as established by resolution in January 2012. The Housing Successor Agency is required to complete an Annual Report regarding the Low and Moderate Income Housing Asset Fund pursuant to California Health and Safety Code Section 34176.1. The purpose of the report is to provide the governing body of the Housing Successor Agency with an annual report on the housing assets and activities of the Housing Successor Agency. The current report sets forth certain details of the City of Daly City's Housing Successor Agency activities for Fiscal Year 2013-2014 through Fiscal Year 2020-2021.

The report is due to the California Department of Housing and Community Development ("HCD") by April 1st of each year and must be posted to the City's website. The report for Fiscal Year 2013-2014 through Fiscal Year 2020-2021 will be submitted to HCD following official receipt by the City Council.

Discussion

In the Annual Report, for the Fiscal Year 2013-2014 through Fiscal Year 2020-2021, the Housing Asset Fund received a total of $7,343,311 in revenues and expended a total of $1,117,356, of which $937,963 is administrative costs and $179,393 is Homeless Prevention expenditures. These totals include funds for both the Housing Successor Agency and the Housing Finance Agency. For the Annual Report, the City is supposed to report out on the activities of the Housing Successor Agency only. The current report includes both because the City has traditionally kept these two groups of activities in the same fund (Fund 12). Before the end of Fiscal Year 2022, staff plans to separate the City's general housing activities from those of the Housing Successor Agency so that the Annual Report is limited to those activities related to the Housing Successor Agency in Fiscal Year 2021-2022.

Summary/Conclusion

Staff recommends the City Council receive and file the Housing Successor Annual Report for FY 2013-2014 through FY 2020-2021. Staff is available to provide any additional information desired by the Mayor or City Council Members.

Respectfully submitted,

Tatum Mothershead	Tim Nevin
Director of Economic and	Director of Finance and
Community Development	Administrative Services

Attachment: Daly City Housing Successor Annual Report for Fiscal Years 2013-2014 through Fiscal Year 2020-2021

HOUSING SUCCESSOR ANNUAL REPORT
FOR FISCAL YEARS 2013-14 THROUGH 2020-21
City of Daly City

TABLE OF CONTENTS

INTRODUCTION

Following the dissolution of redevelopment in 2012, all former redevelopment agencies were required to designate a housing successor agency to transfer all existing assets, expenditures, and other responsibilities to. In addition to overseeing these assets and ensuring that all remaining funds are spent on affordable housing efforts and related allowable expenses, successor agencies must report annually on their activities as required by Senate Bill 341. The Housing Successor Annual Report ("Annual Report") details the activity of the housing successor and establishes whether the housing successor is in compliance with various expenditure and asset requirements as outlined in the Health and Safety Code ("HSC") Section 34176.1(f). The Annual Report also summarizes compliance with certain annual, five-, and ten-year planning period requirements as described herein.

The City of Daly City ("City") elected to become the Housing Successor Agency ("Housing Successor") to the former Redevelopment Agency ("Agency") following the Dissolution Act of 2012. Since its establishment, however, the Housing Successor did not prepare annual reports as required by Senate Bill 341, partly due to a lack of activity. Therefore, this cumulative report covers the activities of the City as the Housing Successor since the time of dissolution, from Fiscal Year ("FY") 2013-14 through FY 2020-21. The intent of this report is to get Daly City caught up with Housing Successor Annual Report requirements, and to establish the current status of various expenditure and asset requirements, so the City is better prepared to comply with report requirements in future years.

HOUSING SUCCESSOR

The City adopted Resolution No. 12-11 dated January 23, 2012, which established itself as the Housing Successor and assumed responsibility for all remaining assets and liabilities of the former Agency. The Housing Successor is responsible for overseeing all housing assets transferred from the former Agency with the main goal of using these assets to provide affordable housing to City residents, until the assets have been exhausted.

SCOPE OF THIS HOUSING SUCCESSOR ANNUAL REPORT

The Annual Report should be limited to the City's activities as they relate to its role as a housing successor, rather than all housing functions of the City in general and describes compliance with various annual, five-year, and ten-year housing expenditure and production requirements. Since dissolution the City has maintained all transferred assets, liabilities, and housing activities in the Daly City Housing

Development Finance Agency Fund (Fund 12). Successor agencies generally establish a separate fund in order to isolate the 20% set aside housing successor funds and assets from any other funds which may be used for housing related developments. However, Daly City's Fund 12 includes additional fund sources beyond the 20% set aside, which are not subject to Senate Bill 341 report requirements. The City is aware that the Housing Asset Fund should only record housing successor activity and intends on making accounting adjustments to separate out the 20% set aside activity in future years. For the purposes of completing this report, and to be consistent with the City's financial reports to date, this report looks at all the housing activity currently being recorded in the City's Fund 12.

This report covers the Housing Successor's activities all the way back to dissolution in order to catch the City up with Annual Report compliance requirements. Since dissolution in 2012, there have been two five-year compliance periods which are covered by this report. The first five-year compliance period includes FY 2013-14 through FY 2018-19 while the second five-year compliance period, the current one, includes FY 2019-20 through FY 2023-23. The current fiscal year, FY 2020-21, is the second year of the second five-year compliance period.

The Annual Report is due to the State of California ("State") Department of Housing and Community Development ("HCD") by April 1 annually and must be accompanied by an independent financial audit. The City's audited financial statements are posted on the City's website. This Report is an addendum to the Housing Element Annual Progress Report required by Government Code Section 65400, which is submitted to HCD by April 1 annually.

ASSETS TRANSFERRED TO THE HOUSING SUCCESSOR

Upon the statewide dissolution of redevelopment in 2012, all rights, powers, committed assets, liabilities, duties, and obligations associated with the housing activities of the Agency were transferred to the elected housing successor. Housing successors prepared a Housing Asset Transfer ("HAT") Form that provided an inventory of all housing assets transferred from the Agency to the Housing Successor. This included:

1. Real properties;
2. Personal Property;
3. Low- and Moderate-Income Housing Fund ("LMIHF") encumbrances;
4. Loans/Grants Receivables; and

5. Deferrals.

The City prepared the HAT and all items were approved by the California Department of Finance ("DOF") on August 30, 2012. It is important to distinguish that housing successor assets that were not transferred from the former Agency or generated by or purchased with assets from the former Agency, are not subject to HSC Section 34176.1.

A copy of the HAT is provided as Appendix 1.

BACKGROUND

This Section summarizes the legal requirements for use of housing successor assets that are addressed in this Report.

LEGAL REQUIREMENTS PERTAINING TO HOUSING SUCCESSORS

In general, housing successors must comply with three major requirements pursuant to HSC Section 34176.1:

1. Expenditures and housing production are subject to income and age targets.
2. Housing successors may not accumulate an "excess surplus," or a high unencumbered cash balance based on certain thresholds.
3. Properties must be developed with affordable housing or sold within five to ten years of the DOF approving the HAT.

Appendix 2 provides a detailed summary of the reporting requirements that are addressed in this Report.

PERMITTED USES OF HOUSING ASSET FUNDS

Pursuant to HSC Section 34176.1, former Agency assets and the revenues generated by those assets, are maintained in a Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"). In the case of Daly City, Housing Successor funds and activity are recorded in Fund 12 which is the Daly City Housing Development Finance Agency Fund. Housing Asset Funds may be spent on:

- **Administrative costs** for operation of the housing successor agency. The law allows a housing successor to spend the greater of:

- $200,000 per year adjusted annually for inflation, or
- 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable on the HAT ("Portfolio"), whichever is greater.

The City's property and loan portfolio has always consisted of an asset value such that 5% has been greater than the $200,000 adjusted for inflation annual limit. Therefore, the City's administrative spending limit has always been 5% of the portfolio value every fiscal year from FY 2013-14 through FY 2020-21.

- **Homeless prevention and rapid rehousing services** up to $250,000 per year if the former redevelopment agency did not have any outstanding inclusionary housing or replacement housing production requirements as of 2012. Daly City is eligible for this expense because the former Agency had met its inclusionary housing and replacement housing production requirements upon dissolution.

- **Affordable housing development** assisting households up to 80 percent of the Area Median Income ("AMI"), subject to specific income and age targets over a five- or ten-year period.

Five-Year Income Proportionality on Development Expenditures: Any Housing Asset Funds may be spent on development of affordable housing projects affordable to low, very low, and extremely low-income households. "Development" is defined in HSC Section 33413 as new construction, acquisition, rehabilitation, or the preservation of affordable housing developments.

Over each five-year compliance period, the first one running from FY 2013-14 through FY 2018-19 and the second (current) one beginning July 1, 2019, at least 30 percent of any development expenditures must assist extremely low-income households (30% of AMI), while no more than 20 percent may assist low-income households (between 60-80% of AMI). The balance of such expenditures may be used on very low-income households (defined as households earning between 30% and 60% of AMI).

Note that housing successors must report expenditures by category each year, but compliance with income proportionality limits is measured every five years. For example, a housing successor could spend all its funds in a single year on households earning between

60-80% of AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

Should a housing successor not spend at least 30 percent of its development expenditures for extremely low-income households, or exceeds the amount spent on low-income households, future expenditures are subject to greater restrictions until these proportionality targets are met.

Specifically, if a housing successor is unable to spend at least 30 percent of its development expenditures on extremely low units, it is required to increase this spending to 50 percent until compliant with the 30 percent threshold; a housing successor that spends more than 20 percent of its development expenditures on low-income units cannot spend any further funds on low-income developments until it is at or below the 20 percent threshold. As such, tracking these expenditures and their progress over the corresponding five-year period is an important function of the Annual Report.

This Report covers the Housing Successor's expenditures during the entire first five-year compliance period as well as the first two years of the second five-year compliance period. The City is in compliance with all housing development expenditure requirements since dissolution.

Ten-Year Age Proportionality: If more than 50 percent of the total aggregate number of rental units produced by the city, housing successor, or former redevelopment agency during the past 10 years are restricted to seniors, the housing successor may not spend more Housing Asset Funds on senior rental housing.

It is important to stress that Housing Successor expenditure and production requirements are measured on different timeframes:

- **One-Year Limits:** Administrative Allowance and Homeless Prevention Allowance. Compliance evaluated annually and resets every year.

- **Five-Year Limit:** Expenditures by Income Level. Compliance evaluated over a fixed five-year period set by law, the first five-year period being July 1, 2013, to June 30, 2019, and the second (current) period being July 1, 2019, to June 30, 2024.

- **Ten-Year Limit:** Number of Senior Deed-Restricted Units Assisted. Compliance evaluated based on a rolling ten-year period that is different every year.

Appendix 3 describes Housing Asset Fund expenditure requirements in more detail, including the types of costs eligible in each category.

LIMITS ON THE ACCUMULATION OF HOUSING FUNDS (EXCESS SURPLUS)

State law limits how much cash a housing successor may retain and, if it fails to commit and spend these dollars in a reasonable timeframe, ultimately penalizes the housing successor by requiring unspent funds to be transferred to HCD for use on State housing programs.

HSC Section 34176.1(d) establishes a limit, known as an “excess surplus” on the amount of unencumbered Housing Asset Funds based on the greater of:

- $1,000,000, or
- The total amount of deposits made into the Housing Asset Fund over the preceding four years.

Only amounts in excess of this threshold are considered an excess surplus. Once an excess surplus is determined, a housing successor must account for these funds separately and encumber said monies within three years. If after the third year the excess surplus has not been fully encumbered, the remaining balance of the excess surplus is to be transferred to HCD within 90 days. HCD is permitted to use these transferred excess surplus funds anywhere in the State under its Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.

As part of the Annual Report, a housing successor must disclose any excess surplus and describe the housing successor’s plan for eliminating this excess surplus.

HOUSING ASSET FUND ACTIVITY

This section of the Report details the Housing Successor's activities since dissolution beginning FY 2013-14 to the current FY 2020-21 as reported in the City's Fund 12.

DEPOSITS AND FUND BALANCE

Table 1 reports the value of funds which were deposited into the Housing Asset Fund each fiscal year. Deposits have consisted of Impact in Lieu, Operating Transfers, Rental Income and Miscellaneous Revenues (including both Housing Successor and mostly non-Housing Successor activity).

Table 1: Housing Asset Fund Deposits FY 2013-14 through FY 2020-21

Deposit Type	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Impact In-Lieu	$ -	$ 351,400	$2,459,236	$ 748,305	$ -	$ -	$1,001,511	$ 20,064
Miscellaneous Revenue	2,850	1,017,433	2,850	19,845	336,957	27,157	22,486	4,100
Operating Transfers	-	-	-	182,534	19,003	375,100	218,780	228,500
Rental Income	54,400	23,000	-	-	-	95,823	79,116	52,860
Total	**$ 57,250**	**$ 1,391,833**	**$ 2,462,086**	**$ 950,684**	**$ 355,960**	**$ 498,080**	**$ 1,321,893**	**$ 305,525**

Source: City of Daly City

EXPENDITURES

The Housing Successor may expend Housing Assets Funds to cover administrative costs, homeless prevention and rapid rehousing programs, or to assist the development of affordable housing. Administrative and homeless prevention expenditures are subject to annual compliance limits. Table 2 below illustrates all of the City's housing-related administrative and homeless prevention expenditures each fiscal year since dissolution.

Table 2: Housing Asset Fund Expenditures - Annual Compliance FY 2013-14 through FY 2020-21

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Administration								
Expenditures	$ 43,000	$ 46,042	$ 63,735	$ 114,378	$ 167,720	$ 192,072	$ 198,844	$ 155,129
Limit	$ 634,249	$ 593,787	$ 598,669	$ 603,541	$ 648,863	$ 651,547	$ 656,431	$ 661,454
Compliant (Yes/No)	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Homeless Prevention								
Expenditures	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ 55,897	$ 103,496
Limit	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Compliant (Yes/No)	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**

Source: City of Daly City

The City's annual administrative spending limit is 5% of the total value of all real properties and loans held in the City's portfolio at the end of each fiscal year. This amount has ranged from $593,787 to

$661,454, which has always been greater than the limit set by HCD, which is $200,000 adjusted annually for inflation. The City has been in compliance with this spending limit each fiscal year.

The City also has an annual spending limit of $250,000 for homeless prevention and rapid rehousing assistance each year. To date, the City's only expenditures in this category have been on rental assistance provided during the previous three fiscal years. The City has not exceeded the $250,000 spending limit in any fiscal year.

The City also expended funds to assist the development of affordable housing units at their Sweeney Lane Project and has provided a loan for development at 3001 Geneva. These expenditures are subject to income proportionality requirements by AMI level within fixed five-year compliance periods. The City is in compliance with development expenditure requirements during both five-year compliance periods which require a minimum of 30 percent of any housing successor funds spent on affordable housing developments be allocated to assist extremely low-income households at 30% AMI or less. In 2015, a $3.3 million expense was recorded for the value of the City's Mission/Miriam property which was donated to Mid-Peninsula Housing for the development of the 52-unit Sweeney Lane affordable project. The City's contribution supported the development of 6 extremely low units within that project. The City also loaned $809,000 to Habitat for Humanity in 2017 for the development of 6 affordable homeowner units at 3001 Geneva. Per the Regulatory Agreement, 33 percent of the units may be restricted to households earning 50%-60% AMI, while the remaining units are restricted at less than 80% AMI. In total, the City spent $4,117,784 on affordable housing development during the first 5-year compliance period. Table 3 below illustrates the City's expenditures on affordable housing developments during the first five-year compliance period.

Table 3: Housing Asset Fund Expenditures - Five Year Compliance

First Five-Year Period (2013-14 through 2018-19)

	Ext. Low Rental Units	Other Units	Ext. Low <30% AMI	Very Low 30-60% AMI	Low 60-80% AMI
FY 2013-14	$0	$0	$0	$0	$0
FY 2014-15	$3,308,784	$0	$3,308,784	$0	$0
FY 2015-16	$0	$0	$0	$0	$0
FY 2016-17	$0	$0	$0	$0	$0
FY 2017-18	$0	$809,000	$0	$266,970	$542,030
FY 2018-19	$0	$0	$0	$0	$0
Total Expenditures	**$3,308,784**	**$809,000**	**$3,308,784**	**$266,970**	**$542,030**
SB 341 Limitation	>30%	<70%	>30%	N/A	<20%
Compliant (Yes/No)	**Yes**	**Yes**	**Yes**	**N/A**	**Yes**

Source: City of Daly City

The same expenditure requirements per income category apply to the second (current) five-year compliance period which is from FY 2019 through FY 2023-24. As of the current fiscal year, FY 2020-21, the City has not made any additional housing development expenditures and is therefore in compliance with the proportionality requirement for the second five-year period, as shown in Table 4 below.

Table 4: Housing Asset Fund Expenditures - Five Year Compliance

Second Five-Year Period (2019-20 through 2023-24)

	Ext. Low Rental Units	Other Units	Ext. Low <30% AMI	Very Low 30-60% AMI	Low 60-80% AMI
FY 2019-20	$0	$0	$0	$0	$0
FY 2020-21	0	0	0	0	0
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**
SB 341 Limitation	>30%	<70%	>30%	N/A	<20%
Compliant (Yes/No)	**Yes**	**Yes**	**Yes**	**N/A**	**Yes**

Source: City of Daly City

The City will ensure it continues to meet the annual and five-year compliance requirements for all administrative, housing assistance, and development expenditures for the remainder of the five-year compliance period.

ENDING CASH AND FUND BALANCE

The Housing Asset Fund balance at the end of each fiscal year since dissolution is shown in Table 5 below. The fund balance consists of cash, assets, and receivables held by the City, less the accounts payable, accrued payroll, and department payables. It should be noted that none of the City's loans receivable appear on the fund balance table because the City does not expect repayment unless borrowers fail to comply with certain deed restrictions.

Table 5: Housing Asset Fund - Ending Year Balance FY 2013-14 through FY 2020-21

Balance Type	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2010-21
Cash	$ 254,173	$ 1,683,817	$ 4,060,830	$ 4,845,744	$ 3,877,033	$ 4,511,852	$ 5,693,413	$ 5,610,719
Property Held for Development	6,675,671	3,366,888	3,366,888	3,366,888	3,366,888	3,366,888	3,366,888	3,366,888
Accrued Accounts Receivable	4,418	-	138	-	334,107	-	-	-
Accounts Payable	(169)	(3,500)	-	-	(667)	(20,000)	(81,435)	(4,013)
Accrued Payroll	(467)	(545)	(745)	-	-	-	(812)	(803)
Department Payables	(15,800)	(91,826)	(73,926)	(23,141)	(8,631)	(4,001)	(56,163)	(4,001)
Total Fund Balance	**$ 6,917,826**	**$ 4,954,834**	**$ 7,353,185**	**$ 8,189,491**	**$ 7,568,731**	**$ 7,854,739**	**$ 8,921,890**	**$ 8,968,790**

Source: City of Daly City

HOUSING SUCCESSOR PORTFOLIO

The Housing Successor Portfolio included two properties and several loans transferred from the former Agency on the HAT. Following dissolution, in FY 2013-14, the City had a portfolio value of $6,675,671, which decreased significantly in FY 2014-15 when the City sold their property at Mission/Miriam for the development of affordable housing. In the years since, the portfolio value has remained the same. Table 6 below details all the City's assets and values for each fiscal year since dissolution.

It should be noted that the value of the City's loans has been deducted from the total portfolio value because the City does not expect to collect on any of these loans, unless the borrowers fail to comply with deed restrictions.

Table 6: Real Properties and Loans Receivable

		Ending Year Balance							
Asset	APN	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
Real Properties									
Mission/Miriam[1]	003 172 130, 003 172 140, 003 172 150, 003 160 170, 003 172 170,	3,308,784							-
Carter/Martin	005 050 240	3,366,888	3,366,888	3,366,888	3,366,888	3,366,888	3,366,888	3,366,888	3,366,888
Subtotal		*$ 6,675,671*	*$ 3,366,888*	*$ 3,366,888*	*$ 3,366,888*	*$ 3,366,888*	*$ 3,366,888*	$ 3,366,888	$ 3,366,888
Loan Receivables									
First-Time Homebuyer Loans									
Loan - Mercy Housing 52[2]		1,294,845	1,319,690	1,344,534	1,369,374	1,394,216	1,415,281	1,440,173	1,468,023
Loan - 301 Habitat Way		23,168	23,168	23,168	23,168	23,168	23,168	23,168	23,168
Loan - 303 Habitat Way		23,168	23,168	23,168	23,168	23,168	23,168	23,168	23,168
Loan - 305 Habitat Way		23,168	23,168	23,168	23,168	23,168	23,168	23,168	23,168
Loan - 307 Habitat Way		23,168	23,168	23,168	23,168	23,168	23,168	23,168	23,168
Loan - 309 Habitat Way		23,168	23,168	23,168	23,168	23,168	23,168	23,168	23,168
Loan - 311 Habitat Way		23,168	23,168	23,168	23,168	23,168	23,168	23,168	23,168
Loan - 313 Habitat Way		23,168	23,168	23,168	23,168	23,168	23,168	23,168	23,168
Loan - 523 Delong St.		25,454	25,454	25,454	25,454	25,454	25,454	25,454	25,454
Loan - 529 Delong St.		38,182	38,182	38,182	38,182	38,182	38,182	38,182	38,182
Loan - 533 Delong St.		38,182	38,182	38,182	38,182	38,182	38,182	38,182	38,182
Loan - 539 Delong St.		38,182	38,182	38,182	38,182	38,182	38,182	38,182	38,182
Loan - Sweeny Lane[3]		-	2,474,699	2,547,498	2,620,098	2,692,698	2,725,304	2,798,102	2,870,702
Loan - Hillcrest Senior Housing		479,349	479,349	479,349	479,349	479,349	479,349	479,349	479,349
Loan - 7555 Mission St[4]		3,034,137	3,034,137	3,034,137	3,034,137	3,034,137	3,034,137	3,034,137	3,034,137
Loan - 7555 Mission St II[4]		898,800	898,800	898,800	898,800	898,800	898,800	898,800	898,800
Loan - 3001 Geneva[6]		-	-	-	-	809,000	809,000	809,000	809,000
Subtotal		*$ 6,009,307*	*$ 8,508,850*	*$ 8,606,494*	*$ 8,703,934*	*$ 9,610,376*	*$ 9,664,047*	*$ 9,761,737*	*$ 9,862,187*
Allowance for uncollectible [5]		*$ (6,009,307)*	*$ (8,508,850)*	*$ (8,606,494)*	*$ (8,703,934)*	*$ (9,610,376)*	*$ (9,664,047)*	*$ (9,761,737)*	*$ (9,862,187)*
Portfolio Value		**$ 6,675,671**	**$ 3,366,888**	**$ 3,366,888**	**$ 3,366,888**	**$ 3,366,888**	**$ 3,366,888**	**$ 3,366,888**	**$ 3,366,888**

Source: City of Daly City

(1) The City's property at Mission/Miriam was sold in 2015 to be developed with affordable housing.
(2) Mercy Housing 52 includes the former School House Station and Vista Grande developments. At the time Mercy Housing 52 was created, three RDA loans were combined to one loan.
(3) Sweeny Lane is a 52-unit affordable housing development built in 2015 and 2016 on assembled sites that include the former 206 and 208 Miriam properties.
(4) The sum of the 7555 Mission St. loans ($3,034,137+$898,800) were divided and split amongst 36 homebuyers.
(5) The City does not expect payment on any of their loans, therefore the value of the loans is recorded as uncollectible.
(6) A loan of 809,000, which is non-interest bearing, was issued to assist the development of 6 homeowner units.

REAL PROPERTY AND DISPOSITION STATUS

The Agency transferred two real properties to the City on the HAT Form. One, located at Mission and Miriam, was sold to Mid-Peninsula Housing in 2015 for redevelopment as the Sweeney Lane Project in 2016, which consists of 52 housing units affordable to very low- and low-income households. With the transfer of the property, the carrying value of $3,308,784 was written off as an expenditure for housing development. A loan receivable from the developer of $2,420,000 was recorded as the Housing Successor's assistance to the development, although the City does not expect repayment.

The City's other property at Carter and Martin is under an Exclusive Negotiating Agreement between the City and Bridge Housing as of 2020. The City hopes to finalize a DDA for this property by the end of 2022 for the purposes of developing more than 200 units of affordable housing at the site.

HSC Sections 33334.16 and 34176.1(e) require that all real properties acquired by the Agency prior to February 1, 2012, and transferred to the City be developed for affordable housing purposes or disposed of within five years from the date DOF approved the HAT, or August 30, 2017. If the City is unable to meet this deadline, the law allows for a five-year extension via adoption of a resolution. In the event that physical development for this purpose has not begun by the end of the extended period, the property shall be sold and the proceeds shall be deposited into the Housing Fund. Although the City did not adopt a Resolution extending the property disposition deadline and has yet to finalize development plans for the Carter/Martin property, it has entered into an Exclusive Negotiating Agreement and is diligently pursuing a DDA that would have the property disposed for development by the end of 2022.

LOANS RECEIVABLE

Nineteen Affordable Housing Development loans were transferred from the former Agency to the Housing Successor as part of the Housing Asset Transfer Form approved by DOF on August 30, 2012:

- Mercy Housing 52 Loans: Three separate redevelopment loans were issued to Mercy Housing 52 to assist the development of two affordable housing projects including 24 units at Vista Grande and 47 units at School House Station. The three loans were combined into one loan at dissolution which continues to accrue interest.

- Habitat for Humanity Loans: The City oversees several Habitat for Humanity Loans to assist first-time homebuyers at multiple properties including 7 units at Habitat Way, 4 units at Delong Street, 2 units at Miriam Street, 36 units 7555 Mission, and 6 units at 3001 Geneva. None of the loans accrue interest and the City does not expect to collect on any of the loans.

- Sweeney Lane: A total of $2,420,000 was loaned to assist the development of 52 affordable housing units located at 6800 Mission Street, on property that was transferred to the City on the HAT and sold in 2015. The Regulatory Agreement for Sweeney Lane stipulates that "no less than

49 percent of the units be occupied by households with incomes at or below 50% AMI and the remaining units be available to households with incomes not exceeding 85% AMI".

- Hillcrest Senior Housing: The former Agency loaned $480,000 to Hillcrest Senior Housing Corporation in 2006 for the construction of a 39-unit affordable housing development. The Affordable Housing Covenant restricts occupancy of all 39 units to seniors living at 50% AMI or below for a term of 55 years. Annual payments on the loan shall be made with residual receipts, if any. At the end of the 55-year term, the note shall be forgiven in full if the property remains affordable.

SENIOR RENTAL HOUSING LIMIT COMPLIANCE

The Housing Successor complies with the limit allowing no more than 50 percent of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. Due to the nature of the ten-year rolling compliance period, Table 7 below only reports on the current ten-year period, which for FY 2020-21, is FY 2010-11 through FY 2019-20. The Housing Successor, City, and former Agency have assisted three projects in the past ten years, which have no senior-restricted units. Therefore, the City is in compliance with this requirement.

Table 7: Deed-Restricted Units Assisted - 10 Year Compliance

FY 2010-11 through FY 2019-20

Property	Senior Units	%	Non-Senior Units	%	Total Units
7555 Mission St.[1]	0	0%	36	100%	36
Sweeney Lane[2]	0	0%	52	100%	52
3001 Geneva[3]	0	0%	6	100%	6
Total	**0**	0%	**94**	100%	**94**

Total Deed-Restricted Senior Units: 0%

Source: City of Daly City
(1) 7555 Mission St. loan was divided to assist 36 homeonwer units in 2013
(2) Sweeny Lane was developed in 2015 and 2016
(3) 3001 Geneva Loan was issued in 2017

EXCESS SURPLUS

The Housing Asset Fund may not accumulate an "excess surplus", or an unencumbered amount that exceeds the greater of $1 million, or the sum of deposits in the prior four fiscal years. This requirement ensures that housing successors are actively spending available Housing Asset Funds on affordable housing.

The excess surplus was calculated for each fiscal year since dissolution using the beginning cash balance, deposit amounts, and encumbrances as recorded in Fund 12. This matches the excess surplus methodology applied by HCD prior to redevelopment dissolution. The excess surplus calculation for each fiscal year is shown in Table 8.

Table 8: Excess Surplus FY 2013-14 through FY 2020-21

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Unencumbered Balance Calculation								
Beginning Cash	229,731	254,173	1,683,817	4,060,830	4,845,744	3,877,033	4,511,852	5,693,413
Encumbrances	-	11,000	1,000	250	250	68,714	16,163	12,608
Unencumbered Amount	**$ 229,731**	**$ 243,173**	**$1,682,817**	**$4,060,580**	**$4,845,494**	**$3,808,319**	**$4,495,689**	**$5,680,805**
Surplus Limit Calculation								
Current Year Deposits	57,250	1,391,833	2,462,086	950,684	355,960	498,080	1,321,893	305,525
Preceeding Four Years of Deposits	6,983,492	7,040,742	8,432,576	7,547,928	4,861,854	5,160,564	4,266,811	3,126,617
$1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Greater Number	**$6,983,492**	**$7,040,742**	**$8,432,576**	**$7,547,928**	**$4,861,854**	**$5,160,564**	**$4,266,811**	**$3,126,617**
Excess Surplus Calcualtion								
Unencumbered less Greater Number	(6,753,761)	(6,797,569)	(6,749,759)	(3,487,348)	(16,360)	(1,352,245)	228,878	2,554,188
Excess Surplus	**None**	**None**	**None**	**None**	**None**	**None**	**$ 228,878**	**$2,554,188**

Source: City of Daly City

The City accumulated an excess surplus in FY 2019-20 in the amount of $228,878, and in FY 2020-21 in the amount of $2,554,188, due to having a greater amount of unencumbered cash than the sum of the preceding four years of deposits. Housing successors must eliminate any excess surplus by expending or encumbering the funds within three fiscal years. If a housing successor fails to comply, it must transfer any excess surplus to HCD within 90 days of the end of the third fiscal year.

The City has already successfully eliminated their FY 2019-20 excess surplus through administrative and rental assistance expenditures and encumbrances in FY 2020-21, as illustrated in Table 9, and therefore meets the excess surplus requirement for their FY 2019-20 surplus.

Table 9: FY 2019-20 Excess Surplus Elimination

Fiscal Year	2019-20
Excess Surplus (Beginning of 2020-21)	$ 228,878
Elimination of FY 19-20 Excess Surplus	
Expenditures	
FY 20-21 Administrative Costs	155,129
FY 20-21 Rental Assistance	103,496
Encumbrances	
FY 20-21 Encumbrances for Services and Supplies	12,608
Total Expenditures and Encumbrances	$ 271,232
Remaining 19-20 Excess Surplus	**None**

Source: City of Daly City

For the City's excess surplus in FY 2020-21 of $2,554,188, it has three years, until June 30, 2024, to eliminate this surplus through expenditures or encumbrances. If the Housing Successor fails to comply with this requirement, any remaining excess surplus funds must be transferred to HCD within 90 days of June 30, 2024.

It should be noted that these calculations are based on the entire Fund 12 figures which have been co-mingled with other fund sources. The City is aware of this and intends to correct how the Housing Asset Fund is recorded in future years to ensure that Housing Successor Funds and activity can be isolated for reporting purposes. Once the City has separated out the Housing Successor Funds, they will be able to provide a more accurate calculation of any excess surplus funds that may need to be expended or encumbered. RSG believes that the City will not actually have such a high excess surplus, if any at all, once these adjustments are made.

OTHER INFORMATION

TRANSFERS TO OTHER HOUSING SUCCESSORS

There were no transfers to another housing successor entity for a joint project pursuant to HSC Section 34176.1.

HOMEOWNERSHIP UNIT INVENTORY

Table 10 presents an inventory of affordable homeowner units assisted by the former Agency or Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

Table 10: Assisted Unit Inventory - Homeownership

Project Name / Address	Unit No.	Covenant Expiration	Affordability Period (Yrs)	Notes	Agency Loan amount
301 Habitat Way	na	11/30/50	45		$ 23,168
303 Habitat Way	na	11/30/50	45		$ 23,168
305 Habitat Way	na	11/30/50	45		$ 23,168
307 Habitat Way	na	11/30/50	45		$ 23,168
309 Habitat Way	na	8/2/66	45	resold	$ 23,168
311 Habitat Way	na	1/7/65	45	resold	$ 23,168
313 Habitat Way	na	11/30/50	45		$ 23,168
523 Delong St.	na	7/10/51	45		$ 25,454
529 Delong St.	na	7/10/51	45		$ 38,182
533 Delong St.	na	7/10/51	45		$ 38,182
539 Delong St.	na	7/10/51	45		$ 38,182
206 Miriam	na	4/22/56	45		$ 95,000
208 Miriam	na	4/20/56	45		$ 95,000
7555 Mission St.	101	6/24/58	45		$ 109,248
7555 Mission St.	102	6/21/58	45		$ 109,248
7555 Mission St.	103	6/13/58	45		$ 109,248
7555 Mission St.	104	7/3/58	45		$ 109,248
7555 Mission St.	105	6/20/58	45		$ 109,248
7555 Mission St.	106	6/12/58	45		$ 109,248
7555 Mission St.	107	8/30/58	45		$ 109,248
7555 Mission St.	108	6/24/58	45		$ 109,248
7555 Mission St.	109	8/30/58	45		$ 109,248
7555 Mission St.	110	7/31/58	45		$ 109,248
7555 Mission St.	111	8/26/58	45		$ 109,248
7555 Mission St.	112	10/31/58	45		$ 109,248
7555 Mission St.	201	6/19/58	45		$ 109,248
7555 Mission St.	202	6/21/58	45		$ 109,248
7555 Mission St.	203	8/6/58	45		$ 109,248
7555 Mission St.	204	6/14/58	45		$ 109,248
7555 Mission St.	205	6/12/58	45		$ 109,248
7555 Mission St.	206	6/26/58	45		$ 109,248
7555 Mission St.	207	6/21/58	45		$ 109,248
7555 Mission St.	208	6/11/58	45		$ 109,248
7555 Mission St.	209	6/11/58	45		$ 109,248
7555 Mission St.	210	6/24/58	45		$ 109,248
7555 Mission St.	211	6/21/58	45		$ 109,248
7555 Mission St.	212	7/31/58	45		$ 109,248
7555 Mission St.	301	8/16/58	45		$ 109,248
7555 Mission St.	302	6/17/58	45		$ 109,248
7555 Mission St.	303	6/18/58	45		$ 109,248
7555 Mission St.	304	6/18/58	45		$ 109,248
7555 Mission St.	305	8/7/58	45		$ 109,248
7555 Mission St.	306	6/27/58	45		$ 109,248
7555 Mission St.	307	3/10/59	45		$ 109,248
7555 Mission St.	308	6/20/58	45		$ 109,248
7555 Mission St.	309	8/1/58	45		$ 109,248
7555 Mission St.	310	6/12/58	45		$ 109,248
7555 Mission St.	311	6/24/58	45		$ 109,248
7555 Mission St.	312	8/7/58	45		$ 109,248
3001 Geneva	n/a	2/22/67	45	escrow	$ 134,833
611 Schwerin	n/a	2/22/67	45	escrow	$ 134,833
3003 Geneva	n/a	2/22/67	45	escrow	$ 134,833
3005 Geneva	n/a	2/22/67	45	escrow	$ 134,833
3007 Geneva	n/a	2/22/67	45	escrow	$ 134,833
3009 Geneva	n/a	2/22/67	45	escrow	$ 134,833

Source: City of Daly City

APPENDIX 1 – HOUSING ASSET TRANSFER FORM

Attached as a separate document.

APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

Health and Safety Code Section 34176.1(f)	
Housing Asset Fund Revenues & Expenditures	Total amount deposited in the Housing Asset Fund for the fiscal year. Amount of deposits funded by a Recognized Obligation Payment Schedule ("ROPS"). Statement of balance at the close of the fiscal year. Description of Expenditures for the fiscal year, broken out as follows: • Homeless prevention and rapid rehousing • Administrative and monitoring • Housing development expenses by income level assisted Description of any transfers to another housing successor for a joint project.
Other Assets and Active Projects	Description of any project(s) funded through the ROPS. Update on property disposition efforts (note that housing successors may only hold property for up to five years, unless it is already developed with affordable housing). Other "portfolio" balances, including: • Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund • Value of loans and grants receivable Inventory of homeownership units assisted by the former Agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency's investment of monies from the Low- and Moderate-Income Housing Fund.
Obligations & Proportionality	Description of any outstanding production obligations of the former Agency that were inherited by the Housing Successor. Compliance with proportionality requirements (income group targets), which must be upheld on a five-year cycle. Percentage of deed-restricted rental housing restricted to seniors and assisted by the former Agency, the Housing Successor, or the City within the past ten years compared to the total number of units assisted by any of those three agencies. Amount of any excess surplus, and, if any, the plan for eliminating it.

APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

<table>
<tr><th colspan="3">Health and Safety Code Section 34176.1</th></tr>
<tr><th>Expense Category</th><th>Limits</th><th>Allowable Uses</th></tr>
<tr><td>Administration and Compliance Monitoring

Annual Limit</td><td>(Limit varies each year)</td><td>Administrative activities such as:
Professional services (consultant fees, auditor fees, etc.)
Staff salaries, benefits, and overhead for time spent on Housing Successor administration
Compliance monitoring to ensure compliance with affordable housing and loan agreements
Property maintenance at Housing Successor-owned properties
Capped at $200,000 and adjusted annually for inflation or 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable from the HAT (“Portfolio”), whichever is greater.</td></tr>
<tr><td>Homeless Prevention and Rapid Rehousing Solutions

Annual Limit</td><td>$250,000 maximum per fiscal year</td><td>Services for individuals and families who are homeless or would be homeless but for this assistance, including:
Contributions toward the construction of local or regional homeless shelters
Housing relocation and stabilization services including housing search, mediation, or outreach to property owners
Short-term or medium-term rental assistance
Security or utility deposits
Utility payments
Moving cost assistance
Credit repair
Case management
Other appropriate activities for homelessness prevention and rapid rehousing of persons who have become homeless.</td></tr>
<tr><td>Affordable Housing Development</td><td>No spending limit, but must comply with income and age targets</td><td>“Development” includes:
New construction
Acquisition and rehabilitation
Substantial rehabilitation
Acquisition of long-term affordability covenants on multifamily units
Preservation of at-risk units whose affordable rent restrictions would otherwise expire over the next five years</td></tr>
</table>

<table>
<tr><th colspan="3">Health and Safety Code Section 34176.1</th></tr>
<tr><th>Expense Category</th><th>Limits</th><th>Allowable Uses</th></tr>
<tr><td rowspan="2"></td><td>Income Targets

Fixed Five-Year Compliance Period

(First Period: FY 2013-14 to 2018-19

Second Period: FY 2019-20 to FY 2023-24)</td><td>Every five years, Housing Asset Funds must meet income targets:
At least 30% on extremely low-income rental households (up to 30% AMI or “Area Median Income”)
No more than 20% on low-income households (60-80% AMI)
Moderate and above moderate-income households may not be assisted (above 80% AMI).

Failure to comply with the extremely low-income requirement in any five-year compliance period will result in having to ensure that 50 percent of remaining funds be spent on extremely low-income rental units until in compliance.

Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in not being able to expend any funds on these income categories until in compliance.</td></tr>
<tr><td>Age Targets

Rolling Ten-Year Period</td><td>For the prior ten years (resets every year), a maximum of 50% of deed-restricted rental housing units assisted by the Housing Successor or its host jurisdiction may be restricted to seniors.
If a housing successor fails to comply, Housing Asset Funds may not be spent on deed-restricted rental housing restricted to seniors until in compliance.</td></tr>
</table>

Meeting Date: April 11, 2022

Subject: Resolution Authorizing City Manager to Execute Three-year Agreement with Looking Point for the Purchase of Cisco UCS Servers and VMware Software

Recommended Action

Staff recommends that the City Council approve a resolution authorizing the City Manager to execute a three-year agreement with Looking Point, Inc. for the purchase and implementation of four (4) Cisco UCS Servers and VMware vSphere virtualization software.

Background

ISD maintains the entire computing server environment for the City. The overall goal of ISD's network server hardware update cycle is to ensure that server storage and network resources are secure, up to date, cost effective, and available to all users while still considering available budget resources. To achieve this goal, the City would need to replace over 35 physical servers which have reached their End-of-Service-Life (EoSL). The current servers host the entirety of the City's mission critical applications and data.

Failure of the EoSL servers will cause interruption and delay to daily operations. Accordingly, we recommend adopting a comprehensive approach through the use of a virtual server solution with a Gartner industry leader in each of their own categories, Cisco UCS servers and VMware virtualization software.

Discussion

The traditional method of a single server for a single application or workload leads to the increasing count of hardware servers and wasted resources. Of the City's current 45 physical servers, about 35 of them have reached their End of Service Life (EoSL). The cost of maintenance for each individual server, over the course of its useful life, has been astronomical.

Through virtualization technology, ISD plans to downsize the server farm to a handful of servers while still supporting the existing and future workloads. Virtualization will also reduce overall footprint, cooling costs, power costs, and hardware maintenance costs through more efficient resource provisioning. A virtualized infrastructure offers advantages in better flexibility and scalability, which makes business continuity and disaster recovery simpler.

For the new virtual server solution, the primary goals defined included performance, reliability, and support and ease of integration. ISD performed research across the industry seeking solutions to meet these goals. The team utilized analysis from Gartner along with reviewing technical documentation and prior technical experience to formulate a plan for meeting these goals. Based on this analysis, Cisco UCS servers with VMware vSphere has been selected as a best fit and value for the City's virtual server solution. The price of the virtual server solution is competitive compared to the other quoted solutions and takes advantage of new technology related to security, compatibility, scalability, and redundancy while still being affordable. For example, in terms of redundancy, this solution offers us the ability to perform server maintenance with zero disruption to any workload. We cannot do that with the current equipment.

ISD has obtain quotes from another hardware server solutions vendor. After further consideration, based on Cisco UCS servers having better integration with our future planned Cisco switch upgrades, the other vendor was eliminated from consideration. The pricing obtained through the State of California's "California Multiple Award Schedules" (CMAS) program is considerably higher than Looking Point's Value Added Reseller (VAR) pricing. As a result, we have decided to purchase through Looking Point's VAR program.

Fiscal Impact

The fiscal impact of replacing and enhancing our current hardware server solution is estimated at $130,099.57. There is sufficient budget within the ISD budget for FY 2021-22. The advantages gained by this expense are manifold, as it will provide us with a future proof virtual server solution that will guarantee performance and reliability.

Summary/Conclusion

Staff recommends adopting a resolution authorizing the City Manager to execute a three-year agreement with Looking Point, Inc. for Cisco UCS and VMware to be the virtual server solution.

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

Respectfully submitted,

Kenneth King
Senior Network Administrator
Information Services Division

Timothy Nevin
Director of Finance and
Administrative Services

City Council Agenda Report

Item # _____

Meeting Date: April 11, 2022

Subject: Accepting and Appropriating Funding from the County of San Mateo for Summer Enrichment Programs

<u>Recommended Action</u>

It is recommended City Council accept and appropriate funding in the amount of $20,000 from the County of San Mateo to use towards scholarships and added enrichment for our summer programs and camps.

<u>Background</u>

San Mateo County approved funds to create the Summer 2022 Enrichment Program. Enrichment Programs focus on developing the academic, social, emotional and physical needs and interests of students through hands-on, engaging learning experiences. Such programs introduce students to learning opportunities and materials, encouraging them to develop new interests and build new skills.

This scholarship program is meant to expand access to summer enrichment programs for low-income and vulnerable students; support the social-emotional well-being of students to mitigate the setbacks and hardships associated with COVID-19; and provide opportunities for students to re-inspire and propel learning to counterbalance learning loss attributed to the COVID-19 pandemic and distance learning

The contracted deliverables, providing up to $20,000, include enhancing and expanding programming through contracted instructors for music and science and to cover the enrollment costs for socio-economically disadvantaged students and other vulnerable students (students with special needs, in foster care, English Language Learners, experiencing homelessness)

<u>Fiscal Impact</u>

The City will receive $20,000 grant funding to support scholarships and added enrichment to summer programs. The contract agreement revenue of $20,000 would be received into Account 01-131-142-3603.

<u>Summary/Conclusions</u>

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

Respectfully submitted,

Gina Magagnini Recreation Services Supervisor	Jennifer Der Sr. Recreation Services Supervisor	Denise Brown Recreation Services Manager

Meeting Date: April 11, 2022

Subject: **Setting Time and Place of Public Hearing – Proposed Adoption of Ordinance for Military Equipment Policy**

Recommended Action

City Council to set May 9, 2022, during the regularly scheduled Council meeting as time and place, of public hearing for first reading of the proposed adoption of an Ordinance for Military Equipment Policy in response to California Assembly Bill 481.

Background

On September 30, 2021, California Assembly Bill 481 (AB 481) was signed into law. Subsequently, California Government Code Sections 7070, 7071, and 7072 were adopted to codify the requirements set forth in AB 481. The text of AB 481 and the above-mentioned California Government Codes are available through the Police Department website for reference.

Discussion

AB 481 requires a law enforcement agency to obtain the approval of its governing body, through the adoption of a Military Equipment Use Policy, by ordinance at a regular meeting held pursuant to specified open meeting laws, prior to taking certain actions relating to the funding, acquisition, or use of military equipment, as defined. The bill allows the governing body to approve the funding, acquisition, or use of military equipment within its jurisdiction only if it determines that the military equipment meets specified standards. AB 481 requires the governing body to annually review the ordinance and to either disapprove a renewal of the authorization for a type of military equipment or amend the military equipment use policy if it determines, based on an Annual Military Equipment Report prepared by the law enforcement agency, that the military equipment does not comply with the above-described standards for approval.

California Government Code Section 7070 provides a list of types of equipment that are to be considered "Military Equipment" for purposes of compliance with AB 481 and the Government Code. While the Daly City Police Department does not possess any tactical equipment that it has obtained from the military, it does possess some types of equipment that are listed in Section 7070.

California Government Code Section 7071 outlines the process for adoption of the policy through ordinance, which requires the draft policy be provided to the governing body and be placed on the Daly City Police Department website 30-days prior to the public hearing on the ordinance. The draft policy and related documents have been available to the public to review on the City's website since April 8, 2022, in compliance with the Section 7071.

To comply with AB 481 and the California Government Code, Staff is recommending that the City Council set May 9, 2022, as the date of a public hearing to review and introduce a new ordinance, to be included in the Daly City Municipal Code Chapter 9.56

Summary/Conclusions

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

Respectfully submitted,

Cameron Christensen
Acting Chief of Police

Meeting Date: April 11, 2022

Subject: Elimination of overdue fines for library materials

Recommended Action

It is recommended the City Council authorize the Library to eliminate overdue fines on library materials. Fees related to lost or damaged materials will remain unchanged.

Background/Discussion

In 2016, Daly City Public Library eliminated late fines for all youth. At that time, 11% of all juvenile cardholders were blocked from borrowing materials due to the amount of money owed on their library accounts and our elimination of late fines was part of a system-wide effort of the member libraries of the Peninsula Library System (PLS) to remove this economic barrier to access to our services for children and teens.

At the start of the pandemic, the Library took emergency action to suspend overdue fines for all library patrons in concert with the other member libraries of PLS. At the July 26, 2021 meeting, City Council approved continued suspension of the fines pending consideration of eliminating them permanently.

At the September 21, 2021 meeting of the Library Board of Trustees, the Library's Cultivating Racial Equity and Inclusion (CREI) working group presented a recommendation to eliminate all late fines and the Board supported this recommendation. The Library provides vital support to the community for early literacy and school readiness, life-long learning, and bridging the digital divide. In recognition of this critical role, the other PLS libraries, including the public libraries of San Mateo County, South San Francisco, San Bruno, Burlingame, Menlo Park, San Mateo City, and Redwood City, have all eliminated fines. Other regional libraries that have also eliminated late fines include San Francisco, Oakland, Santa Clara County, Berkeley, and Contra Costa County. This is in line with the American Library Association's Resolution on Monetary Fines as Social Inequity.

The loan period for most library materials is three weeks and, unless there is a waiting list for an item, it will be automatically renewed up to five times. There is a grace period of thirty days after the due date and if an item is still not returned, the library system automatically marks it as "lost" per PLS policy. If not returned, the borrower is charged for replacement and may not borrow additional items until the charges are paid or the outstanding items are returned. Overdue and lost items can be returned at any time and, with the elimination of late fines, no fees are charged and borrowing privileges are immediately restored.

Library accounts blocked by outstanding fines create an unnecessary barrier to services, especially for lower-income residents who need libraries the most. In eliminating fines for overdue materials, we will expand access to materials and services, reduce the inequitable impact of overdue fines, improve residents' relationships with their library, and free up library staff time to provide services.

Fiscal Impact

There has been a downward trend in the amount of fines collected at the library. As fines are assessed in our system based on the policies of the library owning the materials, the fines assessed have decreased substantially as the other PLS libraries have all gone fine-free. Staff anticipate that the total revenue reduction will be less than $5,000.

Summary/Conclusion

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

Respectfully submitted,

Chela Anderson
Library Services Manager

City Council Agenda Report

Item # _____

Meeting Date: April 11, 2022

Subject: **Adopt Resolution Authorizing the City to Implement Teleconferenced Public Meetings Pursuant to Assembly Bill 361**

Recommended Action

Adopt a resolution authorizing continued remote teleconference public meetings by the City Council and all subordinate boards, commissions, and standing Committees of the City in accordance with Assembly Bill 361 for an additional Period of 30 Days.

Background

Since March of 2020 and because of the COVID-19 pandemic, the City Council of the City of Daly City, and all of its subordinate bodies, boards, commissions and subcommittees, have been meeting remotely pursuant to the Governor's Executive Order N-29-20, which suspended certain teleconference requirements of the Brown Act. On June 11, 2021, the Governor issued Executive Order N-08-21, which rescinds these suspensions effective September 30, 2021.

In recognition of the fact that the pandemic is ongoing, on September 16, 2021, the Governor signed AB 361, an urgency measure, which amends the Brown Act and authorizes teleconferenced public meetings under certain circumstances where the participation is from a remote location. AB 361 went into effect October 1, 2021 and expires on January 1, 2024. If the City Council desires to continue to meet remotely, it must comply with AB 361.

AB 361 applies to meetings during a state of emergency as declared by the Governor. There must also be either imposed or recommended measures to promote social distancing by state or local officials, or a finding by the legislative body that meeting in person would present imminent risks to the health or safety of attendees as a result of the emergency.

AB 361 includes additional requirements in the form of an initial authorizing resolution (effective for up to 30 days) and subsequent resolutions to extend the use of remote meetings for additional periods of 30 days thereafter. The bill included an urgency provision making the law immediately effective upon signature by the Governor.

Discussion

The City must comply with the provisions of the Brown Act implemented by AB 361 for remote meetings, or it must comply with the pre-COVID-19 requirements for remote meetings set forth in Government Code section 54953(b)(3).

AB 361 requires several procedural safeguards to protect public participation during a remote meeting, key ones of which are summarized as follows: The public must have the ability to address the legislative body directly and must be given information on how to address the body. The public must be provided either a call-in or internet-based service option. The body must stop the meeting if the call-in or internet-based option fails. The legislative body cannot require that public comments be submitted in advance (although this option can be provided). Speakers cannot be required to pre-register (except as required by an independent call-in or internet platform).

Members of the public must be given a reasonable time to register to provide public comment. Agencies that provide a timed public comment period shall not close the public comment period until that time period has expired.

On October 11, 2021, the City Council adopted Resolution No. 21-138, authorizing the continued remote teleconference public meetings by the City Council and all subordinate boards, commissions, and standing Committees in the City in accordance with AB 361. On November 8, 2021, the City Council adopted Resolution No. 21-50, authorizing the continued remote teleconference public meetings by the City Council and all subordinate boards, commission, and standing Committees in the City for an additional thirty (30) days. On December 13, 2021, the City Council adopted Resolution No. 21-63 authorizing the continued remote teleconference public meetings for an additional thirty (30) days. On January 10, 2022, the City Council adopted Resolution No. 22-01 authorizing the continued remote teleconference public meetings by the City Council and all subordinate boards, commission, and standing Committees in the City for an additional thirty (30) days. On February 14, 2022, the City Council adopted Resolution No. 22-24 authorizing the continued remote teleconference public meetings for an additional thirty (30) days. At the February 14th City Council meeting, staff received feedback from the City Council on an eventual return to in-person public meetings. At the March 14, 2022, staff received additional feedback and the City Council adopted Resolution No. 22-45 authorizing the continued remote teleconference public meetings for an additional thirty (30) days.

In order to continue remote teleconference public meetings, the City Council must adopt a resolution extending an additional thirty days (30) days.

Accordingly, if the Council wishes for itself, all of its subordinate bodies, and all of its boards and their subcommittees to be able to meet remotely during the current declared state of emergency, it should adopt a resolution finding that measures to promote social distancing by state or local officials, and/or meeting in person would present imminent risks to the health or safety of attendees is a result of the emergency. This resolution would permit meetings pursuant to AB 361 for a maximum period of 30 days. If the Council desires to continue using the teleconference exception beyond that initial 30-day period, it must confirm the circumstances of the state of emergency and make required findings at least 30 days after adoption of that resolution and every 30 days thereafter.

The California Environmental Quality Act (CEOA), State CEOA Guidelines Section 15061(b)(3) provides a "common sense" exemption to environmental review that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

At the March 14, 2022 City Council meeting, Councilmembers received an update that technology improvements in Council Chambers to allow for hybrid virtual/in-person meetings would be tentatively installed in May. Councilmembers also expressed interest in system testing prior to launching hybrid meetings. Staff will continue to work with the technology vendor to upgrade the system in Council Chambers. Given the timeline for this upgrade, City staff will plan to bring this 30-day Resolution for Council consideration again at the regular City Council meeting on May 9, 2022, and can seek additional feedback at that time.

Summary/Conclusion

Staff recommends that the City Council adopt the attached Resolution authorizing the continued remote teleconference public meetings by the City Council and all subordinance boards, commissions, and standing Committees for an additional 30 days pursuant to AB 361.

Staff also seeks initial feedback on a future return to in-person public meetings.

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

Respectfully submitted,

Rose Zimmerman
City Attorney

Stephen Stolte
Assistant City Manager

Attachments: 1. Draft Resolution Regarding Remote Teleconference Meetings

RESOLUTION NO.________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALY CITY AUTHORIZING REMOTE TELECONFERENCE MEETINGS BY THE CITY COUNCIL AND ALL BOARDS, COMMISSIONS, AND STANDING COMMITTEES OF THE CITY IN ACCORDANCE WITH ASSEMBLY BILL 361 FOR A PERIOD OF THIRTY DAYS

WHEREAS, COVID-19 (also known as the "Coronavirus Disease") is a respiratory disease that has spread across the globe, with thousands of confirmed cases in California, includingthe City of Daly City; and

WHEREAS, on January 31, 2020, the United States Secretary of Health and Human Services declared a public health emergency based on the threat caused by COVID-19, and the President of the United States issued a Proclamation Declaring a National Emergency ConcerningCOVID-19 beginning March 1, 2020; and

WHEREAS, in response to COVID-19, the Governor of the State of California issued a Proclamation of a State of Emergency in response to COVID-19 on March 4, 2020; and

WHEREAS, the City Council of the City of Daly City adopted a proclamation of a local emergency related to the COVID-19 virus on March 16, 2020; and

WHEREAS, the City of Daly City ("City") is committed to preserving and fostering publicaccess, transparency, observation, and participation in meetings of the City Council and Boards, Commissions, and Standing Committees (hereafter collectively referred to as "legislative bodies;"and

WHEREAS, all meetings of the City Council and legislative bodies are open and public as required by the Ralph M. Brown Act, Government Code sections 54950 – 54963, so that any member of the public may attend, observe, and participate in a meaningful way; and

WHEREAS, Government Section 54953 (b) (3) of the Brown Act allows a local legislative body to hold public meetings by teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body, as long as the following requirements are met:

1. Each teleconference location from which a member is participating is noticed on the agenda;
2. Each teleconference location is accessible to the public;
3. Members of the public must be able to address the body at each teleconference location;
4. At least one member of the legislative body must be physically present at the locationspecified in the meeting agenda; and
5. During teleconference meetings, at least a quorum of the members of the local bodymust participate from locations within the local body's territorial jurisdiction; and

WHEREAS, the Brown Act, as amended by AB 361 (2021), at Government Code section 54953(e) *et seq.*, allows for remote observation and participation in meetings by members of a legislative body and members of the public without compliance with the requirements of Government Code section 54953(b)(3), subject to certain conditions; and

WHEREAS, the initial required condition is a declaration of a state of emergency by the Governor pursuant to the California Emergency Services Act at Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state and within the boundaries of the City, caused by conditions as describedin Government Code section 8558; and

WHEREAS, the Governor's Proclamation of a State of Emergency includes area within the jurisdictional boundaries of the City; and

WHEREAS, Government Code Section 54953(e)(3)(A-B) added by AB 361 provides an alternative to having public meetings in accordance with Government Code Section 54953(b)(3) when City Council has reconsidered the circumstances of the COVID-19 state of emergency and that the following circumstances exist:

1. The state of emergency as a result of COVID-19 continues to directly impact the ability of the members of City Council and the members of the City's Boards, Commissions,and Standing Committees to meet safely in person; and

2. The State of California and the County of San Mateo continue to recommend measures to promote social distancing.

WHEREAS, Government Code Section 54953(e) *et seq.* further requires that state or local officials have imposed or recommended measures to promote social distancing or the legislative body finds that meeting in person would present an imminent risk to the health or safety of attendees; and

WHEREAS, such conditions now exist in the City in that (i) State and Local officials recommend social distancing measures and (ii) emergency conditions evidenced by COVID-19 and its variants create ongoing COVID-19 cases, hospitalizations, and deaths and meeting in person would present imminent risk to health or safety of attendees; and

WHEREAS, the City Council affirms that it will allow for observation and participation by Council Members as well as Board, Commission, and Standing Committee Members and the public via Zoom in an effort to protect the constitutional and statutory rights of all attendees; and

WHEREAS, Government Code Section 54953 (e)(3) requires that the City Council review the need and make findings for continuing the teleconferencing as authorized by AB 361 at least once every thirty (30) days until the Governor terminates the state of emergency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DALY CITY HEREBY RESOLVES AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. The City Council finds that the state of emergency conditions related to COVID-19 as set forth in the Governor's and City's Proclamations of Emergency and are on-going.

Section 3. The City Council further finds that state and county official recommend social distancing conditions causing imminent risk to attendees as described above exist.

Section 4. The City Council hereby recognizes and affirms the existence and conditions of a state of emergency as proclaimed by the Governor and the City in the City and affirms, authorizes, and proclaims the existence of a local emergency throughout the City.

Section 5. The City Council finds that the state of emergency as a result of COVID-19 and the new variant Omicron continues to directly impact the ability of members of the City Council and the members of the City's Boards, Commissions, and standing committees to meet safely in person and such fact creates an imminent health risk to such members.

Section 6. The City Council hereby authorizes the City Council and all of the Boards, Commissions, and Standing Committees of City to conduct their meetings without compliance with Government Code section 54953(b)(3), and to instead comply with the remote meeting requirements as authorized by Government Code section 54953(e) *et seq*.

Section 7. The City Manager and the City Clerk are authorized and directed to take all actions reasonably necessary to carry out the intent and purpose of this Resolution, including, conducting open and public meetings remotely in accordance with Government Code section 54953(e) *et seq.*, and other applicable provisions of the Brown Act, for all City Council meetings, and all Boards, Commissions, and standing committee meetings of the City.

Section 8. This Resolution shall take effect immediately upon its adoption and remain in effect for 30 days or until such time as the City Council adopts a Subsequent Resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the City Council and all City legislative bodies may continue to meet remotely,without compliance with Government Code section 54953(b)(3), but otherwise as permitted by Government Code section 54953(e) *et seq.*

Section 9. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end of the provisions of this Resolution are severable.

Section 10. The City Clerk of the City of Daly City shall certify to the adoption of this Resolution.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALY CITY AUTHORIZING REMOTE TELECONFERENCE MEETINGS BY THE CITY COUNCIL AND ALL BOARDS, COMMISSIONS, AND STANDING COMMITTEES OF THE CITY IN ACCORDANCE WITH ASSEMBLY BILL 361 FOR A PERIOD OF THIRTY DAYS

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 ______________, 2022, 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

Meeting Date: April 11, 2022

Subject: **Zone Change ZC-01-22-15477 – Amendment to Title 17 Zoning Locational Standards for Smoke Shops and Tobacco Stores**

Recommended Action

Approve Zone Change ZC-01-22-15477, amending Title 17, adding locational standards for smoke shops and tobacco stores to the Zoning Ordinance.

Planning Commission Discussion

On March 1, 2022, the Planning Commission voted 4-0 (Commissioner Satorre absent) to recommend that the City Council approve Zone Change ZC-01-22-15477 – Amendment to Title 17 Zoning Locational Standards for Smoke Shops and Tobacco Stores. Commissioner Villanueva asked if business licenses for existing smoke shops were transferable to new owners. Kelly Schott, Assistant City Attorney, explained that the Planning Commission could recommend to the City Council that in such situations a whole new application be required, subject to the City's smoke shop regulations, and that the license be non-transferable. The Planning Commission voted unanimously to amend the proposed ordinance to include such a non-transferability provision. Staff has amended the proposed regulations outlined in this staff report accordingly.

Background

A smoke shop or tobacco store is an establishment primarily dedicated to the display, sale, distribution, delivery, offering, furnishing, or marketing of tobacco, tobacco products, or tobacco paraphernalia. A grocery store, supermarket, convenience store or similar retail use that only sells conventional cigars, cigarettes or tobacco as an ancillary sale shall not be defined as a "smoke shop and tobacco store" and shall not be subject to the restrictions currently being proposed.

The City Council has expressed interest in the regulation of smoke shops and tobacco stores in the interest of the public health, safety, and general welfare, because there is the substantial likelihood of the continued establishment and operation of smoke shops and tobacco stores in Daly City. It has been the Council's opinion that the expansion of smoke shops and tobacco stores in the city would result in undesirable impacts to the community. Among these impacts are increased potential for tobacco sales to minors, greater opportunity for the sale of illegal drug paraphernalia that is marketed as tobacco paraphernalia, and heightened risk of negative aesthetic impacts, blight, and loss of property values of residential neighborhoods and businesses near such uses.

This staff report proposes amendments to the Zoning Ordinance to address such negative impacts of smoke shops and tobacco stores while providing a reasonable number of locations and zones for such shops/stores to locate in Daly City.

Smoke Shops and Tobacco Stores in Daly City

In Daly City, uses like smoke shops and tobacco stores, which are not themselves defined in the Zoning Ordinance, have historically been permitted without the requirement for a use permit under the "drugstore" land use category. Although "Drugstore" is not defined in the Ordinance, the use is allowed in several commercial zones, including the C-1 Light Commercial, C-2 Heavy Commercial, C-R/O Retail and Office Commercial, C-N Neighborhood Commercial, and most of the City's adopted Planned Development zones which allow commercial uses. The C-R/R Residential Retail Commercial zone also allows drugstore subject to securing a use permit.

According to a review of business licenses in the City of Daly City, there are nine smoke shops and tobacco stores in Daly City:

1.	The Smoke Shop	7381 Mission Street
2.	Six Fifty Smoke Shop	2394 Junipero Serra Boulevard
3.	Cigarettes Cheaper	44 Park Plaza Drive
4.	GQ Smoke And Gift Shop	6198 Mission Street
5.	Cigarettes Cheaper	6692 Mission Street
6.	DC Smoke Shop	6389 Mission Street
7.	Vape Dreams	16 Washington Street
8.	Daly City Smart Wireless and Smoke Shop	6825 Mission Street
9.	Sensual Cloud Vapors	6340 Mission Street

Many of these stores also sell paraphernalia related to smoking, t-shirts, and limited food and non-alcoholic beverages. Attachment A identifies the geographic distribution of smoke shops and tobacco stores in Daly City and the 1,000-foot boundary area surrounding each business (some of which overlap). As shown in the map, these businesses are concentrated along the Mission Street corridor. The only smoke shops and tobacco store not in the Mission Street corridor is Cigarettes Cheaper located in Westlake Shopping Center.

Recommended Zoning Ordinance Amendments

Staff is recommending the following three amendments to the Zoning Ordinance:

1. Add a definition for "Smoke shop and tobacco store" to Section 17.04 – Definitions, as follows:

    a) "Smoke shop and tobacco store" shall mean any premises dedicated to the display, sale, distribution, delivery, offering, furnishing, or marketing of tobacco, tobacco products, or tobacco paraphernalia; provided, however, that any grocery store, supermarket, convenience store or similar retail use that only sells conventional cigars, cigarettes or tobacco as an ancillary sale shall not be defined as a "smoke shop and tobacco store" and shall not be subject to the restrictions in this chapter.

b) "Ancillary sale" shall mean where a grocery store, supermarket, convenience store or similar market uses no more than two percent of its gross floor area, or 200 square feet, whichever is less, for the display, sale, distribution, delivery, offering, furnishing, or marketing of conventional cigars, cigarettes or tobacco. For any grocery store, convenience market, retail kiosk or similar use consisting of 250 square feet or less, "ancillary sale" shall mean where no more than five square feet are used for the display, sale, distribution, delivery, offering, furnishing, or marketing of conventional cigars, cigarettes or tobacco. The display, sale, distribution, delivery, offering, furnishing, or marketing of e-cigarettes or any other tobacco products or tobacco paraphernalia, regardless of square footage used, is subject to the restrictions of this chapter and shall not constitute ancillary sale" under any circumstances.

c) "Tobacco" shall mean any preparation of the nicotine-rich leaves of the tobacco plant, which are cured by a process of drying and fermentation for use in smoking, chewing, absorbing, dissolving, inhaling, snorting, sniffing, or ingesting by any other means into the body.

d) "Tobacco paraphernalia" shall mean any paraphernalia, equipment, device, or instrument that is primarily designed or manufactured for the smoking, chewing, absorbing, dissolving, inhaling, snorting, sniffing, or ingesting by any other means into the body of tobacco, tobacco products, or other controlled substances as defined in California Health and Safety Code Section 11054 et seq. Items or devices classified as tobacco paraphernalia include but are not limited to the following: pipes, punctured metal bowls, bongs, water bongs, electric pipes, e-cigarettes, e-cigarette juice, buzz bombs, vaporizers, hookahs, and devices for holding burning material. Lighters and matches shall be excluded from the definition of tobacco paraphernalia.

e) "Tobacco product" shall mean any product in leaf, flake, plug, liquid, or any other form, containing nicotine derived from the tobacco plant, or otherwise derived, which is intended to enable human consumption of the tobacco or nicotine in the product, whether smoked, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means. For the purposes of this chapter, the term "tobacco product" excludes any product that has been specifically approved by the United States Food and Drug Administration (FDA) for sale as a tobacco/smoking cessation product or for other medical purposes, where such product is marketed and sold solely for such an approved purpose. (Ord. 14-2031 § 6, 2014.)

f) "E-cigarette" shall mean any electronically actuated device or inhaler meant to simulate cigarette smoking that uses a heating element to vaporize a liquid solution, popularly referred to as "juice," and that causes the user to exhale any smoke, vapor, or substance other than that produced by unenhanced human exhalation. The juice used in e-cigarettes typically contains nicotine, and for this reason e-cigarettes and their juice can be classified as both tobacco products and tobacco paraphernalia.

2. Amend the following chapters to adopt specific requirements that allow smoke shops and tobacco stores businesses without the requirement for a use permit and require that smoke shops and tobacco stores proposed within any Planned Development zone be subject to the same requirements:
   Chapter 17.16 – C-O Office Commercial
   Chapter 17.17 – BOC BART Office Commercial
   Chapter 17.18 – C-1 Light Commercial
   Chapter 17.20 – C-2 Heavy Commercial
   Chapter 17.21 – SC Sullivan Corridor Specific Plan District (Commercial, C-R/O Retail and Office Commercial (by right), C-N Neighborhood Commercial (by right), and C-R/R Residential Retail Commercial zone (use permit).

2. Add Section 17.40.0?0 – Locational Standards for Smoke Shops and Tobacco Store to the Zoning Ordinance, requiring that a 1,000-foot minimum distance between new smoke shops and tobacco store and existing such businesses. This separation would be measured property line to property line and would help prevent a future concentration of these uses in close proximity to one another**. Businesses licenses for smoke shops and tobacco stores shall be non-transferable.**

As can be seen by examining the attached 1,000-foot boundary map, adoption of the 1,000-foot minimum distance would largely preclude new businesses along Mission Street and in Westlake Shopping Center, while restricting the number of such establishments in the rest of the city. Under the distance requirement, limited numbers of smoke shops and tobacco stores would be allowed in Skyline Plaza, St. Francis Square Shopping Center, and several retail areas in the Hillside and Serramonte neighborhoods. A limited number of future smoke shops and tobacco stores could also be located Geneva Avenue Corridor in the Bayshore neighborhood.

Environmental Assessment

The proposed change to Title 17 Zoning is exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3).

Recommendations

The Planning Commission recommends that the City Council the following action:

1. Affirm the Environmental Assessment; and
2. Approve Zone Change ZC-01-22-15477, adopting an ordinance amending Title 17 of the Daly City Municipal Code, thereby establishing locational standards for smoke shops and tobacco stores.

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

Respectfully submitted,

Michael Van Lonkhuysen
Planning Manager

Tatum Mothershead
Director of Economic and Community Development

<u>Attachment</u>

Attachment A – Geographic Distribution/1,000 Foot Buffer of Existing Smoke Shops and Tobacco Stores

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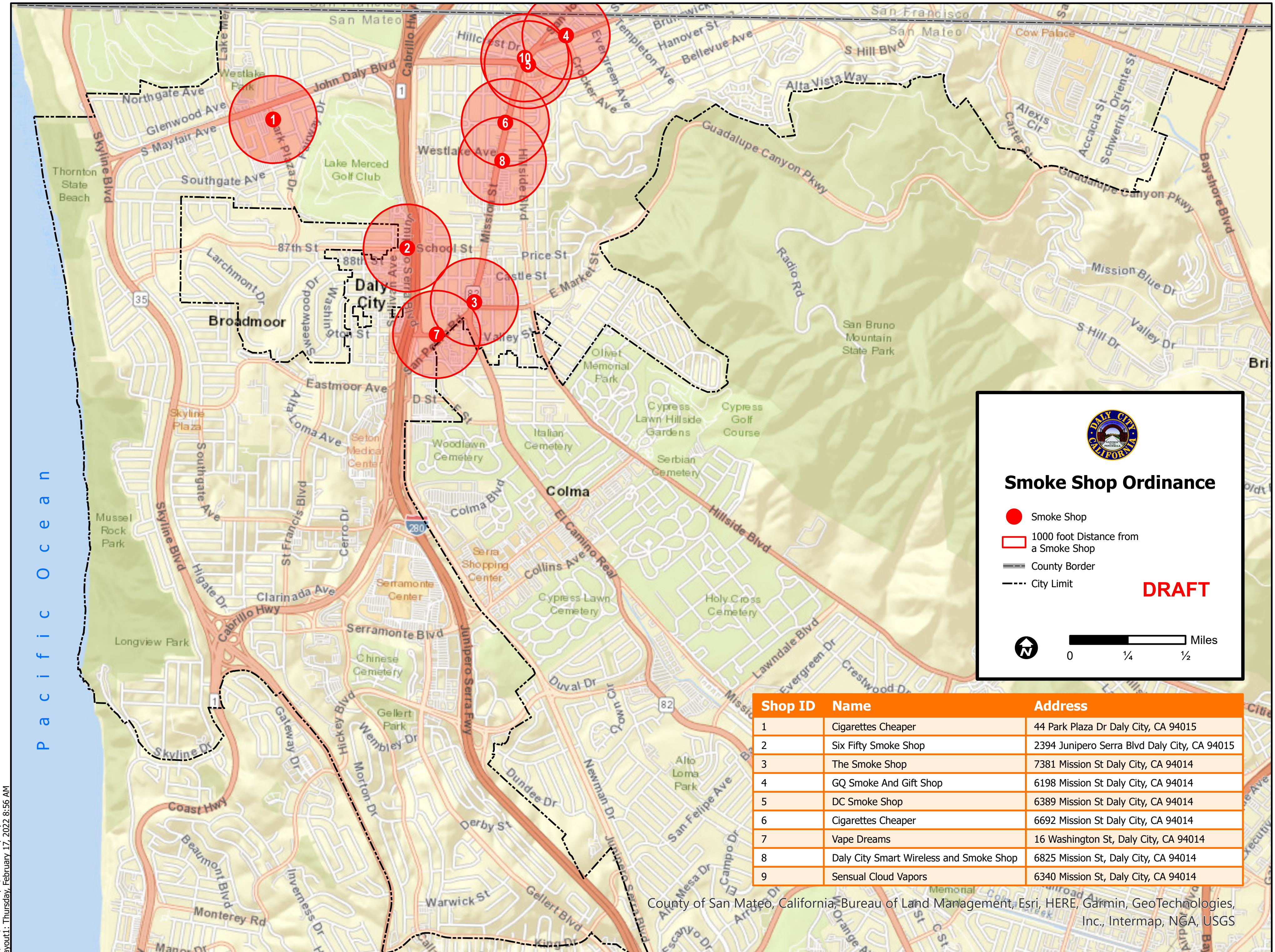

Shop ID	Name	Address
1	Cigarettes Cheaper	44 Park Plaza Dr Daly City, CA 94015
2	Six Fifty Smoke Shop	2394 Junipero Serra Blvd Daly City, CA 94015
3	The Smoke Shop	7381 Mission St Daly City, CA 94014
4	GQ Smoke And Gift Shop	6198 Mission St Daly City, CA 94014
5	DC Smoke Shop	6389 Mission St Daly City, CA 94014
6	Cigarettes Cheaper	6692 Mission St Daly City, CA 94014
7	Vape Dreams	16 Washington St, Daly City, CA 94014
8	Daly City Smart Wireless and Smoke Shop	6825 Mission St, Daly City, CA 94014
9	Sensual Cloud Vapors	6340 Mission St, Daly City, CA 94014

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ORDINANCE NO. ________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY AMENDING TITLE 17 OF DALY CITY MUNCIPAL CODE RE: LOCATIONAL STANDARDS FOR SMOKE SHOPS AND TOBACCO STORES

The City Council of the City of Daly City DOES ORDAIN as follows:

SECTION 1. Section 17.04.010 of the Daly City Municipal Code is hereby amended to read as follows:

17.40.10 Definitions

1.1. "Ancillary sale" shall mean where a grocery store, supermarket, convenience store or similar market uses no more than two percent of its gross floor area, or 200 square feet, whichever is less, for the display, sale, distribution, delivery, offering, furnishing, or marketing of conventional cigars, cigarettes or tobacco. For any grocery store, convenience market, retail kiosk or similar use consisting of 250 square feet or less, "ancillary sale" shall mean where no more than five square feet are used for the display, sale, distribution, delivery, offering, furnishing, or marketing of conventional cigars, cigarettes or tobacco. The display, sale, distribution, delivery, offering, furnishing, or marketing of e-cigarettes or any other tobacco products or tobacco paraphernalia, regardless of square footage used, is subject to the restrictions of this chapter and shall not constitute ancillary sale" under any circumstances.

20.1. "E-cigarette" shall mean any electronically actuated device or inhaler meant to simulate cigarette smoking that uses a heating element to vaporize a liquid solution, popularly referred to as "juice," and that causes the user to exhale any smoke, vapor, or substance other than that produced by unenhanced human exhalation. The juice used in e-cigarettes typically contains nicotine, and for this reason e-cigarettes and their juice can be classified as both tobacco products and tobacco paraphernalia.

44.1. "Smoke shop and tobacco store" shall mean any premises dedicated to the display, sale, distribution, delivery, offering, furnishing, or marketing of tobacco, tobacco products, or tobacco paraphernalia; provided, however, that any grocery store, supermarket, convenience store or similar retail use that only sells conventional cigars, cigarettes or tobacco as an ancillary sale shall not be defined as a "smoke shop and tobacco store" and shall not be subject to the restrictions in this chapter.

52.1 "Tobacco" shall mean any preparation of the nicotine-rich leaves of the tobacco plant, which are cured by a process of drying and fermentation for use in smoking, chewing, absorbing, dissolving, inhaling, snorting, sniffing, or ingesting by any other means into the body.

52.2 "Tobacco paraphernalia" shall mean any paraphernalia, equipment, device, or instrument that is primarily designed or manufactured for the smoking, chewing, absorbing, dissolving, inhaling, snorting, sniffing, or ingesting by any other means into the body of tobacco, tobacco products, or other controlled substances as defined in California Health and Safety Code Section 11054 et seq. Items or devices classified as tobacco paraphernalia include but are not limited to the following: pipes, punctured metal bowls, bongs, water bongs, electric pipes, e-cigarettes, e-cigarette juice, buzz bombs, vaporizers, hookahs, and devices for holding burning material. Lighters and matches shall be excluded from the definition of tobacco paraphernalia.

52.3 "Tobacco product" shall mean any product in leaf, flake, plug, liquid, or any other form, containing nicotine derived from the tobacco plant, or otherwise derived, which is intended to enable human consumption of the tobacco or nicotine in the product, whether smoked, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means. For the purposes of this chapter, the term "tobacco product" excludes any product that has been specifically approved by the United States Food and Drug Administration (FDA) for sale as a tobacco/smoking cessation product or for other medical purposes, where such product is marketed and sold solely for such an approved purpose. (Ord. 14-2031 § 6, 2014.)

SECTION 2: Section 17.16.010 of the Daly City Municipal Code is hereby amended to add the following definition to the Table of Use and to read as follows:

17.16.010 C-O Office Commercial District – Table of Uses

1. Uses Permitted

   A. Smoke Shops and Tobacco Store Business

SECTION 3. Section 17.17.010 of the Daly City Municipal Code is hereby amended to add the following definition to the Table of uses and to read as follows:

17.17.010 BOC Bart Office Commercial District – Table of Uses

A. Uses Permitted

   1. Smoke Shops and Tobacco Store Business

SECTION 4. Section 17.18.010 of the Daly City Municipal Code is hereby to add the following definition to the Table of uses and to read as follows:

17.18.010 C 1 Light Commercial District Table of uses.

1. Uses Permitted

   A. Smoke Shops and Tobacco Store Business

SECTION 5. Section 17.20.10 of the Daly City Municipal Code is hereby amended to add the following definition to the Table of uses and to read as follows:

17.20.010 – – C-2 Heaving Commercial District Table of uses

1. Uses Permitted

   A. Smoke Shops and Tobacco Store Business

SECTION 6. Chapter 17.21 – SC Sullivan Corridor Specific Plan District, of the Daly City Municipal Code is hereby amended to add the following definition to the Table of uses and to read as follows:

17.21.030 Specific plan designations and regulations

Amend Table C-R/O – Retail and Office Commercial to include Smoke Shops and Tobacco Store Business under

1. Uses Permitted.

    A. Smoke Shops and Tobacco Stores Business

Amend Table C-O Office Commercial to include Smoke Shops and Tobacco Stores Business under

1. Uses Permitted

    A. Smoke Shops and Tobacco Stores Business

Amend Table C-S Service Commercial to include Smoke Shops and Tobacco Stores Business under

1. Uses Permitted

    A. Smoke Shops and Tobacco Stores Business

Amend Table C-N Neighborhood Commercial to include Smoke Shops and Tobacco Stores Business under

1. Uses Permitted

    A. Smoke Shops and Tobacco Stores Business

Amend Table C-R/R Residential Retail Commercial to include Smoke Shops and Tobacco Stores Business under

1. Uses Permitted (Use Permit Required under D)

    D. Smoke Shops and Tobacco Stores Business

SECTION 7. Section 17.40.070 of the Daly City Municipal Code is hereby added to read as follows:

17.40.070 Locational standard for Smoke Shops and Tobacco Store Businesses

Smoke shops and tobacco store businesses, or similar uses, shall be separated by at least one thousand (1,000) minimum distance, as measured directly from the property line to property line, from any parcel on which an existing smoke shop or tobacco store business is located.

SECTION 8. Environmental Determination

The City Council of the City of Daly City finds and determines that the implementation of measures described in this Chapter is in furtherance police powers of the City of Daly City, and that these purposes are exempt from the provisions of the California Environmental Quality Act (CEQA); Chapter 3 (commencing with Section 21100) of Division 13 of the Public Resources Code, as provided in categorical exemption Classes 1, 4, 5, 7, 8, 9, and or 21 of the CEQA Guidelines (Title 14, *California Code of Regulations*, Sections 15301-15329).

SECTION 9. 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.

SECTION 10. Effective Date; Publication and Posting:

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 it 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.

Introduced this ____________day of ___________________ 2022.

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 __________________ 2022, 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

ORDINANCE NO. 1456

AN ORDINANCE OF THE CITY OF DALY CITY AMENDING
SECTION 2.58.060 OF TITLE 2 OF THE DALY CITY MUNICIPAL CODE
RE: SMALL BUSINESS COMMISSION MEETINGS

The City Council of the City of Daly City, DOES ORDAIN as follows:

SECTION 1. Section 2.58.060 of Chapter 2.58 of the Daly City Municipal Code is hereafter amended to read as follows:

Chapter 2.58

SMALL BUSINESS COMMISSION

Sections 2.58.060 Meetings

2.58.060 Meetings.

The small business commission shall hold a minimum of twelve (12) regular meetings in each calendar year at the City Council Chambers located in City Hall, 333 90th Street, Daly City, California. The commission shall meet on the second Thursday of every month at seven p.m. of such day. If at any time any regular meeting falls on a holiday, such regular meeting shall be held on the following business day.

Three members of the commission shall constitute a quorum for the transaction of business. A majority of the quorum shall have the authority to act on any matter regularly coming before the commission. Meetings may be adjourned, or special meetings called in compliance with the provisions of the Ralph M. Brown Act (commencing with Government Code Section 54950) or as may hereafter be amended.

SECTION 2. **Severability.** If any section, subsection, provision or part of this Ordinance, or its application to any person or circumstance, is held to be unconstitutional or otherwise invalid, the remainder of this Ordinance, and the application of such provision to other person or circumstances, shall not be affected thereby and shall remain in full force and effect and, to that end, the provisions of this Ordinance are severable.

SECTION 3. **Environmental Determination.** The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making.

SECTION 4. **Effective Date and Publication:** This Ordinance shall be in full force and effect thirty (30) days from and after its passage. This Ordinance shall be published according to law.

Introduced this ______28th______day of______________March______________, 2022

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____________________, 2022, 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