CITY OF DALY CITY

Regular Meeting - CITY COUNCIL

AGENDA

Monday, April 14, 2014 - 7:00 PM
City Hall Council Chambers – 2nd Floor
333 – 90th Street, Daly City, CA 94015

Live Telecast: Comcast Channel 27, Astound 26, AT&T U-Verse 99

Webcast: www.dalycity.org/meetings

DRAFT

For those wishing to address the City Council on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the Council Chambers and submit to a Staff Member as early in the meeting as possible.

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

CALL TO ORDER:

PLEDGE TO THE FLAG:

ROLL CALL:

PRESENTATIONS:

Proclaiming the Week of April 13-19, 2014 National Library Week

APPROVAL OF MINUTES:

Regular Meeting of March 10, 2014

APPROVAL OF AGENDA:

CONSENT AGENDA

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

Resolutions:

1. Setting Time and Place of the Public Hearing for Daly City's National Pollutant Discharge Elimination System Program Regulatory Fee

2. Requesting Use of Federal Asset Forfeiture Funds (DEA) to send a Daly City Police Department Officer to Amman, Jordan to Compete in the 6th Annual Warrior Competition

3. Authorizing City Manager to Execute an Agreement with IMG Worldwide, Inc. to Provide Traffic and Safety Services for the Swinging Skirts LPGA Classic 2014

4. Authorizing the City Manager to Execute Facilities Use Agreements with IMG Worldwide, Inc. to Provide Temporary Parking and Childcare for the Swinging Skirts LPGA Classic

5. Setting Time and Place for a Hearing on Proposed General Plan Amendment GPA 3-14-8719 and Zone Change ZC-3-14-8710

6. Setting Time and Place for Public Hearing on Disposition and Development Agreement for Property Located at 6823-6834 Mission and 325-331 Miriam Street.

7. Amending Traffic Regulations to Convert a Single 1 Hour Parking Space at 150 San Pedro Rd. to a 30 Minute Parking Zone (TSR 14-27)

8. Setting Time and Place for a Hearing on a Proposed Planned Development PD 12-13-8312, Subdivision SUB-12-13-8315, Use Permit UP-12-14-8694, Design Review DR-12-8319, Environment Assessment CEQA-12-13-8313

9. Approving Extension of Professional Services Agreement with Pacific Municipal Consultants for Temporary Planning Division Staffing

10. Accepting and Appropriating a $10,000 Grant from the Daly City Public Library Associates

11. Accepting and Appropriating a $529 Prize from ScholarShare College Savings Plan and TIAA-CREF Tuition Financing, Inc., for Use at the Westlake Branch Library

END OF CONSENT AGENDA

PUBLIC HEARINGS:

12. Adoption of Affordable Housing Ordinance and Resolution Adopting Impact Fee Nexus

Study

Staff:
ZoBell
Recommended Action:
Open/Close Hearing
Motion for City Attorney to Read by Title Only
Councilmember Introduce Ordinance
Adopt Resolution
Roll Call

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

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

APPOINTMENTS: Board/Commission Membership Committee Appointments

REPORTS:

13. Council Committee

A Council Committee Meetings, March 24 - April 13, 2013

14. City Council

15. Staff

ADJOURNMENT:

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 10, 2014

The meeting was called to order by Mayor Canepa at 7:03 P.M.

ROLL CALL: Councilmembers Present:

David J. Canepa, Mayor
Carol L. Klatt, Vice Mayor
Raymond A. Buenaventura
Michael P. Guingona
Sal Torres

Staff Present:

Patricia E. Martel, City Manager
Rose L. Zimmerman, City Attorney
K. Annette Hipona, City Clerk

PRESENTATIONS:

Proclaiming March 2014 Women's History Month

Mayor Canepa presented a proclamation proclaiming March 2014 as Women's History Month to Dorothy Fertado. Ms. Fertado thanked the Council and invited everyone to attend the National Women's History Month Celebration and Award Ceremony on March 13, 2014.

APPROVAL OF AGENDA:

It was moved by Councilmember Buenaventura, seconded by Councilmember Guingona and carried to approve the agenda.

CONSENT AGENDA

RESOLUTIONS:

Requesting Use of Federal Asset Forfeiture (DEA) to Purchase a Cardiff Pines Burn Safe and Gas Ram for the Daly City SWAT Team

Resolution No. 14-28, Authorizing Use of Asset Forfeiture Funds to Purchase One Cardiff Pines Burn Safe and One Cardiff Pines Gas Ram for the Daly City SWAT Team

Approving Use of Federal Asset Forfeiture Funds to Purchase Individual First Aid Kits for Daly City Police SWAT Members

Resolution No. 14-29, Authorizing Use of Asset Forfeiture Funds to Purchase Individual First Aid Kits for SWAT Members

CONSENT AGENDA

RESOLUTIONS:

Setting Time and Place for Public Hearing to Consider Repeal of the City's Inclusionary Housing Ordinance and Adoption of an Affordable Housing Ordinance Hearing 4/14/14

Resolution No. 14-30, Setting Time and Place of Public Hearing to Consider Repealing the Inclusionary Housing Ordinance and Adopting an Affordable Housing Ordinance (Hearing Date: April 14, 2014, Time: 7:00 P.M.)

Setting Time and Place for a Public Hearing to Consider One-Year HUD Action Plan for Fiscal Year 2014-2015 Hearing 4/28/14

Resolution No. 14-31, Setting Time and Place of Public Hearing on Daly City's One-Year Action Plan for Fiscal Year 2014-2015 Under the Community Development Block Grant and HOME Programs, Hearing 04/28/14 - 7:00 P.M.

Accepting as Complete - Muirwood Drive and Teresa Street Water Mains Improvement Project

Resolution No. 14-32, Accepting Completion of Certain Project (Muirwood Drive and Teresa Street Water Main Improvement Project)

Approving Use of Federal Asset Forfeiture Funds to Purchase Police Department Computers

Resolution No. 14-35, Authorizing Use of Asset Forfeiture Funds to Purchase Laptops, Tablets, Associated Software and Protective Cases

END OF CONSENT AGENDA

It was moved by Councilmember Torres, seconded by Vice Mayor Klatt and carried to approve and adopt the Consent Agenda.

COMMUNICATIONS:

Resolution Approving City Treasurer Stipend

City Manager Patricia Martel requested the Council adopt a resolution establishing a monthly stipend in the amount of $1,666 for the Office of the City Treasurer. Ms. Martel stated this will ensure compensation commensurate with the duties of the City Treasurer being part-time, and will be the sole compensation paid to the City Treasurer. The fiscal impact will result in a budgetary savings of approximately $100,000 annually.

COMMUNICATIONS: Continued

Resolution Approving City Treasurer Stipend – Cont'd.

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

Resolution No. 14-34, Establishing a Monthly Stipend for the Position of City Treasurer

Consideration of Appointment to Fill Unexpired Term of City Treasurer

City Manager Patricia Martel stated the Council has the opportunity to consider the appointment of a qualified elector to fill the remaining unexpired term of the City Treasurer. Government Code provides the vacancy created by Mr. Zidich's retirement shall be filled by the Council within 30 days from the commencement of the vacancy either by appointment, or by calling a special election.

The person assuming office is required to be a qualified voter of the City, eighteen years of age and a Daly City resident. The Deputy City Treasurer has been an employee of the City since 2001 and, as Deputy, has served as the City Treasurer in the absence of the Treasurer for the last ten years. She is both qualified and experienced to perform such duties as well as a qualified voter of the City.

If the Council elects to appoint the Deputy City Treasurer, the new City Treasurer would serve the remainder of the unexpired term of the former incumbent, until November 2016, at which time the incumbent would be required to stand for election.

The appointment of the Deputy City Treasurer to be City Treasurer will result in cost savings, because the City would not be required to call for a Special Election to fill the vacancy.

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

Resolution No. 14-35, Appointing Daneca Halvorson City Treasurer for the Remaining Unexpired Term of this Office

Former City Treasurer Anthony Zidich stated Ms. Halvorson is well qualified to perform the duties of City Treasurer and looks forward to her being the next City Treasurer for many years.

Appointed City Treasurer Daneca Halvorson thanked the Council for the opportunity to serve as the City Treasurer. She looks forward to expanding her duties and working with the Council and the community.

PUBLIC HEARINGS:

Public Hearing on Claim to Lien Property at 26 Edgemar Street (APN 004-411-170)

Code Enforcement Officer Kathy Campbell stated staff is requesting a lien be placed on the property at 26 Edgemar Street for fees and fines totaling $11,994. The subject property was found to be a public nuisance on December 11, 2012 for construction without a permit. An administrative order was issued to the property owner to correct the violations. The property owner responded to the order and submitted plans. However, the plan check expired and there has been no further action taken to correct the cited violations.

A Notice of Violation was placed on the property through the San Mateo County Recorder's Office and will remain on the title to prevent sale or transfer of ownership without disclosure of the cited violations. The property owner was assessed enforcement fees that totaled $1,994 and penalty fines totaling $10,000 for failure to correct the cited violations as stipulated in the administrative order.

It was moved by Vice Mayor Klatt, seconded by Councilmember Guingona and carried to open the public hearing.

Michael J. Lavorini, property owner, explained he hired an engineer and made several attempts to mitigate the violations but additional items were identified during this process. He stated he wants to get into a repayment program and move forward but was concerned about showing bad faith if unable to meet the schedule because of his financial situation. He asked the Council for additional time to complete the work.

Javier Chavarria, civil engineer of JC Engineering, was present to add further testimony on this matter.

The Council was concerned about why it has taken so long for Mr. Lavorini to respond to the complaints and submitting the plans. The Council was also concerned about the property owner's ability to complete the work considering the amount of the work needed and his financial situation.

It was moved by Councilmember Buenaventura, seconded by Vice Mayor Klatt and carried to close the public hearing.

It was moved Councilmember Buenaventura, seconded by Councilmember Guingona and carried with Vice Mayor Klatt and Councilmember Torres voting "No" to continue this matter for six months.

PUBLIC HEARINGS: Continued

Public Hearing on Claim to Lien Property at 563 Delong Street (APN 002-252-250)

Code Enforcement Officer Kathy Campbell stated staff is requesting a lien be placed on the property at 563 Delong Street for unpaid code enforcement fees and fines totaling $11,794. The subject property was found to be a public nuisance on October 25, 2012 for construction without a permit.

An administrative order was issued to the property owner, Amavelis A. Tobar, to correct the violations. To date, the property owner has not taken the required action to correct the cited violations. A Notice of Violation was placed on the subject property through the San Mateo County Recorder's Office and will remain on the title to prevent sale or transfer of ownership without addressing the violations.

The property owner was assessed code enforcement fees that total $1,994 and penalty fines totaling $10,000 for failure to correct the cited violations as stated in the administrative order. A payment of $200 was made on December 12, 2012. The amount currently owed is $11,794.00.

It was moved by Vice Mayor Klatt, seconded by Councilmember Torres and carried to open the public hearing.

Mayor Canepa asked if the property owner Ms. Amavelis Tobar was present. Ms. Tobar was not present.

It was moved by Councilmember Torres, seconded by Councilmember Guingona and carried to close the public hearing.

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

Resolution No. 14-37, Confirming and Adopting the Findings of the Administrative Appeal Board, Declaring Residential Premises to be a Public Nuisance, and Allowing Such Costs, Penalties and Assessments to be, Rendered and Recorded as a Lien or Assessment (661 Sylvan Street, Daly City, California)

Public Hearing on Claim to Lien Property at 661 Sylvan Street (APN 006-453-210)

Code Enforcement Officer Kathy Campbell stated staff is requesting a lien be placed on the property at 661 Sylvan Street for unpaid code enforcement fees and fines totaling $13,074. The subject property was found to be a public nuisance on September 27, 2012 for property maintenance problems. An administrative order was issued to the property owners, J. Mason & Anne Stubblefield to correct the violations. To date the owners have not taken the required action to correct the cited violations.

PUBLIC HEARINGS: Continued

Public Hearing on Claim to Lien Property at 661 Sylvan Street (APN 006-453-210) – Cont'd.

A Notice of Violation was placed on the subject property through the San Mateo County Recorder's Office and will remain on the title to prevent sale or transfer of ownership without addressing the violations. The property owners were assessed code enforcement fees that total $3,074 and assessed $10,000 in penalty fines for failing to correct the cited violations as stipulated in the administrative order. Total amount owed is $13,074.

It was moved by Vice Mayor Klatt, seconded by Councilmember Torres and carried to open the public hearing.

Mayor Canepa asked if the property owner Mr. J. Mason and Anne Stubblefield were present. The property owners were not present.

It was moved by Councilmember Torres, seconded by Councilmember Guingona and carried to close the public hearing.

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

Resolution No. 14-37, Confirming and Adopting the Findings of the Administrative Appeal Board, Declaring Residential Premises to be a Public Nuisance, and Allowing Such Costs, Penalties and Assessments to be, Rendered and Recorded as a Lien or Assessment (661 Sylvan Street, Daly City, California)

COMMUNICATIONS:

Amendment to Use Permit UPR-7-13-7618 - Modification to Automobile Service Station Fueling Dispensers and Canopy at 505 Skyline Drive

Senior Planner Michael Van Lonkhuysen gave a PowerPoint presentation on the project site and reviewed the applicant's request to amend the use permit that the Council granted last October to reconstruct a service station at 505 Skyline Drive.

The applicant's modification request was to modify site plan to include expanded fueling canopy, reduce parking by two spaces for expanded canopy, increase fuel dispensers from two to four, increase fueling positions from four to eight and obtain zoning ordinance authorized parking credit for half of the new fuel dispenser parking spaces.

Staff is recommending that the conditions of approval for the project be modified wherein the canopy would provide more architectural integration to the convenience store/auto repair building. The canopy needs to receive body and trim color, and veneer treatment.

COMMUNICATIONS:

Amendment to Use Permit UPR-7-13-7618 - Modification to Automobile Service Station Fueling Dispensers and Canopy at 505 Skyline Drive – Cont'd.

Staff is recommending the Council approve the amendment to the use permit, subject to the findings and modified conditions outlined in the agenda report.

It was moved by Councilmember Buenaventura, seconded by Councilmember Torres and carried to open the public hearing.

Vaughn Jones, President of the Skyline/Palisades Homeowners Association, expressed support of the new plans and was pleased with the open communications with the new owners.

It was moved by Councilmember Torres, seconded by Councilmember Buenaventura and carried to close the public hearing.

It was moved by Councilmember Torres, seconded by Councilmember Guingona and carried to concur with the Categorical Exemption under CEQA requirements.

It was moved by Councilmember Torres, seconded by Councilmember Guingona and carried to affirm the findings of the Planning Commission as contained in their communication on file in the Office of the City Clerk.

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

Resolution No. 14-38, Adopting Findings of Fact and Imposing Conditions of Approval on Amendment to Use Permit UPR-7-13-7618 for the Reconstruction of Automobile Service Station (505 Skyline Drive, Daly City, California)

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

Mark Nagales, representative of Congresswoman Jackie Speier, stated the Congresswoman wanted him to remind everyone that he is the liaison from her office and if you need help, you can call the Congresswoman's office. He stated, within the last two years, our office has recovered $4,000,000 in VA benefits. Lately, the Congresswoman has been pushing affordable housing and income equality.

Pamela DiGiovanni stated Mrs. Torres' husband passed away and two of her sons had been murdered by gun violence. It meant a lot to the community that Mayor Canepa came to speak to the large crowd. She said Mr. Alvaro Jose Garcia Peña was a loving man. He and his wife went to the prison to find the perpetrators who killed their sons. They did it just before Alvaro passed away.

PUBLIC APPEARANCES/ORAL COMMUNICATIONS: Continued

Mrs. Elizabeth Torres thanked the Council for attending her husband's services. Mrs. Torres stated, when we realized we were getting nowhere in the investigation, Alvaro contacted Homeland Security, which then contacted the Daly City Police Department. As a result a more open communication had transpired between all agencies.

Sam Manneh wanted to take the opportunity to recognize all women, especially the women running for office and currently in office. In addition, he stated we will be honoring and recognizing Assembly Member Toni Akins, who will be the first California speaker of the house for the assembly.

Marian Mann reported to the Council that the Doelger Senior Bocci activity was left out of the Daly City Activity Guide Spring/Summer 2014 issue. Ms. Mann announced the Bocci group plays on Monday, Tuesday and Thursday mornings and on Wednesday afternoons.

APPOINTMENTS:

Board/Commission Membership Committee Appointments

There were no appointments.

REPORTS:

Council Committee

Council Committee Meetings, February 24 - March 9, 2014

The Council Committee gave a report on the Inclusionary Housing Ordinance Update (Guingona/Torres)

City Council

Councilmember Guingona reported, in April 2013, he requested that we look at regulating the use of E-Cigarettes in Daly City. There is more information that may be pertinent now. The FDA has said there are some carcinogens in E-Cigarettes. He suggested forming a subcommittee to discuss this issue

Councilmember Guingona reported there will be a Health Care Enrollment Event on March 15, 2014 at the Broadmoor Presbyterian Church between 1:00 p.m. and 5:00 p.m.

Councilmember Guingona stated he received an e-mail from Nicole Sandkulla, Director of Bay Area Water Supply and Conservation Agency requesting that the City Council take a formal position in support of SB 1345, as currently written.

REPORTS: Continued

Staff

City Manager Patricia Martel reported Vice Mayor Klatt and I attended a press conference at the Lake Merced Golf Club to highlight the 2014 Swinging Skirts LPGA Classic, which will be played at the Lake Merced Golf Club on April 21 to April 27.

ADJOURNMENT:

It was moved by Councilmember Torres, seconded by Vice Mayor Klatt and carried to adjourn the meeting at 8:33 P.M. in memory of Lynn D'Amico and Alvaro Jose Garcia Peña.

____
City Clerk

Approved as submitted, this __________

day of ______________________, 2014.

____
Mayor

City Council Agenda Report

Item #____

Meeting Date: April 14, 2014

Subject: Setting the Time and Place of the Public Hearing for Daly City's National Pollutant Discharge Elimination System Program Regulatory Fee

Recommended Action

It is recommended the City Council set the time and place of a public hearing for 7:00 p.m., Monday, May 12, 2014 to review the local National Pollutant Discharge Elimination System (NPDES) Stormwater Regulatory Fee.

Background

The San Francisco Water Board issued a consolidated Bay Area Municipal Regional Stormwater Permit on October 6, 2009, with an implementation date of December 1, 2009. The permit conditions cover municipal stormwater management activities over the next five years. The City/County Association of Governments continues to administer the General Program components. Each municipality is responsible for achieving specific program activities.

Discussion

Since 1995, Daly City utilized the regulatory fee structure adopted in Ordinance No. 1219 to finance local specific responses as mandated by the Stormwater Program. This fee structure has not been amended or increased at any time in the past 15 years. This fee structure remains as follows for each Assessor Parcel Number:

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

On an annual basis, this local fee generates approximately $449,000. Its structure is based on the correlation between parcel size, land use and stormwater runoff, with the base fee assigned to single family/duplex parcels as they are the City's predominant land use. To allocate costs proportionately, all other categories of use are assigned a factor compared to single family/duplex and take into account frontage, impervious surface coverage and vehicle trips.

From its prior action, the City Council already authorized continued use of the San Mateo County Flood Control District to collect charges associated with the Countywide NPDES General Program.

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

Respectfully submitted,

Patrick Sweetland
Director of Water and Wastewater Resources

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Requesting Use of Federal Asset Forfeiture Funds (DEA) to send a Daly City Police Department Officer to Amman, Jordan to Compete in the 6^{th} Annual Warrior Competition

Recommended Action

Staff recommends Council approve the use of Federal Asset Forfeiture Funds for a Daly City Police Officer to participate in the 6^{th} Annual Warrior Competition in Amman, Jordan.

Background

The San Mateo County Terrorism Counter Assault Team has been invited to Amman, Jordan to participate in the 6^{th} Annual Warrior Competition. The San Mateo County Terrorism Counter Assault Team (T-CAT) is a specialized group of SWAT Operators comprised from the four SWAT Teams in San Mateo County. Its purpose is to deal with Acts of Terrorism and WMD Events that occur within our County. The Warrior Competition will provide T-CAT Operators a broad exposure to Weapons of Mass Destruction scenarios and operate in environments compromised by Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) Devices. The event is hosted by the King Abdullah II Special Operations Center (KASOTC) and is fully supported by the Jordan Armed Forces. Seven T-CAT Operators have been selected to participate in the event, and Daly City Police Officer Jason Moe was invited to be part of the group.

Discussion

This valuable training will provide Officer Moe the opportunity to train with International Tactical Groups in an overseas environment. The San Mateo County T-CAT Team trains for and is prepared to respond to situations involving Terrorism and WMD Environments. The goal in these situations is to utilize minimal force to ensure the safety of all involved and the surrounding community. The Warrior Competition will provide T-CAT Members, and Officer Moe, with training to better resolve these types of situations, and to share the knowledge gained with other tactical officers in our Agency and others in San Mateo County.

Fiscal Impact

The one time total cost of the course is $2,147.00. This includes all travel and per diem expenses for Officer Moe. There will be no impact on the operating budget.

Summary/Conclusion

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

Respectfully submitted,

John Gamez
Captain

Manuel Martinez Jr.
Chief of Police

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Authorize Agreement with IMG Worldwide, Inc. to Provide Traffic and Safety Services for the Inaugural Swinging Skirts LPGA Classic

Recommended Action

Staff recommends that the City Council authorize the City Manager to execute an agreement with IMG Worldwide, Inc. to provide traffic and security services for the Inaugural Swinging Skirts LPGA Classic to be held at Lake Merced Golf and Country Club from April 21-27, 2014. The total non-taxpayer funded cost of police services for the event is $35,921.00.

Background

From April 21-27, 2014 the Ladies Professional Golf Association is hosting the Inaugural Swinging Skirts Classic Golf Tournament at the Lake Merced Golf and Country Club. It is estimated that the tournament could bring as many as 10,000 spectators per day to Lake Merced Golf and Country Club and surrounding areas. This increase in vehicle and pedestrian traffic, as well as the need to provide a secure environment for patrons and residents caused the City and the Police Department to enter into discussions with IMG Worldwide, Inc. on how to address these issues. After extensive planning, IMG, the Police Department and the City Manager have come to an agreement on the level of service to be provided and the costs associated with that service.

Discussion

IMG and their subcontractors will be operating both on and off-site during the event. The Daly City Police Department has been designated to staff up to 8 traffic and security posts up to 12 hours each day of the tournament. The Police Department has put together a staffing plan involving on-duty personnel and off-duty personnel assigned on an overtime basis. The staffing for the event will not diminish our ability to provide high quality police services to our residents during the golf tournament. The employee classifications operating at the event are Police Assistants, Police Officers and Police Sergeants.
The Police Department has worked closely with the Finance Department to determine the entire cost of providing these services to IMG without the use of taxpayer money. The attached costing sheet is based on the top salary of each classification with associated benefits (see attached worksheet).

Fiscal Impact

The required traffic and security staffing for the Swinging Skirts Classic will not be funded by taxpayer funds. The estimated $35,921.00 cost will be fully reimbursed by IMG Worldwide, Inc.

<u>Summary/Conclusions</u>

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

Respectfully submitted,

John Gamez
Captain

Manuel Martinez Jr.
Chief of Police

Attachments: Traffic and Security Services Agreement
Attachment 1-Swinging Skirts Classic Costing Sheet for Security and Traffic Services for April 21-27, 2014.

TRAFFIC AND SECURITY SERVICES AGREEMENT

This **TRAFFIC AND SECURITY SERVICES AGREEMENT (“Agreement**”) is made and entered into as of the _____ day of ________________, 2014 by and between the IMG Worldwide, Inc. (“IMG”) and the City of Daly City (“Daly City”).

BACKGROUND

A. LPGA is hosting the Swinging Skirts Classic Golf Tournament at the Lake Merced Golf and Country Club to be held from April 21-27, 2014 (the “Event”).

B. It is estimated that the Swinging Skirts Classic could bring as many as 10,000 spectators per day to the Lake Merced Golf and Country Club and surrounding areas. Due to the increase in vehicle and pedestrian traffic, as well as the need to provide a secure environment for patrons and residents, the Daly City Police Department will need to provide an increased level of service during the Event.

C. Daly City has prepared a staffing plan involving on-duty and off-duty personnel assigned on an overtime basis and the City has estimated the cost of providing such services to the LPGA by way of IMG without the use of taxpayer money.

D. Daly City and IMG desire to enter into this Agreement to set forth the agreement between the parties in connection with traffic and security provided by the Daly City Police Department during the Event.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IMG and Daly City agree as follows:

1. Term

The term of this Agreement shall be for a period commencing upon execution of this Agreement and continuing until April 28, 2014; provided, however, that each party shall be obligated to fulfill its obligations which are accrued but unpaid or not performed as of the date of termination.

2. Scope of Services

City agrees to provide designated police office to provide traffic and security during the Event. Specifically, the City will provide designated police officers for up to 8 traffic and security posts up to 12 hours each day during the Event. The scope of services is set forth more specifically in Exhibit A to the Agreement, which is attached and incorporated herein by reference.

3. Payment for Services

In consideration therefore, the IMG agrees to reimburse the City for the services of the designated police officers at the estimated cost of **$35,921.00**, which may be greater or less than the actual costs to deliver such services. The City will provide detailed invoices to IMG for reimbursement of actual costs to provide such services during the Event. IMG agrees to provide payment in accordance with the hourly rates of each designated officer as set forth in Exhibit A.

4. Method of Payment.

During the term of the Event, and following the Event, the City will submit an invoice to IMG , setting out the number of Officers assigned and the actual number of hours each officer worked. Upon receipt of such invoice, IMG agrees to compensate the City within thirty (30) days of receipt of such invoice.

5. Records

The parties shall both maintain complete and accurate records, and books of account in accordance with generally accepted accounting principles, with respect to the services provided under this Contract.

6. Integration and Amendment

This Agreement, including the contents of any and all documents incorporated by reference, comprises the entire Contract and Agreement between the parties. There are no promises, terms, conditions or obligations other than those contained herein or incorporated by reference hereunder. Any amendments, additions, supplements or deletions to this Agreement must be in writing, with the mutual consent of the parties and signed by the parties. No action shall be taken pursuant to any such amendment, addition, supplement or deletion prior to the execution of such written instrument.

7. Hold Harmless – Mutual Indemnification

IMG Worldwide shall indemnify, defend and hold harmless the City, its officers, officials, agents and employees from and against any and all claims, suits, actions, judgments, fines, penalties, loss, damage, cost or expense, whether direct or indirect, due to bodily injury, personal injury, death, sickness or property damage (including loss of use thereof) arising out of the activities the subject of this Contract as a result of the actions or inactions of IMG.

City shall indemnify, defend and hold harmless the IMG Worldwide, its officers, officials, agents and employees from and against any and all claims, suits, actions, judgments, fines, penalties, loss, damage, cost or expense, whether direct or indirect, due to bodily injury, personal injury, death, sickness or property damage (including loss of use thereof) arising out of the activities the subject of this Contract as a result of the actions or inactions of City or in connection with the services provided by City.

The duty to indemnify and hold harmless as set forth above, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Control Over Personnel

The City does not relinquish any of its otherwise existing control or ability to monitor, supervise or discipline its employees by virtue of entering into this Agreement. Each officer or employee who may perform services as a result of this Agreement still must adhere to the established orders, policies and procedures of the Police Department and/or City.

IMG understands and agrees that all Police Department Personnel performing under the scope of this Agreement continue to have the obligation of any on-duty or off-duty peace officer to prevent the commission of crime occurring in his or her presence.

10. Governing Law

This Contract and all interpretations thereof shall be governed by the laws of the State of California.

11. Relationship of the Parties. The parties agree that this Agreement does not and shall not be construed as or constitute an agency, partnership or joint venture, or other fiduciary or confidential relationship between IMG Worldwide and Daly City.

12. Contract Liaison

Captain Patrick Hensley of the Daly City Police Department shall be the Contract Liaison for the purposes of this Contract on behalf of the City and any and all inquiries, correspondence or other communication shall be addressed to: Captain Patrick Hensley, Daly City Police Department, 333 90th Street, Daly City, CA 94015. However, only the City can authorize any change, amendment or interpretation of this Contract or its terms.

Kevin Hopkins shall be the Contract Liaison for the purposes of this Contract on behalf of IMG and any and all inquiries, correspondence or other communication shall be addressed to: Kevin Hopkins, Director, Swinging Skirts Classic LPGA Tournament, IMG Worldwide, 304 Park Avenue South, 5th Floor, New York, NY 10010.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date and year first above written.

CITY OF DALY CITY

By: ______________________________________

Name: ____________________________________

Title: _____________________________________

IMG WORLDWIDE, INC.

By: ______________________________________

Name: ____________________________________

Title: _____________________________________

Date	Position	Total Hours	Total Cost		
Monday, 04/21/14	Police Assistant	11.5	$524.75		
Monday, 04/21/14	Police Officer	23	$1,680.15		
Monday, 04/21/14	Police Sergeant	11.5	$986.63		
				Total:	$3,191.53
Tuesday, 04/22/14	Police Assistant	11.5	$524.75		
Tuesday, 04/22/14	Police Officer	23	$1,680.15		
Tuesday, 04/22/14	Police Sergeant	11.5	$986.63		
				Total:	$3,191.53
Wednesday, 04/23/14	Police Assistant	34.5	$1,574.24		
Wednesday, 04/23/14	Police Officer	46	$3,360.30		
Wednesday, 04/23/14	Police Sergeant	11.5	$986.63		
				Total:	$5,921.17
Thursday, 04/24/14	Police Assistant	34.5	$1,574.24		
Thursday, 04/24/14	Police Officer	46	$3,360.30		
Thursday, 04/24/14	Police Sergeant	11.5	$986.63		
				Total:	$5,921.17
Friday, 04/25/14	Police Assistant	34.5	$1,574.24		
Friday, 04/25/14	Police Officer	46	$3,360.30		
Friday, 04/25/14	Police Sergeant	11.5	$963.93		
				Total:	$5,898.47
Saturday, 04/26/14	Police Assistant	34.5	$1,574.24		
Saturday, 04/26/14	Police Officer	46	$3,360.30		
Saturday, 04/26/14	Police Sergeant	11.5	$963.93		
				Total:	$5,898.47
Sunday, 04/27/14	Police Assistant	34.5	$1,574.24		
Sunday, 04/27/14	Police Officer	46	$3,360.30		
Sunday, 04/27/14	Police Sergeant	11.5	$963.93		
				Total:	$5,898.47
Total		**552**	**$35,920.81**		$35,920.81

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Approval of Facilities Use Agreements with IMG Worldwide, Inc. to Provide Temporary Parking and Childcare for the Inaugural Swinging Skirts LPGA Classic

Recommended Action

It is recommended that the Council authorize the City Manager to execute the attached Facilities Use Agreement, License Agreement and Permit between the City and IMG Worldwide, Inc. for the temporary use of Westlake Park, 2147 Junipero Serra Blvd. and the First Floor Training Room at City Hall to provide parking and childcare during the Inaugural Swinging Skirts LPGA Classic at Lake Merced Golf and Country Club from April 21-27, 2014.

Background/Discussion

The Swinging Skirts LPGA Classic Golf Tournament will be held on April 21-27, 2014 at Lake Merced Golf and Country Club. It is anticipated that as many as 10,000 spectators per day will be in attendance for the Inaugural Swinging Skirts event.

IMG Worldwide, Inc., the golf tournament event manager is the party requesting the use of City facilities on behalf of the LPGA to provide parking and childcare. To accommodate the parking needs of spectators and LPGA personnel, IMG Worldwide, Inc. is requesting the exclusive use of portions of the Westlake Park Facility as well as the parking lot at 2147 Junipero Serra Blvd. (former redevelopment property) for this purpose.

Westlake Park will be used only during the public events of the Swinging Skirts LPGA Classic, April 23-27, 2014, to accommodate spectators. A shuttle service will be used to transport spectators from Westlake Park to Lake Merced Golf and Country Club between the hours of 7:00 a.m. – 7:00 p.m.

Participants of City sponsored activities will not be effected by IMG's use of Westlake Park, as this temporary use is non-exclusive. Public parking adjacent to the Doelger Senior Center, Larcombe Clubhouse and Pacelli Event Center/Gym will remain available.

A Temporary Special Event Permit between the City of Daly City and the Successor Agency to the Former Redevelopment Agency will allow for the former redevelopment property at 2147 Junipero Serra Blvd. to be made available for VIP parking of LPGA personnel/caddies for the duration of the Swinging Skirts event, April 21-27, 2014. A shuttle will provide transport to Lake Merced Golf Club from this location between 7:00 a.m. – 7:00 p.m. daily.

Finally, the LPGA requires off-site childcare services to be provided for players for the duration of the Swinging Skirts event. A License Agreement for the use of the City Hall Training Room on the first floor will allow the LPGA to provide childcare services as needed for players at a safe, secure nearby location. The Training Room will be made available for childcare services that will be provided directly by the LPGA's vendor.

Fiscal Impact

The attached IMG Use Agreement requires IMG Worldwide, Inc. to provide payment to the City of $2,069.75 per day for the exclusive use of 162 asphalt parking spaces and 325 grass parking spots, as designated, at a cost of $4.25 per space, for the period April 23-27, 2014.

A Temporary Special Event Permit will be issued to IMG Worldwide, Inc. for temporary use of the premises at 2147 Junipero Serra Blvd. for VIP Parking. The cost of the permit is a one-time fee of $100.

The attached License Agreement for the use of property at 333 – 90th Street, Daly City (First Floor Training Room) will authorize the LPGA to provide childcare services for the period April 21-27, 2014. The fee for the license is $250.

Background/Conclusion

The City has agreed to work cooperatively with the LPGA, IMG Worldwide, Inc. and Lake Merced Golf and Country Club to insure the success of the Inaugural Swinging Skirts LPGA Classic Golf Tournament. As the host City for this premier event, Daly City will gain broad public exposure and local businesses stand to gain economic benefits from the 10,000 daily spectators who will be traveling here for the event.

Thus, it is recommended that the City Council approve the attached temporary facilities Use Agreement, License Agreement and Special Event Permit to provide parking and childcare during the Inaugural Swinging Skirts LPGA Classic.

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

Respectfully submitted,

Patricia E. Martel

Patricia E. Martel
City Manager

Attachments: License for the Use of Property
IMG Use Agreement
Temporary Special Event Permit

LICENSE FOR THE USE OF PROPERTY

This license is entered into by and between the CITY OF DALY CITY ("City") and IMG Worldwide, Inc. ("Licensee").

This license is made and executed on ______ day of ____________, 2014, in Daly City, California.

WHEREAS, the City is the owner of certain real property commonly known as the Training Room, located at City Hall, 333 90th Street (hereinafter described as "Premises") in the City of Daly City; and

WHEREAS, the Licensee will be hosting The Swinging Skirts LPGA Classic Golf Tournament ("Special Event") at the Lake Merced Golf Club, located in the City of Daly City, California, from April 21 – 27, 2014; and

WHEREAS, the Licensee desires to use the Premises for the operation of a temporary childcare facility during the Special Event for the purposes of providing childcare for the players participating in the Special Event.

NOW, THEREFORE, the parties agree as follows:

1. The City grants to Licensee a revocable license to use the Premises for the limited purpose of operating a temporary childcare facility, in conformance with the LPGA Childcare Handbook. No other dissimilar use is allowed without prior written consent from the City.

2. License Fee. Licensee shall pay the City a fee of $250.00. Payment shall be due upon issuance of the License.

3. Term. This license term shall be limited from April 21 – 27, 2014, 7:30 a.m.-5:30 p.m.

4. Licensee shall provide adequate supervisory personnel so that someone may be identified and contacted regarding management of the service at all times when the food service is open for business.

5. Licensee shall be responsible for maintaining the Premises in a clean and orderly manner, and for removing debris or rubbish after each day's service. If Licensee fails after notice from the City to maintain and keep the Premises clean and orderly, the City may at the expense of the Licensee cure the deficiency at any time. If such problem occurs the second time, the City reserves the right to revoke Licensee's license.

6. Indemnification. Licensee agrees to indemnify, defend and hold harmless the City from and against any and all claims, losses, damages, expenses, judgments and costs, including attorney's fees and court costs, resulting from Licensee's use of the Premises under this license.

7. Insurance. Licensee shall, at its own expense, maintain in force during the term of this License a policy of commercial liability insurance with limits of One Million Dollars ($1,000,000.00) per occurrence and a general aggregate of Two Million Dollars ($2,000,000.00) insuring and endorsing the City as additional insured against liability resulting from Licensee's use of the Premises under this License. Licensee shall furnish a certificate of insurance and endorsement to the City Attorney's Office for approval upon use of the property.

8. Assignability. Licensee shall not assign, sublicense or otherwise transfer its rights under this License to any other party.

9. Notices. All notices to the City shall be sent to Patricia E. Martel, City Manager, City of Daly City, 333 90th Street, Daly City, CA 94015. All notices to the Licensee shall be sent to Jon-Paul Genet, Tournament Director, International Management Group Worldwide, 304 Park Ave., South, 5th Floor, New York, NY 10010.

10. This License contains the entire understanding between the parties relating to the rights and obligations assumed under it. Any amendments or modifications to this license will not be effective unless contained in a writing issued by the City.

11. This license shall be interpreted and construed under the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this License as of the date and first above written.

CITY

____
Patricia E. Martel
City Manager

LICENSEE, hereby accepts the above conditions:

____
Jon-Paul Genet
Tournament Director, IMG Worldwide, Inc.

IMG USE AGREEMENT

THIS USE AGREEMENT ("Agreement") is made and entered into as of the _____day of _______________, 2014 by and between IMG Worldwide, Inc. ("IMG") and the City of Daly City ("Daly City").

BACKGROUND

A. Daly City presently controls the parking lot located at Westlake Park in Daly City, California (the "Lot").

B. IMG desires to utilize the Lot for parking and shuttle services for The Swinging Skirts LPGA Classic to be held April 23-27, 2014 ("Event") at the Lake Merced Golf Club in Daly City, California.

C. Daly City has the authority to contract for IMG's use of the Lot.

D. Daly City and IMG desire to enter into this Agreement to set forth the agreement between the parties in connection with IMG's use of the Lot for the Event.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IMG and Daly City agree as follows:

1. **TERM**. The term of this Agreement shall be for the period commencing upon execution of this Agreement and continuing until April 27, 2014; provided, however, that each party shall be obligated to fulfill its obligation which are accrued but unpaid or not performed as of the date of termination.

2. **DALY CITY OBLIGATIONS**. Daly City hereby covenants and agrees with IMG that:

(a) ***Exclusive Use***. Daly City shall make one hundred sixty-two (162) asphalt parking spots and three hundred twenty-five (325) grass parking spots in the designated areas available to IMG for parking Event spectator vehicles each day during the Event, regardless of whether such spots are actually used by IMG on each such day. IMG acknowledges that the Lot may also be used for parking up to one hundred twenty-nine (129) Daly City employee vehicles, as well as providing spaces for the public as needed, during such time. Daly City shall ensure that no other parties interfere with IMG's exclusive use thereof during the Event.

(b) ***Prior & Subsequent Use***. Daly City shall also provide IMG access to the Lot on mutually agreed dates preceding and following the Event so that IMG may prepare the Lot for the Event and clean-up following the Event. IMG will coordinate with Daly City regarding such prior and subsequent use. Specifically, IMG shall have non-exclusive use from April 19, 2014 for the purposes of preparing the Lot for the Event.

(c) ***Modification***. Daly City shall permit IMG to rope and/or fence (chain or barricade) the Lot and to direct the parking of cars on the Lot as more fully set forth in Section 3. Daly City shall also permit IMG to erect shade canopies (either 10'x10' or 20'x20'), and/or place signage (including flagpoles, banners, directional signs and traffic cones) on the Lot as IMG deems appropriate. IMG shall be solely responsible for configuring the Lot for use during the Event.

(d) ***Event Access***. Daly City shall permit IMG to retain the services of a car parking service to park vehicles during the Event, as IMG deems appropriate. Daly City shall also permit IMG to retain the services of a transportation management company to provide shuttle services to and from the Lot to the Event. Any such service shall be at IMG's sole expense. IMG shall be solely responsible for determining and granting access to the Lot during the Event.

(e) ***Maintenance***. Other than as specifically set forth above, IMG accepts the Lot in its present condition, and Daly City agrees to maintain the Lot in its present condition and in good repair, normal wear and tear excepted, during the Term of this Agreement.

3. IMG OBLIGATIONS.

(a) ***Expenses***. Except as otherwise specifically set forth herein, IMG shall be responsible for all expenses associated with IMG's use and operation of the Lot pursuant to Section 2 above (e.g., installation and removal of any and all ropes, barricades, signage, etc.). Any material modification of the Lot in preparation for the Event shall be subject to the prior reasonable approval of Daly City.

(b) ***Insurance***. IMG shall properly insure the Lot as part of IMG's commercial general liability insurance with limits of One Million Dollars ($1,000,000.00) per occurrence and a general aggregate of Two Million Dollars ($2,000,000.00) covering claims for injuries to people or damage to property. Upon request and approval by Daly City, IMG shall provide Daly City a certificate of insurance evidencing such coverage and an endorsement naming the City as an additional insured.

(c) ***Permits/Licenses***. IMG shall be responsible for obtaining all government assistance and approvals necessary to use the Lot as contemplated herein and such use will be in accordance with all applicable laws and regulations. Daly City agrees to assist IMG in such matters upon reasonable request of IMG.

(d) ***Staffing/Use***.

(i) *Security/Collection of Fees.* At its sole expense, IMG shall provide all security and parking management staff for the Lot during the Event. IMG shall be solely responsible for collecting a fee, if any, as IMG deems appropriate from each vehicle parked in the Lot during the Event and shall retain any and all proceeds from such fees.

(ii) *Trash*. At its sole expense, IMG shall ensure the Lot has adequate trash receptacles and that such receptacles are emptied on a daily basis during the Event.

(e) ***Access***. IMG shall be solely responsible for determining and granting access to the Lot during the Event, including authorized Event personnel, emergency services personnel (e.g., police, fire and medical), and persons holding valid admission badges, tickets or passes issued by IMG.

(f) ***Restoration***. IMG agrees that all temporary signage, barricades, etc. used for the Event will be erected in a manner that will not permanently damage the Lot. IMG shall be responsible for ensuring that the Lot remains in good repair during the Term of this Agreement and will return the Lot no later than April 28, 2014 to its condition prior to the Event, with normal wear and tear associated with such activity expected. Daly City acknowledges and agrees that IMG may obtain a video tape of the Lot preceding the Event and following the Event to be used in the determination of the scope of damage, if any, to the Lot caused by the Event.

(g) ***Parking and Transportation Vendor.*** IMG will be retaining the services of Executive Events Services (EES) for all parking and transportation during the Event. IMG will ensure that EES shall be responsible for all traffic management during the Event, including but not limited to, providing adequate egress/ingress, circulation control, as well as cooperating with the Daly City Police Department on any and all traffic related issues during the Event.

4. CONSIDERATION. In consideration of the rights and benefits to IMG hereunder, IMG shall provide Daly City:

Four and 25/100 Dollars ($4.25) per spot per day for the four hundred eighty-seven parking spots, totaling Two Thousand Sixty Nine Hundred and 75/100 ($2,069.75) per day total.

The above amounts include all applicable taxes, and IMG shall remit payment to Daly City as follows: fifty percent (50%) upon signature of this Agreement by the parties and fifty percent (50%) on or before April 21, 2014.

5. INDEMNIFICATION. Daly City shall indemnify and hold IMG harmless from any and all loss and liability on account of any damages or injury and from all liens, claims and demands caused by any willful acts or omissions or the negligence of Daly City in connection with the operation and use of the Lot by IMG, the performance by Daly City of its obligations hereunder or from the breach by Daly City of any obligation hereunder, but Daly City shall not be liable for damage or injury occasioned by failure of IMG to comply with obligations hereunder or by reason of negligence of IMG, its agents or employees. IMG shall indemnify and hold Daly City harmless from all loss or liability whatsoever, on account of any damages or injury, claims and demands arising out of negligent acts or omissions of IMG hereunder, its agents or employees.

6. INSURANCE. IMG shall obtain and secure throughout the Term commercial general liability insurance, auto insurance and applicable workers' compensation and employer's liability insurance. The commercial general liability and auto insurance shall have limits of at least One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in the aggregate. Employer's liability and workers' compensation shall have minimum statutory limits. IMG shall add Daly City as an additional insured to the commercial general liability policy and shall present a certificate of insurance evidencing such coverage to Daly City as set forth in Section 3(b), as well an additional insured endorsement.

7. MISCELLANOUS.

(a) ***Governing Law***. This Agreement is to be governed by and interpreted in accordance with the laws of the State of California, United States of America.

(b) ***Entire Agreement***. This Agreement constitutes the entire agreement between the parties and supersedes any prior understanding or agreement among them respecting the subject matter hereof. There are no representations, arrangements, understandings or agreements, oral or written, among the parties hereto relating to the subject matter of this Agreement except those fully expressed herein and each party agrees that it has not relied on and is not entitled to rely on any statements, promises or representations other than those set forth herein in entering into this Agreement. This Agreement may not be modified or amended except by the mutual written agreement of the parties.

(c) ***Assignment***. The provisions hereof shall inure to the benefit, and be binding upon the successors, legal representatives and assigns, of the parties hereto; provided, however, that neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld; provided further, however, that, notwithstanding the foregoing, IMG may assign this Agreement to an affiliated entity or subsidiary for tax planning purposes without prior notice or approval of Daly City.

(d) ***Confidentiality***. Each party acknowledges that it may have access to certain trade secrets and other non-public confidential information of the other during and in connection with its performance of services and/or obligations hereunder **("Confidential Information")**, and hereby agrees not to disclose any Confidential Information to any third party and not to use any such Confidential Information for any purpose other than performance pursuant to this Agreement. All such Confidential Information and trade secrets are and shall remain the exclusive property of the disclosing party and no license shall be granted or implied with respect to such Confidential Information or trade secrets by reason of the other party's access to the same in connection with its performance of services or obligations hereunder. The parties' foregoing agreement of non-use and nondisclosure shall survive any termination or expiration of this Agreement and shall continue in full force and effect for a period of three (3) years from the date of expiration or termination hereof unless the Confidential Information constitutes a "trade secret" under applicable law, in which case the obligations shall survive for as long as provided for under applicable law. Confidential Information shall not include information in the public domain or information which a party acquires from a third party who provides the same without violating any obligation of confidentiality or nondisclosure. Furthermore, it shall not be deemed to be a violation of this provision for a party to disclose any Confidential Information to a judicial or governmental authority compelling such disclosure by appropriate order provided that the party receiving any such order shall provide the other party with notice at the earliest practicable moment to permit the other party to seek appropriate protective orders.

(e) ***Limitation of Liability***. In no event shall either party be liable for special, incidental, punitive or consequential damages arising out of this Agreement.

(f) ***Waiver***. Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision of this Agreement. Any waiver must be in writing and signed by the party against whom the waiver is sought.

(g) ***Invalidity***. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and this Agreement shall be construed and performed in all respects as if such invalid or unenforceable provisions were omitted insofar as the primary purpose of this Agreement is not frustrated.

(h) ***Notices***. All notices, demands, requests or other communications relating to this Agreement shall be in writing and shall be mailed, first class, or transmitted by hand delivery, overnight' delivery service, or telecopy (with acknowledgment of receipt), addressed as set forth below. Notice will be deemed effective as of the date of receipt, if sent by hand delivery, overnight delivery or facsimile, and five (5) calendar days following posting if sent by mail.

If to Daly City: City of Daly City
333 90th Street

Daly City, California 94015, USA
Attn: Patricia Martel, City Manager

If to IMG: IMG Worldwide, Inc.
304 Park Ave., South, 5th Floor
New York, NY 10010
Attn: Jon-Paul Genet, Tournament Director

(i) ***Relationship of the Parties***. The parties agree that this Agreement does not and shall not be construed as or constitute an agency, partnership or joint venture, or other fiduciary or confidential relationship between IMG and Daly City.

(j) ***Inurement***. This Agreement shall be binding upon and shall inure to the benefits of the parties hereto and their respective heirs, executors, administrators, personal representatives and/or successors.

(k) ***Counterparts***. This Agreement may be executed in any number of counterparts, including facsimile, and each counterpart shall be deemed an original.

(l) ***Sophistication of the Parties***. Each party to this Agreement represents that it is a sophisticated commercial party capable of understanding all of the terms of this Agreement, that it has had an opportunity to review this Agreement with its counsel, and that it enters this Agreement with full knowledge of the terms of the Agreement. This Agreement shall be fairly interpreted in accordance with its terms and without any strict construction in favor of or against either party. No ambiguity or omission shall be construed or resolved against either party on grounds that this Agreement or any provision thereof was drafted or proposed by such party.

(m)***Attorneys' Fees***. In any action related to this Agreement, the prevailing party may be entitled to recover from the other the prevailing party's costs, including reasonable attorneys' fees, whether such fees and costs be incurred at trial, on appeal or otherwise.

(n) ***Exhibits***. The parties agree that all Exhibits to the Agreement are hereby incorporated into and shall form an integral part of this Agreement.

(o) ***Force Majeure／Cancellation***. The term "Force Majeure" shall mean acts of God, earthquakes, blizzards, tornadoes, hurricanes, fire, flood, malicious mischief, insurrection, riots, labor disturbances, public enemy, war, landslides, explosions, epidemics, compliance with any order, ruling, injunction or decree by any court, tribunal or judicial authority of competent jurisdiction and any other similar circumstances beyond the reasonable control of a party. Each party acknowledges and agrees that IMG shall have the right to cancel or reschedule the Event as a result of a Force Majeure event. In such event, (i) IMG shall not be responsible to reimburse any expenses of Daly City in connection with such cancellation or rescheduling and (ii) if the Event is rescheduled, Daly City shall cooperate with IMG in use of the Lot during the rescheduled dates at IMG's sole expense.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date and year first above written.

CITY OF DALY CITY

By: ______________________________________

Name: ____________________________________

Title: _____________________________________

IMG WORLDWIDE, INC.

By: _______________________________________

Name: _____________________________________

Title:______________________________________

TEMPORARY SPECIAL EVENTS PERMIT

THIS TEMPORARY SPECIAL EVENTS PERMIT ("Special Events Permit") is granted by the City of Daly City and the Successor Agency to the Former Daly City Redevelopment Agency (collectively "DALY CITY") to the IMG Worldwide, Inc. ("USER") for temporary use of the parking lot located at 2147 Junipero Serra Boulevard, in Daly City, California ("Premises").

User acknowledges and agrees to the following conditions for grant of the Special Events Permit:

I GENERAL PROVISIONS

DALY CITY grants this Special Events Permit for the temporary use of the Premises located at 2147 Junipero Serra Boulevard only on the following dates and times:

Purpose: **Temporary use of the premises for VIP parking during The Swinging Skirts LPGA Classic Golf Tournament to be held at Lake Merced Golf and Country Club in Daly City, California.**

Dates and
Event Times: April 21-27, 2014 between 7:00 a.m. and 7:00 p.m.

(Herein referred to as "Special Event")

II. PARKING

1. User shall have the temporary use of the parking on the Premises for parking of all vehicles during the Special Event for participants of the event to park their vehicles. User will be responsible for all costs associated with or necessary to a parking plan and flow of traffic plan for entrance and egress as well as (additional lighting that may be necessary to rent for the parking area to provide a safe area for participants during this Special Event.) A parking plan shall be provided to DALY CITY upon request by the City Manager.

III USER'S DUTIES

1. User will be responsible for actual repair and/or clean-up costs incurred by DALY CITY if the Premises are damaged or vandalized as a result of this permitted use and User agrees to reimburse DALY CITY for any such actual expenses.

2. User will provide commercial general liability insurance specifically naming the

"City of Daly City and the Successor Agency to the Former Daly City Redevelopment Agency" as an additional insured in an amount not less than One Million Dollars ($1,000,000.00) per occurrence, Two Million dollars ($2,000,000.00) general aggregate. The certificate of insurance and endorsement must be received and approved by the Daly City City Attorney's no later than <u>April 18, 2014.</u>

3. Any plan to control the flow of traffic must be approved by Daly City Police Department and barricades and cones used during this Special Event may not impede the flow of traffic during the daytime hours when the Special Event is not functioning

4. Permits/Licenses. USER shall be responsible for obtaining all government assistance and approvals necessary to use the Premises as contemplated herein and such use will be in accordance with all applicable laws and regulations.

5. Trash. At USER'S expense, USER shall ensure the Premises have adequate trash receptacles and that such receptacles are emptied on a daily basis during the Special Event.

6. Access. USER shall be solely responsible for determining and granting access to the Premises during the Special Event, including authorized Special Event personnel, emergency services personnel (e.g., police, fire and medical), and persons holding valid admission badges, tickets or passes issued by USER.

IV <u>USE OF PREMISES</u>

1. DALY CITY shall grant User exclusive access to and utilization of the Premises for parking use during the course of this Special Event.

2. DALY CITY shall grant access to the Premises on mutually agreed dates preceding and following the Special Event so that USER may prepare the Premises for the Special Event and clean-up following the Special Event. USER shall be solely responsible for configuring the Premises for use during the Special Event.

3. Modification. DALY CITY shall permit USER to rope and/or fence (chain or barricade) the Premises and to restrict the parking of cars on the Premises. USER shall be solely responsible for configuring the Premises for use during the Special Event.

4. Maintenance. Other than as specifically set forth above, USER accepts the Premises in its present condition, and DALY CITY agrees to maintain the

Premises in its present condition and in good repair, normal wear and tear excepted, during this Special Permit.

V PERMIT FEE

a. The permit fee for temporary use of the Premises is $100.00.

b. USER shall pay the full permit fee to DALY CITY upon issuance of this Special Events Permit, no later than April 18, 2014.

VI. INDEMNIFICATION

USER agrees to indemnify and hold harmless, DALY CITY, its Council, Officers, Boards, Commissions, employees, guests, patrons, or invitees, or anyone directly or indirectly employed by any of them, for USER's acts or omissions in connection with this Agreement.

USER further agrees to indemnify DALY CITY from and against any and all liability, loss, claim, suit, damage or expense, including attorney fees, which the City may suffer, sustain or incur, on account of the death of or injury to any person or loss of or destruction of any property, arising from or in any way connected with issuance of this Special Permit.

VII. ASSIGNMENT

The provisions hereof shall inure to the benefit, and be binding upon the successors, legal representatives and assigns, of the USER.

VIII RESERVATION OF CONTROL OF PREMISES

DALY CITY reserves the right to control the premises; to enforce all of its rules or regulations regarding the Premises, and to inspect the Premises during the scheduled Special Event, without unreasonable interfering with USER, its employees, guests, patrons, or invitees. DALY CITY shall have the right, but not the duty, to eject any person from the Premises for violation of the law, rule, or regulation without liability.

IX WAIVER

The User hereby surrenders and gives up all right to any claim for compensation for any loss or damage sustained by reason of any defect, deficiency, failure, or impairment of the water supply, drainage, electrical, or refrigeration systems provided by DALY CITY. DALY CITY shall not be liable for any claim if the Premises are damaged by fire or other casualty, or for any other act, including strikes, utility failure or acts of God, which prevent the holding of the scheduled Special Event.

AGREED AND ACKNOWLEDMENT:

I acknowledge that I have received and read the conditions for the issuance of this Special Events Permit as outlined above. On behalf of USER for this permit, I have the authority to make this agreement and acknowledge the terms of the Special Events Permit.

IMG Worldwide, Inc.
"User"

____

By: Jon-Paul Genet, IMG Worldwide, Inc.
Title: Tournament Director

Special Permit Approved By:

CITY OF DALY CITY and
SUCCESSOR AGENCY TO THE FORMER DALY CITY REDEVELOPMENT AGENCY
"Daly City"

____

By: Patricia E. Martel, City Manager

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Setting Time and Place for a Hearing on Proposed General Plan Amendment GPA 3-14-8719 and Zone Change ZC-3-14-8710— Amendments to the Daly City Municipal Code – Title 17 (Zoning), the Sullivan Corridor Specific Plan, and the BART Station Area Specific Plan As Implementation Measures of the General Plan Housing Element

Recommended Action

Set time and place for a Public Hearing on May 12, 2014, to consider the proposed General Plan Amendment GPA 3-14-8719 and Zone Change ZC-3-14-8710.

Background

The Housing Element is one of seven State-mandated elements of the General Plan, and includes goals, policies, and programs addressing existing and future housing conditions and needs in Daly City. The City adopted the Housing Element for the 2009-2014 Regional Housing Need Allocation (RHNA) cycle in March 2013. The City is now in the process of updating the Housing Element for the 2013-2021 RHNA cycle and is preparing the document for eventual review by the State Department of Housing and Community Development (HCD).

In response to suggestions from jurisdictions, HCD has made significant changes to how it reviews Housing Elements. One of these changes is that certain parts of the Housing Element will be eligible for less HCD scrutiny in a process called "Streamlined Review." Under Streamlined Review, HCD staff will focus on changes to the City's existing Housing Element, rather than reviewing the entire document. Streamlined Review is critical to the schedule for Housing Element review by HCD and eventual adoption, which must occur prior to January 2015.

In order to qualify for Streamlined Review, there several steps the City must take in fulfillment of the Housing Element adopted for the 2009-2014 RHNA cycle, including the following:

1. Rezone the parcels identified in the Element that needed to be rezoned to meet the adequate sites inventory identified in the element (see Tasks HE-6.2 through HE-6.6 on pages 106 and 107 of the Housing Element, viewable at www.dalycity.org/gp);

2. Amend the Sullivan Corridor Specific Plan to identify the allowance of emergency shelters as a permitted land use, i.e., without the requirement for a use permit, on properties designated C-R/O Commercial Retail and Office by the Specific Plan, and establish regulations for such facilities (see Task HE-14.2 on page 110 of the Housing Element);

3. Add Chapter 17.41.1 – Density Bonus to the Daly City Municipal Code, providing procedures that provide density and construction incentives for developments containing housing units that will be permanently affordable to very low, low, or moderate-income households, or provide senior citizen housing (see Task HE-14.4 on page 109 of the Housing Element);.

4. Add Chapter 17.51 – Reasonable Accommodation in Zoning to the Daly City Municipal Code, providing procedures and permit requirements for administrative relief from the Zoning Ordinance, where necessary, to accommodate the siting, funding, development, and use of housing by people with disabilities (see Task HE-15.3 on page 110 of the Housing Element);.

In addition to these amendments, HCD has communicated to the City that immediate implementation of Housing Element Tasks 14.3, 14.4, and 16.2 is necessary. These tasks relate to amending the R-1 Single-Family Residential District to identify transitional housing and supportive housing as allowed uses in any residential zone without the requirement for a use permit, and providing an updated definition of "Family" in the Zoning Ordinance consistent with State and federal fair housing laws.

On April 1, 2014, the Planning Commission voted 5-0 to forward the proposal to the City Council with a recommendation for approval.

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

Respectfully submitted,

Tatum Mothershead
Interim Director of Economic and Community Development

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City Council Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: **SET TIME AND PLACE FOR PUBLIC HEARING ON DISPOSITION AND DEVELOPMENT AGREEMENT FOR PROPERTY LOCATED AT 6823 - 6834 MISSION AND 325 - 331 MIRIAM STREET.**

Recommended Action

Set a Joint Public Hearing for Monday, May 12, 2014, for Council/Agency consideration of a Disposition and Development Agreement (DDA) with Mid-Peninsula The Farm, Inc. for the development of a 52 residential units located at 6800-6834 Mission Street.

Background

The subject real property was purchased by the Daly City Redevelopment Agency (DCRA) in October, 2007 at a price of $3,280,000 utilizing Redevelopment Agency housing set-aside funds. The property is comprised of three parcels on Mission Street (6824, 6830 and 6834) and two properties on Miriam Street (325 and 331) that abut the Mission Street parcels. Collectively, these properties comprise 0.35 acre. With the dissolution of the DCRA on February 1, 2012, ownership of these properties was assumed by the Daly City Housing Development Finance Agency (DCHDFA), Housing Successor Agency to the DCRA.

In November of 2006, Mid-Peninsula The Farm, Inc. entered into an Exclusive Right to Negotiate (ERN) with the Agency to develop affordable housing on the site. On October 28, 2013 the Agency extended the ERN until May 21, 2014.

Since execution of the ERN. Mid-Pen The Farm, Inc. has acquired an adjacent .43 acre parcel from a private property owner, thus creating a combined development site of .78 acres.

In addition, Mid-Peninsula The Farm, Inc. has prepared a design for the development and submitted a complete entitlement package to the City. On April 28, 2014 The City Council will consider an application for a use permit and design review to construct 52 residential units and approximately 2,400 square feet of retail.

Discussion

In order to formalize the joint effort between Mid-Peninsula The Farm, Inc. and the Agency to develop the Mission/Miriam site, City staff has prepared a draft DDA and a Summary of the DDA that describes the rights and responsibilities of both entities. Under California Law, disposition of Agency-owned property requires a public hearing to obtain citizen comment on the proposal.

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

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Respectfully submitted,

Betsy ZoBell	Tatum Mothershead
Housing and Community	Economic and Community Development
Development Supervisor	Director

CC: City Manager
City Clerk
City Attorney

City Council Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Amend Traffic Regulations

Recommended Action

Recommend the City Council amend traffic regulations to convert one (1) 1-hour parking space in front of 150 San Pedro Road to 30-minute parking zone. (TSR 14-27)

Background

On March 13, 2014, the City's Traffic Safety Committee met and reviewed various requests for traffic improvements, signage and pavement markings, and recommended to the City Manager amending the aforementioned traffic regulation.

Discussion

Daly City Locksmith and Security Service is relocating their store from 6692 Mission Street to 150 San Pedro Road. Recent observations of the parking along San Pedro Road show that the parking spaces are often occupied. The shorter time limit of the parking space will encourage more turn-over of the parking space near the new locksmith location.

Fiscal Impact

Funding is available for the proposed signs and/or markings in the Street Maintenance operating budget 01-314-330-4241 for the current Fiscal Year 2013-2014.

Summary/Conclusion

Recommend the City Council amend the traffic regulations to convert one (1) 1-hour parking space in front of 150 San Pedro Road to 30-minute parking zone.

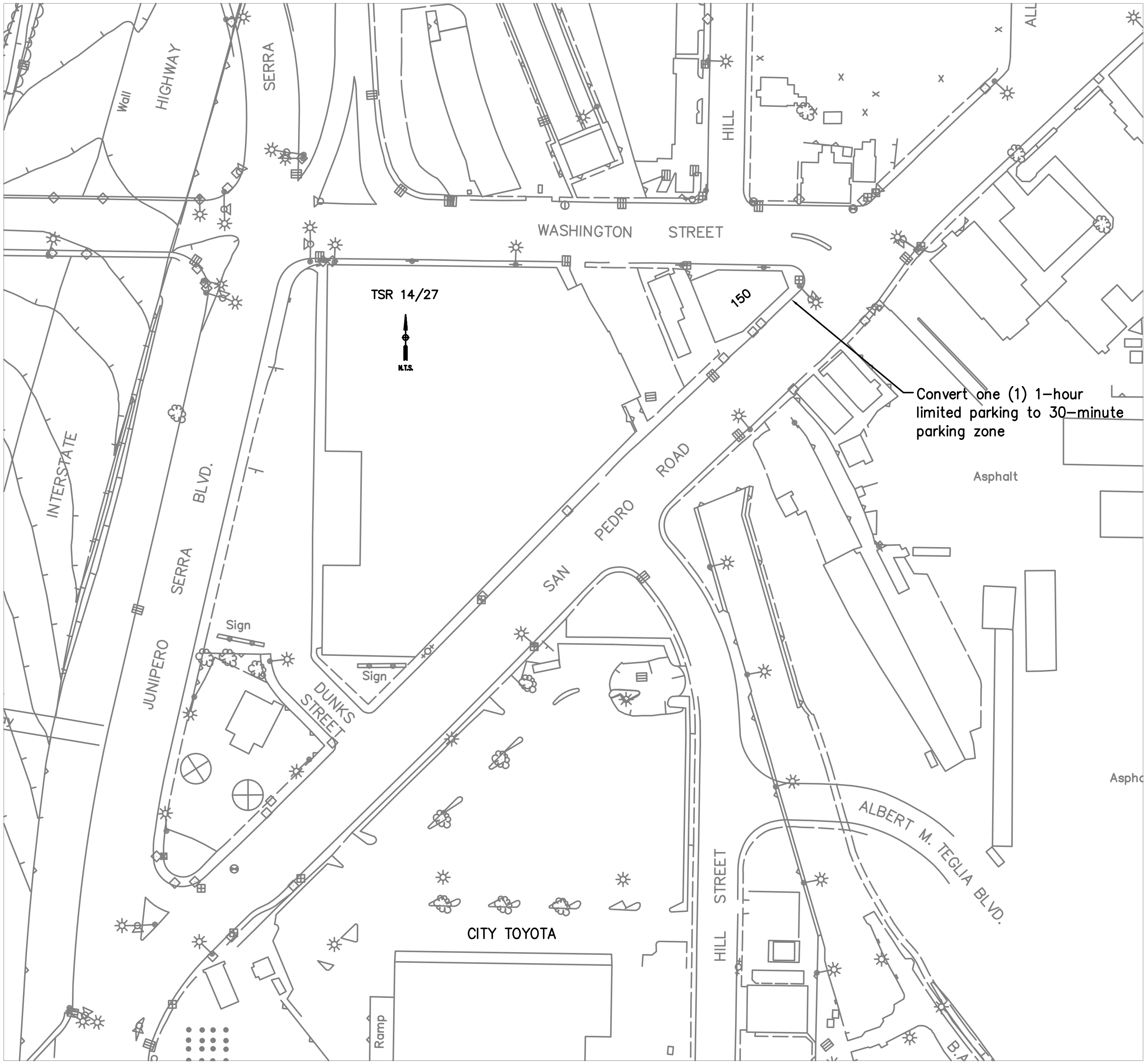
Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Shirley Chan
Traffic Engineer

John L. Fuller
Director of Public Works

Attachment: Traffic Improvements Location Map



THE CITY OF DALY CITY
CALIFORNIA
DEPARTMENT OF PUBLIC WORKS

TRAFFIC IMPROVEMENTS
150 SAN PEDRO ROAD

DRAWN SC	DATE 04/14	APPROVED_____ CITY ENGINEER		
CHECKED JLF	SCALE NTS			
DESIGNED SC	SURVEY NO.	SHEET NO. 1 OF 1	TSR 14-27 DRAWING NUMBER	REV.

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Setting Time and Place for a Hearing on a Proposed Planned Development PD 12-13-8312, Subdivision SUB-12-13-8315, Use Permit UP-12-14-8694, Design Review DR-12-8319, Environment Assessment CEQA-12-13-8313 — A Residential Development Proposal Located at the Western Termini of Peoria Street and Wellington Avenue (paper street), the northern terminus of Lausanne Avenue, and the Southern Terminus of Chelsea Court

Recommended Action

Set time and place for a Public Hearing on May 12, 2014, to consider the proposed Precise Plan for Planned Development PD 12-13-8312, Subdivision SUB-12-13-8315, Use Permit UP 12-14-8694, Design Review DR-12-8319, and Environmental Review CEQA-12-13-8313.

Background

The applicant, Ray Panek on behalf of KB Homes South Bay, Inc., is proposing the development of 54 new residences on an existing vacant parcel. The project involves rezoning the parcel from R-1 Single Family and R-3 Multiple Family districts to Planned Development, and the subdivision of the 4.91-acre parcel (APN 003-211-310) to allow the sale of 31 detached residences and 23 townhouses. The design of the residences incorporates multi-colored, smooth stucco walls, hipped and gable roof designs, and articulated facades, with Spanish Revival-inspired elements such as reddish-brown concrete tile roofs, arched entries, decorative, painted tile, decorative light fixtures which resemble lanterns, and wood entry and garage doors.

Floor plans for the 23 townhouse units provide 16 three-bedroom units and seven four-bedroom units. All 31 of the single family homes would provide three-bedroom units although five homes would be offered with a bonus bedroom capability. Each unit will have a ground floor, two car garage, either in a side by side or tandem configuration, and either one or two levels of living area, depending on the Plan type. Although the Code does not require guest parking, 23 guest parking stalls will be provided in this development.

On April 1, 2014, the Planning Commission voted 5-0 to forward the proposal to the City Council with a recommendation for approval.

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

Respectfully submitted,

Tatum Mothershead
Interim Director of Economic and Community Development

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Extension of Professional Services Agreement with Pacific Municipal Consultants for Temporary Planning Division Staffing

Recommended Action

Authorize the City Manager to extend an existing agreement with Pacific Municipal Consultants (PMC) to provide temporary on-site personnel to assist the Planning Division.

Background

In November 2013, the City Council authorized the City Manager to execute an agreement with PMC to provide temporary personnel to the Planning Division. Since that time, the Division has again downsized as a result of the resignation of the Associate Planner. This has resulted in the need to increase staffing by PMC.

Discussion

The Planning Division experienced a staff reduction in early 2014 despite sustaining a consistent workload during the period. At the outset of 2013, the Division consisted of four full-time planners. In March, the Assistant Planner resigned and, in October 2013, the Planning Manager was reassigned to the position of the Interim Director of Economic and Community Development. The current Division work staff consists of an Interim Planning Manager, Contract Senior Planner (three days per week), and a Contract Associate Planner (five days per week). The Division anticipates increasing workloads throughout 2014, when it will likely process several large entitlements, including expansions of Serramonte Shopping Center and Seton Medical Center, and continued implementation of the City's new General Plan adopted in March 2013.

Until the Planning Division can recruit and hire additional staff, a process which it has begun, the Division needs temporary contract staff to maintain current customer service levels and to comply with State-mandates for processing development projects. PMC has a long history of providing temporary staffing services to Bay Area planning departments, including those in the cities of San Jose, Sunnyvale, and Half Moon Bay. The firm was one of two consultants which responded to the City's Request for Qualifications in 2013, and offered both the necessary staffing experience sought by the City and the lowest hourly rate for this staffing.

Fiscal Impact

Adequate funding necessary for this consultant services contract is available in the Department of Economic Development – Planning Division 2013/2014 Operating Budget Account 01-301-302-4220 by utilizing salary savings from several vacant but authorized positions. Similarly, contract services have been included in the 2014/2015 operating budget.

Summary/Conclusion

Staff recommends that the City Council authorize the City Manager to extend an existing agreement for professional services with Pacific Municipal Consultants for Planning Division staff services.

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

Respectfully submitted,

Tatum Mothershead
Interim Director of Economic and Community Development

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City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Accepting and Appropriating a $10,000 Grant from the Daly City Public Library Associates

Recommended Action

It is recommended the City Council accept an unrestricted $10,000.00 grant from the Daly City Public Library Associates and appropriate this amount for public programs, online resources, and new materials for the libraries.

Background/Discussion

The Daly City Public Library Associates provided a grant to the Library to augment funds available for hiring performers for children's programs, for an annual subscription to Mango Languages, and for books, DVDs, and CDs for the collection. Without the generosity of the grant, the libraries would not be able to offer these services and materials.

Fiscal Impact

The $10,000 grant revenue from the Daly City Public Library Associates was not budgeted. These funds were received and will be expended in Fiscal Year 2013/14.

Summary/Conclusion

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

Respectfully submitted,

Chela Anderson
Library Services Manager

Joseph F. Curran
Director
Department of Library and Recreation Services

City of Daly City
Budget Transfer/Adjustment

Department/Division: Library and Recreation Services **Date:** 3/18/2014

Month/Fiscal Year: July / FY14

Explanation/Justification:

The Daly City Public Library has received a $10,000 grant from the Daly City Public Library Associates for children's programs, Mango Languages subscription, and the purchase of print and audio materials to add to the collection.

Approvals:

Originator

Director of Finance

Department Head

City Manager/City Council

City of Daly City Budget Transfer/Adjustment

Account Number	Account Name	Program/Project Name	Amount	Finance Only: Budget Balance Before	After
Use of Funds:					
01-120-127-4238	Library Books & Periodicals	Items for the collection	$4,045.00		
01-120-128-4258	Software Maintenance	Online subscription services	$4,455.00		
01-120-128-4284	Reading Development	Programs	$1,500.00		
			$10,000.00	$	$
Source of Funds:					
Reduced Expenditures:					
New Revenue:					
01-120-127-3840	Private Contributions	DCPLA Grant	$4,045.00		
01-120-128-3840	Private Contributions	DCPLA Grant	$5,955.00		
				$	$
		Total Source of Funds	$10,000.00		

For Capital Projects Only - Transfer of Funding Between Projects

From Account Number	Name/Type Code	Amount	**To** Account Number	Name/Type Code	Amount

Finance Only:

Verified By/Date   Entered By/Date   Audited By/Date   Document No.

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: Accepting and Appropriating a $529 Prize from ScholarShare College Savings Plan and TIAA-CREF Tuition Financing, Inc.

Recommended Action

It is recommended the City Council accept a $529 prize from ScholarShare College Savings Plan and TIAA-CREF Tuition Financing, Inc.

Background/Discussion

ScholarShare College Savings Plan and TIAA-CREF Tuition Financing, Inc. held a drawing as part of their summer 2013 "READING MAKES CENT$" promotion. Parents or legal guardians of California students of any age through grade 8 during the 2013–2014 school year who were participating in a public library Summer reading program were eligible to enter. One winner was randomly selected from each of the 40 senatorial districts of the state. Each winner's local public library received a matching prize of $529. The winner from District 11 designated the Westlake Branch Library as his public library.

Fiscal Impact

The ScholarShare grant was neither anticipated nor included as a revenue source in the current budget. These grant funds were received and will be expended in Fiscal Year 2013/14.

Summary/Conclusion

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

Respectfully submitted,

Chela Anderson
Library Services Manager

Joseph F. Curran
Director
Department of Library and Recreation Services

City of Daly City
Budget Transfer/Adjustment

Department/Division: Library and Recreation Services **Date:** 3/18/2014

Month/Fiscal Year: July / FY14

Explanation/Justification:

ScholarShare College Savings Plan and TIAA-CREF Tuition Financing, Inc. held a drawing as part of their summer 2013 “READING MAKES CENT$” promotion. Parents or legal guardians of California students of any age through grade 8 during the 2013–2014 school year who were participating in a public library Summer reading program were eligible to enter. One winner was randomly selected from each of the 40 senatorial districts of the state. Each winner’s public library receives a matching prize of $529. The winner from District 11 designated the Westlake Branch Library has his public library.

Approvals:

Originator

Director of Finance

Department Head

City Manager/City Council

City of Daly City Budget Transfer/Adjustment

Account Number	Account Name	Program/Project Name	Amount	Finance Only: Budget Balance Before	Finance Only: Budget Balance After
Use of Funds:					
01-120-128-4238	Special Departmental	Grant expenditures	$529.00		
			$529.00	$	$
Source of Funds:					
Reduced Expenditures:					
New Revenue:					
01-120-128-3840	Private Contributions	ScholarShare Prize	$529.00		
				$	$
		Total Source of Funds	$529.00		

For Capital Projects Only - Transfer of Funding Between Projects

From Account Number	Name/Type Code	Amount	**To** Account Number	Name/Type Code	Amount

Finance Only:

Verified By/Date	Entered By/Date	Audited By/Date	Document No.

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

Subject: **Adoption of Affordable Housing Ordinance and Resolution Adopting Impact Fee Nexus Study**

Recommended Action

1. Conduct a Public Hearing for the purpose of citizen review and comment on a proposed citywide inclusionary housing ordinance and
2 Introduce the attached Ordinance amending Title 17 of the Daly City Municipal Code to create an inclusionary housing ordinance for Daly City.
3. Accept the Keyser Marston Associates Housing Nexus Study
4. Adopt a resolution establishing an Affordable Housing Impact Fee for Daly City based on the Keyser Marston Associates Housing Nexus Study

Background

In 2007 The Council adopted an Inclusionary Housing Ordinance. The Ordinance requires that all new housing developments over a certain size contribute to the production of affordable housing by providing a certain percentage of deed-restricted units affordable to households of low and/or moderate income. The Ordinance also establishes an in lieu fee that developers can pay, with the approval of the City Manager, as an alternative to the development of affordable units. As envisioned, in lieu fees will be deposited to a reserve account and utilized by the City to subsidize the development of new affordable housing pursuant to City-defined goals and objectives relating to location, income targeting and tenure.

Rental Housing: Palmer and Patterson - Since adoption of the ordinance two significant cases were decided which impact the regulatory options available for inclusionary housing. The first case involved a lawsuit filed by the Building Industry Association of Central California against the City of Patterson (*Patterson*) that challenged how that city applied and calculated an affordable housing in-lieu fee that had been provided for in a development agreement. The Patterson court analyzed the in-lieu fee as an impact fee rather than as the cash-equivalent of satisfying a land use regulation (a traditional police power regulatory standard) and applied legal principles applicable to impact fees in reaching it conclusion that the city had not shown a proper "nexus" between the amount of the fee and the impact of the project at issue. The decision in Patterson suggests that preparation of a traditional impact fee nexus study in setting the inclusionary fee levels may be advisable.

The second lawsuit, filed by developer Geoffrey Palmer against the City of Los Angeles (*Palmer*), challenged Los Angeles' affordable housing ordinance as it applied to development of market-rate rental housing units. The Palmer court held that Los Angeles was prohibited by State law from requiring a developer to set aside affordable units in market-rate rental projects that were not receiving, or requesting, any City assistance. This law does not apply to ownership housing projects.

Building Industry Association v. City of San Jose - In addition to the Palmer and Patterson decisions, several pending cases have implications for ownership housing development and raise questions about whether inclusionary requirements are an allowable exercise of the City's police powers or whether they are an exaction under the mitigation Fee Act. One in particular, *California Building Industry Association v. City of San Jose*, which currently is pending before the Supreme Court (Cal. S. Ct. No. S212072) suggests that fees charged for affordable housing purposes, should be based on an assessment of the affordable housing "burden" created by new development.

KMA Nexus Study - In response to these decisions the City of Daly City retained the firm of Keyser Marston and Associates (KMA) to prepare a Residential Nexus Analysis to estimate and quantify the nexus between new residential development in Daly City and the new demand for affordable housing that would be caused by that new development. The underlying nexus concept is that newly constructed residential units represent new households in Daly City. These households represent new income in Daly City that will consume goods and services, either through purchases of goods and services or by "consuming" governmental services. New consumption translates to new jobs; a portion of the jobs are at lower compensation levels, low compensation jobs translate to lower income households that cannot afford market rate units in Daly City and therefore need affordable housing.

The KMA Nexus Analysis identifies maximum supportable affordable housing impact fees ("fees") for ownership units that ranged from $34.11 per square foot for apartment units to $21.27 per square foot for single family detached homes.

Table 1 summarizes the supportable impact fees for Daly City identified in the Keyser Marston analysis.

Table 1
Keyser Marston Housing Nexus Study
Supported Fee (Per Square Foot)

	Single Family	Townhome	Condominium	Rental
Total Supported Fee	$21.27	$24.00	$29.43	$34.11

Source: November 2013 Draft Nexus Study prepared by Keyser Marston Associates

Discussion

The City's Inclusionary Ordinance can no longer require developers to provide affordable units within rental housing development. Therefore, it is recommended that the Inclusionary Ordinance be repealed, and replaced with an Affordable Housing Ordinance that establishes an impact fee for rental housing development. The impact fee should be based on the KMA study.

Despite the court decisions described previously that impact inclusionary housing requirements on new rental projects, cities can still require affordable housing to be constructed within new ownership housing projects or allow impact/in-lieu fees on those types of units instead. In light of pending lawsuits, however, staff recommends that the City's Affordable Housing Ordinance should stipulate that fees paid by developers of ownership housing are based on the Nexus Analysis.

The recommended revisions to the Inclusionary Housing Ordinance and the corresponding Impact Fee Schedule Resolution will ensure that the Ordinance is legally defensible and is based on a proper nexus between the amount of the impact fee charged and the cost of providing affordable housing in Daly City.

Table 2 shows the impact fee levels that staff recommends should be reflected in the proposed Impact Fee Resolution. These fees are approximately 75 percent of the amount supported by the KMA study. They are less than the amount a developer would currently pay if they paid an in lieu fee under the City's existing ordinance. The proposed fees are roughly consistent with adopted impact fees is surrounding Bay Area cities.

Table 2
Recommended Affordable Housing Impact Fees

	Single Family	Townhome	Condominium	Rental
Fee Per Square Foot of New Development	$14 psf	$18 psf	$22 psf	$25 psf

Additional recommended revisions would ensure that the Ordinance is consistent with the City's larger affordable housing goals, preserves long term affordability and results in the production of housing that meets the needs of Daly City's low and moderate income households. The proposed revisions include:

1. Rental developments are no longer required to provide affordable units. They are required to pay the fees described in the Impact Fee Resolution.
2. Ownership developments are required to provide affordable units. Developers of ownership housing may propose the payment of an impact fee as an alternative. Approval of this alternative is subject to the City Manager's approval
3. Developers will no longer be given a choice between providing 10 percent of the units affordable to households at 60 percent of area median income or 20 percent of the units affordable to households at 100 percent of area median income. In light of concerns over the marketability and sustainability of ownership housing targeted at 60 percent

AMI, all affordable ownership units provided under the Inclusionary Ordinance will be affordable to households at or below 100% AMI.

The Affordable Housing Ordinance will require that developers of market rate housing provide either affordable units or impact fee payments that are equivalent to the affordable housing needs generated by market rate development.

On March 5, 2014 the Affordable Housing Committee comprised of Council members Guingona and Torres reviewed a draft Housing Nexus Study prepared by Keyser Marston and Associates. Staff is recommending that the City's existing Inclusionary Housing Ordinance be repealed and replaced by an Affordable Housing Ordinance that incorporates the findings of the Nexus Study.

Staff advised the Committee that the impact fees proposed by staff and supported by the Kaiser Marston study are the middle of the range of fees that have been adopted by other Bay Area communities in terms of what it will require of residential developers. Furthermore, in most cases, the proposed impact fees will be less costly to residential developers than the City's existing Inclusionary Housing Ordinance.

Conclusion

Staff recommends that the City Council repeal the existing Inclusionary Housing Ordinance and adopt an Affordable Housing Ordinance and Impact Fee Resolution based on the Keyser Marston Nexus Study.

The draft inclusionary housing ordinance and ordinance summary have been available at the City Clerk's Office since April 4th for public review.

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

Respectfully submitted,

Betsy ZoBell
Housing and Community Development Supervisor

Tatum Mothershead
Interim Director, Economic & Community Development

Attachments: Draft Affordable Housing Ordinance
Draft Impact Fee Resolution
Draft Residential Nexus Analysis for Daly City

KEYSER MARSTON ASSOCIATES

RESIDENTIAL NEXUS ANALYSIS
Daly City, California

Prepared for
City of Daly City

Prepared by:
Keyser Marston Associates, Inc.

March 2014

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APPENDIX A: MARKET SURVEY

APPENDIX B: WORKER OCCUPATION AND COMPENSATION

INTRODUCTION AND OVERVIEW

Keyser Marston Associates (KMA) has prepared this Residential Nexus Analysis for the City of Daly City per contractual agreement. The report has been prepared to support a housing impact type fee to be levied on new residential development in Daly City and to support portions of the Inclusionary Housing Ordinance remaining in effect. Fee revenues will be used to assist in the development of affordable housing units in Daly City. The nexus analysis addresses market rate projects and quantifies the linkages between new market rate units and the demand generated by the residents of the new units for additional affordable housing in Daly City.

Background and Context

The City of Daly City adopted an Inclusionary Housing Ordinance in 2007 that requires a certain percent of all units in residential projects of five or more units be made affordable low to moderate income households. For for-sale or ownership unit projects, the requirement has been 20% of all units available at median income or 10% of all units available at lower income, which is defined as 60% of the Area Median Income (AMI). For rental units, 20% must be rented to households at lower income (60% AMI) or 10% at Very Low Income (or 50% AMI). Smaller projects of between five and twenty-five units are permitted to pay an in-lieu fee, the fee amount to be calculated on an assumed (affordability gap) cost per unit of $250,000 and a 15% requirement.

The program adopted in 2007 has remained unchanged to this time. Since adoption, the city, region and country have experienced deep economic recessionary conditions which have substantially depressed real estate markets. As a result, very few projects were built subject to the new ordinance. At the time of this analysis and report writing in 2013 and early 2014, regional conditions have rebounded and conditions more local to Daly City are now recovering.

Since adoption in 2007, there have also been some significant changes to the legal environment affecting inclusionary housing programs. In 2009, the California Supreme court ruled in the *Palmer* case (*Palmer/Sixth Street Properties v. the City of Los Angeles)* that any local restrictions on rents must comply with State rent control statutes, most particularly the Costa Hawkins Act. The Act provides that the landlord may set initial and long term rent rates, except in the case of a negotiated agreement with the city in which the city provides some form of direct contribution either in the form of financial benefit or regulatory relief.

In summary, the *Palmer* decision precludes jurisdictions from requiring that rents must be set at below market levels as is the case with the Daly City program adopted in 2007. Since this ruling, many cities and counties have adopted Housing Impact Fees consistent with the sections of California Code governing impact fees. To meet the requirements of the California Code, cities must demonstrate and quantify the impact relationships, or prepare a “nexus” analysis.

In addition to the *Palmer* ruling, other cases, most recently the *California Building Industry Association v. the City of San Jose,* are pending that may require jurisdictions to also prepare nexus type analyses to support inclusionary programs. For this and other reasons, cities are advised to prepare nexus analyses as a cautionary measure, for the portions of their inclusionary programs that pertain to for-sale or ownership units.

Finally, many jurisdictions are transitioning to impact fees for at least a portion of their program in response to the end of Redevelopment in California. The end of Redevelopment has resulted in huge reductions in the resources available to local jurisdictions for affordable housing. Local resources for affordable housing are essential for accessing federal and state resources. Daly City, like elsewhere, is being severely affected by the loss of Redevelopment and is forced to reevaluate its overall affordable housing program.

To meet the needs of the new legal, fiscal and economic environments, and to serve as an input into the reevaluation and update of Daly City's affordable housing program, this report provides a nexus analysis that demonstrates and quantifies the relationships between new market rate units and new demands for affordable housing.

The Nexus Concept

At its most simplified level, the underlying nexus concept is that the newly constructed units represent new households in Daly City. These households represent new income in Daly City that will consume goods and services, either through purchases of goods and services or by "consuming" governmental services. New consumption translates to new jobs; a portion of the jobs are at lower compensation levels, low compensation jobs translate to lower income households that cannot afford market rate units in Daly City and therefore need affordable housing.

Methodology and Models Used

The methodology or analysis procedure for this nexus analysis starts with the sales price or rental rate of a new market rate unit, and moves through a series of linkages to the gross income of the household that purchased or rented the unit, the income available for expenditures on goods and services, the jobs associated with the purchases and delivery of those services, the income of the workers doing those jobs, the household income of the workers, and, ultimately, the affordability level of the housing needed by the worker households. The steps of the analysis from household income available for expenditures to jobs generated were performed using the IMPLAN model, a model widely used for the past 35 years to quantify the impacts of changes in a local economy, including employment impacts from changes in personal income. From job generation by industry, KMA used its own jobs housing nexus model to quantify the income of worker households by affordability level.

To illustrate the linkages by looking at a simplified example, we can take an average household that purchases a unit at a market price. From that purchase price, we estimate the gross income of the household and the portion of income available for expenditures. Households will "purchase" or consume a range of goods and services, such as purchases at the supermarket or services at the bank. Purchases in the local economy in turn generate employment. The jobs generated are at different compensation levels. Some of the jobs are low paying and as a result, even when there is more than one worker in the household, there are some lower and moderate income households who cannot afford market rate housing in Daly City.

The IMPLAN model quantifies jobs generated in establishments that serve new residents directly (e.g., supermarkets, banks or schools), jobs generated by increased demand at firms which service or supply these establishments, and jobs generated when the new employees spend their wages in the local economy and generate additional jobs. The IMPLAN model estimates the total combined impact.

Net New Underlying Assumption

An underlying assumption of the analysis is that households that purchase or rent new units represent net new households in Daly City. If renters have relocated from elsewhere in the city, vacancies have been created that will be filled. An adjustment to new construction of units would be warranted if Daly City were experiencing significant demolitions or loss of existing housing inventory. An ordinance provision could address demolition of existing units on a project by project basis, to recognize that all new units might not represent net new units and new demands for affordable housing.

Since the analysis addresses net new households in Daly City and the impacts generated by their consumption expenditures, it quantifies net new demands for affordable units to accommodate new worker households. As such, the impact results do not address nor in any way include existing deficiencies in the supply of affordable housing.

Geographic Area of Impact

The analysis quantifies impacts occurring within San Mateo County. The IMPLAN model computes the jobs generated within the County and sorts out those that occur beyond the county boundaries. The KMA Jobs Housing Nexus Model analyzes the income structure of jobs and their worker households, without assumptions as to where the worker households live.

In summary, the KMA nexus analysis quantifies all the job impacts occurring within San Mateo County and related workers households. Job impacts, like most types of impacts, occur irrespective of political boundaries. And like other types of impact analyses, such as traffic, impacts beyond city boundaries are experienced, are relevant, and are important. See Addendum for further discussion.

Affordability Tiers

The nexus analysis addresses the following four income or affordability tiers:

- Very Low Income (under 50% of the Area Median Income or AMI)
- Low Income (50% to 80% AMI)
- Median Income (80% to 100% AMI)
- Moderate Income (100% to 120% AMI)

Report Organization

The report is organized into four sections as follows:

- Section I presents information regarding the new market rate units and the estimated household income of the purchasers or renters of those units.

- Section II describes the IMPLAN model used in the nexus analysis to translate household income into the estimated number of jobs in retail, restaurants, healthcare, and other sectors serving new residents.

- Section III presents the linkage between employment growth associated with residential development and the need for new lower income housing units required in each of the three income categories.

- Section IV quantifies the nexus or mitigation cost based on the cost of delivering affordable units to new worker households in each of the four lower income categories.

Disclaimers

This report has been prepared using the best and most recent data available at the time of the analysis. Local data and sources were used wherever possible. Major sources include the U.S. Census Bureau: the American Community Survey, California Employment Development Department and the IMPLAN model. While we believe all sources utilized are sufficiently sound and accurate for the purposes of this analysis, we cannot guarantee their accuracy. Keyser Marston Associates, Inc. assumes no liability for information from these and other sources.

I. MARKET RATE UNITS AND GROSS HOUSEHOLD INCOME

This section describes the prototypical market rate units that are subject to affordable housing requirements under the City of Daly City's affordable housing program and the income of the purchaser and renter households. Household income is the input to the IMPLAN model described in Section II of this report. These are the starting points of the chain of linkages that connect new market rate units to incremental demand for affordable residential units.

Recent Housing Market Activity and Prototypical Units

To identify the residential prototypes, KMA undertook a market survey of projects covering all types of residential units developed in Daly City and nearby cities area in recent years. The survey area was broadened to cover nearby cities because of the limited amount and range of residential development activity in Daly City since the recession. The survey was initially taken in the early fall of 2012 and then updated in mid fall 2013. The housing market in Daly City was significantly affected by the economic conditions brought on by the Great Recession but has been in recovery mode over the past several years.

The results of the market survey and the selection of four prototypes are summarized below. The main objective of the survey was to establish current sales prices or rents per unit and per square foot for the various residential project types recently developed, or expected to be developed in the future, in Daly City. Table I-1 at the end of this section provides a more detailed summary of the four market rate prototypes and Appendix A provides market survey materials.

It is important to note that the prototypes analysis is intended to reflect average or typical residential projects in the Daly City market rather any specific project. It would be expected that specific projects would vary to some degree from the prototypes analysis contained herein.

In summary, the prototypes tested in the nexus analysis are as follows:

Residential Prototypes				
	Single Family Detached	*Townhome*	*Condominium*	*Rental Apartment*
Avg. Unit Size	2,200 SF	1400 SF	1,050 SF	950 SF
Avg. No. of Bedrooms	3.75 BR	2.5 BR	1.8BR	1.5 BR
Avg. Sales Price/Rent	$750,000	$500,000	$450,000	$2,600/mo

Income of Housing Unit Purchasers or Renter

After the prototypes are established, the next step in the analysis is to determine the income of the purchasing or renting households in the prototypical units. The gross household income of the purchasers or renters is the input to the IMPLAN model.

Ownership Units

To make the determination for ownership units, terms for the purchase of residential units used in the analysis are slightly less favorable than what can be achieved at the current time since current terms are not likely to endure. The selected terms for the analysis are: 20% down payment, 30 year fixed rate mortgage, 5.5% interest rate. Tables II-2 through II-4 at the end of this section provide the details.

The single family detached units include as expenses an allowance for maintenance. The attached unit prototypes include as expenses monthly homeowners' association (HOA) dues, per industry practice. All ownership product types include an estimate of mortgage insurance, homeowners' insurance and property taxes as well. A key assumption is that housing costs run, on average, at about 35% of gross income. In the past, lending institutions have been willing to accept higher than 35% for all debt as a share of income, but most households have other forms of debt, such as auto loans, student loans, and credit card debt.

Apartment Units

The standard for relating annual rent to household income is 30%, excluding utilities. While leasing agents and landlords may permit rental payments to represent a slightly higher share of total income, 30% represents an average. This is based on that fact that renters are also likely to have other debt, and that many do not choose to spend more than 30% of their income on rent, since, unlike an ownership situation, the unit is not viewed as an investment with value enhancement potential. The resulting relationship is that annual household income is 3.3 times annual rent.

The estimated gross household incomes of the purchasers or renters of the prototype units are calculated in Tables II-2 through II-9, and summarized below.

Residential Prototypes				
	Single Family Detached	*Townhome*	*Condominium*	*Rental Apartment*
Gross Household Income	$150,000	$108,000	$99,000	$104,000

The nexus analysis is conducted on 100-unit building modules for ease of presentation, and to avoid awkward fractions. Tables and summarize the conclusions of this section and present the calculations leading to the total gross household income for the 100-unit building modules. This is the input into the IMPLAN model.

Table I-1
Residential Prototypes
Housing Nexus Study
City of Daly City

INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

	Single Family Detached	Townhome	Condominium	Rental
Example Projects	Christophr Highld[1] (Daly City) Cypress Walk (Pacifica) Stonegate Estates (SSF)	KB Home[1] (Daly City) Garden Valley[1] (Daly City) Villa Paloma (Burlingame)	Park Station (SSF) South City Lights (SSF) 89 Goethe St (Daly City)	La Terrazza (Colma) Pacific Place[2] (Daly City) 88 Hillside[2] (Daly City)
Density	8 dua	20 dua	50 dua	70 dua
Building Type	two-story homes	three-story attached	four stories over podium	four stories over podium
Unit Mix	75% 4 BR 25% 3 BR	50% 3 BR 50% 2 BR	20% 3BR 40% 2BR 40% 1BR	50% 2BR 50% 1BR
Unit Size	2,200 sf	1,400 sf	1,050 sf	950 sf
Average No. Bedrooms	3.75 BR	2.50 BR	1.80 BR	1.50 BR
Parking Type	Attached garage	Attached garage	podium parking garage	podium parking garage
Market Sales Price/Rent[3]	$750,000 [4]	$500,000 [5]	$450,000	$2,600
per square foot (rounded)	$350	$360	$429	$2.70

Notes:

[1] Proposed project.

[2] Built as Condos.

[3] Estimates based on market survey originally conducted in 2012 and subsequently updated in 2013 with current prices and rents for the most relevant and comparable projects. Since there are no new projects currently being marketed, the survey utilizes re-sales of newer units. Estimated pricing is likely conservative as new units could be expected to achieve a premium over re-sales of existing units.

[4] Based on average sales price for Single Family units in Daly City built after 2000 and sold over the past 12 months based on sales per Data Quick.

[5] Given no recently built townhome projects in Daly City and few re-sales, price per square foot estimated from re-sales of older townhome units. Estimated pricing is likely conservative as new units could be expected to achieve a premium over re-sales of existing units.

See Appendix A for additional information from market survey.

Prepared by Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\Prototypes Nov 5 2013; Prototypes; 3/25/2014; 11:55 AM; jj

TABLE I-2
PROTOTYPE 1: SFD
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY

			Prototype 1 Single Family Detached
Sales Price	$340 /SF	2,200 SF [1]	$750,000 [1]
Mortgage Payment			
Downpayment @ 20%		20% [2]	$150,000
Loan Amount			$600,000
Interest Rate			5.5% [3]
Term of Mortgage			30 years
Annual Mortgage Payment			$40,900
Other Costs			
Property Taxes	1.15%	of sales price [4]	$8,600
HOA Dues	$110	per month [5]	$1,320
Homeowner Insurance	0.23%	sale price [6]	$1,700
Total Annual Housing Cost			$52,520
% of Income Spent on Hsg			35% [7]
Annual Household Income Required			**$150,000**
Sales Price to Income Ratio			5.0

Notes

(1) From the market survey. See Table A-1 and Appendix A. Pricing reflects average for re-sales of existing single family homes in Daly City built since 2000. Represents a conservative estimate as new construction can be expected to achieve a premium over existing units.

(2) Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages for homes within zip codes corresponding to San Mateo County and specific to principal residence purchase loans originated during 2nd quarter of 2012, the most recent period available.

(3) Based on average interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey annual average rates for 30 year fixed rate mortgages during the period from 2003 through 2012.

(4) 1.15% property tax rate is inclusive of ad valorem taxes plus estimated fixed charges and assessments. Estimated based on a sampling of properties in Daly City.

(5) Based on HOA dues for projects in the market survey, when known. Dues ranged from $88 to $150.

(6) Based on quote obtained from Progressive Insurance.

(7) Based on Freddie Mac data on mortgages originated in San Mateo County which reflect a median debt to income ratio of 35% including both housing expenses and other debt like auto loans and credit cards. Were other debt excluded, the ratio would likely be lower than 35%. Using a ratio less than 35% would have increased the supported maximum fee levels from those reflected in the analysis; therefore, 35% represents a conservative estimate.

TABLE I-3
PROTOTYPE 2: TOWNHOME
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

			Prototype 2 Townhome
Sales Price	$360 /SF	1,400 SF [1]	$500,000 [1]
Mortgage Payment			
Downpayment @ 20%		20% [2]	$100,000
Loan Amount			$400,000
Interest Rate			5.5% [3]
Term of Mortgage			30 years
Annual Mortgage Payment			$27,300
Other Costs			
Property Taxes	1.15%	of sales price [4]	$5,800
HOA Dues	$325	per month [5]	$3,900
Homeowner Insurance	0.14%	sale price [6]	$700
Total Annual Housing Cost			$37,700
% of Income Spent on Hsg			35% [7]
Annual Income Required			**$108,000**
Sales Price to Income Ratio			4.6

Notes:

(1) From the market survey. See Table A-1 and Appendix A. Given no recently built townhome projects in Daly City and few re-sales, price per square foot estimated from re-sales of older townhome units. Estimated pricing is likely conservative as new units could be expected to achieve a premium over re-sales of existing units.

(2) Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages for homes within zip codes corresponding to San Mateo County and specific to principal residence purchase loans originated during 2nd quarter of 2012, the most recent period available.

(3) Based on average interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey annual average rates for 30 year fixed rate mortgages during the period from 2003 through 2012.

(4) 1.15% property tax rate is inclusive of ad valorem taxes plus estimated fixed charges and assessments. Estimated based on a sampling of properties in Daly City.

(5) Based on HOA dues for townhomes currently for sale in Daly City, which averaged $336 per month.

(6) Based on quote from Progressive Insurance for HO-6 "walls in" policy covering interior of unit and personal property. Exterior of structure and common area assumed to be covered by separate homeowners association policy.

(7) Based on Freddie Mac data on mortgages originated in San Mateo County which reflect a median debt to income ratio of 35% including both housing expenses and other debt like auto loans and credit cards. Were other debt excluded, the ratio would likely be lower than 35%. Using a ratio less than 35% would have increased the supported maximum fee levels from those reflected in the analysis; therefore, 35% represents a conservative estimate.

TABLE I-4
PROTOTYPE 3: CONDOMINIUM
ANNUAL RENT TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

			Prototype 3 Condominium
Sales Price	$429 /SF	1,050 SF [1]	$450,000 [1]
Mortgage Payment			
Downpayment @ 20%		20% [2]	$90,000
Loan Amount			$360,000
Interest Rate (1)			5.5% [3]
Term of Mortgage			30 years
Annual Mortgage Payment			$24,500
Other Costs			
Property Taxes	1.15%	of sales price [4]	$5,200
HOA Dues	$350	per month [5]	$4,200
Homeowner Insurance	0.14%	sale price [6]	$600
Total Annual Housing Cost			$34,500
% of Income Spent on Hsg			35% [7]
Annual Income Required			**$99,000**
Sales Price to Income Ratio			4.5

Notes:

(1) From the market survey. See Table A-1 and Appendix A. Reflects re-sales of newer units. Represents a conservative estimate as new construction can be expected to achieve a premium over existing units.

(2) Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages for homes within zip codes corresponding to San Mateo County and specific to principal residence purchase loans originated during 2nd quarter of 2012, the most recent period available.

(3) Based on average interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey annual average rates for 30

(4) 1.15% property tax rate is inclusive of ad valorem taxes plus estimated fixed charges and assessments. Estimated based on a sampling of properties in Daly City.

(5) Based on HOA dues applicable to condo units included in market survey where known, which ranged from $325 to $450 per month.

(6) Based on quote from Progressive Insurance for HO-6 "walls in" policy covering interior of unit and personal property. Exterior of structure and common area assumed to be covered by separate homeowners association policy.

(7) Based on Freddie Mac data on mortgages originated in San Mateo County which reflect a median debt to income ratio of 35% including both housing expenses and other debt like auto loans and credit cards. Were other debt excluded, the ratio would likely be lower than 35%. Using a ratio less than 35% would have increased the supported maximum fee levels from those reflected in the analysis; therefore, 35% represents a conservative estimate.

Prepared by: Keyser Marston Associates, Inc.
Filename: Nexus model 11-5-13; A-3 condo to income; 3/27/2014; dd

TABLE I-5
PROTOTYPE 4: RENTAL
ANNUAL RENT TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

			Prototype 4 Rental
Market Rent			
Monthly	$2.70 /SF	950 SF [1]	$2,600 [1]
Annual			$31,200
% of Income Spent on Rent (excludes utilities)			30% [2]
Annual Household Income Required			**$104,000**
Annual Rent to Income Ratio			3.3

Notes:
(1) From the market survey. See Table A-1 and Appendix A. Represents rent levels applicable to new units.
(2) Renter households are assumed to spend 30% of income on rent, or slightly more than the median for San Mateo County at 29.3% per the 2007 - 2011 American Community Survey. While landlords may permit rental payments to represent a slightly higher share of total income, 30% represents an average.

Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\Nexus model 11-5-13; A-4 Rent to Income; 3/27/2014; dd

TABLE I-6
FOR SALE PROTOTYPES SUMMARY
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

	Per Unit	Per Sq.Ft.	100 Unit Building Module
PROTOTYPE 1: SFD			
Units			***100 Units***
Building Sq.Ft. (net salable area)	2,200		220,000
Sales Price	$750,000	$340	$75,000,000
Sales Price to Income Ratio	5.0		5.0
Gross Household Income	$150,000		**$15,000,000**
PROTOTYPE 2: TOWNHOME			
Units			***100 Units***
Building Sq.Ft. (net salable area)	1,400		140,000
Sales Price	$500,000	$360	$50,000,000
Sales Price to Income Ratio	4.6		4.6
Gross Household Income	$108,000		**$10,800,000**
PROTOTYPE 3: CONDOMINIUM			
Units			***100 Units***
Building Sq.Ft. (net salable area)	1,050		105,000
Sales Price	$450,000	$429	$45,000,000
Sales Price to Income Ratio	4.5		4.5
Gross Household Income	$99,000		**$9,900,000**

Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\Nexus model 11-5-13; A-5 FS MKT RATE; 3/27/2014; dd

TABLE I-7
RESIDENTIAL HOUSEHOLD SUMMARY - RENTAL
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

	Per Unit	Per Sq.Ft.	100 Unit Building Module
PROTOTYPE 4: RENTAL			
Units			***100 Units***
Building Sq.Ft. (net rentable area)	950		95,000
Rent			
Monthly	$2,600	$2.70 /SF	$260,000
Annual	$31,200	$32.40 /SF	$3,120,000
Rent to Income Ratio	3.3		3.3
Gross Household Income	$104,000		**$10,400,000**

Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\Nexus model 11-5-13; A-6 RENTAL SUMMARY; 3/27/2014; dd

II. THE IMPLAN MODEL

Consumer spending by residents of new housing units will create jobs, particularly in sectors such as restaurants, health care, and retail, which are closely connected to the expenditures of residents. The widely used economic analysis tool, IMPLAN (IMpact Analysis for PLANning), was used to quantify these new jobs by industry sector.

IMPLAN Model Description

The IMPLAN model is an economic analysis software package now commercially available through the Minnesota IMPLAN Group. IMPLAN was originally developed by the U.S. Forest Service, the Federal Emergency Management Agency, and the U.S. Department of the Interior Bureau of Land Management and has been in use since 1979 and refined over time. It has become a widely used tool for analyzing economic impacts for a broad range of applications from major construction projects to natural resource programs.

IMPLAN is based on an input-output accounting of commodity flows within an economy from producers to intermediate and final consumers. The model establishes a matrix of supply chain relationships between industries and also between households and the producers of household goods and services. Assumptions about the portion of inputs or supplies for a given industry likely to be met by local suppliers, and the portion supplied from outside the region or study area are derived internally within the model using data on the industrial structure of the region.

The output or result of the model is generated by tracking changes in purchases for final use (final demand) as they filter through the supply chain. Industries that produce goods and services for final demand or consumption must purchase inputs from other producers, which in turn, purchase goods and services. The model tracks these relationships through the economy to the point where leakages from the region stop the cycle. This allows the user to identify how a change in demand for one industry will affect a list of over 400 other industry sectors. The projected response of an economy to a change in final demand can be viewed in terms of economic output, employment, or income.

Data sets are available for each county and state, so the model can be tailored to the specific economic conditions of the region being analyzed. This analysis utilizes the data set for San Mateo County. As will be discussed, much of the employment impact is in local-serving sectors, such as retail, eating and drinking establishments, and medical services. A significant portion of these jobs will be located in Daly City or nearby. In addition, the employment impacts will extend throughout the County and beyond based on where jobs are located that serve Daly City residents. In fact, San Mateo County is part of the larger regional economy and impacts will likewise extend throughout the region. However, consistent with the conservative approach taken in the nexus analysis, only the impacts that occur within San Mateo County are included in the analysis.

Application of the IMPLAN Model to Estimate Job Growth

The IMPLAN model was applied to link gross household income to household expenditures to job growth occurring in San Mateo County. Employment generated by the household income of residents is analyzed in modules of 100 residential units to simplify communication of the results and avoid awkward fractions. The IMPLAN model first converts household income to disposable income by accounting for State and Federal income taxes, Social Security and Medicare (FICA) taxes, and personal savings. The model then distributes spending among various types of goods and services (industry sectors) based on data from the Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark input-output study, to estimate employment generated.

Job creation, driven by increased demand for products and services, was projected for each of the industries that will serve the new households. The employment generated by this new household spending is summarized below.

Jobs Generated per 100 Units Residential Units				
	Single Family Detached	*Townhome*	*Condominium*	*Rental Apartment*
Total Jobs Generated, 100 units	68.5	49.3	45.2	47.5

Table II-1 provides a detailed summary of employment generated by industry. The table shows industries sorted by projected employment. Expenditure patterns vary by income level, and the IMPLAN results are calculated according to the income bracket. In the case of the Daly City prototypes, the townhome and condominium buyer household and the new apartment renter household all have very similar income levels, while the purchaser household for the detached unit has a higher income level and is in a higher bracket that has different expenditure characteristics. Estimated employment is shown for each IMPLAN industry sector representing 1% or more of total employment. The jobs that are generated within the County are heavily retail jobs, jobs in restaurants and other eating establishments, and in services that are provided locally such as health care and real estate.

The jobs counted in the IMPLAN model cover all jobs, full and part time, similar to the U.S. Census and all reporting agencies (unless otherwise indicated).

TABLE II-1
IMPLAN MODEL OUTPUT
EMPLOYMENT GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY

INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

Per 100 Market Rate Units	PROTOTYPE 1: SFD	PROTOTYPE 2: TOWNHOME	PROTOTYPE 3: CONDOMINIUM	PROTOTYPE 4: RENTAL	% of Jobs
Gross Income of New Residents (in 100 Market Rate Units) [1]	$15,000,000	$10,800,000	$9,900,000	$10,400,000	
Employment Generated by Industry [2]					
Food services and drinking places	8.3	6.0	5.5	5.8	12%
Private household operations	3.9	2.8	2.6	2.7	6%
Real estate establishments	3.6	2.6	2.4	2.5	5%
Securities, commodity contracts, investments, and related activit	3.3	2.4	2.2	2.3	5%
Retail Stores - Food and beverage	3.2	2.3	2.1	2.2	5%
Offices of physicians, dentists, and other health practitioners	3.2	2.3	2.1	2.2	5%
Private hospitals	2.0	1.4	1.3	1.4	3%
Retail Stores - General merchandise	2.0	1.4	1.3	1.4	3%
Nondepository credit intermediation and related activities	1.6	1.1	1.1	1.1	2%
Wholesale trade businesses	1.4	1.0	1.0	1.0	2%
Retail Stores - Clothing and clothing accessories	1.4	1.0	0.9	1.0	2%
Private elementary and secondary schools	1.4	1.0	0.9	0.9	2%
Nursing and residential care facilities	1.3	1.0	0.9	0.9	2%
Medical, diagnostic labs, outpatient, and other ambulatory care	1.3	0.9	0.9	0.9	2%
Retail Stores - Motor vehicle and parts	1.3	0.9	0.9	0.9	2%
Retail Stores - Miscellaneous	1.3	0.9	0.9	0.9	2%
Services to buildings and dwellings	1.2	0.8	0.8	0.8	2%
Retail Nonstores - Direct and electronic sales	1.1	0.8	0.7	0.7	2%
Other private educational services	1.0	0.7	0.7	0.7	1%
Child day care services	1.0	0.7	0.7	0.7	1%
Retail Stores - Health and personal care	0.9	0.7	0.6	0.6	1%
Automotive repair and maintenance, except car washes	0.9	0.6	0.6	0.6	1%
Retail Stores - Building material and garden supply	0.8	0.6	0.6	0.6	1%
Retail Stores - Sporting goods, hobby, book and music	0.8	0.6	0.5	0.5	1%
Employment services	0.8	0.6	0.5	0.5	1%
Individual and family services	0.8	0.6	0.5	0.5	1%
Amusement parks, arcades, and gambling industries	0.7	0.5	0.5	0.5	1%
Legal services	0.7	0.5	0.5	0.5	1%
Personal care services	0.7	0.5	0.5	0.5	1%
All Other	16.7	12.0	11.0	11.6	24%
Total Employment Generated	68.5	49.3	45.2	47.5	100%

[1] The IMPLAN model tracks how increases in consumer spending creates jobs in the local economy. See Tables A-6 and A-7 for estimates of the gross income of residents of the prototypical 100 unit buildings. Expenditures patterns, and therefore, occupation distribution, varies by income category. The model produces results by income category. For this analysis, the $100,000 - $150,000 income category is used.

[2] For industries representing more than 1% of total employment. IMPLAN data set for San Mateo County for 2010 is utilized in the analysis (most recent as of 2012 initiation of nexus analysis).

III. THE KMA JOBS HOUSING NEXUS MODEL

This section presents a summary of the analysis linking the employment growth associated with residential development, or the output of the IMPLAN model (see Section II), to the estimated number of lower income housing units required in each of four income categories, for each of the four residential prototype units.

Analysis Approach and Framework

The analysis approach is to examine the employment growth for industries related to consumer spending by residents in the 100-unit modules. Then, through a series of linkage steps, the number of employees is converted to households and housing units by affordability level. The findings are expressed in terms of numbers of affordable households per 100 market rate units.

The analysis addresses the affordable unit demand associated with new single family detached, townhome, condominium and apartment units in Daly City. The table below shows the 2013 San Mateo County Area Median Income (AMI), as well as the income limits for the four categories that were evaluated: Very Low Income, Low Income, Median Income and Moderate Income. The income definitions used in the analysis are those published by the California Department of Housing and Community Development (HCD).
The income categories are consistent with those included in the City's affordable housing program.

2013 Income Limits for San Mateo County						
	Household Size (persons)					
	1 person	**2 persons**	**3 persons**	**4 persons**	**5 persons**	**6 persons**
Very Low (50%)	$39,600	$45,250	$50,900	$56,550	$61,050	$65,600
Low (80%)	$63,350	$72,400	$81,450	$90,500	$97,700	$104,950
Median (100%)	$72,100	$82,400	$92,700	$103,000	$111,250	$119,500
Moderate (120%)	$86,500	$98,900	$111,250	$123,600	$133,500	$143,400

The analysis is conducted using a model that KMA developed and has applied to similar evaluations in many other jurisdictions. The model inputs are all local data to the extent possible, and are fully documented in the following description.

Analysis Steps

The tables at the end of this section present a summary of the nexus analysis steps for the prototype units. Following is a description of each step of the analysis.

Step 1 – Estimate of Total New Employees

Table C-1 commences with the total number of employees associated with the new market rate units. The employees were estimated based on household expenditures of new residents using the IMPLAN model (see Section II).

Step 2 – Changing Industries Adjustment and Net New Jobs

The local economy, like that of the U.S. as a whole, is constantly evolving. In San Mateo, San Francisco and Marin Counties over the past ten years, employment in some sectors has been declining. Jobs lost over the last decade in these declining sectors were replaced by job growth in other industry sectors.

Step 2 makes an adjustment to take into account these declines, changes and shifts within all sectors of the economy and to recognize that jobs added are not 100% net new in all cases. A 25% adjustment is utilized based on the long term shifts in employment that have occurred in these three counties. Over the decade significant losses were experienced in sectors that are long term trends as opposed to losses in other sectors, such as construction employment that are more cyclical and recession related. Specifically, losses in manufacturing, distribution (warehousing and trucking, etc.) and the financial sector are believed to be long term structural changes. Losses in these categories totaled a little over 20,000 jobs or roughly 25% of the total job growth over the period. These losses will likely continue and mean that some of the new jobs will be filled by workers that have been displaced from these industries and are presumed to already have housing. Existing workers downsized from declining industries are assumed to be available to fill a portion of the new retail, restaurant, health care, and other jobs associated with services to residents. This is a conservative assumption given some displaced workers may exit the local workforce entirely rather than seek a new job in one of the industries serving new residents.

The data source for the analysis is California Employment Development Department employment by industry in the three county area.

Step 3 – Adjustment from Employees to Employee Households

This step (Table III-1) converts the number of employees to the number of employee households, recognizing that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers is reduced. The workers-per-worker-household ratio eliminates from the equation all non-working households, such as retired persons, students, and those on public assistance. The County average of 1.75 workers per worker household (from the U. S. Census Bureau 2009-2011 American Community Survey) is used for this step in the analysis. The number of jobs is divided by 1.75 to determine the number of worker households. Average workers related to all households is a lower ratio because all households are counted in the denominator, not just worker households; using average workers per total households would produce greater demand for housing units. The 1.75 ratio covers all workers, full and part time.

Step 3 – Occupational Distribution of Employees

The occupational breakdown of employees is the first step to arrive at income level. The output from the IMPLAN model provides the number of employees by industry sector. The IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics May 2011 Occupational Employment Survey (OES) to estimate the occupational composition of employees for each industry sector.

Pairing of OES and IMPLAN data was accomplished by matching IMPLAN industry sector codes with the four-digit North American Industry Classification System Code (NAICS) used in the OES. Each IMPLAN industry sector is associated with one or more NAICS codes, with matching NAICS codes ranging from two to five digits. Employment for IMPLAN sectors with multiple matching NAICS codes was distributed among the matching codes based on the distribution of employment among those industries at the national level. Employment for IMPLAN sectors where matching NAICS codes were only at the two- or three-digit level of detail was distributed using a similar approach, among all of the corresponding four-digit NAICS codes falling under the broader two- or three-digit categories.

National-level employment totals for each industry within the OES were pro-rated to match the employment distribution projected using the IMPLAN model, which varies by income category. Occupational composition within each industry was held constant. The result is the estimated occupational mix of employees, by income category.

As shown on Table III-1, new jobs will be distributed across a variety of occupational categories. The three largest occupational categories are office and administrative support (17.4%), sales (16.7%), and food preparation and serving (13.1%). Step 3 of Table III-1 indicates both the percentage of total employee households and the number of employee households by occupation associated with 100-unit market rate units.

Step 4 – Estimates of Employee Households Meeting the Lower Income Definitions

In this step, occupation is translated to income based on recent San Mateo County wage and salary information from the California Employment Development Department. The wage and salary information summarized in Table III-2 provided the income inputs to the model. This step in the analysis calculates the number of employee households that fall into each income category for each household size.

Individual *employee* income data was used to calculate the number of *households* that fall into the income categories by assuming that multiple earner households are, on average, formed of individuals with similar incomes. Employee households not falling into one of the major occupation categories are assumed to have the same income distribution as the major occupation categories as a whole.

Step 5 – Estimate of Household Size Distribution

In this step, household size distribution was input into the model in order to estimate the income and household size combinations that meet the income definitions for San Mateo County. The household size distribution utilized in the analysis is that of worker households in San Mateo County derived using American Community Survey (ACS) data. The model employs a distribution of the number of workers per household by household size. For example, four-person worker households can have one, two, three, or four workers in the household. The model uses ACS data to develop a distribution of the number of the workers per worker household, by household size.

Step 6 – Estimate of Households that Meet Size and Income Criteria

For this step KMA built a cross-matrix of household size and income to establish probability factors for the two criteria in combination. For each occupational group a probability factor was calculated for each income level and household size/number of workers combination, and multiplied by the number of households. Table III-2 shows the result after completing Steps 4, 5, and 6. The calculated number of households that meet size and income criteria shown are for the under 50% of AMI category generated by 100 market rate prototype units. The methodology was repeated for each income tier, resulting in a total count of worker households per 100 units.

Summary Findings

The table below indicates the results of the analysis for the residential prototype units in Daly City. The table presents the number of households generated in each affordability category and the total number over 120% of Area Median Income.

Job Impacts Per Market 100 Market Rate Units	*Single Family Detached*	*Townhome*	*Condominium*	*Rental Apartment*	**% of New Households**
Number of New Households					
Under 50% AMI	12.5	9.0	8.3	8.7	43%
50% to 80% AMI	7.9	5.7	5.2	5.5	27%
80% to 100% AMI	1.6	1.1	1.0	1.1	5%
100% to 120% AMI	1.9	1.4	1.3	1.3	7%
Subtotal through 120% of Median	*23.9*	*17.2*	*15.8*	*16.6*	*82%*
Over 120% of AMI	5.4	3.9	3.5	3.7	18%
Total Employee Households	***29.3***	***21.1***	***19.3***	***20.3***	***100%***

According to the table above, approximately 70% of new worker households generated by the expenditures of new residents have incomes below 80% of AMI. The finding that the jobs associated with consumer spending tend to be low-paying jobs where the workers will require housing affordable at the lower income levels is not surprising. As noted above, direct consumer spending results in employment that is highly concentrated in lower paid occupations including food preparation, administrative, and retail sales.

Inclusionary Percentages Supported

The analysis findings identify how many lower income households are generated for every 100 market rate units. These findings are adjusted to percentages for purposes of comparison to inclusionary requirements. The percentages are calculated including both market rate and affordable units (for example, 25 affordable units per 100 market rate units translates to a project of 125 units; 25 affordable units out of 125 units equals 20%).

The inset table below presents the results of the analysis. Each tier is cumulative, or inclusive of the tiers above. It is recalled that a Court decision (*Palmer*) precludes jurisdictions from requiring affordable on-site units that limit initial and on-going rent levels. Instead cities may require an impact fee. Therefore, the inclusionary percentages supported by rental units are not calculated.

	Single Family Detached	*Townhome*	*Condominium*	*Rental Apartment*
Supported Inclusionary Percentage - Cumulative Through				
50% AMI	11.1%	8.3%	7.6%	n/a
80% AMI	16.9%	12.8%	11.9%	n/a
100% AMI	18.0%	13.7%	12.7%	n/a
120% AMI	19.3%	14.7%	13.6%	n/a

The findings of the analysis are presented for each of the ownership prototypes. The analysis supports maximum inclusionary percentages between 13.6% and 19.3%, depending on the prototype. The average for the three prototypes is 15.9%. It is also of note that the lowest percentage is for the condominium unit, which has a sales price that continues to be depressed from the Recession and probably does not currently support feasible new construction. New units would likely have a higher price structure than used in the analysis.

The nexus analysis presented in this report is an impact analysis only and the percentages shown above are not recommended inclusionary levels. The analysis has been prepared solely to demonstrate support for inclusionary measures and impact fees from the nexus perspective.

TABLE III-1
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY

INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

	PROTOTYPE 1: SFD	PROTOTYPE 2: TOWNHOME	PROTOTYPE 3: CONDOMINIUM	PROTOTYPE 4: RENTAL
Step 1 - Employees [1]	68.5	49.3	45.2	47.5
Step 2 - Adjustment for Changing Industries (25%)	51.4	37.0	33.9	35.6
Step 3 - Adjustment for Number of Households (1.75)[2]	29.3	21.1	19.3	20.3
Step 4 - Occupation Distribution [3]				
Management Occupations	4.2%	4.2%	4.2%	4.2%
Business and Financial Operations	4.8%	4.8%	4.8%	4.8%
Computer and Mathematical	1.6%	1.6%	1.6%	1.6%
Architecture and Engineering	0.3%	0.3%	0.3%	0.3%
Life, Physical, and Social Science	0.3%	0.3%	0.3%	0.3%
Community and Social Services	1.3%	1.3%	1.3%	1.3%
Legal	0.7%	0.7%	0.7%	0.7%
Education, Training, and Library	3.2%	3.2%	3.2%	3.2%
Arts, Design, Entertainment, Sports, and Media	1.5%	1.5%	1.5%	1.5%
Healthcare Practitioners and Technical	5.8%	5.8%	5.8%	5.8%
Healthcare Support	3.1%	3.1%	3.1%	3.1%
Protective Service	1.0%	1.0%	1.0%	1.0%
Food Preparation and Serving Related	13.1%	13.1%	13.1%	13.1%
Building and Grounds Cleaning and Maint.	8.1%	8.1%	8.1%	8.1%
Personal Care and Service	4.1%	4.1%	4.1%	4.1%
Sales and Related	16.7%	16.7%	16.7%	16.7%
Office and Administrative Support	17.4%	17.4%	17.4%	17.4%
Farming, Fishing, and Forestry	0.1%	0.1%	0.1%	0.1%
Construction and Extraction	0.8%	0.8%	0.8%	0.8%
Installation, Maintenance, and Repair	4.2%	4.2%	4.2%	4.2%
Production	1.9%	1.9%	1.9%	1.9%
Transportation and Material Moving	5.6%	5.6%	5.6%	5.6%
Totals	100.0%	100.0%	100.0%	100.0%
Management Occupations	1.2	0.9	0.8	0.9
Business and Financial Operations	1.4	1.0	0.9	1.0
Computer and Mathematical	0.5	0.3	0.3	0.3
Architecture and Engineering	0.1	0.1	0.1	0.1
Life, Physical, and Social Science	0.1	0.1	0.1	0.1
Community and Social Services	0.4	0.3	0.3	0.3
Legal	0.2	0.1	0.1	0.1
Education, Training, and Library	0.9	0.7	0.6	0.7
Arts, Design, Entertainment, Sports, and Media	0.4	0.3	0.3	0.3
Healthcare Practitioners and Technical	1.7	1.2	1.1	1.2
Healthcare Support	0.9	0.7	0.6	0.6
Protective Service	0.3	0.2	0.2	0.2
Food Preparation and Serving Related	3.8	2.8	2.5	2.7
Building and Grounds Cleaning and Maint.	2.4	1.7	1.6	1.6
Personal Care and Service	1.2	0.9	0.8	0.8
Sales and Related	4.9	3.5	3.2	3.4
Office and Administrative Support	5.1	3.7	3.4	3.5
Farming, Fishing, and Forestry	0.0	0.0	0.0	0.0
Construction and Extraction	0.2	0.2	0.2	0.2
Installation, Maintenance, and Repair	1.2	0.9	0.8	0.8
Production	0.6	0.4	0.4	0.4
Transportation and Material Moving	1.6	1.2	1.1	1.1
Totals	29.3	21.1	19.3	20.3

Notes:

[1] Estimated employment generated by household expenditures within 100 prototypical market rate units. Employment estimates are based on the IMPLAN Group's economic model, IMPLAN, for San Mateo County. Expenditures patterns, and therefore, occupation distribution, varies by income category. For this analysis, the $100,000 - $150,000 income category is used.

[2] Adjustment from number of workers to number of households based on ratio of 1.75 workers per worker household derived from the U.S. Census American Community Survey 2009 to 2011.

[3] See Appendix B tables for additional information on Major Occupation Categories.

TABLE III-2
VERY LOW INCOME EMPLOYEE HOUSEHOLDS[1] GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY

INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

	PROTOTYPE 1: SFD	PROTOTYPE 2: TOWNHOME	PROTOTYPE 3: CONDOMINIUM	PROTOTYPE 4: RENTAL
Step 5, 6, 7 - Very Low Income Households (under 50% AMI) within Major Occupation Categories [2]				
Management	0.04	0.03	0.03	0.03
Business and Financial Operations	0.03	0.02	0.02	0.02
Computer and Mathematical	-	-	-	-
Architecture and Engineering	-	-	-	-
Life, Physical and Social Science	-	-	-	-
Community and Social Services	-	-	-	-
Legal	-	-	-	-
Education Training and Library	0.29	0.21	0.19	0.20
Arts, Design, Entertainment, Sports, & Media	-	-	-	-
Healthcare Practitioners and Technical	0.04	0.03	0.03	0.03
Healthcare Support	0.37	0.27	0.25	0.26
Protective Service	-	-	-	-
Food Preparation and Serving Related	2.81	2.02	1.85	1.95
Building Grounds and Maintenance	1.29	0.93	0.85	0.89
Personal Care and Service	0.68	0.49	0.45	0.47
Sales and Related	2.76	1.99	1.82	1.92
Office and Admin	1.66	1.19	1.10	1.15
Farm, Fishing, and Forestry	-	-	-	-
Construction and Extraction	-	-	-	-
Installation Maintenance and Repair	0.23	0.17	0.15	0.16
Production	-	-	-	-
Transportation and Material Moving	0.85	0.61	0.56	0.59
Very Low Income Households - Major Occupation	11.07	7.97	7.31	7.68
Very Low Inc. Households[1] - all other occupations	1.44	1.04	0.95	1.00
Total Very Low Income Households[1]	**12.51**	**9.01**	**8.26**	**8.68**

[1] Includes households earning from zero through 50% of San Mateo County Area Median Income.

[2] See Appendix B tables for additional information on Major Occupation Categories.

Prepared by: Keyser Marston Associates, Inc.
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TABLE III-3
IMPACT ANALYSIS SUMMARY
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

RESIDENTIAL UNIT DEMAND IMPACTS
PER 100 MARKET RATE UNITS

Number of New Households[1]	**PROTOTYPE 1: SFD**	**PROTOTYPE 2: TOWNHOME**	**PROTOTYPE 3: CONDOMINIUM**	**PROTOTYPE 4: RENTAL**	**Percent of New Households [1]**
Under 50% Area Median Income	12.5	9.0	8.3	8.7	43%
50% to 80% Area Median Income	7.9	5.7	5.2	5.5	27%
80% to 100% Area Median Income	1.6	1.1	1.0	1.1	5%
100% to 120% Area Median Income	1.9	1.4	1.3	1.3	7%
Subtotal through 120% of Median	23.9	17.2	15.8	16.6	82%
Over 120% of Area Median Income	5.4	3.9	3.5	3.7	18%
Total Employee Households	29.3	21.1	19.3	20.3	100%

Notes
[1] Households of retail, education, healthcare and other workers that serve residents of new market rate units.

TABLE III-4
INCLUSIONARY REQUIREMENT SUPPORTED
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

SUPPORTED INCLUSIONARY REQUIREMENT

	PROTOTYPE 1: SFD	PROTOTYPE 2: TOWNHOME	PROTOTYPE 3: CONDOMINIUM	PROTOTYPE 4: RENTAL
Supported Inclusionary Requirement				
Per 100 Market Rate Units - Cumulative Through [1]				
50% OF MEDIAN INCOME	12.5 Units	9.0 Units	8.3 Units	n/a
80% OF MEDIAN INCOME	20.4 Units	14.7 Units	13.5 Units	n/a
100% OF MEDIAN INCOME	22.0 Units	15.8 Units	14.5 Units	n/a
120% OF MEDIAN INCOME	23.9 Units	17.2 Units	15.8 Units	n/a
Supported Inclusionary Percentage - Cumulative Through [2]				
50% OF MEDIAN INCOME	11.1%	8.3%	7.6%	n/a
80% OF MEDIAN INCOME	16.9%	12.8%	11.9%	n/a
100% OF MEDIAN INCOME	18.0%	13.7%	12.7%	n/a
120% OF MEDIAN INCOME	19.3%	14.7%	13.6%	n/a

Notes:

[1] See Table B-4

[2] Calculated by dividing the supported number of affordable units by the total number of units (supported affordable units + 100 market rate

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Filename: Nexus model 11-5-13; C-10 summary-inclusionary; 3/27/2014; dd

IV. MITIGATION COSTS AND TOTAL SUPPORTED FEE LEVELS

This section takes the conclusions of the previous section on the number of households in the lower income categories associated with the market rate units and identifies the total cost of assistance required to make housing affordable. This section puts a cost on the units for each income level to produce the “total nexus cost.”

A key component of the analysis is the size of the spread between what households can afford and the cost of producing new housing in Daly City, known as the ‘affordability gap.’ Affordability gaps are calculated for each of the four income categories: Very Low (under 50% of median), Low (50% to 80%), Median (80% to 100%) and Moderate (100% to 120%). The following summarizes the analysis of mitigation cost which is based on the affordability gap or net cost to deliver units that are affordable to worker households in the lower income tiers. Detailed affordability gap calculations are presented in Tables IV-1 through IV-2 at the end of this section.

For housing impact fee application, or any kind of fee instead of onsite units within a project, the concept is that the units will be built in Daly City by an affordable housing developer, mostly likely a non-profit developer, with financial assistance from the City. For the two lower income tiers (Very Low and Low Income), projects are assumed developed with the benefits of the Federal and California Tax Credit program or CTCAC (California Tax Credit Allocation Committee which awards the federal allocation within the State). While tax credits at both 4% and 9% are technically available, 9% credits are so competitive that very few projects succeed in achieving the awards; 4% is far more typical in the Northern Peninsula area. Some projects may be developed without any tax credits which would substantially increase the amount of local financial needed.

City Assisted Affordable Unit Prototypes

For estimating the affordability gap, there is a need to match a household of each income level with a unit type and size according to governmental regulations and City practices and policies. The City of Daly City intends to assist in the production of rental units for households in the Very Low and Low Income categories, in projects eligible for the tax credit program. For households in the Median and Moderate Income categories, the City would assist in the development of modest condominium units, similar to what the market delivered in Daly City prior to the recession.

KMA reviewed the development program for several recent affordable rental developments in the Northern Peninsula area. The non-profit developer Mid Peninsula Housing also provided input on the costs of affordable projects eligible for accessing tax credits, based on their recent experience with a number of projects. The projects would have a mix of unit sizes with the average at 2.0 bedrooms. Total development costs, inclusive of land, construction, and all indirect costs, are estimated at $425,000 per unit.

The affordable ownership units are assumed to be small condominium units with a mix of unit sizes, on average 40% one bedroom, 40% two bedrooms, and 20% three bedrooms, with an overall average size at a little over two bedrooms. Total development costs for these units are estimated to average $450,000 or the same as the market rate prototype.

Affordable Rent Levels, Unit Values and Affordability Gaps

Affordable rent levels are a function of the income level for which the unit is aimed to be affordable; affordable rent levels are estimated by KMA in accordance with the City's methodology and the tax credit program, as appropriate.

Household size is determined by the number of bedrooms plus one, so the two-bedroom unit is assumed to be occupied by a three-person household.

For the Very Low income unit, the maximum rents published by CTCAC for 2013 were utilized. These rents are based on 30% of gross monthly income. Because published rents include utilities, monthly utility allowances were deducted per the published utility allowance schedule of the San Mateo County Housing Authority. The two-bedroom Very Low Income unit is assumed to rent for $1,106 per month, after utilities as indicated below and also in Table IV-1

For the Low Income unit, the maximum affordable rent was calculated based at 60% AMI,, per the CTCAC program (despite the income range for Low Income going up to 80% AMI.) Using the same adjustment for monthly utilities, the affordable monthly rent is $1,344.

Below, the affordable rents for the Very Low and Low Income category are summarized.

Monthly	Very Low Income	Low Income
% AMI	50%	60%
Gross Rent	$1,187	$1,425
Utility Adjustment	($81)	($81)
Max rent per CTCAC	$1,106	$1,344

To calculate the value of the restricted rental units, KMA estimated the Net Operating Income generated by the units. The first step is to convert monthly gross rent to an annual gross rent by multiplying by 12 months. Annual gross rent is then adjusted for 5% vacancy during unit turnover. Operating costs to cover management and certain other expenses are also netted out. Based on KMA's experience in reviewing operating budgets for affordable apartment projects proposed or built in the local area, operating expenses are estimated at $6,000 per unit per year including replacement reserves but excluding property taxes since affordable projects are usually not subject to property taxes. Table IV-1 provides the calculations for Net Operating Income

For the Very Low and Low Income units, the Net Operating Income is used to estimate the amount of permanent debt the project can support, given conservative underwriting assumptions. Additional sources of funds include the market value of 4% tax credits and deferred developer fee as is typical with tax credit funded projects.

The inset table below provides a summary of the rent level, Net Operating Income and supportable sources of funds for each of the two lower income affordable units. Finally, the development cost described previously, is compared to the funds supported to produce the affordability gap, or additional subsidy needs to deliver the affordable units at each income level.

Annual	**Very Low Income**	**Low Income**
Net Operating Income (NOI)	$6,893	$9,607
Sources of Funds		
Supportable Debt	$83,000	$116,000
Market Value of 4% Tax Credits	$120,000	$120,000
Deferred Developer Fee	$4,000	$4,000
Total Sources of Funds	$207,000	$240,000
(Less) Total Development Cost	($425,000)	($425,000)
Affordability Gap	**($218,000)**	**($185,000)**

In summary, the affordability gap for the Very Low Income unit is $218,000 and for the Low Income unit is $185,000.

Affordable Sales Price

For the condominium affordable to Median and Moderate Income households, KMA provides a calculation of the affordable sales price for a condominium project that has a mix of one, two and three bedroom units. Each unit size in terms of bedrooms is matched to a household size that is one larger (I bedroom for a two person household, etc.) per City and State policies.

Per City policy, 30% of gross household income is assumed available for housing costs. Median Income gross is 100% AMI while Moderate Income, per City policy is 110% AMI. Housing expenses are an assumed condominium association fee at $350 per month, property taxes, mortgage insurance and homeowners insurance. After these housing expense adjustments, the amount available for principal and interest on a mortgage is determined and from there the mortgage value supportable is estimated. Finally, with an assumed down payment at 10%, the total sales price affordable is established. The difference between the sales price affordable and the cost of development of the unit is the affordability gap.

Table IV-2 at the end of this section presents the calculation for each unit size and the computed weighted average. The conclusions with respect affordable prices and affordability gaps are:

	Affordable Price	***Development Cost***	***Affordability Gap***
Median Income (100% AMI)	$291,000	$450,000	$159,000
Moderate Income (110% AMI)	$326,000	$450,000	$124,000

Total Linkage Costs

The last step in the linkage fee analysis marries the findings on the numbers of households in each of the lower income ranges associated with the 100 market rate units for each of the four prototypes to the affordability gaps, or the costs of delivering housing to them in Daly City.

The Affordability Gaps are drawn from the prior discussion. The “Total Nexus Cost per Market Rate Unit” shows the results of the following calculation: the affordability gap times the number of affordable units demanded per market rate unit. (Demand for affordable units for each of the income ranges is drawn from Table III-3 in the previous section and is adjusted to a per-unit basis from the 100 unit building module.)

The total nexus costs per unit for each of the four Daly City market rate units are as follows:

		Nexus Cost Per Market Rate Unit			
Household Income Level	**Affordability Gap**	*Single Family Detached*	*Townhome*	*Condominium*	*Rental Apartment*
Under 50% AMI	$218,000	$27,300	$19,600	$18,000	$18,900
50% to 80% Area Median Income	$185,000	$14,600	$10,500	$9,600	$10,100
80% to 100% Area Median Income	$159,000	$2,500	$1,800	$1,700	$1,700
100% to 120% Area Median Income	$124,000	$2,400	$1,700	$1,600	$1,700
Total Supported Fee/ Nexus		**$46,800**	**$33,600**	**$30,900**	**$32,400**

The total Nexus Costs, or Mitigation Costs, indicated above, may also be expressed per square foot. The square foot area of the prototype unit used throughout the analysis becomes the basis for the calculation. The results per square foot are as follows:

		Nexus Cost Per Square Foot			
Household Income Level	**Affordability Gap**	*Single Family Detached*	*Townhome*	*Condominium*	*Rental Apartment*
Unit Size (SF)		*2,200 SF*	*1,400 SF*	*1,050 SF*	*950 SF*
Under 50% Area Median Income	$218,000	$12.41	$14.00	$17.14	$19.89
50% to 80% Area Median Income	$185,000	$6.64	$7.50	$9.14	$10.63
80% to 100% Area Median Income	$159,000	$1.14	$1.29	$1.62	$1.79
100% to 120% Area Median Income	$124,000	$1.09	$1.21	$1.52	$1.79
Total Supported Fee / Nexus		**$21.27**	**$24.00**	**$29.43**	**$34.11**

These costs express the total linkage or nexus costs for the new market rate residential developments in the City of Daly City. These total nexus costs represent the ceiling for any requirement placed on market rate residential development. **The totals are not recommended levels for fees; they represent only the maximums established by this analysis, below which fees or other requirements may be set.**

TABLE IV-1
AFFORDABILITY GAP: VERY LOW AND LOW INCOME UNITS
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

		Very Low Income *50% AMI*	Low Income *60% AMI*
I. Affordable Rent			
Average Number of Bedrooms[1]		2 Bedrooms	2 Bedrooms
Maximum Rent per CTCAC[2]		$1,187	$1,425
(Less) Utility Allowance[3]		($81)	($81)
Maximum Monthly Rent per CTCAC		$1,106	$1,344
II. Net Operating Income (NOI)		Per Unit	Per Unit
Gross Scheduled Income (GSI)			
Monthly		$1,106	$1,344
Annual		$13,272	$16,128
Other Project Income		$300	$300
(Less) Vacancy	5%	($679)	($821)
Effective Gross Income (EGI)		$12,893	$15,607
(Less) Operating Expenses[4]		($6,000)	($6,000)
(Less) Property Taxes		exempt	exempt [5]
Net Operating Income (NOI)		$6,893	$9,607
III. Capitalized Value and Affordability Gap			
I. Net Operating Income (NOI)		$6,893	$9,607
II. Sources of Funds			
Supportable Debt		$83,000	$116,000
Market Value of 4% Tax Credits		$120,000	$120,000
Deferred Developer Fee		$4,000	$4,000
III. Total Sources of Funds		$207,000	$240,000
IV. (Less) Total Development Costs[6]		($425,000)	($425,000)
V. Affordability Gap		**($218,000)**	**($185,000)**

(1) Average unit size based on recent projects built by MidPen Housing.
(2) Household size - 3 persons per CTCAC and City policy.
(3) Utility allowance schedule from San Mateo County Housing Authority.
(4) Includes replacement reserves.
(5) Assumes non-profit general partner.
(6) Development costs based on recent MidPen Housing affordable projects.

Prepared by: Keyser Marston Associates
Filename: \\Sf-fs2\wp\11\11505\Afford Gap Calcs Daly City; rentals with TC

TABLE IV-2
AFFORDABLE SALES PRICES - MEDIAN + MODERATE INCOME
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**

Number of Bedrooms			**1 bedroom**	**2 bedrooms**	**3 bedrooms**	**Weighted Average**
Household Size			2 persons	3 persons	4 persons	
Unit Mix			40%	40%	20%	
Median Income			$82,400	$92,700	$103,000	
Affordable Sales Prices: 100% of AMI						
Annual Income Limit	100%	AMI	$82,400	$92,700	$103,000	
30% of Household Income [1]			$24,720	$27,810	$30,900	
Condo Association Fee	$350	/Mo	$4,200	$4,200	$4,200	
Property Taxes	1.15%	of SP	$3,000	$3,500	$3,900	
Mortgage Insurance	0.50%	of Loan	$1,200	$1,400	$1,500	
Homeowner Insurance	0.14%	of SP	$400	$400	$500	
Subtotal Expenses			$8,800	$9,500	$10,100	
Available for P+I			$15,920	$18,310	$20,800	
Supportable Mortgage	5.5%	interest	$233,700	$268,700	$305,300	
Down Payment	10%	of SP	$26,000	$29,900	$33,900	
Affordable Sales Price@100% AMI			$259,700	$298,600	$339,200	
Condo Prototype@100% AMI			40% 1 BR, 40% 2BR, 20% 3 BR			$291,000
Affordable Sales Prices: 110% of AMI						
Annual Income Limit	110%	AMI	$90,640	$101,970	$113,300	
30% of Household Income [1]			$27,190	$30,590	$33,990	
Condo Association Fee	$350	/Mo	$4,200	$4,200	$4,200	
Property Taxes	1.15%	of SP	$3,400	$3,900	$4,400	
Mortgage Insurance	0.50%	of Loan	$1,300	$1,500	$1,700	
Homeowner Insurance	0.14%	of SP	$400	$500	$500	
Subtotal Expenses			$9,300	$10,100	$10,800	
Available for P+I			$17,890	$20,490	$23,190	
Supportable Mortgage	5.5%	interest	$262,600	$300,700	$340,400	
Down Payment	10%	of SP	$29,200	$33,400	$37,800	
Affordable Sales Price@110% AMI			$291,800	$334,100	$378,200	
Condo Prototype@110% AMI			40% 1 BR, 40% 2BR, 20% 3 BR			$326,000

(1) The City's inclusionary housing ordinance requires for-sale units to be priced based on 30% of income spent on housing.

Sources: City of Daly City, San Mateo County Housing Department, California Department of Housing and Community Development, KMA.

TABLE IV-3
SUPPORTED FEE / NEXUS SUMMARY PER UNIT
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY

INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

TOTAL NEXUS COST PER MARKET RATE UNIT

		Nexus Cost Per Market Rate Unit			
	Affordability Gap [1]	**PROTOTYPE 1: SFD**	**PROTOTYPE 2: TOWNHOME**	**PROTOTYPE 3: CONDOMINIUM**	**PROTOTYPE 4: RENTAL**
Household Income Level					
Under 50% Area Median Income	$218,000	$27,300	$19,600	$18,000	$18,900
50% to 80% Area Median Income	$185,000	$14,600	$10,500	$9,600	$10,100
80% to 100% Area Median Income	$159,000	$2,500	$1,800	$1,700	$1,700
100% to 120% Area Median Income	$124,000	$2,400	$1,700	$1,600	$1,700
Total Supported Fee / Nexus		**$46,800**	**$33,600**	**$30,900**	**$32,400**

TOTAL NEXUS COST PER SQUARE FOOT

		Nexus Cost Per Square Foot			
	Affordability Gap [1]	**PROTOTYPE 1: SFD**	**PROTOTYPE 2: TOWNHOME**	**PROTOTYPE 3: CONDOMINIUM**	**PROTOTYPE 4: RENTAL**
Unit Size (SF)		2,200 SF	1,400 SF	1,050 SF	950 SF
Household Income Level					
Under 50% Area Median Income	$218,000	$12.41	$14.00	$17.14	$19.89
50% to 80% Area Median Income	$185,000	$6.64	$7.50	$9.14	$10.63
80% to 100% Area Median Income	$159,000	$1.14	$1.29	$1.62	$1.79
100% to 120% Area Median Income	$124,000	$1.09	$1.21	$1.52	$1.79
Total Supported Fee / Nexus		**$21.27**	**$24.00**	**$29.43**	**$34.11**

[1] Household earning less than 80% of Area Median Income are presumed to receive assistance for rental housing.

Household earning between 80% and 120% of Area Median Income are presumed to receive assistance for ownership housing.

Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\Nexus model 11-5-13; D-1 nexus cost per Unit; 3/27/2014; dd

APPENDIX A: MARKET SURVEY

Appendix Table A - 1
Asking Prices and Resale Prices, New and Newer Units
Housing Nexus Study **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**
City of Daly City

Project	BD	BA	SF	Base $	$/SF	Sale Date	Notes
Note: market survey was originally completed in 2012. The 2012 survey has been partially updated by obtaining updated sales for the projects that were identified as the most comparable for the Daly City prototypes.							
Single Family Detached							
Cypress Walk/Olson Company	4	3.0	2,007	$845,000	$421	Jul 2013	resale
(Pacifica, built 2007)	4	2.5	2,239	$800,000	$357	May 2013	resale
[updated]	4	3.0	2,124	$725,000	$341	Feb 2013	resale
			2,123	$790,000	$373		
Stonegate Estates/Stonegate	3	2.5	2,470	$750,000	$304	Mar 2013	resale
(South San Francisco, built 2007)	3	2.5	1,890	$730,000	$386	Oct 2012	resale
[updated]			2,180	$740,000	$345		
Merimont/Summerhill Homes	3	2.5	2,092	$914,875	$437	Apr 2011	list price
(San Bruno, built 2007)	3	2.5	2,092	$934,880	$447	Jan 2011	list price
[from 2012 survey, not updated]			2,092	$924,878	$442		
	4	3.0	2,170	$962,575	$444	Apr 2011	list price
	4	2.5	2,282	$862,888	$378	Apr 2011	list price
	4	2.5	1,785	$815,000	$457	Jan 2011	list price
	4	3.0	2,170	$979,880	$452	Jan 2011	list price
	4	2.5	2,282	$984,880	$432	Jan 2011	list price
	4	2.5	1,785	$799,880	$448	Oct 2010	list price
			2,079	$900,851	$435		
Townhomes							
Villa Paloma/Vanguard Propts.	2	2.5	1,260	$685,000	$544	Nov 2012	resale
(Burlingame, built 2007)	2	2.5	1,260	$600,000	$476	Jul 2011	resale
[updated but only one sale]	2	2.5	1,285	$660,000	$514	Jun 2010	resale
			1,268	$648,333	$511		
Barneson Place/ Fairrock	3	2.5	1,700	$825,000	$485	Nov 2011	
(San Mateo, built 2008)	3	2.5	1,780	$835,000	$469	May 2010	
Craftsman style, tree-lined street	3	2.5	1,700	$835,000	$491	Aprl 2010	
[from 2012 survey, not updated]	3	2.5	1,700	$820,000	$482	Jan 2010	
			1,720	$828,750	$482		
Park Bayshore/Barry Swensen	2	2.5	1,230	$475,000	$386	Jul 2012	
(San Mateo, built 2008)							
[from 2012 survey, not updated]							
Saratoga Park/Bay Meadows	1	1.5	1,809	$609,000	$337	Feb 2012	resale
(San Mateo, built 2004)	1	1.5	1,215	$720,000	$593	May 2011	resale
Whole Foods, landscaped blvd.			1,512	$664,500	$465		
[from 2012 survey, not updated]							

Note: no newly built townhome projects identified in Daly City or adjacent Peninsula cities. The above projects are in communities which are generally higher priced than Daly City.

Appendix Table A - 1
Asking Prices and Resale Prices, New and Newer Units
Housing Nexus Study **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**
City of Daly City

Project	BD	BA	SF	Base $	$/SF	Sale Date	Notes
Condo							
Park Station/Summerhill	1	1.0	670	$375,000	$560	Jun 2013	resale
(South San Francisco, built 2009)	1	1.0	670	$375,000	$560	Apr 2013	resale
[updated]			670	$375,000	$560		
	2	2.0	990	$483,000	$488	Jul 2013	resale
	2	2.0	1,310	$520,000	$397	Apr 2013	resale
	2	2.0	990	$482,000	$487	Apr 2013	resale
			1,097	$495,000	$457		
South City Lights/Watts	1	1.0	828	$446,000	$539	Sep 2013	resale
(South San Francisco, built 2006)	1	1.0	828	$400,000	$483	Jul 2013	resale
[updated]	1	1.0	828	$355,000	$429	Dec 2012	resale
			828	$400,333	$483		
	2	2.0	1,026	$465,000	$453	Aug 2013	resale
	2	2.0	1,026	$420,000	$409	Jul 2013	resale
	2	2.0	1,026	$412,500	$402	Jul 2013	resale
	2	2.0	1,082	$435,000	$402	May 2013	resale
	2	2.0	1,082	$450,000	$416	Apr 2013	resale
	2	2.0	1,082	$390,000	$360	Apr 2013	resale
	2	2.0	1,026	$450,000	$439	Mar 2013	resale
	2	2.0	1,026	$405,000	$395	Jan 2013	resale
			1,047	$428,438	$410		
	3	2.0	1,200	$569,418	$475	Aug 2013	resale
	3	2.0	1,290	$625,000	$484	Aug 2013	resale
	3	2.0	1,200	$480,000	$400	Feb 2013	resale
	3	2.0	1,290	$468,000	$363	Feb 2013	resale
	3	2.0	1,200	$422,000	$352	Dec 2012	resale
	3	2.0	1,200	$425,000	$354	Nov 2012	resale
			1,230	$498,236	$405		
89 Goethe Street/SFDC Assoc.	1	1.0	900	$200,000	$222	Jul 2011	resale
(Daly City, built 2005)							
smaller project; no podium	2	2.0	1,305	$355,000	$272	Sep 2011	resale
	2	2.0	1,315	$312,000	$237	Oct 2012	resale
[from 2012 survey, not updated]	2	2.0	1,305	$360,000	$276	Aug 2011	resale
			1,308	$342,333	$262		

Sources: BlockShopper.com, Data Quick, Hanley Wood Housing Intelligence.

Appendix Table A - 2
Asking Rents at Newer Rental Projects
Housing Nexus Study
City of Daly City

INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

Project	No. Units	BD	SF	Low Rent	High Rent	Low $/SF	High $/SF
La Terrazza Apartments	64	1	823	$2,270	$2,270	$2.76	$2.76
(Colma, built 2005)							
	77	2	1,065	$2,890	$2,890	$2.71	$2.71
	12	3	1,229	$3,090	$3,090	$2.51	$2.51
Pacific Place	48	1	927	$2,194	$3,116	$2.37	$3.36
(Daly City, built 2008 as condos)							
	22	2	1,028	$2,315	$3,060	$2.25	$2.98
	2	3	1,452	$3,070	$4,175	$2.11	$2.88
88 Hillside	25	2	1,183	$3,250	$3,250	$2.75	$2.75
(Daly City, built 2008 as condos)	25	2	1,240	$3,000	$3,000	$2.42	$2.42
	30	2	1,052	$2,875	$2,875	$2.73	$2.73
	80		1,158	$3,042	$3,042	$2.63	$2.63
	15	3	1,606	$3,400	$3,400	$2.12	$2.12
Avalon Ocean Avenue/Avalon	6	S	493	$2,020	$2,020	$4.10	$4.10
(San Francisco, built 2012)	4	S	576	$2,035	$2,035	$3.53	$3.53
ground level Whole Foods	6	S	613	$2,115	$2,115	$3.45	$3.45
	16		559	$2,059	$2,059	$3.71	$3.71
	20	1	461	$2,510	$2,510	$5.44	$5.44
	20	1	716	$2,560	$2,560	$3.58	$3.58
	44	1	871	$2,895	$2,895	$3.32	$3.32
	84		736	$2,724	$2,724	$3.89	$3.89
	40	2	1,016	$3,610	$3,610	$3.55	$3.55
	25	2	1,105	$3,080	$3,160	$2.79	$2.86
	8	2	1,312	$3,970	$3,970	$3.03	$3.03
	73		1,079	$3,468	$3,495	$3.23	$3.26
Hillside Courtyard	7	S	413	$1,375	$1,525	$3.33	$3.69
(Daly City, built 1965/2008 remodel)	7	S	425	$1,375	$1,450	$3.24	$3.41
	7	S	454	$1,399	$1,499	$3.08	$3.30
	21		431	$1,383	$1,491	$3.22	$3.47
	17	1	440	$1,495	$1,625	$3.40	$3.69
	16	1	527	$1,539	$1,669	$2.92	$3.17
	16	1	584	$1,569	$1,669	$2.69	$2.86
	8	1	633	$1,585	$1,715	$2.50	$2.71
	8	1	736	$1,614	$1,669	$2.19	$2.27
	65		557	$1,550	$1,663	$2.85	$3.06

Appendix Table A - 2
Asking Rents at Newer Rental Projects
Housing Nexus Study
City of Daly City

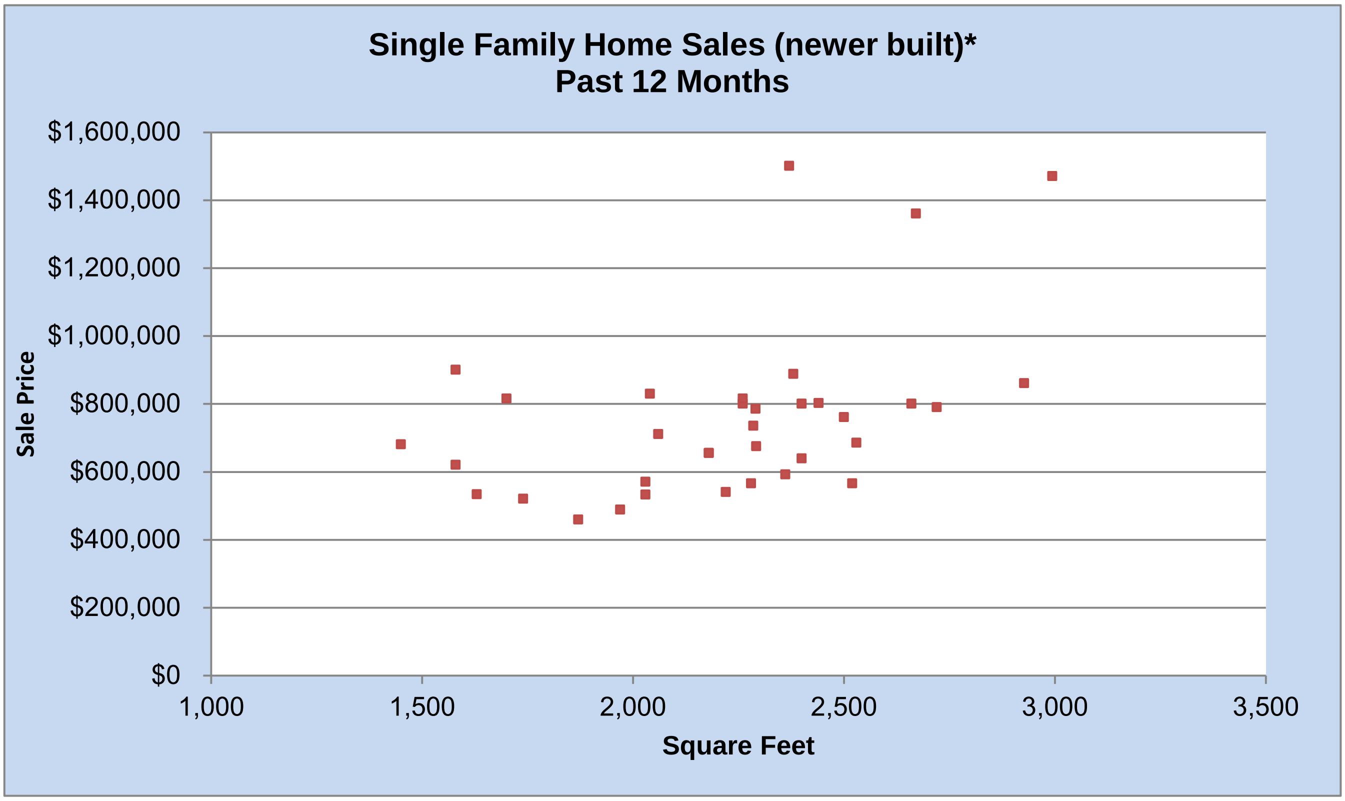
INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

Project	No. Units	BD	SF	Low Rent	High Rent	Low $/SF	High $/SF
Westlake Village	505	S	431	$1,395	$1,595	$3.24	$3.70
(Daly City, built 1950s)							
	880	1	637	$1,545	$1,995	$2.43	$3.13
	515	2	837	$1,975	$2,595	$2.36	$3.10
	197	2	975	$2,195	$2,795	$2.25	$2.87
	686	2	1,000	$2,495	$2,695	$2.50	$2.70
	1,398		936	$2,261	$2,672	$2.41	$2.87
	200	3	1,175	$2,895	$3,295	$2.46	$2.80

Sources: CoStar Property, Equity Residential, Move.com, Pacifica S.D. Management.

Appendix Table A - 3
Existing Single Family Home Sales
Housing Nexus Study **INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION**
City of Daly City

Single Family Home Sales in Daly City: Oct. 2012 to Sept 2013



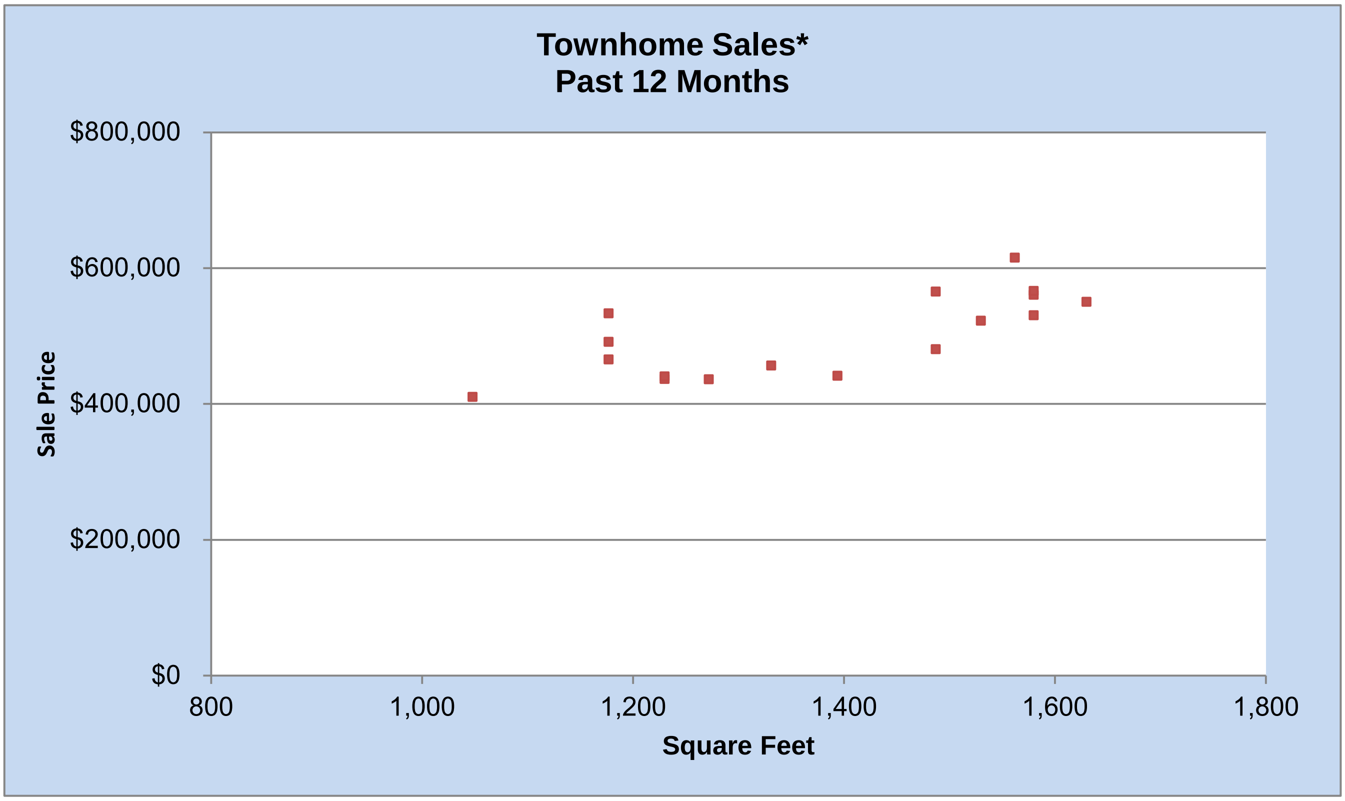
*Units built since 2000; includes new units and resales. Excludes units selling at $300,000 and below which appear to be BMR units.
Source: Dataquick

No. of Sales	35
Average Size:	2,223 sf
Average Price:	$754,000
Average Price PSF	$339

Appendix Table A - 4
Existing Townhome Sales
Housing Nexus Study
City of Daly City

INTERNAL DRAFT - NOT FOR PUBLIC DISTRIBUTION

Townhome Sales in Daly City: Nov. 2012 to Oct. 2013



*Re-sales of units predominantly built in the 1980s. Excludes three sales representing small units of less than 900 sf.

Source: Redfin / MLS.

No. of Sales	17
Average Size:	1,381 sf
Average Price:	$500,000
Average Price PSF	$362

APPENDIX B: WORKER OCCUPATIONS AND COMPENSATION

APPENDIX TABLE B-1
WORKER OCCUPATION DISTRIBUTION, 2011
SERVICES TO HOUSEHOLDS EARNING $75,000 - $100,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA **DRAFT FOR REVIEW BY STAFF ONLY**

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $75,000 - $100,000 / Year
Management Occupations	*4.3%*
Business and Financial Operations Occupations	*5.1%*
Education, Training, and Library Occupations	*2.6%*
Healthcare Practitioners and Technical Occupations	*6.0%*
Healthcare Support Occupations	*3.1%*
Food Preparation and Serving Related Occupations	*13.1%*
Building and Grounds Cleaning and Maintenance Occupations	*6.5%*
Personal Care and Service Occupations	*3.9%*
Sales and Related Occupations	*16.3%*
Office and Administrative Support Occupations	*17.7%*
Installation, Maintenance, and Repair Occupations	*4.3%*
Transportation and Material Moving Occupations	*5.5%*
All Other Worker Occupations - Services to Households Earning $75,000 - $100,000 / Year	*11.7%*
INDUSTRY TOTAL	100.0%

[1] Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

Source: Bureau of Labor Statistics, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\75-100K; C3 Major Occupations Matrix; 3/27/2014; dd

APPENDIX TABLE B-2
AVERAGE ANNUAL WORKER COMPENSATION, 2012
SERVICES TO HOUSEHOLDS EARNING $75,000 - $100,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2012 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 1 of 3			
Management Occupations			
General and Operations Managers	$150,400	31.8%	1.4%
Sales Managers	$147,900	5.6%	0.2%
Financial Managers	$166,600	10.5%	0.5%
Food Service Managers	$63,700	4.7%	0.2%
Medical and Health Services Managers	$121,800	4.7%	0.2%
Property, Real Estate, and Community Association Managers	$91,800	13.0%	0.6%
All other Management Occupations (Avg. All Categories)	$144,000	29.7%	1.3%
Weighted Mean Annual Wage	***$137,100***	**100.0%**	**4.3%**
Business and Financial Operations Occupations			
Human Resources, Training, and Labor Relations Specialists, All Other*	$79,700	4.8%	0.2%
Management Analysts	$110,700	5.6%	0.3%
Market Research Analysts and Marketing Specialists*	$89,500	4.6%	0.2%
Business Operations Specialists, All Other*	$87,500	9.8%	0.5%
Accountants and Auditors	$86,600	15.7%	0.8%
Financial Analysts	$119,500	10.0%	0.5%
Personal Financial Advisors	$126,100	14.8%	0.8%
Loan Officers	$101,400	9.3%	0.5%
All Other Business and Financial Operations Occupations (Avg. All Categories)	$102,400	25.5%	1.3%
Weighted Mean Annual Wage	***$102,400***	**100.0%**	**5.1%**
Education, Training, and Library Occupations			
Vocational Education Teachers, Postsecondary	$64,800	4.3%	0.1%
Preschool Teachers, Except Special Education	$37,800	17.5%	0.5%
Elementary School Teachers, Except Special Education	$66,600	9.8%	0.3%
Middle School Teachers, Except Special and Career/Technical Education	$71,700	4.3%	0.1%
Secondary School Teachers, Except Special and Career/Technical Education	$69,900	6.8%	0.2%
Self-Enrichment Education Teachers	$42,900	9.7%	0.3%
Teachers and Instructors, All Other*	$55,600	10.8%	0.3%
Teacher Assistants	$32,400	17.1%	0.4%
All Other Education, Training, and Library Occupations (Avg. All Categories)	$49,200	19.8%	0.5%
Weighted Mean Annual Wage	***$49,200***	**100.0%**	**2.6%**
Healthcare Practitioners and Technical Occupations			
Pharmacists	$131,300	4.7%	0.3%
Physicians and Surgeons, All Other	$135,400	4.8%	0.3%
Registered Nurses*	$112,100	28.7%	1.7%
Dental Hygienists	$108,200	4.1%	0.2%
Emergency Medical Technicians and Paramedics	$67,400	4.2%	0.3%
Pharmacy Technicians	$44,600	6.4%	0.4%
Licensed Practical and Licensed Vocational Nurses	$61,400	8.0%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	$98,300	39.2%	2.3%
Weighted Mean Annual Wage	***$98,300***	**100.0%**	**6.0%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\75-100K; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-2
AVERAGE ANNUAL WORKER COMPENSATION, 2012
SERVICES TO HOUSEHOLDS EARNING $75,000 - $100,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2012 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Healthcare Support Occupations			
Home Health Aides	$25,800	21.1%	0.7%
Nursing Aides, Orderlies, and Attendants*	$39,700	24.5%	0.8%
Dental Assistants	$47,900	12.4%	0.4%
Medical Assistants	$42,400	20.9%	0.6%
Healthcare Support Workers, All Other*	$46,100	6.0%	0.2%
All Other Healthcare Support Occupations (Avg. All Categories)	$38,600	15.2%	0.5%
Weighted Mean Annual Wage	***$38,600***	**100.0%**	**3.1%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$37,700	6.9%	0.9%
Cooks, Fast Food	$24,800	5.0%	0.7%
Cooks, Restaurant	$29,200	8.9%	1.2%
Food Preparation Workers	$23,500	6.5%	0.9%
Bartenders	$30,500	4.7%	0.6%
Combined Food Preparation and Serving Workers, Including Fast Food	$23,900	26.2%	3.4%
Waiters and Waitresses	$25,000	21.5%	2.8%
Dishwashers	$22,600	4.5%	0.6%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	$26,200	15.8%	2.1%
Weighted Mean Annual Wage	***$26,200***	**100.0%**	**13.1%**
Building and Grounds Cleaning and Maintenance Occupations			
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$29,000	51.8%	3.3%
Maids and Housekeeping Cleaners	$33,600	9.7%	0.6%
Landscaping and Groundskeeping Workers	$41,200	26.7%	1.7%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Categories)	$33,200	11.8%	0.8%
Weighted Mean Annual Wage	***$33,200***	**100.0%**	**6.5%**
Personal Care and Service Occupations			
Nonfarm Animal Caretakers	$33,900	6.3%	0.2%
Amusement and Recreation Attendants	$24,700	8.0%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	$37,900	14.1%	0.5%
Childcare Workers	$30,900	17.5%	0.7%
Personal Care Aides	$25,100	17.8%	0.7%
Fitness Trainers and Aerobics Instructors	$65,100	6.0%	0.2%
Recreation Workers	$29,200	4.4%	0.2%
All Other Personal Care and Service Occupations (Avg. All Categories)	$33,100	25.9%	1.0%
Weighted Mean Annual Wage	***$33,100***	**100.0%**	**3.9%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$45,600	9.1%	1.5%
Cashiers	$26,900	24.6%	4.0%
Counter and Rental Clerks	$33,800	5.3%	0.9%
Retail Salespersons	$28,400	33.9%	5.5%
Securities, Commodities, and Financial Services Sales Agents	$139,400	8.5%	1.4%
All Other Sales and Related Occupations (Avg. All Categories)	$41,800	18.5%	3.0%
Weighted Mean Annual Wage	***$41,800***	**100.0%**	**16.3%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\75-100K; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-2
AVERAGE ANNUAL WORKER COMPENSATION, 2012
SERVICES TO HOUSEHOLDS EARNING $75,000 - $100,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2012 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 3 of 3			
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$67,200	6.6%	1.2%
Bookkeeping, Accounting, and Auditing Clerks	$49,700	7.7%	1.4%
Customer Service Representatives	$43,600	10.6%	1.9%
Receptionists and Information Clerks	$37,300	6.0%	1.1%
Stock Clerks and Order Fillers	$31,100	10.0%	1.8%
Executive Secretaries and Executive Administrative Assistants	$66,300	4.6%	0.8%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	$44,600	9.1%	1.6%
Office Clerks, General	$36,500	13.7%	2.4%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$44,400	31.7%	5.6%
Weighted Mean Annual Wage	***$44,400***	**100.0%**	**17.7%**
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$81,800	7.7%	0.3%
Automotive Body and Related Repairers	$54,900	5.3%	0.2%
Automotive Service Technicians and Mechanics	$53,700	18.5%	0.8%
Maintenance and Repair Workers, General	$49,900	36.9%	1.6%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$54,900	31.6%	1.4%
Weighted Mean Annual Wage	***$54,900***	**100.0%**	**4.3%**
Transportation and Material Moving Occupations			
Bus Drivers, School or Special Client	$43,900	6.8%	0.4%
Driver/Sales Workers	$33,700	7.6%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$46,800	9.9%	0.5%
Light Truck or Delivery Services Drivers	$40,000	10.4%	0.6%
Parking Lot Attendants	$31,600	4.1%	0.2%
Cleaners of Vehicles and Equipment	$25,900	7.2%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	$31,000	20.4%	1.1%
Packers and Packagers, Hand	$26,500	7.9%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	$34,900	25.8%	1.4%
Weighted Mean Annual Wage	***$34,900***	**100.0%**	**5.5%**
			88.3%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2011 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2012 Occupational Employment Survey data for San Mateo, San Francisco, and Marin Counties, updated by the California Employment Development Department to 2013 wage levels.

[3] Including occupations representing 4% or more of the major occupation group

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\75-100K; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-3
WORKER OCCUPATION DISTRIBUTION, 2011
SERVICES TO HOUSEHOLDS EARNING $100,000 - $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA **DRAFT FOR REVIEW BY STAFF ONLY**

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $100,000 - $150,000 / Year
Management Occupations	*4.1%*
Business and Financial Operations Occupations	*4.7%*
Education, Training, and Library Occupations	*3.2%*
Healthcare Practitioners and Technical Occupations	*5.7%*
Healthcare Support Occupations	*3.1%*
Food Preparation and Serving Related Occupations	*12.8%*
Building and Grounds Cleaning and Maintenance Occupations	*7.9%*
Personal Care and Service Occupations	*4.0%*
Sales and Related Occupations	*16.4%*
Office and Administrative Support Occupations	*17.0%*
Installation, Maintenance, and Repair Occupations	*4.1%*
Transportation and Material Moving Occupations	*5.5%*
All Other Worker Occupations - Services to Households Earning $100,000 - $150,000 / Year	*11.5%*
INDUSTRY TOTAL	100.0%

[1] Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

Source: Bureau of Labor Statistics, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\100-150K; C3 Major Occupations Matrix; 3/27/2014; dd

APPENDIX TABLE B-4
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $100,000 - $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 1 of 3			
Management Occupations			
General and Operations Managers	$150,400	33.1%	1.4%
Sales Managers	$147,900	5.7%	0.2%
Financial Managers	$166,600	10.0%	0.4%
Food Service Managers	$63,700	4.8%	0.2%
Medical and Health Services Managers	$121,800	4.7%	0.2%
Property, Real Estate, and Community Association Managers	$91,800	10.7%	0.4%
All other Management Occupations (Avg. All Categories)	$144,000	30.9%	1.3%
Weighted Mean Annual Wage	***$138,100***	**100.0%**	**4.1%**
Business and Financial Operations Occupations			
Human Resources, Training, and Labor Relations Specialists, All Other*	$79,700	5.1%	0.2%
Management Analysts	$110,700	5.7%	0.3%
Market Research Analysts and Marketing Specialists*	$89,500	4.7%	0.2%
Business Operations Specialists, All Other*	$87,500	10.2%	0.5%
Accountants and Auditors	$86,600	15.6%	0.7%
Financial Analysts	$119,500	9.5%	0.4%
Personal Financial Advisors	$126,100	13.7%	0.6%
Loan Officers	$101,400	9.3%	0.4%
All Other Business and Financial Operations Occupations (Avg. All Categories)	$101,700	26.3%	1.2%
Weighted Mean Annual Wage	***$101,700***	**100.0%**	**4.7%**
Education, Training, and Library Occupations			
Vocational Education Teachers, Postsecondary	$64,800	4.2%	0.1%
Preschool Teachers, Except Special Education	$37,800	15.7%	0.5%
Elementary School Teachers, Except Special Education	$66,600	11.0%	0.3%
Middle School Teachers, Except Special and Career/Technical Education	$71,700	4.9%	0.2%
Secondary School Teachers, Except Special and Career/Technical Education	$69,900	7.6%	0.2%
Self-Enrichment Education Teachers	$42,900	9.0%	0.3%
Teachers and Instructors, All Other*	$55,600	11.0%	0.3%
Teacher Assistants	$32,400	16.9%	0.5%
All Other Education, Training, and Library Occupations (Avg. All Categories)	$50,100	19.9%	0.6%
Weighted Mean Annual Wage	***$50,100***	**100.0%**	**3.2%**
Healthcare Practitioners and Technical Occupations			
Pharmacists	$131,300	5.1%	0.3%
Physicians and Surgeons, All Other	$135,400	4.5%	0.3%
Registered Nurses*	$112,100	29.1%	1.7%
Pharmacy Technicians	$44,600	6.9%	0.4%
Licensed Practical and Licensed Vocational Nurses	$61,400	8.5%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	$99,200	45.9%	2.6%
Weighted Mean Annual Wage	***$99,200***	**100.0%**	**5.7%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\100-150K; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-4
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $100,000 - $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 2 of 3			
Healthcare Support Occupations			
Home Health Aides	$25,800	21.7%	0.7%
Nursing Aides, Orderlies, and Attendants*	$39,700	28.1%	0.9%
Dental Assistants	$47,900	11.0%	0.3%
Medical Assistants	$42,400	18.8%	0.6%
Healthcare Support Workers, All Other*	$46,100	5.6%	0.2%
All Other Healthcare Support Occupations (Avg. All Categories)	$38,200	14.9%	0.5%
Weighted Mean Annual Wage	***$38,200***	**100.0%**	**3.1%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$37,700	6.9%	0.9%
Cooks, Fast Food	$24,800	4.9%	0.6%
Cooks, Restaurant	$29,200	8.8%	1.1%
Food Preparation Workers	$23,500	6.7%	0.9%
Bartenders	$30,500	4.7%	0.6%
Combined Food Preparation and Serving Workers, Including Fast Food	$23,900	26.2%	3.4%
Waiters and Waitresses	$25,000	21.3%	2.7%
Dishwashers	$22,600	4.5%	0.6%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	$26,200	16.1%	2.1%
Weighted Mean Annual Wage	***$26,200***	**100.0%**	**12.8%**
Building and Grounds Cleaning and Maintenance Occupations			
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$29,000	51.4%	4.1%
Maids and Housekeeping Cleaners	$33,600	9.0%	0.7%
Landscaping and Groundskeeping Workers	$41,200	27.1%	2.1%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Categories)	$33,300	12.5%	1.0%
Weighted Mean Annual Wage	***$33,300***	**100.0%**	**7.9%**
Personal Care and Service Occupations			
Nonfarm Animal Caretakers	$33,900	6.2%	0.2%
Amusement and Recreation Attendants	$24,700	8.0%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	$37,900	14.1%	0.6%
Childcare Workers	$30,900	18.5%	0.7%
Personal Care Aides	$25,100	17.2%	0.7%
Fitness Trainers and Aerobics Instructors	$65,100	6.1%	0.2%
Recreation Workers	$29,200	4.5%	0.2%
All Other Personal Care and Service Occupations (Avg. All Categories)	$33,200	25.3%	1.0%
Weighted Mean Annual Wage	***$33,200***	**100.0%**	**4.0%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$45,600	9.5%	1.6%
Cashiers	$26,900	25.6%	4.2%
Counter and Rental Clerks	$33,800	4.8%	0.8%
Retail Salespersons	$28,400	35.5%	5.8%
Securities, Commodities, and Financial Services Sales Agents	$139,400	7.3%	1.2%
All Other Sales and Related Occupations (Avg. All Categories)	$40,000	17.4%	2.8%
Weighted Mean Annual Wage	***$40,000***	**100.0%**	**16.4%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\100-150K; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-4
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $100,000 - $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$67,200	6.6%	1.1%
Bookkeeping, Accounting, and Auditing Clerks	$49,700	7.6%	1.3%
Customer Service Representatives	$43,600	10.7%	1.8%
Receptionists and Information Clerks	$37,300	5.9%	1.0%
Stock Clerks and Order Fillers	$31,100	10.9%	1.8%
Executive Secretaries and Executive Administrative Assistants	$66,300	4.4%	0.8%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	$44,600	9.0%	1.5%
Office Clerks, General	$36,500	13.5%	2.3%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$44,200	31.4%	5.3%
Weighted Mean Annual Wage	***$44,200***	**100.0%**	**17.0%**
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$81,800	7.7%	0.3%
Automotive Body and Related Repairers	$54,900	5.6%	0.2%
Automotive Service Technicians and Mechanics	$53,700	19.6%	0.8%
Maintenance and Repair Workers, General	$49,900	33.3%	1.4%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$55,200	33.8%	1.4%
Weighted Mean Annual Wage	***$55,200***	**100.0%**	**4.1%**
Transportation and Material Moving Occupations			
Bus Drivers, School or Special Client	$43,900	6.5%	0.4%
Driver/Sales Workers	$33,700	7.7%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$46,800	9.7%	0.5%
Light Truck or Delivery Services Drivers	$40,000	10.5%	0.6%
Parking Lot Attendants	$31,600	4.3%	0.2%
Cleaners of Vehicles and Equipment	$25,900	7.2%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	$31,000	20.4%	1.1%
Packers and Packagers, Hand	$26,500	8.1%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	$34,800	25.7%	1.4%
Weighted Mean Annual Wage	***$34,800***	**100.0%**	**5.5%**
			88.5%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2011 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2012 Occupational Employment Survey data for San Mateo, San Francisco, and Marin Counties, updated by the California Employment Development Department to 2013 wage levels.

[3] Including occupations representing 4% or more of the major occupation group

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\100-150K; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-5
WORKER OCCUPATION DISTRIBUTION, 2011
SERVICES TO HOUSEHOLDS EARNING MORE THAN $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA **DRAFT FOR REVIEW BY STAFF ONLY**

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning More Than $150,000 / Year
Management Occupations	*4.0%*
Business and Financial Operations Occupations	*4.4%*
Education, Training, and Library Occupations	*4.4%*
Healthcare Practitioners and Technical Occupations	*5.9%*
Healthcare Support Occupations	*3.3%*
Food Preparation and Serving Related Occupations	*12.2%*
Building and Grounds Cleaning and Maintenance Occupations	*8.5%*
Personal Care and Service Occupations	*4.7%*
Sales and Related Occupations	*15.0%*
Office and Administrative Support Occupations	*16.3%*
Installation, Maintenance, and Repair Occupations	*3.9%*
Transportation and Material Moving Occupations	*5.6%*
All Other Worker Occupations - Services to Households Earning More Than $150,000 / Year	*11.8%*
INDUSTRY TOTAL	100.0%

[1] Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

Source: Bureau of Labor Statistics, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\150K+; C3 Major Occupations Matrix; 3/27/2014; dd

APPENDIX TABLE B-6
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING MORE THAN $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA **DRAFT FOR REVIEW BY STAFF ONLY**

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 1 of 3			
Management Occupations			
General and Operations Managers	$150,400	33.3%	1.3%
Sales Managers	$147,900	5.2%	0.2%
Financial Managers	$166,600	9.3%	0.4%
Food Service Managers	$63,700	4.6%	0.2%
Medical and Health Services Managers	$121,800	5.1%	0.2%
Property, Real Estate, and Community Association Managers	$91,800	9.1%	0.4%
All other Management Occupations (Avg. All Categories)	$144,000	33.3%	1.3%
Weighted Mean Annual Wage	***$138,800***	**100.0%**	**4.0%**
Business and Financial Operations Occupations			
Human Resources, Training, and Labor Relations Specialists, All Other*	$79,700	5.7%	0.3%
Management Analysts	$110,700	5.7%	0.3%
Market Research Analysts and Marketing Specialists*	$89,500	4.7%	0.2%
Business Operations Specialists, All Other*	$87,500	11.0%	0.5%
Accountants and Auditors	$86,600	15.8%	0.7%
Financial Analysts	$119,500	8.6%	0.4%
Personal Financial Advisors	$126,100	11.9%	0.5%
Loan Officers	$101,400	9.5%	0.4%
All Other Business and Financial Operations Occupations (Avg. All Categories)	$100,500	27.1%	1.2%
Weighted Mean Annual Wage	***$100,500***	**100.0%**	**4.4%**
Education, Training, and Library Occupations			
Preschool Teachers, Except Special Education	$37,800	16.5%	0.7%
Elementary School Teachers, Except Special Education	$66,600	12.1%	0.5%
Middle School Teachers, Except Special and Career/Technical Education	$71,700	5.4%	0.2%
Secondary School Teachers, Except Special and Career/Technical Education	$69,900	8.4%	0.4%
Self-Enrichment Education Teachers	$42,900	7.5%	0.3%
Teachers and Instructors, All Other*	$55,600	10.3%	0.5%
Teacher Assistants	$32,400	17.6%	0.8%
All Other Education, Training, and Library Occupations (Avg. All Categories)	$49,700	22.3%	1.0%
Weighted Mean Annual Wage	***$49,700***	**100.0%**	**4.4%**
Healthcare Practitioners and Technical Occupations			
Pharmacists	$131,300	4.6%	0.3%
Physicians and Surgeons, All Other	$135,400	4.3%	0.3%
Registered Nurses*	$112,100	30.1%	1.8%
Emergency Medical Technicians and Paramedics	$67,400	4.0%	0.2%
Pharmacy Technicians	$44,600	6.3%	0.4%
Licensed Practical and Licensed Vocational Nurses	$61,400	9.0%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	$97,200	41.6%	2.4%
Weighted Mean Annual Wage	***$97,200***	**100.0%**	**5.9%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\150K+; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-6
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING MORE THAN $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Healthcare Support Occupations			
Home Health Aides	$25,800	23.9%	0.8%
Nursing Aides, Orderlies, and Attendants*	$39,700	29.5%	1.0%
Dental Assistants	$47,900	9.9%	0.3%
Medical Assistants	$42,400	17.2%	0.6%
Healthcare Support Workers, All Other*	$46,100	5.5%	0.2%
All Other Healthcare Support Occupations (Avg. All Categories)	$37,700	14.2%	0.5%
Weighted Mean Annual Wage	***$37,700***	**100.0%**	**3.3%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$37,700	6.9%	0.8%
Cooks, Fast Food	$24,800	4.8%	0.6%
Cooks, Restaurant	$29,200	8.7%	1.1%
Food Preparation Workers	$23,500	6.8%	0.8%
Bartenders	$30,500	4.8%	0.6%
Combined Food Preparation and Serving Workers, Including Fast Food	$23,900	25.8%	3.2%
Waiters and Waitresses	$25,000	21.1%	2.6%
Dishwashers	$22,600	4.5%	0.5%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	$26,200	16.7%	2.0%
Weighted Mean Annual Wage	***$26,200***	**100.0%**	**12.2%**
Building and Grounds Cleaning and Maintenance Occupations			
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$29,000	51.4%	4.4%
Maids and Housekeeping Cleaners	$33,600	8.9%	0.8%
Landscaping and Groundskeeping Workers	$41,200	27.0%	2.3%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Categories)	$33,200	12.7%	1.1%
Weighted Mean Annual Wage	***$33,200***	**100.0%**	**8.5%**
Personal Care and Service Occupations			
Nonfarm Animal Caretakers	$33,900	6.1%	0.3%
Amusement and Recreation Attendants	$24,700	8.0%	0.4%
Hairdressers, Hairstylists, and Cosmetologists	$37,900	11.7%	0.6%
Childcare Workers	$30,900	22.2%	1.0%
Personal Care Aides	$25,100	18.7%	0.9%
Fitness Trainers and Aerobics Instructors	$65,100	5.9%	0.3%
Recreation Workers	$29,200	4.5%	0.2%
All Other Personal Care and Service Occupations (Avg. All Categories)	$32,700	22.9%	1.1%
Weighted Mean Annual Wage	***$32,700***	**100.0%**	**4.7%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$45,600	9.7%	1.4%
Cashiers	$26,900	26.1%	3.9%
Counter and Rental Clerks	$33,800	5.1%	0.8%
Retail Salespersons	$28,400	35.9%	5.4%
Securities, Commodities, and Financial Services Sales Agents	$139,400	6.4%	1.0%
All Other Sales and Related Occupations (Avg. All Categories)	$38,800	16.8%	2.5%
Weighted Mean Annual Wage	***$38,800***	**100.0%**	**15.0%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\150K+; C6 Compensation; 3/27/2014; dd

APPENDIX TABLE B-6
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING MORE THAN $150,000 / YEAR
RESIDENTIAL NEXUS ANALYSIS
CITY OF DALY CITY, CA

DRAFT FOR REVIEW BY STAFF ONLY

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$67,200	6.6%	1.1%
Bookkeeping, Accounting, and Auditing Clerks	$49,700	7.6%	1.2%
Customer Service Representatives	$43,600	10.5%	1.7%
Receptionists and Information Clerks	$37,300	6.0%	1.0%
Stock Clerks and Order Fillers	$31,100	10.4%	1.7%
Executive Secretaries and Executive Administrative Assistants	$66,300	4.4%	0.7%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	$44,600	9.4%	1.5%
Office Clerks, General	$36,500	13.7%	2.2%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$44,300	31.5%	5.2%
Weighted Mean Annual Wage	***$44,300***	**100.0%**	**16.3%**
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$81,800	7.8%	0.3%
Automotive Body and Related Repairers	$54,900	6.2%	0.2%
Automotive Service Technicians and Mechanics	$53,700	21.0%	0.8%
Maintenance and Repair Workers, General	$49,900	31.4%	1.2%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$55,300	33.5%	1.3%
Weighted Mean Annual Wage	***$55,300***	**100.0%**	**3.9%**
Transportation and Material Moving Occupations			
Bus Drivers, School or Special Client	$43,900	8.0%	0.4%
Driver/Sales Workers	$33,700	7.0%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$46,800	9.8%	0.5%
Light Truck or Delivery Services Drivers	$40,000	9.7%	0.5%
Taxi Drivers and Chauffeurs	$30,700	4.2%	0.2%
Parking Lot Attendants	$31,600	5.1%	0.3%
Cleaners of Vehicles and Equipment	$25,900	7.5%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	$31,000	18.8%	1.0%
Packers and Packagers, Hand	$26,500	7.3%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	$34,800	22.6%	1.3%
Weighted Mean Annual Wage	***$34,800***	**100.0%**	**5.6%**
			88.2%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2011 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2012 Occupational Employment Survey data for San Mateo, San Francisco, and Marin Counties, updated by the California Employment Development Department to 2013 wage levels.

[3] Including occupations representing 4% or more of the major occupation group

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: \\Sf-fs2\wp\11\11505\150K+; C6 Compensation; 3/27/2014; dd

ORDINANCE NO. _________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY ADDING CHAPTER 17.47 RE: AFFORDABLE HOUSING

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

SECTION 1. Chapter 17.47 of Title 17 of the Daly City Municipal Code is hereby repealed in its entirety.

SECTION 2. Chapter 17.47 of Title 17 of the Daly City Municipal Code is hereby added to read as follows:

Chapter 17.47

AFFORDABLE HOUSING

17.47.010 Purpose.

A. The purpose of this Chapter is to:

1. Assure that development projects mitigate and/or compensate for the increased demand for affordable housing attributable to and generated by such development projects within the City of Daly City;

2. Encourage the development and availability of housing affordable to a broad range of households with varying income levels within the City as mandated by State Law, California Government Code Sections 65580 and following;

3. Promote the City's goal to add affordable housing units to the City's housing stock in proportion to the overall increase in new jobs and housing units;

4. Offset the demand on housing that is created by new ownership and rental development and mitigate environmental and other impacts that accompany new residential development by protecting the economic diversity of the City's housing stock, reducing traffic, transit and related air quality impacts, promoting jobs/housing balance and reducing the demands placed on transportation infrastructure in the region;

5. Implement Programs 10, 11 and 19 of the Housing Element

17.47.020 Applicability.

This ordinance applies to developments in all areas of the City.

17.47.030 Findings.

The City Council finds and determines:

A. Lack of access to affordable housing has a direct impact upon the health, safety and welfare of the residents of the City. The City will not be able to contribute to the attainment of State housing goals or to retain a healthy environment without additional affordable housing. The housing problem has an impact upon a broad range of income groups including many who are not impoverished by standards other than those applicable to California's and the City's housing markets, and no single housing program will be sufficient to meet the housing need.

B. A lack of new Affordable Units will have a substantial negative impact on the environment and economic climate because:

1. Housing will have to be built elsewhere, far from employment centers and therefore commutes will increase, causing increased traffic and transit demand and consequent noise and air pollution; and

2. City businesses will find it more difficult to attract and retain the workers they need. Affordable housing policies contribute to a healthy job and housing balance by providing more affordable housing close to employment centers.

C. The California Legislature has required each local government agency to develop a comprehensive, long-term general plan establishing policies for future development. As specified in the Government Code (at Sections 65300, 65302(c), and 65583(c)), the plan must:

1. "encourage the development of a variety of types of housing for all income levels, including multifamily rental housing;"

2. "[a]ssist in the development of adequate housing to meet the needs of low- and moderate-income households;" and

3. "conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action."

D. The citizens of the City seek a well-planned, aesthetically pleasing and balanced community, with housing affordable to Very Low-, Low- and Moderate-Income Households. Affordable housing should be available throughout the City, and not restricted to a few neighborhoods and areas.

E. Federal and state funds for the construction of new affordable housing are insufficient to fully address the problem of affordable housing within the City. Nor has the private housing market provided adequate housing opportunities affordable to Moderate-, Low- and Very Low-Income Households.

F. The City is aware that there may be times when affordable housing requirements make market-rate housing more expensive. In weighing all the factors, including the significant need for affordable housing, the City has made the decision that the community's interests are best served by the adoption of the Affordable Housing Ordinance.

17.47.40 Definitions.

As used in this Chapter, the following terms shall have the following meanings:

A. “Affordable Housing Agreement” means a written agreement between Developer and the City as provided by Section 17.47.100(C).

B. “Affordable Housing Impact Fee**”** is a fee that is charged to developers of market-rate housing and is used by the City to support affordable housing development and operation. The “Affordable Housing Fee Nexus Study,” dated March 2014 (the “Nexus Study”), prepared by Kaiser Martson Associates, quantifies the impacts of new market-rate rental and ownership units on the need for affordable housing in the City.

C. “Affordable Housing Plan” means a plan for a residential or Commercial Development submitted by a Developer as provided by Section 17.47.100(B).

D. “Affordable Housing Project” means a housing project where 100% of the units are offered at an Affordable Rent or Affordable Sales Price. The Affordable Housing project is developed by an affordable housing developer and all its units are deed-restricted for 55 years.

E. **“**Affordable Rent**”** means monthly rent that does not exceed one-twelfth of 30 percent of the maximum annual income for a Household of the applicable income level (Moderate-, Low or Very Low-Income) at the Presumed Household Size.

F. “Affordable Sales Price” means a sales price that results in a monthly housing cost (including mortgage, insurance and home association costs, if any) that does not exceed one-twelfth of 30 percent of income for a Moderate-Income Household, adjusted by the presumed household size.

G. “Affordable Unit” means a dwelling unit that must be offered at Affordable Rent or available at an Affordable Sales Price, and is deed restricted.

H. “Area Median Income” means the median Household income as provided in Section 50093(c) of the California Health and Safety Code.

I. “City” means the City of Daly City.

J. “City Manager” means the City Manager of the City or his or her designee.

K. “Condominium Conversion” means the conversion of the ownership of the units in a Rental Project from a single ownership to an ownership in which the Dwelling Units may be sold individually. Such Condominium Conversions may include, but are not limited to, the conversion of existing multiple unit Residential Development Projects to any of the following, all as defined Civil Code Section 1351; (a) a community apartment project; (b) a condominium project; and (c) a stock cooperative.

L. “Developer” means any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities, which seeks City approvals for all or part of a Residential or Commercial Development.

M. “Household” means one person living alone or two or more persons sharing residency whose income is considered for housing payments.

N. “Implementing Guidelines” means the written guidelines detailing the detailed procedures and guidelines to ensure the orderly and efficient administration of the requirements of this chapter.

O. “Low-Income Household” means a Household whose annual income does not exceed the qualifying limits set for “lower income households” in Section 50079.5 of the California Health & Safety Code.

P. “Market-rate Unit” means a dwelling unit in a Residential Development that is not an Affordable unit.

Q. “Moderate-Income Household” means a Household whose income does not exceed the qualifying limits set for “persons and families of low or moderate income” in Section 50093 of the California Health & Safety Code.

R. “Occupancy Standard” means the minimum household size upon which qualification and pricing for Affordable units is based.

S. “Off-Site Unit” means an Affordable Unit that will be built separately or at a different location than the main development.

T. “On-Site Unit” means an Affordable Unit that will be built as part of the main development.

U. “Ownership Project” means a residential project, or portion thereof, that includes the creation of one or more residential living units that may be sold individually, including a condominium, stock cooperative, community apartment, or attached or detached single –family home. An ownership project also includes a residential condominium conversion project as defined in Section17.47.040(H) and the creation of residential living units that may be sold individually, but are initially rented rather than sold.

V. “Presumed Household Size” means the household size that is presumed appropriate to live in a unit of a particular bedroom count. The presumed household size is used for determining the incomes adjusted for household size that are available for supporting housing payments of Affordable Units.

W. “Rental Project” means a residential project, or portion thereof, that creates living units that cannot be sold individually, except that the construction for any secondary dwelling unit as defined in Section 17.04.010 shall not be considered a rental project.

X. “Residential Development” means the construction of any residential dwelling units where the tentative map, parcel map or, for project not processing a map, the building permit was received after October 24, 2007.

Y. “Very Low-Income Household” means a Household whose income does not exceed the qualifying limits set for “very low income households” in Section 50105 of the California Health & Safety Code.

17.47.050 Affordable Housing Requirements

A. Requirement – Rental Projects - All rental projects shall pay an affordable housing impact fee, upon issuance of a building permit for each dwelling unit in the rental project, unless an alternative is proposed by the developer and approved by the City Manager. Any affordable housing impact fee shall be established by resolution of the City Council. No application for a rezoning , tentative map, parcel map, conditional use permit, design review, or building permit shall be approved, nor shall any such rental project be constructed or condominium conversion approved without compliance with this Article.

B. Requirement – Ownership Projects All ownership projects of five or more units shall either include the number of Affordable units required under Section 17.47.050.c or, if approved by the City Manager pay the impact fee required under Section 17.47.080. No application for a rezoning, tentative map, parcel map, conditional use permit, design review, or building permit shall be approved, nor shall any such ownership project be constructed or condominium conversion approved, without compliance with this Article.

C. Number of Affordable Units – Ownership Projects

1. Basic Requirement. The required number of affordable units included in an ownership project shall depend upon the total number of dwelling units in the project.

a. Projects of 5 or more units. The developer of an ownership project, including a condominium conversion shall pay the impact fee specified in Section 17.47.080, or include 20 percent of the units to be affordable to Moderate-Income Households.

b. In determining the affordable housing obligation of a proposed development, any fractional unit obligation will be rounded up to the nearest whole number or be subject to the pro-rata share of the City's per unit impact fee.

17.47.060 Exemptions.

The requirements of this Chapter do not apply to:

A. The reconstruction of any structures that have been destroyed by fire, flood, earthquake or other act of nature provided that the reconstruction of the site does not increase the number of residential units by 5 or more units.

B. Affordable Housing Projects, as defined in Section 17.47.040(A).

C. Housing constructed by other government agencies.

17.47.070 Affordable Housing Standards Applicable to Rental and Ownership Projects

Affordable Units built under this Chapter must conform to the following standards:

A. Design. Except as otherwise provided in this Chapter, Affordable Units must be dispersed throughout a Residential Development and be comparable in infrastructure (including sewer, water and other utilities), construction quality and exterior design to the Market-rate

Units. Affordable Units may be smaller in aggregate size and have different interior finishes and features than Market-rate Units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing. The number of bedrooms must be the same as those in the Market-rate Units, except that if the Market-rate Units provide more than four bedrooms, the Affordable Units need not provide more than four bedrooms.

B. Timing. All Affordable Units must be constructed and occupied concurrently with or prior to the construction and occupancy of Market-rate Units or development. In phased developments, Affordable Units may be constructed and occupied in proportion to the number of units in each phase of the Residential Development.

C. Duration of Affordability Requirement. Affordable Units produced under this Ordinance must be legally restricted to occupancy by households of the income levels for which the units were designated for a minimum of 55 years.

D. Occupancy Standards. Priority for occupancy shall be for households meeting the following size requirements:

1. Studio Units – minimum one-person occupancy
2. 1 bedroom units - minimum one-person occupancy
3. 2 bedroom units – minimum two person occupancy.
4. 3 bedroom units – minimum three person occupancy.
5. 4 bedroom units – minimum four person occupancy.

E. Maintenance Standards. All Affordable Units (rental and ownership) developed pursuant to this Ordinance will be kept in good repair and properly maintained. Minimum standards of maintenance are provided in the Implementing Guidelines as adopted by resolution by the City Council.

17.47.080 Affordable Housing Impact Fees

A. As provided in Section 17.47.050, all rental projects will pay an affordable housing impact fee, upon issuance of a building permit for each dwelling unit in the rental project, unless an alternative is proposed by the developer and approved by the City Manager.

B. As provided in Section 17.47.090, and with approval from the City Manager, the developer of an ownership project may pay an impact fee rather than provide onsite units. The impact fees shall be deposited to the City's Affordable Housing Trust Fund

C. Timing of Payment. The fee must be paid prior to issuance of a building permit for the Development or the permit will be null and void. For phased developments, payments may be made for each portion of the Development prior to issuance of a Building Permit for that phase.

D. The City Council shall, from time to time, adopt a resolution setting forth the amount of the impact fees. The impact fees shall be based upon the estimated cost to mitigate the affordable housing needs generated by new market rate housing development as identified in a housing nexus study adopted by the City Council. These costs include but are not limited to (1) estimated construction costs, (2) the costs of land, (3) financing costs, (4) consultant costs (including without limitation architecture, engineering, and other costs), and (5) any indirect costs. Nothing in this chapter shall deem or be used to deem the impact fees authorized pursuant to this section as an ad hoc exaction, as a mandated fee required as a condition to developing property, or as a fee subject to the analysis in Building Industry Association of Central California v. City of Patterson , 171 Cal. App. 4th 886 (209). Any impact fee adopted by the City Council is a menu option that may serve as an alternative to the on-site housing requirements for ownership projects set forth in this Article, subject to City Manager approval.

E. Effect of No Payment. No final inspection for occupancy will be completed for any corresponding Market-rate Unit in a Residential Development unless fees required under this Section have been paid in full to the City.

F. Fractional impact fees. The pro-rata share of an impact fee will be charged for fractional affordable housing obligations.

17.47.090 Alternatives.

A. Developer Proposal. A Developer may propose an alternative means of compliance for an ownership project in an Affordable Housing Plan as provided in Section 17.47.100 according to the following provisions.

1. *Off-Site Construction.* Affordable Units may be constructed off-site if the City Manager finds that the proposed off-site units will have equivalent or greater benefit to the City.

2. *Land Dedication.* In lieu of building affordable units, a Developer May choose to dedicate land to the City suitable for the construction of Affordable Units that the City Manager reasonably determines to be of equivalent or greater benefit than is produced by applying the City's affordable housing impact fee

3. *Combination.* The City Manager may accept any combination of on-site construction, offsite construction, impact fees and land dedication that at least equal the cost of providing affordable Units on-site as would otherwise be required by this Chapter.

B. Discretion. The City Manager may approve, conditionally approve or reject any alternative proposed by a Developer as part of an Affordable Housing Plan. Any approval or conditional approval must be based on a finding that the purposes of this Chapter would be better served by implementation of the proposed alternative(s). In determining whether the purposes of this Chapter would be better served under the proposed alternative, the City Manager should consider

1. whether implementation of an alternative would overly concentrate Affordable Units within any specific area and, if so, must reject the alternative unless the undesirable concentration of Affordable Units is offset by other identified benefits that flow from implementation of the alternative in issue; and

2. the extent to which other factors affect the feasibility of prompt construction of the Affordable Units on the property, such as costs and delays, the need for an appraisal, site design, zoning, infrastructure, clear title, grading and environmental review.

17.47.100 Compliance Procedures.

A. General. Approval of an Affordable Housing Plan and implementation of an approved Affordable Housing Agreement is a condition of any tentative map, parcel map or building permit for any Development for which this Chapter applies. This Section does not apply to exempt projects or to projects where the requirements of the Chapter are satisfied by payment of a fee under Sections 17.47.080.

B. Affordable Housing Plan. The City Manager must approve, conditionally approve or reject the Affordable Housing Plan within 60 days of the date of a complete application for that approval. If the Affordable Housing Plan is incomplete, the Affordable Housing Plan will be returned to the Developer along with a list of the deficiencies or the information required. No application for a tentative map, parcel map or building permit to which this Chapter applies may be deemed complete until an Affordable Housing Plan is submitted to the City Manager. At any time during the review process, the City Manager may require from the Developer additional information reasonably necessary to clarify and supplement the application or determine the consistency of the proposed Affordable Housing Plan with the requirements of this Chapter. The Affordable Housing Plan must include:

1. The location, structure (attached, semi-attached, or detached), proposed tenure (for sale or rental), and size of the proposed market-rate, commercial space and/or Affordable Units and the basis for calculating the number of Affordable Units;

2. A floor or site plan depicting the location of the Affordable Units;

3. The income levels to which each Affordable Unit will be made affordable;

4. The mechanisms that will be used to assure that the units remain affordable for the desired term, such as resale and rental restrictions, deeds of trust, and rights of first refusal and other documents;

5. For phased Development, a phasing plan that provides for the timely development of the number of Affordable Units proportionate to each proposed phase of development as required by Section 17.47.070(B) of this Chapter.

6. Any alternative means designated in Section 17.47.090 proposed for the Development along with information necessary to support the findings required by Section 17.47.090 for approval of such alternatives; and

7. Any other information reasonably requested by the City Manager to assist with evaluation of the Plan under the standards of this Chapter.

C. Affordable Housing Agreement. The forms of the Affordable Housing Agreement, resale and rental restrictions, deeds of trust, rights of first refusal and other documents authorized by this subsection, and any change in the form of any such document which materially alters any policy in the document, must be approved by the City Manager or his or her designee prior to being executed with respect to any Residential Development or Affordable Housing Proposals. The form of the Affordable Housing Agreement will vary, depending on the manner in which the provisions of this Chapter are satisfied for a particular development. All Affordable Housing Agreements must include, at minimum, the following:

1. Description of the development, including whether the Affordable Units will be rented or owner-occupied;

2. The number, size and location of the Affordable Units;

3. Affordable incentives by the City (if any), including the nature and amount of any local public funding;

4. Provisions and/or documents for resale restrictions, deeds of trust, rights of first refusal or rental restrictions;

5. Provisions for monitoring the ongoing affordability of the units, and the process for qualifying prospective resident Households for income eligibility; and any additional obligations relevant to the compliance with this Chapter.

D. Recording of Agreement. Affordable Housing Agreements that are acceptable to the City Manager must be recorded against owner-occupied Affordable Units and residential projects containing rental Affordable Units. Additional rental or resale restrictions, deeds of trust, rights of first refusal and/or other documents acceptable to the City Manager must also be recorded against owner-occupied Affordable Units. In cases where the requirements of this Chapter are satisfied through the development of Off-Site Units, the Affordable Housing Agreement must simultaneously be recorded against the property where the Off-Site Units are to be developed.

17.47.110 Eligibility for Affordable Units.

A. General Eligibility. No Household may occupy an Affordable Unit unless the City or its designee has approved the Household's eligibility, or has failed to make a determination of eligibility within the time or other limits provided by an Affordable Housing Agreement or resale restriction. If the City or its designee maintains a list or identifies eligible Households, initial and subsequent occupants will be selected first from the list of identified Households, to the maximum extent possible, in accordance with any rules approved by the City Manager. If the City has failed to identify a Household as an eligible buyer for the initial sale of an Affordable Unit that is intended for owner occupancy 90 days after the unit receives a completed final inspection for occupancy, upon 90 additional days' notice to the City and on satisfaction of such further conditions as may be included in City-approved restrictions (which may include a further opportunity to identify an eligible buyer), the owner may sell the unit at a market price, and the unit will not be subject to any requirement of this Chapter thereafter.

B. Conflict of Interest. The following individuals are ineligible to purchase or rent an Affordable Unit:

1. City employees and officials (and their immediate family members) who have policy-making authority or influence regarding City housing programs and do not qualify as having a remote interest as provided by California Government Code Section 1091;

2. The Project Applicant and its officers and employees (and their immediate family members); and (iii) the Project Owner and its officers and employees (and their immediate family members).

C. Occupancy. Any Household who occupies an affordable rental Unit or purchases an Affordable Unit must occupy that unit as a principal residence.

17.47.120 Owner-Occupied Units.

A. The Units must be offered at an Affordale Sales Price.

B. Transfer. Renewed restrictions will be entered into on each change of ownership, with a 55-year renewal term, upon transfer of an owner-occupied Affordable Unit prior to the expiration of the 55-year affordability period.

C. Resale. The maximum sales price permitted on resale of an Affordable Unit designated for owner-occupancy shall be the lower of:

1. fair market value or

2. the current Affordable Sales Price for the unit based on current income limits (see Section 17.47.040 "Definitions.

D. Maintenance of Unit. The owner of the Affordable Unit will be responsible to maintain their unit to housing maintenance standards as described in the Implementing Guidelines

E. Changes in Title. Title in the Affordable Unit may change due to death, marriage and divorce. Except as otherwise provided by this Subsection, if a change in title is occasioned by events that change the financial situation of the Household so that it is no longer income eligible, then the property must be sold to an income-eligible Household within 180 days. Upon the death of one of the owners, title in the property may transfer to the surviving joint tenant without respect to the income-eligibility of the Household. Upon the death of a sole owner or all owners and inheritance of the Affordable Unit by a non-income-eligible heir of one or more owners, there will be a one year compassion period between the time when the estate is settled and the time when the property must be sold to an income-eligible Household.

F. Annual certifications. The owner of the Affordable Unit shall certify annually that the unit is their primary residence.

17.47.140 Adjustments, Waivers.

The requirements of this Chapter may be adjusted or waived if the Developer demonstrates to the City Manager that there is not a reasonable relationship between the impact of a proposed Residential Development and the requirements of this Chapter, or that applying the requirement of this Chapter would take property in violation of the United States or California Constitutions.

A. Timing. To receive an adjustment or waiver, the Developer must make a showing when applying for a first approval for the Residential Development..

B. Considerations. In making a determination on an application to adjust or waive the requirements of this Chapter, the City Manager may assume each of the following when applicable:

1. that the Developer is subject to the Affordable housing requirement or impact fee;

2. that the Developer will be obligated to provide the most economical Affordable Units feasible in terms of construction, design, location and tenure; and

3. that the Developer is likely to obtain other housing subsidies where such funds are reasonably available.

C. Decision and Further Appeal. The City Manager, upon legal advice provided by or at the behest of the City Attorney, will determine the application and issue a written decision. The City Manager's decision may be appealed to the City Council in the manner and within the time set forth in Section 8.16.300**.**

D. Modification of Plan. If the City Manager, upon legal advice provided by or at the behest of the City Attorney, determines that the application of the provisions of this Chapter lacks a reasonable relationship between the impact of a proposed residential project and the requirements of this Chapter, or that applying the requirement of this Chapter would take property in violation of the United States or California Constitutions, the Affordable Housing Plan shall be modified, adjusted or waived to reduce the obligations under this Chapter to the extent necessary to avoid an unconstitutional result. If the City Manager determines no violation of the United States or California Constitutions would occur through application of this Chapter, the requirements of this Chapter remain applicable.

17.47.150 Affordable Housing Trust Fund.

A. Trust Fund. There is hereby established a separate Affordable Housing Trust Fund ("Fund"). This Fund shall receive all fees contributed under Sections 17.47.050, 17.47.080 and 17.47.090 and may also receive monies from other sources.

B. Purpose and Limitations. Monies deposited in the Fund must be used to increase and improve the supply of housing affordable to Moderate-, Low-, and Very Low-Income Households in the City. Monies may also be used to cover reasonable administrative or related expenses associated with the administration of this Section.

C. Administration. The fund shall be administered by the City Manager, who may develop procedures to implement the purposes of the Fund consistent with the requirements of this Chapter and any adopted budget of the City.

D. Expenditures. Fund monies shall be used in accordance with City's Housing Element, , or subsequent plan adopted by the City Council to construct, rehabilitate or subsidize affordable housing or assist other governmental entities, private organizations or individuals to do so. Permissible uses include, but are not limited to, assistance to housing development corporations, equity participation loans, grants, prehome ownership co-investment, pre-development loan funds, participation leases or other public-private partnership arrangements. The Fund may be used for the benefit of both rental and owner-occupied housing.

E. City Manager's Annual Report. The City Manager shall report to the City Council and Planning Commission on the status of activities undertaken with the Fund as provided by Section 66006(b) of the California Government Code. The report shall include a statement of income, expenses, disbursements and other uses of the Fund. The report should also state the number and type of Affordable Units constructed or assisted during that year and the amount of such assistance. The report will evaluate the efficiency of this Chapter in mitigating City's shortage of affordable housing and recommend any changes to this Chapter necessary to carry out its purposes, including any adjustments to the number of units to be required.

17.47.160 Enforcement.

A. Penalty for Violation. It shall be a misdemeanor to violate any provision of this Chapter. Without limiting the generality of the foregoing, it shall also be a misdemeanor for any person to sell or rent to another person an Affordable Unit under this Chapter at a price or rent exceeding the maximum allowed under this Chapter or to sell or rent an Affordable Unit to a Household not qualified under this Chapter. It shall further be a misdemeanor for any person to provide false or materially incomplete information to the City or to a seller or lessor of an Affordable Unit to obtain occupancy of housing for which he or she is not eligible. Any such violation constituting a misdemeanor under this Chapter may in the discretion of the enforcing authority, be charged and prosecuted as an infraction.

B. Legal Action. The City may institute any appropriate legal actions or proceedings necessary to ensure compliance with this Chapter, including:

1. actions to revoke, deny or suspend any permit, including a Building Permit, certificate of occupancy, or discretionary approval;

2. actions to recover from any violator of this Chapter civil fines, restitution to prevent unjust enrichment from a violation of this Chapter, and/or enforcement costs, including attorneys' fees;

3. eviction or foreclosure; and

4. any other appropriate action for injunctive relief or damages.

Failure of any official or agency to fulfill the requirements of this Chapter shall not excuse any person, owner, Household or other party from the requirements of this Chapter.

17.47.170 Minimum Requirements.

The requirements of this Chapter are minimum and maximum requirements, although nothing in this Section limits the ability of a private person to waive his or her rights or voluntarily undertake greater obligations than those imposed by this Chapter.

17.47.180 Administrative Fees.

Developers of affordable ownership units and owners of affordable rental units subject to this ordinance will be required to pay an administrative fee to the City of Daly City to monitor compliance with this chapter. The fee will be adopted by resolution of the City Council and subject to annual review.

SECTION 3: Severability. If any provision of this Ordinance is held by any court or by any Federal or State agency of competent jurisdiction, to be invalid as conflicting with any Federal or State law, rule or regulation now or hereafter in effect, or is held by such court or agency to be modified in any way in order to conform to the requirements of any such law, rule or regulation, such provision shall be considered a separate, distinct, and independent part of this Ordinance, and such holding shall not affect the validity and enforceability of all other provisions hereof. In the event that such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed, so that the provision thereof which had previously been held invalid or modified is no longer in conflict with such law, rule or regulation, said provision shall thereupon return to full force and effect and shall thereafter be binding.

SECTION 4: 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 within CEQA's categorical exemption for activities involving regulation of activities.

SECTION 5: Publication/Summary 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 ____________________2014.

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 ____________________2014, by the following vote:

AYES, Councilmembers____

____

NOES, Councilmembers____

Absent, Councilmembers:____

____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

____

MAYOR OF THE CITY OF DALY CITY

City Council Meeting Agenda Report

Item # _____

Meeting Date: April 14, 2014

To: Honorable City Council

From: Anna Mostella, City Manager's Office

Date: April 7, 2014

Subject: Council Committee Meetings, March 24 – April 13, 2014

Date of Meeting:	**Meeting:**	**In Attendance:**
April 7, 2014	Payday Lending Meeting	Carol L. Klatt Michael P. Guingona Patricia E. Martel Rose Zimmerman Tatum Mothershead
April 7, 2014	Second Hand Smoke Ordinance Amendment: E-cigs	Carol L. Klatt Michael P. Guingona Patricia E. Martel Rose Zimmerman Tatum Mothershead

/am