Elizabeth Alcantar, Mayor
Jose R. Gonzalez, Vice Mayor
Chris Garcia, Council Member
Jack M. Guerrero, Council Member
Blanca Lozoya, Council Member

REMOTE TELECONFERENCE AND ELECTRONICALLY
This meeting will be conducted telephonically and electronically pursuant to the State of California Executive Order No. 29-20.

Teleconference Phone Number:
1 (253) 215-8782
Meeting ID: 827 6375 5551
https://us02web.zoom.us/j/82763755551

AGENDA

A REGULAR MEETING
OF THE CUDAHY CITY COUNCIL
and JOINT MEETING of the
CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY
TO THE CUDAHY DEVELOPMENT COMMISSION
Tuesday, October 20, 2020 – 6:30 P.M.

Written materials distributed to the City Council within 72 hours of the City Council meeting shall be available for public inspection at www.cityofcudahy.com

In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the City Clerk's Office at (323) 773-5143 at least 72 hours in advance of the meeting.

Rules of Decorum

Under the Government Code, the City Council may regulate disruptive behavior that impedes the City Council Meeting.

Disruptive conduct may include, but is not limited to:

- Screaming or yelling during another audience member's public comments period;
- Profane language directed at individuals in the meeting room;
- Throwing objects at other individuals in the meeting room;
- Verbal altercations with other individuals in the meeting room; and
- Going beyond the allotted three-minute public comment period granted.

When a person's or group's conduct disrupts the meeting, the Mayor or presiding officer will request that the person or group stop the disruptive behavior, and WARN the person or group that they will be asked to leave the meeting room if the behavior continues.

If the person or group refuses to stop the disruptive behavior, the Mayor or presiding officer may order the person or group to leave the meeting room, and may request that those persons be escorted from the meeting room. Any person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. (Pen. Code, § 403.)

1. CALL TO ORDER

2. ROLL CALL

Council / Agency Member Garcia
Council / Agency Member Guerrero
Council / Agency Member Lozoya
Vice Mayor / Vice Chair Gonzalez
Mayor / Chair Alcantar

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS - NONE

5. CLOSED SESSION PUBLIC COMMENTS

(Each member of the public may provide a public comment telephonically or electronically if he or she wishes to address the City Council on closed session matters. During this time, members of the public are permitted to speak for three (3) minutes concerning only items on closed session.)

RECESS TO CLOSED SESSION

At this time, City Council will meet in closed session to go over items of business on the closed session agenda. Closed session discussion will end at 7:30 p.m. At that time, City Council will have the option to continue discussing closed session items after deliberating on all agenda items or continue the discussion to the next regular meeting. Once closed session is complete and the City Council returns from closed session into open session, members of the public may then rejoin the proceedings.

6. CLOSED SESSION

DELIBERATING AS CUDAHY SUCCESSOR AGENCY

A. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators

Property Location:
Site No. 3 Santa Ana Street Residential
Property 4610 Santa Ana Street
APN: 6224-019-014

Successor Agency Negotiator: Henry Garcia, Executive Director, Dave Gondek, Deputy City Attorney, Victor Ponto, City Attorney
Negotiating parties: Prima Development, Inc.
Under Negotiation: Price and Terms

RECONVENE TO OPEN SESSION

7. CLOSED SESSION ANNOUNCEMENT

8. PUBLIC COMMENTS

(Each member of the public may provide a public comment telephonically or electronically if he or she wishes to address the City Council. Members of the public are permitted to speak for three (3) minutes concerning items under the City Council's jurisdiction, including items on the council agenda.)

(Any person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. (Pen. Code, § 403).)

9. CITY COUNCIL COMMENTS / REQUESTS FOR AGENDA ITEMS (Each Council Member is limited to three minutes.)

(This is the time for the City Council / Agency to comment on any topics related to "City Business," including announcements, reflections on city / regional events, response to public comments, suggested discussion topics for future council meetings, general concerns about particular city matters, questions to the staff, and directives to the staff (subject to approval / consent of the City Council majority members present, regarding staff directives). Each Council / Agency Member will be allowed to speak for a period not to exceed three (3) minutes. Notwithstanding the foregoing, the City Council Members shall not use this comment period for serial discussions or debate between members on City business matters not properly agendized. The City Attorney shall be responsible for regulating this aspect of the proceeding.)

10. CITY MANAGER REPORT (information only)

11. REPORTS REGARDING AD HOC, ADVISORY, STANDING, OR OTHER COMMITTEE MEETINGS

12. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

(Consideration to waive full text reading of all Resolutions and Ordinances by single motion made at the start of each meeting, subject to the ability of the City Council / Agency to read the full text of selected resolutions and ordinances when the item is addressed by subsequent motion.)
(COUNCIL / AGENCY)

Recommendation: Approve the Waiver of Full Reading of Resolutions and Ordinances.

13. CONSENT CALENDAR

(Items under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council / Agency Member so requests, in which event the item will be removed from the Consent Calendar and considered separately.)

A. Approval of the Local Agency Investment Fund (LAIF) for the Month of July 2020 *(page 7)*

Presented by the Finance Director

Recommendation: The City Council is requested to approve the Local Agency Investment Fund (LAIF) Report for the month of July 2020 in the amount of $6,882,920.11.

B. Approval of the City Demands and Payroll Including Cash and Investment Report for the Month of July 2020) *(page 11)*

Presented by the Finance Director

Recommendation: The City Council is requested to approve the Demands and Payroll in the amount of $1,589,873.63 including Cash and Investment Report by Fund for the month of July 2020.

C. Consideration to Review and Approve the Draft Minutes of October 6, 2020, for the Regular Meeting of the City Council and the Joint Meeting of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission *(page 27)*

Presented by the Assistant City Clerk

Recommendation: The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for October 6, 2020.

D. Consideration and Adoption of an Ordinance No. 708 Amending Section 20.84.100 of the Cudahy City Municipal Code to Enact Additional Noticing Requirements *(page 39)*

Presented by the City Attorney's Office

Recommendation: The City Council is recommended to adopt an Ordinance amending Section 20.84.100 (Notice of Public Hearing) of the Cudahy City Municipal Code to Enact Additional Noticing Requirements.

E. Consideration and Adoption of a Resolution of the City Council In Support of The Schools & Local Communities Funding Act *(page 47)*

Presented by the City Attorney's Office

Recommendation: The City Council is recommended to adopt a Resolution in support of the Schools & Local Communities Funding Act.

F. Adoption of Proposed Resolution No. 20-34 Superseding and Repealing Resolution No. 20-01, and Amending the Fringe Benefits and Salary Plan Establishing Provisions for All Full-time Employees, Hourly Employees, and Appointed Officials *(page 53)*

Presented by the Human Resources Manager

Recommendation: The City Council is requested to approve proposed Resolution No. 20-34 superseding and repealing Resolution No. 20-01, fringe benefits and salary plan establishing provisions for all full-time employees, hourly employees, and appointed officials.

G. Update on Available Rental Assistance Programs for City of Cudahy Residents *(page 261)*

Presented by the Human Resources Manager

Recommendation: It is recommended that the City Council receive and file this report as an update on available rental assistance programs for the City of Cudahy (City) residents.

14. PUBLIC HEARING - NONE

15. BUSINESS SESSION

A. Adoption of Ordinance No. ZCA-710 and Ordinance No. 711 by Second Reading, Approving Development Agreement (DA) No. 20-01 (Location: 4610 Santa Ana Street; Applicant: Prima Development, Inc.) *(page 269)*

Presented by the City Attorney's Office

Recommendation: Staff recommends that the City Council of the City of Cudahy (the "City"):

1. Approve on Second Reading Ordinance No. 710, amending the Zoning Code to allow medical offices and adult day health care facilities as conditional uses as components of mixed-use residential-commercial projects within the City's Entertainment (E) Zone; and

2. Approve on Second Reading Ordinance No. 711, approving Development Agreement No. 20-01 to allow the construction of the Project within the Entertainment (E) Zone.

B. Consideration and Formation of a Transportation Ad Hoc Committee *(page 391)*

Presented by the Interim City Manager

Recommendation: The City Council is recommended to form a transportation ad hoc committee.

16. COUNCIL DISCUSSION - NONE

17. ADJOURNMENT

I, Richard Iglesias, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City's Website not less than 72 hours prior to the meeting. A copy of said Agenda is on file in the City Clerk's Office.

Dated this 16th day of October 2020

Richard Iglesias
Assistant City Clerk

Item Number
13A

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Agency Members

From: Henry Garcia, interim City Manager/Executive Director
By: Steven Dobrenen, Finance Director

Subject: **Approval of the Local Agency Investment Fund (LAIF) for the Month of July 2020**

RECOMMENDATION

The City Council is requested to approve the Local Agency Investment Fund (LAIF) Report for the month of July 2020 in the amount of $6,882,920.11.

BACKGROUND

1. In 1955, the Pooled Money Investment Account (PMIA) started. LAIF became part of the PMIA. The oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members consist of the State Treasurer, Director of Finance, and State Controller.

2. In 1977, LAIF was created as a voluntary program by Section 16429.1 et seq. of the California Government Code. The program was intended to be used as an investment alternative for California's local governments and special districts. The LAIF continues today under State Treasurer Fiona Ma's administration.

3. On July 1, 2020, the balance in LAIF was $7,607,124.65 (See Attachment).

4. In July 2020 $25,795.46 quarterly interest earned was transferred to LAIF from California State Treasurer office. (See Attached).

5. In July 2020, $750,000 was transferred from LAIF to the City's General Bank Account. (See Attachment).

6. On July 31, 2020, the balance in LAIF was $6,882,920.11 (See Attachment).

ANALYSIS

The voluntary program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian.

Cudahy Municipal Code Section 3.04.080 indicates, "Except as otherwise provided, no warrant shall be drawn or evidence of indebtedness issued unless there shall be at the time sufficient money in the treasury legally applicable to the payment of the same."

CONCLUSION

Once the City Council approves the July 2020 LAIF, the LAIF ending balance of $6,882,920.11 may be relied upon when determining whether or not there are sufficient funds available to pay demands and payroll as required by Cudahy Municipal Code Section 3.04.080.

FINANCIAL IMPACT

None

ATTACHMENT

Local Agency Investment Fund (LAIF) Balance

LOCAL AGENCY INVESTMENT FUND

General Account - City #98-19-225

Beginning Balance as of	**July 01, 2020**	**$7,607,124.65**
LAIF Interest earned		**25,795.46**
Transfer to City operating account		**(750,000.00)**
		_____
Ending Balance as of	**July 31, 2020**	**$6,882,920.11**
		==========

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Item Number
13B

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Agency Members

From: Henry Garcia, Interim City Manager/Executive Director
By: Steven Dobrenen, Finance Director

Subject: **Approval of the City Demands and Payroll Including Cash and Investment Report for the Month of July 2020**

RECOMMENDATION

The City Council is requested to approve the Demands and Payroll in the amount of $1,589,873.63 including Cash and Investment Report by Fund for the month of July 2020.

BACKGROUND

1. On December 13, 1993, Ordinance 476 was adopted and codified as Cudahy Municipal Code Section 3.04.080 indicating, "Except as otherwise provided, no warrant shall be drawn or evidence of indebtedness issued unless there shall be at the time sufficient money in the treasury legally applicable to the payment of the same."

2. On July 2020, the following demands and payroll have been audited by the Finance Department:

Demands	$ 1,152,273.40 (Attachment A)
Payroll Warrants	$ 296,191.07 (Attachment B)
	$ 66,532.52 (Attachment B)
	$ 74,876.64 (Attachment B)
Total:	**$ 1,589,873.63**

ANALYSIS

The Check Register Report (Attachment A), Payroll Warrants including payroll taxes and insurance premiums (Attachment B), Cash and Investment Report by Fund July 2020 (Attachment C) indicate that the cash and investment balance was sufficient for disbursements for the month of July 2020, (Attachment D) a summary of cash received and disbursed by month during Fiscal Year (FY) 2020-21, and (Attachment E) a summary of cash received and disbursed by month during FY 2019-20.

Cudahy Municipal Code Section 3.04.070 indicates, "...Budgeted demands paid by warrant prior to audit by the council shall be presented to the council for ratification and approval..."

CONCULSION

The Finance Director certifies to the accuracy and availability of funds for payment. A Demand/Warrant Register has been submitted to the City Council for approval in accordance with Cudahy Municipal Code Section 3.04.070.

FINANCIAL IMPACT

The Cash and Investment Report by Fund (Attachment C) indicates how the total disbursements of $1,589,873.63 were distributed between the funds of the City.

ATTACHMENTS

A. Check Register Report
B. Payroll Warrants including payroll taxes and insurance premiums
C. Cash and Investment Report by Fund July 2020
D. Summary of Cash Receipt / Disbursement by Month FY 2020-21
E. Summary of Cash Receipt / Disbursement by Month FY 2019-20

City of Cudahy

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51122	07/09/2020		7995	AMERICAN CITY PEST & TERMITE	430.50	430.50
			Printed	PEST CONTROL JUNE 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34622	001-4020-6720.000	113.50	0.00	113.50
34622	001-4020-6720.000	131.50	0.00	131.50
34622	001-4020-6720.000	185.50	0.00	185.50
			Check Amount	430.50

51123	07/09/2020		9966	AT & T LONG DISTANCE SERVICE	44.38	44.38
			Printed	LONG DISTANCE JUNE 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34624	001-4020-6390.000	44.38	0.00	44.38
			Check Amount	44.38

51124	07/09/2020		0057-2	AT & T PHONE SERVICE	2,975.73	2,975.73
			Printed	SVCS JUNE 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34623	001-4020-6390.000	2,686.46	0.00	2,686.46
34625	001-4020-6390.000	289.27	0.00	289.27
			Check Amount	2,975.73

51125	07/09/2020		10133	AVANT-GARDE, INC.	1,221.25	1,221.25
			Printed	COMPLIANCE SVCS MAY 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34609	510-7116-6720.000	1,153.75	0.00	1,153.75
34609	001-4210-6720.000	67.50	0.00	67.50
			Check Amount	1,221.25

51126	07/09/2020		4546	CENTRAL BASIN MUNICIPAL WATER	258.46	258.46
			Printed	SEVICE CHRGS MAY 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34626	001-4020-6395.000	258.46	0.00	258.46
			Check Amount	258.46

51127	07/09/2020		0136	CITY OF SOUTH GATE	75.00	75.00
			Printed	PW MNTCE CONT JUNE 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34627	201-4420-6771.000	75.00	0.00	75.00
			Check Amount	75.00

51128	07/09/2020		2289	CONSOLIDATED DISPOSAL	5,917.99	5,917.99
			Printed	JUNE 2020 88% REFUSE COLLECT	0.00	

Ref#	GL Number	Gross	Discount	Amount
34617	730-0000-2007.000	5,917.99	0.00	5,917.99
			Check Amount	5,917.99

51129	07/09/2020		0186	COUNTY OF LOS ANGELES	12,935.08	12,935.08
			Printed	HSNG COSTS MARCH 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34614	001-4510-6703.000	2,937.05	0.00	2,937.05

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	34615	001-4510-6703.000		6,858.74	0.00	6,858.74
	34616	001-4510-6703.000		3,139.29	0.00	3,139.29
					Check Amount	12,935.08
51130	07/09/2020		10053	HAULAWAY STORAGE CONTAINERS	74.20	74.20
			Printed	STORAGE 5/27-6/23/20	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34628	001-4020-6970.000		74.20	0.00	74.20
					Check Amount	74.20
51131	07/09/2020		9723	IT SYSTEM HOUSE, LLC	3,200.00	3,200.00
			Printed	JUNE 2020 OUTSOURCE FEE	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34612	001-4020-6720.000		3,200.00	0.00	3,200.00
					Check Amount	3,200.00
51132	07/09/2020		10394	KEENAN ASSOCIATES	50,229.01	50,229.01
			Printed	GENERAL LIABILITY JUNE 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34603	001-4020-6490.000		42,756.66	0.00	42,756.66
	34604	001-4020-6420.000		7,472.35	0.00	7,472.35
					Check Amount	50,229.01
51133	07/09/2020		0197	LA COUNTY SHERIFF'S DEPARTMENT	709.51	709.51
			Printed	PROPERTY MTNCE 5/19/20	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34642	270-4501-6763.000		709.51	0.00	709.51
					Check Amount	709.51
51134	07/09/2020		1978-2	OFFICE DEPOT	368.63	368.63
			Printed	OFFICE SUPPLIES JUN 10, 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34619	001-4008-6740.000		94.79	0.00	94.79
	34620	001-4020-6014.000		38.58	0.00	38.58
	34620	001-4020-6080.000		21.71	0.00	21.71
	34620	001-4216-6080.000		68.32	0.00	68.32
	34620	001-4008-6080.000		27.71	0.00	27.71
	34620	001-4151-6080.000		48.49	0.00	48.49
	34620	001-4020-6080.000		28.26	0.00	28.26
	34620	001-4008-6740.000		40.77	0.00	40.77
					Check Amount	368.63
51135	07/09/2020		9717	PCAM, LLC	14,661.72	14,661.72
			Printed	SHUTTLE SVCS JUNE 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34641	251-4740-6780.000		14,661.72	0.00	14,661.72
					Check Amount	14,661.72
51136	07/09/2020		10586	QUADIENT LEASING	428.82	428.82
			Printed	POSTAGE METER 4/23-7/22/2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34618	001-4020-6385.000		428.82	0.00	428.82

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
				Check Amount	428.82	
51137	07/09/2020		10498	R3 CONSULTING GROUP	1,612.50	1,612.50
			Printed	NEGOTIATION SVCS JUNE 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34621	001-4151-6720.000	1,612.50	0.00	1,612.50
			Check Amount	1,612.50

51138	07/09/2020		2378-2	SOUTH CITY GAS	528.91	528.91
			Printed	FUEL 6/23-6/30/2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34610	201-4425-6040.000	338.24	0.00	338.24
34610	001-4530-6040.000	34.69	0.00	34.69
34611	201-4425-6040.000	129.04	0.00	129.04
34611	001-4410-6040.000	26.94	0.00	26.94
			Check Amount	528.91

51139	07/09/2020		0070	SOUTHERN CALIFORNIA EDISON	479.35	479.35
			Printed	SVCS 5/19-6/18/2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34637	001-4020-6318.000	73.31	0.00	73.31
34637	201-4420-6318.000	406.04	0.00	406.04
			Check Amount	479.35

51140	07/09/2020		0491	STATE CONTROLLER'S OFFICE	542.33	542.33
			Printed	PRGRM FEES FOR CY2019	0.00	

Ref#	GL Number	Gross	Discount	Amount
34638	001-4020-6376.000	542.33	0.00	542.33
			Check Amount	542.33

51141	07/09/2020		10467	STEAMX, LLC SIGNAL HILL	123.19	123.19
			Printed	EQUIPMENT PURCHASE	0.00	

Ref#	GL Number	Gross	Discount	Amount
34608	201-4425-6150.000	123.19	0.00	123.19
			Check Amount	123.19

51142	07/09/2020		8363	TIME WARNER CABLE	106.98	106.98
			Printed	5220 SANTA ANA 5/12-6/11/2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34643	001-4020-6396.000	106.98	0.00	106.98
			Check Amount	106.98

51143	07/09/2020		0078	TRACT 349 MUTUAL WATER CO	511.43	511.43
			Printed	SERVICE FOR 4/15-6/15/2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34613	201-4425-6395.000	511.43	0.00	511.43
			Check Amount	511.43

51144	07/09/2020		5169	VASQUEZ & COMPANY	525.00	525.00
			Printed	199N AND RRF-1 DEC 2019	0.00	

Ref#	GL Number	Gross	Discount	Amount

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	34605	001-4930-6710.000		525.00	0.00 525.00	
					Check Amount 525.00	
51145	07/09/2020		2208	WEST COAST ARBORISTS, INC.	5,082.00	5,082.00
			Printed	MTNCE SVC 5/16-5/31/2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34640	001-4410-6785.000		5,082.00	0.00	5,082.00
					Check Amount	5,082.00
51146	07/09/2020		10179	EMPIRE CLEANING SUPPLY	1,231.12	1,231.12
			Printed	JANITORIAL SUPP JUNE 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34646	001-4020-6080.000		1,231.12	0.00	1,231.12
					Check Amount	1,231.12
51147	07/09/2020		0126-1	GOLDEN STATE WATER COMPANY	5,142.39	5,142.39
			Printed	WATER SVC JUNE 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34647	001-4020-6395.000		5,142.39	0.00	5,142.39
					Check Amount	5,142.39
51148	07/09/2020		10394	KEENAN ASSOCIATES	365,295.15	365,295.15
			Printed	WC & GEN LIAB FY2020-2021	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34652	001-4020-6420.000		224,913.84	0.00	224,913.84
	34652	001-4020-6490.000		140,381.31	0.00	140,381.31
					Check Amount	365,295.15
51149	07/09/2020		6038	LGP EQUIPMENT RENTALS	911.45	911.45
			Printed	REMOVE WEEDS JUNE 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34645	001-4410-6389.000		911.45	0.00	911.45
					Check Amount	911.45
51150	07/09/2020		10436	ONTARIO REFRIGERATION	3,854.00	3,854.00
			Printed	SVC REQUESTS JUNE 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34648	001-4020-6950.000		958.00	0.00	958.00
	34648	001-4020-6950.000		1,264.00	0.00	1,264.00
	34648	001-4020-6950.000		841.00	0.00	841.00
	34648	001-4020-6950.000		791.00	0.00	791.00
					Check Amount	3,854.00
51151	07/09/2020		0079	TRACT 180 WATER COMPANY	1,325.72	1,325.72
			Printed	WATER SVCS MAY-JUNE 2020	0.00	
	Ref#	GL Number		Gross	Discount	Amount
	34649	201-4425-6395.000		194.65	0.00	194.65
	34649	001-4020-6395.000		72.80	0.00	72.80
	34649	001-4020-6395.000		1,058.27	0.00	1,058.27
					Check Amount	1,325.72

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51152	07/09/2020		2859	UNDERGROUND SERVICE ALERT-SC	53.31	53.31
			Printed	TICKET CHRGS JUNE 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34651	201-4425-6735.000	15.26	0.00	15.26
34653	201-4425-6735.000	38.05	0.00	38.05
			Check Amount	53.31

51153	07/09/2020		9951	WILLDAN	28,742.00	28,742.00
			Printed	PLANNING SVCS MAY 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34644	001-4215-6760.000	1,366.00	0.00	1,366.00
34644	001-4215-6720.000	17,049.00	0.00	17,049.00
34644	001-4215-6720.000	10,327.00	0.00	10,327.00
			Check Amount	28,742.00

51154	07/09/2020		10201-1	OLIVAREZ MADRUGA LEMIEUX	56,049.04	56,049.04
			Printed	APRIL 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34654	001-4005-6755.000	28,991.04	0.00	28,991.04
34654	001-4930-6755.000	6,524.00	0.00	6,524.00
34654	001-4930-6710.000	90.00	0.00	90.00
34655	001-4005-6755.000	663.00	0.00	663.00
34656	001-4005-6755.000	14,095.00	0.00	14,095.00
34657	001-4930-6720.000	1,369.50	0.00	1,369.50
34658	001-4005-6755.000	370.50	0.00	370.50
34659	001-4930-6720.000	519.00	0.00	519.00
34660	001-4005-6755.000	3,427.00	0.00	3,427.00
			Check Amount	56,049.04

51155	07/22/2020		7995	AMERICAN CITY PEST & TERMITE	430.50	430.50
			Printed	JULY 2020 SVCS	0.00	

Ref#	GL Number	Gross	Discount	Amount
34693	001-4020-6720.000	113.50	0.00	113.50
34694	001-4020-6720.000	131.50	0.00	131.50
34695	001-4020-6720.000	185.50	0.00	185.50
			Check Amount	430.50

51156	07/22/2020		2932	AMERICAN PROMOTIONAL EVENTS	713.00	713.00
			Printed	FIREWORKS STAND	0.00	

Ref#	GL Number	Gross	Discount	Amount
34681	710-6010-6030.000	713.00	0.00	713.00
			Check Amount	713.00

51157	07/22/2020		10133	AVANT-GARDE, INC.	950.00	950.00
			Printed	JUNE 2020 SERVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
34674	510-7116-6720.000	747.50	0.00	747.50
34674	001-4210-6720.000	202.50	0.00	202.50
			Check Amount	950.00

51158	07/22/2020		7019	BUSINESS CARD	5,023.13	5,023.13
			Printed	JUNE 2020 CHARGES	0.00	

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount

Ref#	GL Number	Gross	Discount	Amount
34684	001-4020-6080.000	1,062.08	0.00	1,062.08
34684	001-4008-6080.000	10.67	0.00	10.67
34684	201-4425-6150.000	40.92	0.00	40.92
34684	001-4020-6080.000	75.80	0.00	75.80
34684	001-4020-6080.000	207.90	0.00	207.90
34684	001-4020-6080.000	134.67	0.00	134.67
34684	001-4020-6910.000	104.99	0.00	104.99
34684	001-4020-6910.000	299.00	0.00	299.00
34684	001-4020-6910.000	16.99	0.00	16.99
34684	001-4011-6080.000	16.99	0.00	16.99
34684	001-4008-6080.000	16.99	0.00	16.99
34684	001-4020-6910.000	225.00	0.00	225.00
34684	001-4020-6910.000	165.00	0.00	165.00
34684	001-4020-6910.000	116.00	0.00	116.00
34684	510-4642-6145.000	2,530.13	0.00	2,530.13
			Check Amount	5,023.13

51159	07/22/2020	0136	CITY OF SOUTH GATE	75.00		75.00
		Printed	JULY 2020	0.00		

Ref#	GL Number	Gross	Discount	Amount
34698	201-4420-6771.000	75.00	0.00	75.00
			Check Amount	75.00

51160	07/22/2020	10474	COIT SERVICES, INC.	380.00		380.00
		Printed	JUNE 20 CARPET CLEANING	0.00		

Ref#	GL Number	Gross	Discount	Amount
34663	001-4020-6370.000	380.00	0.00	380.00
			Check Amount	380.00

51161	07/22/2020	0186	COUNTY OF LOS ANGELES	951.26		951.26
		Printed	JUNE 2020 HOUSING COSTS	0.00		

Ref#	GL Number	Gross	Discount	Amount
34673	001-4510-6703.000	951.26	0.00	951.26
			Check Amount	951.26

51162	07/22/2020	8076	DAVE BANG ASSOC., INC	3,713.13		3,713.13
		Printed	REISSUE CHECK LUGO PARK	0.00		

Ref#	GL Number	Gross	Discount	Amount
34662	001-4410-6140.000	3,713.13	0.00	3,713.13
			Check Amount	3,713.13

51163	07/22/2020	10517	DELL FINANCIAL SERVICES LLC	1,176.68		1,176.68
		Printed	AUGUST 2020 COMPUTER LEASE	0.00		

Ref#	GL Number	Gross	Discount	Amount
34696	001-4020-6910.000	625.18	0.00	625.18
34697	001-4020-6910.000	551.50	0.00	551.50
			Check Amount	1,176.68

51164	07/22/2020	10587	EGIA FOUNDATION	2,640.00		2,640.00
		Printed	RFUND CHTWU 21879	0.00		

Ref#	GL Number	Gross	Discount	Amount

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	34669	001-0000-4920.000		2,640.00	0.00 / 2,640.00	
					Check Amount 2,640.00	
51165	07/22/2020		10485	ENTERPRISE FM TRUST	3,856.35	3,856.35
			Printed	JULY LEASE	0.00	

Ref#	GL Number	Gross	Discount	Amount
34692	201-4425-6393.000	2,599.98	0.00	2,599.98
34692	257-4780-6393.000	1,256.37	0.00	1,256.37
			Check Amount	3,856.35

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51166	07/22/2020		10018	ESTRADA HILDA	4,400.00	4,400.00
			Printed	JULY TRANSCRIPTION SVCS	0.00	

Ref#	GL Number	Gross	Discount	Amount
34661	001-4020-6720.000	3,200.00	0.00	3,200.00
34685	001-4020-6720.000	1,200.00	0.00	1,200.00
			Check Amount	4,400.00

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51167	07/22/2020		10581	FIESTA TAXI COOPERATIVE INC.	5,743.59	5,743.59
			Printed	JUNE 2020 SERVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
34664	252-4750-6780.000	5,743.59	0.00	5,743.59
			Check Amount	5,743.59

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51168	07/22/2020		10560	GLOBAL URBAN STRATEGIES INC.	7,469.00	7,469.00
			Printed	JUNE 2020 SERVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
34682	001-4001-6720.000	7,469.00	0.00	7,469.00
			Check Amount	7,469.00

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51169	07/22/2020		2139-2	HDL COREN & CONE	1,101.34	1,101.34
			Printed	4TH QTR 2019	0.00	

Ref#	GL Number	Gross	Discount	Amount
34675	001-4151-6720.000	1,101.34	0.00	1,101.34
			Check Amount	1,101.34

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51170	07/22/2020		8382	IGLESIAS RICHARD	243.38	243.38
			Printed	SPRING 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34680	001-4015-6392.000	243.38	0.00	243.38
			Check Amount	243.38

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51171	07/22/2020		0197	LA COUNTY SHERIFF'S DEPARTMENT	340,680.30	340,680.30
			Printed	MAY 2020 LAW ENFORCEMENT	0.00	

Ref#	GL Number	Gross	Discount	Amount
34670	001-4501-6763.000	340,680.30	0.00	340,680.30
			Check Amount	340,680.30

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
51172	07/22/2020		10582	LUIS ALVARADO	5,450.00	5,450.00
			Printed	JUNE 2020 SERVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
34665	001-4001-6720.000	5,450.00	0.00	5,450.00

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
				Check Amount	5,450.00	
51173	07/22/2020		10448	MACIAS GINI & O'CONNELL	3,850.00	3,850.00
			Printed	JUNE 2020 SERVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
34676	001-4215-6760.000	3,850.00	0.00	3,850.00

				Check Amount	3,850.00	
51174	07/22/2020		10542	MV CHENG & ASSOCIATES INC.	19,552.50	19,552.50
			Printed	JUNE 2020 SERVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
34683	001-4155-6720.000	19,552.50	0.00	19,552.50

				Check Amount	19,552.50	
51175	07/22/2020		7014	NATIONWIDE ENVIRONMENTAL	24,624.00	24,624.00
			Printed	JUNE 2020 SERVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
34678	201-4425-6778.000	16,416.00	0.00	16,416.00
34679	201-4425-6778.000	8,208.00	0.00	8,208.00

				Check Amount	24,624.00	
51176	07/22/2020		10436	ONTARIO REFRIGERATION	2,145.00	2,145.00
			Printed	3RD QUARTER 2020	0.00	

Ref#	GL Number	Gross	Discount	Amount
34689	001-4020-6950.000	1,099.00	0.00	1,099.00
34690	001-4020-6950.000	664.00	0.00	664.00
34691	001-4020-6950.000	382.00	0.00	382.00

				Check Amount	2,145.00	
51177	07/22/2020		9717	PCAM, LLC	14,661.72	14,661.72
			Printed	APRIL 2020 SHUTTLE SVCS	0.00	

Ref#	GL Number	Gross	Discount	Amount
34677	251-4740-6780.000	14,661.72	0.00	14,661.72

				Check Amount	14,661.72	
51178	07/22/2020		10430	RIGHT OF WAY, INC.	420.48	420.48
			Printed	COVID 19 SPECIALIZED SIGN	0.00	

Ref#	GL Number	Gross	Discount	Amount
34699	201-4425-6387.000	420.48	0.00	420.48

				Check Amount	420.48	
51179	07/22/2020		0071-1	SO CAL GAS	40.95	40.95
			Printed	JULY 2020 - 4835 CLARA ST	0.00	

Ref#	GL Number	Gross	Discount	Amount
34700	001-4020-6380.000	40.95	0.00	40.95

				Check Amount	40.95	
51180	07/22/2020		0070	SOUTHERN CALIFORNIA EDISON	15,934.42	15,934.42
			Printed	JUNE ELECTRIC BILL	0.00	

Ref#	GL Number	Gross	Discount	Amount
34666	350-4430-6318.000	7.90	0.00	7.90

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross	Discount	Amount
	34666	001-4020-6318.000		32.76	0.00	32.76	
	34667	350-4430-6318.000		9.51	0.00	9.51	
	34667	201-4420-6318.000		397.84	0.00	397.84	
	34667	001-4020-6318.000		1,926.55	0.00	1,926.55	
	34668	001-4020-6318.000		2,935.65	0.00	2,935.65	
	34668	350-4430-6318.000		7,680.66	0.00	7,680.66	
	34668	201-4420-6318.000		2,859.75	0.00	2,859.75	
	34668	001-4020-6318.000		83.80	0.00	83.80	
					Check Amount	15,934.42	
51181	07/22/2020		8363	TIME WARNER CABLE		293.95	293.95
			Printed	JULY SERVICES		0.00	
	Ref#	GL Number		Gross	Discount	Amount	
	34686	001-4020-6396.000		96.98	0.00	96.98	
	34687	001-4020-6396.000		106.98	0.00	106.98	
	34688	001-4020-6396.000		89.99	0.00	89.99	
					Check Amount	293.95	
51182	07/22/2020		5695	VISTA PAINT		2,290.07	2,290.07
			Printed	JUNE 2020 SERVICES		0.00	
	Ref#	GL Number		Gross	Discount	Amount	
	34671	201-4425-6770.000		2,267.40	0.00	2,267.40	
	34672	201-4425-6770.000		22.67	0.00	22.67	
					Check Amount	2,290.07	
51183	07/23/2020		10588	GLENN WARD CALSADA		63,060.00	63,060.00
			Printed	CANNABIS OCT 2019 - MAY 2020		0.00	
	Ref#	GL Number		Gross	Discount	Amount	
	34709	001-4005-6720.000		2,930.00	0.00	2,930.00	
	34710	001-4215-6760.000		60,130.00	0.00	60,130.00	
					Check Amount	63,060.00	
51184	07/23/2020		10583	LUCERO'S IRON WORK		1,825.00	1,825.00
			Printed	FINAL PAYMENT JUNE 2020		0.00	
	Ref#	GL Number		Gross	Discount	Amount	
	34711	001-4501-6720.000		1,825.00	0.00	1,825.00	
					Check Amount	1,825.00	
51185	07/23/2020		10201-1	OLIVAREZ MADRUGA LEMIEUX		52,932.50	52,932.50
			Printed	SPECIAL MATTERS MAY 2020		0.00	
	Ref#	GL Number		Gross	Discount	Amount	
	34701	001-4930-6755.000		8,401.50	0.00	8,401.50	
	34701	001-4930-6710.000		90.00	0.00	90.00	
	34701	001-4005-6755.000		2,098.50	0.00	2,098.50	
	34701	001-4005-6755.000		8,844.50	0.00	8,844.50	
	34701	001-4005-6755.000		17,434.50	0.00	17,434.50	
	34702	001-4005-6755.000		78.00	0.00	78.00	
	34703	001-4005-6755.000		819.00	0.00	819.00	
	34704	001-4005-6755.000		102.50	0.00	102.50	
	34705	001-4930-6720.000		440.00	0.00	440.00	
	34706	001-4930-6720.000		646.00	0.00	646.00	
	34707	001-4005-6755.000		2,725.00	0.00	2,725.00	
	34708	001-4005-6755.000		11,253.00	0.00	11,253.00	

Check Number	Check Date / Void/Stop Date	Reconcile Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
				Check Amount	52,932.50	

Total Checks:	**64**	**Bank Total(excluding void checks):**	**1,152,273.40**
Total Checks:	**64**	**Grand Total(excluding void checks):**	**1,152,273.40**

CITY OF CUDAHY

Payroll Warrants including payroll taxes and insurance premiums:

	July 2, 2020	July 16, 2020	July 30, 2020
Issued Warrants Number	26334 to 26340	26341 to 26383	26384 to 26428
Voided Warrants	None	None	None
Issued Warrants Amount	$ 3,429.13	$ 2,138.94	$ 4,763.67
Direct Deposits (a)(e)	246,551.00	50,317.90	50,676.82
CalPERS Direct Deposit (b)	28,752.35	$ -	
CalPERS Direct Deposit (c)	6,875.63	$ 3,313.38	$ 8,777.41
Payroll taxes (d)	10,582.96	10,762.30	10,658.74
Total Amount	$ 296,191.07	$ 66,532.52	$ 74,876.64
Note (a) - Employees / Council Members / Commissioners			
Note (b) - Payments for CalPERS medical insurance			
Note (c) - Payments for CalPERS retirement contributions			
Note (d) - Federal and State payroll taxes			
Note (e) - Payments for unfunded CalPERS liability for FY 2020-2021			

CITY OF CUDAHY

Cash and Investment Report by Fund July 2020

		July 1, 2020	Inflow YTD	Outflow YTD	July 31, 2020	Receipts July 2020	Disbursements July 2020
001	General Fund	2,244,495.28	589,776.02	1,479,465.32	1,354,805.98	589,776.02	1,479,465.32
201	State Gas Tax	955,748.71	80,366.77	46,060.08	990,055.40	80,366.77	46,060.08
235	Other Grants	(86,802.76)	35,844.46	-	(50,958.30)	35,844.46	-
240	Prop 1 B - Local Street Improv.	85,585.24	282.90	-	85,868.14	282.90	-
251	Prop C	547,328.65	39,509.02	32,372.18	554,465.49	39,509.02	32,372.18
252	Prop A	625,049.49	47,037.07	7,886.06	664,200.50	47,037.07	7,886.06
253	Measure R	1,601,492.40	33,729.44	2,904.60	1,632,317.24	33,729.44	2,904.60
254	Measure M	909,636.35	34,409.75	-	944,046.10	34,409.75	-
257	AQMD	91,793.31	300.26	1,256.37	90,837.20	300.26	1,256.37
260	Used Oil	1.47	-	-	1.47	-	-
261	California Beverage Container	6,589.17	21.78	-	6,610.95	21.78	-
265	Recycling Grant	15,019.84	49.65	-	15,069.49	49.65	-
270	C.O.P.S	156,500.25	532.41	709.51	156,323.15	532.41	709.51
280	County Park Bond	27,603.71	91.24	-	27,694.95	91.24	-
300	CAL Home	106,994.70	353.67	-	107,348.37	353.67	-
350	Street Lighting Fund	(53,804.27)	24,494.77	7,698.07	(37,007.57)	24,494.77	7,698.07
390	Quimby Act Fund	66,139.92	218.62	-	66,358.54	218.62	-
510	CDBG	(103,873.90)	17,562.00	16,253.23	(102,565.13)	17,562.00	16,253.23
515	Federal STPL	815,477.11	2,695.53	-	818,172.64	2,695.53	-
610	Successor Agencies	4,460,488.98	12,300.00	-	4,472,788.98	12,300.00	-
710	Youth Foundation	20,919.95	23,981.85	1,213.00	43,688.80	23,981.85	1,213.00
730	Refuse Assessment	5,651.82	2,174.65	5,917.99	1,908.48	2,174.65	5,917.99
		12,498,035.42	945,731.86	1,601,736.41	11,842,030.87	945,731.86	1,601,736.41
	LAIF- CITY	7,607,124.65	25,795.46	750,000.00	6,882,920.11	25,795.46	750,000.00
	Wells Fargo	4,890,910.77	1,669,936.40	1,601,736.41	4,959,110.76	1,669,936.40	1,601,736.41
	TOTAL	12,498,035.42	1,695,731.86	2,351,736.41	11,842,030.87	1,695,731.86	2,351,736.41

Total cash disbursements per July and Payroll Reports		
AP disbursements		1,152,273.40
Payroll - July 2, 2020		296,191.07
Payroll - July 16, 2020		66,532.52
Payroll - July 30, 2020		74,876.64
	Sub-Total	1,589,873.63
Add: Total Bank charges in July 2020		269.06
Add: June 2020 Checks mailed in July 2020		7,025.00
Add: Credit card charge - Insurance / Food Distribution / Memberships		4,568.72
Total Cash Disbursements per July Cash & Investment Report		1,601,736.41

City of Cudahy
Summary of Cash Receipt/Disbursement by Month - FY 2020-21

Date	All Funds		
	Cash Receipts	Disbursement	
July 2020	$ 945,731.86	1,601,736.41	(a)
August 2020			
September 2020			
October 2020			
November 2020			
December 2020			
January 2021			
February 2021			
March 2021			
April 2021			
May 2021			
June 2021			
Total:	$ 945,731.86	1,601,736.41	

Note (a) - City liab. and workers comp insurance, and PERS unfunded pension liab.

Date	General Fund		
	Cash Receipts	Disbursement	
July 2020	$ 589,776.02	1,479,465.32	(1)
August 2020			
September 2020			
October 2020			
November 2020			
December 2020			
January 2021			
February 2021			
March 2021			
April 2021			
May 2021			
June 2021			
Total:	$ 589,776.02	1,479,465.32	

Note (1) - City liab. & workers comp insurance, and PERS unfunded pension liab.,

City of Cudahy
Summary of Cash Receipt/Disbursement by Month - FY 2019-20

Date	All Funds			
	Cash Receipts		Disbursement	
July 2019	$ 941,452.89		1,457,035.28	(a)
August 2019	853,284.53		1,163,911.34	(b)
September 2019	630,557.64		2,788,258.46	(c)
October 2019	1,039,549.28		1,094,154.20	
November 2019	1,129,199.54	(d)	839,527.34	
December 2019	1,169,820.86		2,879,103.92	
January 2020	3,371,576.13	(e,f)	719,097.08	
February 2020	1,145,152.26		1,044,722.67	
March 2020	701,012.42		1,138,188.84	
April 2020	1,076,894.04		1,174,140.46	
May 2020	1,845,621.31	(g)	1,352,965.29	
June 2020	1,994,046.43		1,013,543.12	
Total:	$ 15,898,167.33		16,664,648.00	

Note (a) - City liab. and workers comp insurance, and PERS unfunded pension liab.
Note (b) - Design cost for Atlantic Blvd and 2 sheriff payments
Note (c) - Successor Agency Debt Service Payment
Note (d) - Prop A exchange
Note (e) - Return of funds relating to 2018 Tax Allocation Bonds for future distribution by County
Note (e) - ROPS distribution from County and bi-annual motor-vehicle-in-lieu
Note (f) - Bi-annual motor-vehicle-in-lieu and ROPS bond payoff
Note (g) - Bi-annual motor-vehicle-in-lieu

Date	General Fund			
	Cash Receipts		Disbursement	
July 2019	$ 1,866,520.76		2,435,791.50	(1)
August 2019	523,008.55		944,706.98	(2)
September 2019	344,846.17		1,093,211.56	(3)
October 2019	543,373.98		417,913.40	
November 2019	909,708.61	(4)	756,296.87	
December 2019	402,756.90		595,653.85	
January 2020	1,935,550.47	(5)	424,124.13	
February 2020	615,691.04		509,201.42	
March 2020	379,107.08		778,915.72	
April 2020	582,851.08		864,621.79	
May 2020	1,621,354.21	(5)	1,011,798.85	
June 2020	550,029.86		781,623.61	
Total:	$ 10,274,798.71		10,613,859.68	
Average Per Month:	856,233.23		884,488.31	

Note (1) - City liab. & workers comp insurance, and PERS unfunded pension liab.,
Note (2) - 2 sheriff payments
Note (3) - Virtual City Hall Software first installment
Note (4) - Prop A Exchange
Note (5) - Bi-annual motor-vehicle-in-lieu

Item Number 13C

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Agency Members

From: Henry Garcia, Interim City Manager/Executive Director
By: Richard Iglesias, Assistant City Clerk

Subject: **Consideration to Review and Approve the Draft Minutes of October 6, 2020, for the Regular Meeting of the City Council and the Joint Meeting of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission**

RECOMMENDATION

The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for October 6, 2020.

BACKGROUND / ANALYSIS

Historically

The Municipal Clerk is one of the oldest professions in government, dating back to 1272 A.D., originating in England. The record keeper then was called Remembrancer, an English official whose job was to remind the Lord Treasurer and Barons of Court, of business pending.

Years later, in the 1600s, when early colonists came to America, the office of the Clerk was one of the first offices to be established. Over the years, the City Clerk's office has become the core for local government, and the liaison to the residents of the Community. The Municipal Clerk (City Clerk) is the record keeper of a City's recorded history.

William Bennett Munro, a Canadian historian, and political scientist, who taught at Harvard University and the California Institute of Technology, stated in one of his first textbooks written: "No other office in municipal service has so many contacts. It serves the Mayor, the City Council, the City Manager (when there is one), and all administrative departments,

without exception. All of them call upon it, almost daily, for some service or information. Its work is not spectacular, but it demands versatility, alertness, accuracy, and no end of patience. The public does not realize how many loose ends of city administration this office pulls together."

Moving forward to the present time, the City Clerk's office today is generally responsible for keeping a record of City Council meetings; agreements; recordings of official documents; legal advertisements; municipal elections; commissions and committees current files; claims against the city; and other legal or official documents.

City Clerks in General Law cities are required to keep a record (minutes) of the proceedings of Council meetings (Government Code Sections 36814 and 40801). Minutes are the official record of a meeting which provides a history of the Council's decisions and actions.

CONCLUSION

City Council is requested to approve the attached City Council / Agency Draft Minutes of the proceedings of October 6, 2020 City Council meeting.

FINANCIAL IMPACT

No Financial Impact.

ATTACHMENT

A. Draft Minutes October 6, 2020
B. Resolution No. 16-38, approving the City Clerk's use of Summary Action Minutes as the Official Record of the City Council proceedings.

MINUTES

CUDAHY CITY COUNCIL REGUAR MEETING and CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY TO THE CUDAHY DEVELOPMENT COMMISSION JOINT MEETING

October 6, 2020 6:30 P.M.

1. CALL TO ORDER

Mayor / Chair Alcantar called the meeting to order at 6:34 p.m.

2. ROLL CALL

PRESENT: Council / Agency Member Garcia (arrived at 7:59 p.m.)
Council / Agency Member Guerrero
Council / Agency Member Lozoya
Vice Mayor / Vice Chair Gonzalez
Mayor / Chair Alcantar

ABSENT: None

ALSO PRESENT: Interim City Manager Henry Garcia, City Attorney, Victor Ponto, Deputy City Attorney, Stephanie Arechiga, Assistant City Clerk, Richard Iglesias, Finance Director, Steven Dobrenen.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Mayor Gonzalez.

IT WAS MOTIONED BY VICE MAYOR GONZALEZ AND SECONDED BY MAYOR ALCANTAR TO MOVE ITEM 4A AND 4B AFTER ITEM 7. THE MOTION CARRIED (4-0-1) BY THE FOLLOWING ROLL CALL VOTE:

AYES: Guerrero, Lozoya, Gonzalez, and Alcantar
NOES: None
ABSENT: Garcia
ABSTAIN: None

4. PRESENTATIONS

A. USC Health Study (Tirando Muros) Salud Sin Fronteras
B. Electric Vehicle Infrastructure Training Program (EVITP)

5. CLOSED SESSION PUBLIC COMMENTS – NONE

6. CLOSED SESSION

DELIBERATING AS CUDAHY SUCCESSOR AGENCY

DRAFT

A. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators

Property Location:
Site No. 1 Elizabeth Street Residential Property 5256 Elizabeth Street APN: 6224-001-014
5260 Elizabeth Street APN: 6224-001-015

Successor Agency Negotiator: Henry Garcia, Executive Director, Dave Gondek, Deputy City Attorney, Victor Ponto, City Attorney
Negotiating parties: Chief Administrative Officer Under Negotiation: Price and Terms

B. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators

Property Location:
Site No. 2 Atlantic Avenue/Santa Ana Street Commercial Property 4734 Santa Ana Street APN: 6224-018-008
8110 South Atlantic Avenue APN: 6224-018-071
8100 South Atlantic Avenue APN: 6224-018-068 Santa Ana Street APN: 6224-018-070
4720 Santa Ana Street APN: 6224-018-069

Successor Agency Negotiator: Henry Garcia, Executive Director, Dave Gondek, Deputy City Attorney, Victor Ponto, City Attorney
Negotiating parties: Chief Administrative Officer Under Negotiation: Price and Terms

C. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators

Property Location:
Site No. 3 Santa Ana Street Residential Property 4610 Santa Ana Street APN: 6224-019-014

Successor Agency Negotiator: Henry Garcia, Executive Director, Dave Gondek, Deputy City Attorney, Victor Ponto, City Attorney
Negotiating parties: Chief Administrative Officer Under Negotiation: Price and Terms

D. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators

Property Location:
Site No. 4 Atlantic Avenue/Cecilia Street Commercial Property 8135 South Atlantic Avenue APN: 6224-022-001
4629 Cecilia Street APN: 6224-022-004
8201 South Atlantic Avenue APN: 6224-022-002
8221 South Atlantic Avenue APN: 6224-022-012
4633 Cecilia Street APN: 6224-022-003

Successor Agency Negotiator: Henry Garcia, Executive Director, Dave Gondek, Deputy City Attorney, Victor Ponto, City Attorney
Negotiating parties: Chief Administrative Officer Under Negotiation: Price and Terms

E. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators

DRAFT

Property Location:
Site No. 5 Atlantic Avenue/Patata Street Commercial Property 4819 Patata Street APN: 6224-034-014
8420 South Atlantic Avenue APN: 6224-034-032 APN: 6224-034-040
Patata Street APN: 6224-034-041
Successor Agency Negotiator: Henry Garcia, Executive Director, Dave Gondek, Deputy City Attorney, Victor Ponto, City Attorney
Negotiating parties: Chief Administrative Officer Under Negotiation: Price and Terms

F. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators

Property Location:
Site No. 6 Atlantic Avenue/Clara Street Commercial Property 4613 Clara Street APN: 6226-022-002
7660 South Atlantic Avenue APN: 6226-022-008
7630 South Atlantic Avenue APN: 6226-022-019 APN: 6226-022-020
7638 South Atlantic Avenue APN: 6226-022-023
7644 South Atlantic Avenue APN: 6226-022-022
No address APN: 6226-022-021 APN: 6226-022-024
Successor Agency Negotiator: Henry Garcia, Executive Director, Dave Gondek, Deputy City Attorney, Victor Ponto, City Attorney
Negotiating parties: Chief Administrative Officer Under Negotiation: Price and Terms

DELIBERATING AS CITY COUNCIL

G. Closed Session Pursuant to Government Code Section 54956.9(d)(4) – Conference with Legal Counsel to Discuss Matter Involving Potential Litigation – One Matter

7. CLOSED SESSION ANNOUNCEMENT

Deputy City Attorney, Victor Ponto, announced that for items A-G, counsel was given, direction was received. No further reportable action.

8. PUBLIC COMMENTS

Tevina Quintana, commented on item 15A, requesting there be a public notice sent out to at least 2,000 households. If it exceeds 2,000 households then it should be published on social media rather than a newspaper. She also alleged that Council Member Garcia is a resident of Lawndale, and therefore violates state government code. She further commented that the Council has an obligation to make sure everyone on the Council follows the laws, and have this issue investigated. She argued that any Council member that knew about the issue and did not report it is also guilty. She further cited previous statements made by Vice Mayor Gonzalez asking Council members to be held to a high ethical standard, and argued that this situation should not be different. She concluded her comments by arguing that she is not a politician but wants what is best for the City, arguing that Council member Garcia does not have the best interest of the City.

Star Laca, expressed her frustration with the current City Council. She explained that she is tired of having to explain to her children that Council members are not always honest. She further spoke against Council member Garcia for using her child's photo during a Walk to School Day for

political purposes. She further called for an investigation regarding Council Member Garcia's residency in Cudahy.

Victor Frias, spoke against members of the Council for their approval of the Kipp project. He argued that the community was against the project, yet the Council still approved it. He further argued that Kipp board members have filed restraining orders against those who legally protest against Kipp. He commented that the community will continue to organize, and concluded his comments by calling for an investigation regarding Council Member Garcia's residency in Cudahy.

Bertha Martinez, commented that the community is unhappy with the City Council for voting against the community. She commented that they are being threatened by Kipp for protesting against them. She asked the Council to conduct another vote due to Council Member's Garcia alleged residency in Lawndale, and further argued that past Council Member Garcia votes should also be reconsidered for the same reason.

Susie de Santiago, commented on item 15A, noted section C, and asking that distribution should be increased to 3,000 households. She further noted section D, asking to also require publishing on social media and website, as well as expanding noticing to renters, made in Spanish, and increased to 2,000 households. She commented that Council member Garcia has historically voted against the community, citing his approval of cannabis cultivation sites. She concluded her comments by agreeing that past votes made by Council Member Garcia should be reconsidered.

David Rodriguez, urged that Council Member Garcia should resign immediately, be voted out by the Council, believing that he should be criminally prosecuted, understanding it is a crime to not be a resident as Council member. He further asked the Council to take this case to the district attorney's office.

Edin Enamorado, asked Council to expedite the demolition project on Atlantic and Cecilia property. He also asked Council for guidance regarding paving Walnut Street. He expressed his discontent for Council Member Garcia, alleging that Council Member Garcia attempted to bribe him for support of the project. He further argued that if any other Council member knew about Council Member Garcia not living in Cudahy, they should speak up. He argued that Kipp made numerous attempts to silence Edin, and a board member filed a restraining order against him. He concluded his comments by urging the Council to do the right thing and handle Council member Garcia's allegations appropriately.

Anabelle Samperio, asked Council to conduct a former investigation regarding Council Member Garcia's residency in Cudahy.

Nicky R., urged Council to invalidate Council Member Garcia's Kipp vote, if a former investigation finds he does not live in Cudahy.

Abigail Jaramillo, asked Council to conduct a former investigation regarding whether Council Member Garcia lives in Cudahy.

A resident, asked Council to conduct a former investigation regarding whether Council Member Garcia lives in Cudahy. She further argued that approving Kipp charter schools is a slippery slope that would lead to reducing public schools. She also commented on 15A, asking to increase noticing to 2,000 as well as posting notices on social media. She concluded her comments by arguing that Kipp board members are not part of the community, and vote against the community's interest.

Rodolfo Cortes, expressed his concerns on behalf of the community that Council Member Garcia did not live in Cudahy. He further argued that all Council Members knew about the matter, and found it unacceptable that the matter was ignored. He concluded his comments by urging Council to call for Council Member Garcia to resign.

Ayde Bravo, argued that 18% of Los Angeles schools are charter schools. She further argued this will lead to teacher lay offs and school shutdowns. She noted that teacher displacements are already happening, and Kipp's development would only exacerbate the issue. She concluded her comments by arguing that charter school expansion leads to public school shutdowns.

9. CITY COUNCIL COMMENTS / REQUESTS FOR AGENDA ITEMS

Council Member Guerrero, expressed his disappointment for the lack of circulation and outreach for the rental assistance program. He commented that many residents have not been informed by the program. He reminded the Council that it agreed that notice letters were going to be sent to residents for optimal communication. He directed staff to bring the item to the next Council meeting to discuss how to improve and extending the deadline. Regarding the Public Safety Subcommittee thanked committee members as well as city staff. He recapped that discussions with the sheriff's department have been fruitful. He predicted that a more detailed public safety budget could be presented during the mid-year budget, around January. He concluded his comments by expressing his concerns over the Council Member Garcia matter the public brought up and directed them to the district attorney's office for more guidance on the matter.

Council Member Garcia, informed public comment speakers that the Council is not an investigate body and should therefore express their grievances through the proper channels. He further praised staff and Council on all the good work being done. He noted that there are incoming contentious items regarding disposing of the successor agency properties and advised Council to think creatively to ensure that they are disposed in ways that are beneficial to the community.

Vice Mayor Gonzalez, asked the City Attorney to chime in regarding concerns public speakers had regarding Council Member Garcia's matter, also reminding residents that he was legally bound to recuse himself from voting on the Kipp development last meeting, due to working for LAUSD and living in close proximity to the development project. He further elaborated on the City Attorney's direction commenting that a third-party investigative body is necessary to ensure accountability, checks and balances, and that no collusion occurs in case there is an investigation.

Mayor Alcantar, commented that allegations mentioned in public comment should be taken seriously. She further commented that any concerns should be taken seriously. She directed staff to bring a resolution at the next council meeting to support prop 15. She also asked staff to apply for an update on its inclusionary housing ordinance. She finally asked staff to develop a general language access policy for all housing related issues. She concluded her comments by explaining that people reach out to her regarding the City's rental assistance program, but do not know how to properly apply to it, directing staff to keep the rental assistance program link on the front page of the website.

10. CITY MANAGER REPORT (information only)

11. REPORTS REGARDING AD HOC, ADVISORY, STANDING OR OTHER COMMITTEE MEETINGS - NONE

12. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

13. CONSENT CALENDAR (COUNCIL MEMBER GUERRERO PULLED ITEMS A AND B FOR DISCUSSION)

A. Approval of National Transit Database Memorandums of Understanding (MOUs) between the Los Angeles County Metropolitan Transit Authority (LACMTA) and the City of Cudahy for Report Years 2016, 2017, and 2018

Presented by the Finance Director

The City Council is requested to:

1. Approve the Memorandums of Understanding (MOUs) between the Los Angeles County Metropolitan Transit Authority (LACMTA) and the City of Cudahy; and

2. Authorize the Mayor to execute the MOUs.

Motion: It was motioned by Vice Mayor Gonzalez and seconded by Mayor Alcantar to approve the Memorandums of Understanding (MOUs) between the Los Angeles County Metropolitan Transit Authority (LACMTA) and the City of Cudahy. The motion carried (5-0-0) by the following roll call vote:

AYES: Garcia, Guerrero, Lozoya, Gonzalez, and Alcantar
NOES: None
ABSENT: None
ABSTAIN: None

B. Consideration to Approve a Proposition A Exchange Agreement with Palos Verdes Peninsula Transit Authority (PVPTA)

Presented by the Finance Director

The City Council is requested to approve the exchange of $313,300 in available Proposition A (Prop A) funds with the Palos Verdes Peninsula Transit Authority (PVPTA) which was included in the Fiscal Year (FY) 2020-21 City Budget.

Motion: It was motioned by Vice Mayor Gonzalez and seconded by Council Member Garcia to approve the exchange of $313,300 in available Proposition A (Prop A) funds with the Palos Verdes Peninsula Transit Authority (PVPTA) which was included in the Fiscal Year (FY) 2020-21 City Budget. The motion carried (3-2-0) by the following roll call vote:

AYES: Garcia, Gonzalez, and Alcantar
NOES: Guerrero and Lozoya
ABSENT: None
ABSTAIN: None

C. Consideration to Review and Approve the Draft Minutes of September 15, 2020, for the Regular Meeting of the City Council and the Joint Meeting of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission

Presented by the Assistant City Clerk

DRAFT

The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for September 15, 2020.

Motion: It was motioned by Council Member Garcia and seconded by Vice Mayor Gonzalez to review and approve the City Council / Successor Agency Draft Minutes for September 15, 2020. The motion carried (5-0-0) by the following roll call vote:

AYES: Garcia, Guerrero, Lozoya Gonzalez, and Alcantar
NOES: None
ABSENT: None
ABSTAIN: None

14. PUBLIC HEARING - NONE

15. BUSINESS SESSION

A. Consideration and Adoption of an Ordinance Amending Section 20.84.100 of the Cudahy City Municipal Code to Enact Additional Noticing Requirements

Presented by the City Attorney's Office

The City Council is recommended to adopt Ordinance No. 708, enacting an Ordinance Amending Section 20.84.100 (Notice of Public Hearing) of the Cudahy City Municipal Code to Enact Additional Noticing Requirements.

Motion: It was motioned by Mayor Alcantar and seconded by Vice Mayor Gonzalez to adopt Ordinance No. 708, enacting an Ordinance Amending Section 20.84.100 (Notice of Public Hearing) of the Cudahy City Municipal Code to Enact Additional Noticing Requirements. The motion carried (5-0-0) by the following roll call vote:

AYES: Garcia, Guerrero, Lozoya, Gonzalez, and Alcantar
NOES: None
ABSENT: None
ABSTAIN: None

16. COUNCIL DISCUSSION - NONE

17. ADJOURNMENT

The City Council / Agency meeting was adjourned at 9:15 p.m.

DRAFT

Elizabeth Alcantar
Mayor

ATTEST:

Richard Iglesias
Assistant City Clerk

DRAFT

RESOLUTION NO. 16-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDHAY APPROVING THE CITY CLERK'S USE OF SUMMARY ACTION MINUTES AS THE OFFICIAL RECORD OF THE MEETINGS OF THE CITY COUNCIL OF THE CITY OF CUDAHY

WHEREAS, pursuant to Section 2.20.010(1) of the Municipal Code of the City of Cudahy, the City clerk is required to perform such duties as are set forth in the Government Code and in the City's Municipal Code and as the City Council from time to time shall direct or authorize; and

WHEREAS, under Government Code Section 40801, the City Clerk is tasked with keeping accurate records of the proceeding of the legislative body; and

WHEREAS, pursuant to Government Code Section 36814, the City Council shall cause the City Clerk to keep a correct record of its proceedings;

WHEREAS, the City Clerk currently prepares and keeps full written minutes of the City Council's meetings and proceedings; and

WHEREAS, instead of summary minutes, the City Council now wishes for the City Clerk to prepare and keep summary action minutes as the official record of its meetings or proceedings; and

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The City Council hereby approves the use of summary action minutes as the official record of its meetings or proceedings in lieu of full form written minutes.

SECTION 3. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 12th day of December, 2016.

Baru Sanchez
Mayor

ATTEST:

Richard Iglesias
Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 16-38 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the Deputy City Clerk at a regular meeting of said Council held on the 12th day of December, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES: Garcia, Markovich, Hernandez, Sanchez

NOES: None

ABSENT: None

ABSTAIN: Guerrero

Richard Iglesias
Deputy City Clerk

Item Number 13D

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Successor Agency Members

From: Henry Garcia, Interim City Manager/Executive Director
By: City Attorney's Office

Subject: **Consideration and Adoption of an Ordinance No. 708 Amending Section 20.84.100 of the Cudahy City Municipal Code to Enact Additional Noticing Requirements**

RECOMMENDATION

The City Council is recommended to adopt an Ordinance (Attachment A) amending Section 20.84.100 (Notice of Public Hearing) of the Cudahy City Municipal Code to Enact Additional Noticing Requirements.

BACKGROUND/JUSTIFICATION OF RECOMMENDED ACTION:

On July 17, 2018, the City Council for the City of Cudahy ("City Council") passed Ordinance No. 630 amending Title 20 of the City of Cudahy's Municipal Code. Section 20.84.100 (Notice of Public Hearing) currently sets forth the requirements necessary for noticing a public hearing related to a Planning Commission decision. The current requirements include distribution to owners of the subject real property, local agencies expected to provide essential facilities or services, and all persons whose names and addresses are listed on the latest equalized assessment roll of the County of Los Angeles as the owners of real property situated within 300 feet of the exterior boundary.

The Amendment extends the noticing requirement for all quasi-judicial permits, legislative actions, and temporary use permits to include all tenants located on all real property situated within 300 feet of the exterior boundary of the real property that is the subject of the hearing. The Amendment also adds the requirement that the notices be provided in English and Spanish.

A majority of City of Cudahy residents are tenants as opposed to owners, as such the municipal code should be updated to include tenants in noticing requirements for planning commission decisions. Additionally, many residents would likely feel more comfortable having the option of reviewing the notice in either English or Spanish. Lastly, the Amendment requires that when the number of tenants and landowners situated within 300 feet of the exterior boundary of the real property exceeds 2,000, notices must be mailed to each person, posted in the newspaper, and posted in text forum on the City's social media accounts.

FISCAL IMPACT

There is currently no fiscal impact on the City's budget.

RECOMMENDATION

Accordingly, it is recommended that the City Council approve the attached Ordinance.

ATTACHMENTS

A. Ordinance No. 708

ORDINANCE NO. 708

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA AMENDING SECTION 20.84.100 (NOTICE OF PUBLIC HEARING) OF THE CUDAHY CITY MUNICIPAL CODE TO ENACT ADDITIONAL NOTICING REQUIREMENTS

WHEREAS, Article XI, Section 7 of the California Constitution provides that the City of Cudahy ("City") may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

WHEREAS, Government Code Section 65091 sets forth the minimum noticing requirements for public hearings for planning and zoning decisions; and

WHEREAS, on July 17, 2018 the City Council for the City of Cudahy ("City Council") passed Ordinance No. 690 amending Title 20 of the City's Municipal Code; and

WHEREAS, the City Council is proposing updated noticing requirements to best meet the needs of the City's residents by expanding the distribution to include tenants around the affected property area, require the notices be available in both English and Spanish to ensure all residents are made aware of the hearing, and adds the additional requirement of posting in newspapers and on City's social media forums when the total of landowners and tenants exceeds 2,000.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

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

SECTION 2. Section 20.84.100 (Notice of Public Hearing) of the Cudahy Municipal Code is amended in its entirety to read as follows:

"Public hearings shall be required for all quasi-judicial permits and legislative actions. The hearing shall be held before the designated approving authority and shall be noticed in accordance with the following provisions:

A. Public Notice. The approving authority shall give a public notice not less than 10 days before the scheduled date of a hearing for discretionary actions requiring a public hearing.

B. Notice Content. The notice shall be distributed both in English and Spanish and state the date, time, and place of the hearing; identify the hearing body; provide a general explanation of the matter to be considered; and provide a general description of the property (text or diagram), if any, which is the subject of the hearing.

C. Notice Distribution. Notice of the public hearing shall be mailed, postage

prepaid, to all of the following:

1. The owner of the subject real property or the owner's designated agent; and

2. Each local agency expected to provide essential facilities or services to the location of the application or proposed project, or whose ability to provide services may be significantly altered by approval of the application or proposed project; and

3. All persons whose names and addresses are listed on the latest equalized assessment roll of the county as the owners of real property situated within 300 feet of the exterior boundary of the real property that is the subject of the hearing; and

4. All tenants located on all the real property situated within 300 feet of the exterior boundary of the real property that is the subject of the hearing; and

5. If the number of owners and/or tenants of property within 300 feet of the subject property exceeds 2,000 individuals, in addition to mailing the notices, notices must also be given pursuant to Section 20.84.100 (D) and (E).

D. Notice in Newspaper. Notice shall be published in at least one newspaper of general circulation in the City. If there is no newspaper of general circulation in the City, then notice shall be posted in not less than three public places in the City established by City ordinance.

E. Notice on Social Media Forums. Notice shall be published in a text form, non-video, on all City Social Media accounts active within the last thirty days of the date of publication.

F. Other Notices. This notice shall be given in addition to any other notice required by law for other actions that are to be considered concurrently with an application or proposed project. This notice may be consolidated with any other notice required for other actions being considered concurrently with the action on the application or proposed project.

G. Mailing List. Any person who requests inclusion on a mailing list for notice of hearing for development projects shall submit such request in writing to the city clerk. The City may impose a reasonable fee for the purpose of recovering the cost of such notification.

H. Failure to Receive Notice. Pursuant to California Government Code Section 65093, failure of any person or entity to receive notice required by law of any hearing shall not constitute grounds for any court to invalidate the actions of a designated approving authority for which the notice was given.

I. Special Noticing for Temporary Uses. Upon receipt of a complete application

for approval of a temporary carnival, circus, fair, or similar event, the director of community development shall mail notice to the recorded owners and all tenants of property located within 300 feet of the development. The notice shall be distributed in both English and Spanish and contain all of the following:

1. A general description of the location of the subject property;

2. The time and manner in which comments on the proposal may be submitted for the director of community development's consideration;

3. A description of the manner in which requests for notice of the director of community development decision on the application may be made;

4. A description of the manner in which decisions of the director of community development may be appealed;

5. If the number of owners and/or tenants of property within 300 feet of the subject property exceeds 2,000 individuals, in addition to mailing the notices, notice must also be given pursuant to Section 20.84.100 (D) and (E).

SECTION 3. Environmental. This Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines, as it is not a "project" and has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (Cal. Code Regs., tit.14, § 15378, subd. (a).) Further, this Ordinance is exempt from CEQA as there is no possibility that it or its implementation would have a significant negative effect on the environment. (Cal. Code Regs., tit.14, § 15061, subd. (b)(3).)

SECTION 4. Inconsistent Provisions. Any provision of the Cudahy Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Ordinance.

SECTION 5. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof, is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 6. Construction. The Ordinance is intended to supplement, not to duplicate or contradict, applicable state and federal law and this Ordinance shall be construed in light of that intent. To the extent the provisions of the Cudahy Municipal Code as amended by this Ordinance are substantially the same as the provisions of that Code as it read prior to the adoption of this Ordinance, those amended provisions shall be construed as continuations of the earlier provisions and not as new enactments.

SECTION 7. Publication and Effective Date. The Mayor shall sign, and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days after adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 20th day of October 2020.

_____
Elizabeth Alcantar
Mayor

ATTEST:

_____
Richard Iglesias
Assistant City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Assistant City Clerk of the City of Cudahy, hereby certify that the foregoing Ordinance No. 708 was introduced for a first reading on the 6th day of October, 2020 and approved for a second reading and adopted by said Council at its regular meeting held on the 20th day of October, 2020 by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Richard Iglesias
Assistant City Clerk

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Item Number
13E

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Successor Agency Members

From: Henry Garcia, Interim City Manager/Executive Director
By: City Attorney's Office

Subject: **Consideration and Adoption of a Resolution of the City Council In Support of The Schools & Local Communities Funding Act**

RECOMMENDATION

The City Council is recommended to adopt a Resolution (Attachment A) in support of the Schools & Local Communities Funding Act.

BACKGROUND/JUSTIFICATION OF RECOMMENDED ACTION:

For decades both cities and counties in California have experienced devasting cuts and underinvestment as a result of corporations and wealthy investors not paying their fair share in property taxes. Loopholes in California's property tax system allow a fraction of major commercial and industrial properties to avoid regular assessment. These corporate and wealthy investor commercial property owners use shady schemes to hide change in ownership, and pocket millions that should be going to local communities. The property tax is one of the few discretionary sources of revenue for cities and counties. City and county finances have long been stressed while the State has failed in its intention to improve local finances. The California School and Local Communities Funding Act does not affect property taxes for homeowners or renters because the initiative exempts all residential property. Experts estimate that the California Schools and Local Communities Funding Act reclaims $12 billion in property tax revenue every year. Allocation of revenues to cities, counties, and special districts will follow current property tax allocation. The measure will provide billions in locally controlled property tax funding yearly for cities, counties, and special districts.

Academic researchers at the University of Southern California ("USC") have identified that nearly 80% of the reclaimed tax revenue will come from just 8% of large commercial and industrial properties. USC research shows that a majority of commercial owners already close to market value, making the current system inequitable among businesses, benefitting large owners who have held land for a long period. The current failure to close the commercial property loophole has led to poor land use and inflated land values, particularly affecting the ability to provide adequate high-density housing.

The measure incentivizes the development of residential units and provides more funding for communities to invest in affordable housing. It offers a once-in-a-generation small business tax incentive to spur new investment by eliminating the business personal property tax on equipment for the majority of California's small business. Also, it exempts all small business owners whose property is worth $3 million or less. The measure levels the playing field for businesses that already paid their fair share in our communities.

FISCAL IMPACT

There is currently no fiscal impact on the City's budget.

RECOMMENDATION

Accordingly, it is recommended that the City Council approve the attached Resolution.

ATTACHMENTS

A. Resolution No. 20-33

RESOLUTION NO. 20-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA IN SUPPORT OF THE SCHOOLS & LOCAL COMMUNITIES FUNDING ACT FOR A BALLOT MEASURE IN NOVEMBER 2020

WHEREAS, for decades cities and counties in California have experienced devasting cuts and underinvestment as a result of corporations and wealthy investors not paying their fair share in property taxes; and

WHEREAS, loopholes in California's property tax system allow a fraction of major commercial and industrial properties to avoid regular assessment; and

WHEREAS, these corporate and wealthy investor commercial property owners use shady schemes to hide change in ownership and pocket millions that should be going to local communities; and

WHEREAS, the property tax is one of the few discretionary sources of revenue for cities and counties; and

WHEREAS, City and County finances have long been stressed while the State has failed in its intention to improve local finances; and

WHEREAS, the California School and Local Communities Funding Act does not affect property taxes for homeowners or renters because the initiative exempts all residential property; and

WHEREAS, experts estimate that the California Schools and Local Communities Funding Act reclaims $12 billion in property tax revenue every year; and

WHEREAS, allocation of revenues to cities, counties and special districts will follow current property tax allocation; and

WHEREAS, the measure will provide billions in locally controlled property tax funding yearly for cities, counties and special districts; and

WHEREAS, academic researchers at the University of Southern California (USC) have identified that nearly 80 percent of the reclaimed tax revenue will come from just 8 percent of large commercial and industrial properties; and

WHEREAS, USC research shows that a majority of commercial owners already close to market value, making the current system inequitable among businesses, benefitting large owners who have held land for a long period; and

WHEREAS, the current failure to close the commercial property loophole has led to poor land use and inflated land values, particularly affect the ability to provide adequate high-density housing; and

WHEREAS, the measure incentivizes the development of residential units and provides more funding for communities to invest in affordable housing; and

WHEREAS, the measure offers a once-in-a-generation small business tax incentive to spur new investment by eliminating the business personal property tax on equipment for the majority of California's small business; and

WHEREAS, the measure also exempts all small business owners whose property is worth $3 million or less; and

WHEREAS, the measure levels the playing field for businesses that already paid their fair share in our communities; and

WHEREAS, the California Schools and Local Communities Funding Act of 2020 will be on the November 2020 ballot.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, AS FOLLOWS:

SECTION 1. Based on the above recitals and the staff report and other information provided by City staff at the City Council's Regular Meeting of October 20, 2020 the City Council hereby endorses the California Schools and Local Communities Funding Act of 2020 for a ballot measure in November 2020.

SECTION 2. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 20th day of October 2020.

_____
Elizabeth Alcantar
Mayor

ATTEST:

_____
Richard Iglesias
Assistant City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF Cudahy)

I, Richard Iglesias, City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 20-33 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 20th day of October 2020 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Richard Iglesias
Assistant City Clerk

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Item Number
13F

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Agency Members

From: Henry T. Garcia, Interim City Manager/Executive Director
By: Jennifer Hernandez, Human Resources Manager

Subject: **Adoption of Proposed Resolution No. 20-34 Superseding and Repealing Resolution No. 20-01, and Amending the Fringe Benefits and Salary Plan Establishing Provisions for All Full-time Employees, Hourly Employees, and Appointed Officials**

RECOMMENDATION

The City Council is requested to approve proposed Resolution No. 20-34 superseding and repealing Resolution No. 20-01, fringe benefits and salary plan establishing provisions for all full-time employees, hourly employees, and appointed officials.

BACKGROUND

1. On June 8, 2015, the City Council approved the Fringe Benefit and Salary Plan (FBSP) plan establishing provisions for all full-time employees, hourly employees, and appointed officials.

2. On September 14, 2015, the FBSP was updated to include the positions of Community Development Manager and Public Safety and Services Manager.

3. On January 1, 2016, State of California's Minimum Wage Order (MW-2016) went into effect raising the minimum wage rate from $9.00 to $10.00, shifting the salary schedule for Hourly employees.

4. On January 22, 2016, the FBSP was updated to include the State of California's Minimum Wage Order for 2016, as well as include language from the newly approved Cudahy Miscellaneous Employee Association's Memorandum of Understanding for 2015-19.

5. On April 4, 2016, the Governor of California signed legislation passed by the California Legislature, raising the minimum wage rate (MW-2017) from $10.00/hr. to $10.50hr., shifting the salary schedule for Hourly employees.

6. On January 1, 2018, the California Minimum Wage Rate (MW-2018) increased from $10.50/hr. to $11.00/hr., again calling for a shift in the salary schedule for Hourly employees.

7. On October 16, 2018, the City Council approved the most recent version of the Fringe Benefit and Salary Plan to ratify three (3) newly proposed classifications (2 Confidential/1 Management) and update the salary schedule for the City Manager classification, in accordance with Council approved employment agreements.

8. On November 19, 2019, the City Council approved a Memorandum of Understanding between the City of Cudahy and the Cudahy Miscellaneous Employee Association (CMEA) for the period of July 1, 2019 to June 30, 2022.

ANALYSIS

The City of Cudahy's labor negotiation representatives and the CMEA's labor negotiations team conducted negotiation sessions between the months of May through November 2019. The City and CMEA exchanged approximately 14 proposals and counterproposals during that time. A tentative agreement on a successor MOU was reached on November 7, 2019. The successor MOU was subsequently approved by the City Council on November 19, 2019.

Changes in salaries effective July 1, 2020, which were previously negotiated through the bargaining process, have been updated to be reflected under the current Fringe Benefit and Salary Plan. The updating of this document is not intended to govern existing employment agreements. It is merely intended to reflect what is contained within the agreement.

CONCLUSION

Not updating the current Fringe Benefits and Salary Plan will prevent the updating of the FBSP to reflect current salaries approved through the CMEA's MOU.

FINANCIAL IMPACT

Updates to the salary schedule for CMEA employees will not result in any additional fiscal

impact to the General Fund, as these costs have been previously appropriated as part of the FY 2020-21 City Budget.

ATTACHMENTS

A. Proposed Resolution No. 20-34 Superseding and Repealing Resolution No. 20-01, and Amending the Fringe Benefits and Salary Plan Establishing Provisions for All Full-time Employees, Hourly Employees, and Appointed Officials
B. Resolution No. 20-01
C. CMEA Memorandum of Understanding for FY 2019-2022
D. Updated Fringe Benefit Salary Plan (Redlined)
E. Updated Fringe Benefit Salary Plan (Clean)

RESOLUTION NO. 20-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, SUPERSEDING AND REPEALING RESOLUTION NO. 20-01, AND AMENDING THE FRINGE BENEFITS AND SALARY PLAN ESTABLISHING PROVISIONS FOR ALL FULL-TIME EMPLOYEES, HOURLY EMPLOYEES, AND APPOINTED OFFICIALS

WHEREAS, the salaries and compensation of officers and employees of the City of Cudahy ("City") shall be fixed and determined by resolution of the City Council in accordance with Municipal Code Section 2.04.070; and

WHEREAS, the City had previously proposed and adopted Resolution No. 20-01 to consolidate compensation and benefit provisions for all Management, Miscellaneous, and Hourly employees as well as Appointed Officials under one comprehensive Fringe Benefits and Salary Plan document.

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and incorporated herein by this reference.

SECTION 2. The City Council hereby approves the Fringe Benefits and Salary Plan (the "Plan"), attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 3. This Resolution and Exhibit "A" shall repeal and replace Resolution No. 20-01. This Resolution and Exhibit "A" amend the Fringe Benefits and Salary Plan solely to ratify the salary schedule effective July 1, 2020 being modified to act in accordance with the salary schedules approved through Memorandum of Understanding for FY 2019 – 2022 between the City of Cudahy and the Cudahy Miscellaneous Employee's Association. Although all other parts of the Fringe Benefits and Salary Plan, which were previously adopted to consolidate current compensation and benefit provisions for all Management, Miscellaneous, and Hourly employees as well as Appointed Officials under one comprehensive document remain unchanged, Exhibit "A", attached hereto, is the currently applicable version of the Fringe Benefits and Salary Plan; all previously adopted versions of the Plan are null and void.

SECTION 4. Notwithstanding the benefits and salary described in the Fringe Benefits and Salary Plan for individuals under employment agreements with the City, City

employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City. To the extent that any benefits described in the Plan conflict with the applicable employment agreements, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreements and memorandums of understanding control.

SECTION 5. This Resolution serves as ratification of the salary schedule effective July 1, 2020, which is being modified to act in accordance with the salary schedules approved through Memorandum of Understanding for FY 2019 – 2022 between the City of Cudahy and the Cudahy Miscellaneous Employee's Association.

SECTION 6. If any part of this Resolution, or the application thereof, is held to be invalid, the remainder of this Resolution shall not be affected thereby, and this Resolution shall otherwise continue in full force and effect. To this end, the provisions of this Resolution, and each of them, are severable.

SECTION 7. This Resolution shall take effect retroactively to July 1, 2020 upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 20th day of October 2020.

_____
Elizabeth Alcantar
Mayor

ATTEST:

_____
Richard Iglesias
Assistant City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Assistant City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 20-34 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 20th day of October, 2020, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Richard Iglesias
Assistant City Clerk

EXHIBIT “A”
FRINGE BENEFITS AND SALARY PLAN

RESOLUTION NO. 20-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, SUPERSEDING AND REPEALING RESOLUTION NO. 19-02, AND AMENDING THE FRINGE BENEFITS AND SALARY PLAN ESTABLISHING PROVISIONS FOR ALL FULL-TIME EMPLOYEES, HOURLY EMPLOYEES, AND APPOINTED OFFICIALS

WHEREAS, the salaries and compensation of officers and employees of the City of Cudahy ("City") shall be fixed and determined by resolution of the City Council in accordance with Municipal Code Section 2.04.070; and

WHEREAS, the City had previously proposed and adopted Resolution No. 19-02 to consolidate compensation and benefit provisions for all Management, Miscellaneous, and Hourly employees as well as Appointed Officials under one comprehensive Fringe Benefits and Salary Plan document; and

WHEREAS, the City Council proposes to amend the Fringe Benefit and Salary Plan to update the salary schedules for 2019 through 2022.

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and incorporated herein by this reference.

SECTION 2. The City Council hereby approves the Fringe Benefits and Salary Plan (the "Plan"), attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 3. This Resolution and Exhibit "A" shall repeal and replace Resolution No. 19-02. This Resolution and Exhibit "A" amend the Fringe Benefits and Salary Plan solely to ratify the Cudahy Miscellaneous Employee Association (CMEA) Memorandum of Understanding for FY 2019 – 2022 and the California Minimum Wage Order (MW-2019) increase taking effect on January 1, 2020. Although all other parts of the Fringe Benefits and Salary Plan, which were previously adopted to consolidate current compensation and benefit provisions for all Management, Miscellaneous, and Hourly employees as well as Appointed Officials under one comprehensive document remain unchanged, Exhibit "A", attached hereto, is the currently applicable version of the Fringe Benefits and Salary Plan; all previously adopted versions of the Plan are null and void.

SECTION 4. Notwithstanding the benefits and salary described in the Fringe Benefits and Salary Plan for individuals under employment agreements with the City, City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City. To the extent that any benefits described in the Plan conflict with the applicable employment agreements, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreements and memorandums of understanding control.

SECTION 5. This Resolution serves as ratification of the terms and salary schedules approved under the new Memorandum of Understanding for FY 2019 – 2022 between the City of Cudahy and the Cudahy Miscellaneous Employee's Association.

SECTION 6. This Resolution further serves as ratification of the new salary schedules for Hourly Employees as they relate to the California Minimum Wage Order (MW-2019) increase taking effect on January 1, 2020.

SECTION 6. If any part of this Resolution, or the application thereof, is held to be invalid, the remainder of this Resolution shall not be affected thereby, and this Resolution shall otherwise continue in full force and effect. To this end, the provisions of this Resolution, and each of them, are severable.

SECTION 7. This Resolution shall take effect retroactively to November 19, 2019 upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 7th day of January 2020.

Jose R. Gonzalez
Mayor

ATTEST:

Richard Iglesias
Assistant City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 20-01 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 7th day of January , 2020, and that said Resolution was adopted by the following vote, to-wit:

AYES: Lozoya, Alcantar, and Gonzalez

NOES: Guerrero

ABSENT: Garcia

ABSTAIN: None

Richard Iglesias
Assistant City Clerk

EXHIBIT "A"
FRINGE BENEFITS AND SALARY PLAN

FRINGE BENEFITS AND SALARY PLAN

(Exhibit A to Resolution No. 20-01)

Effective November 19, 2019

CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

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PART I
THE FRINGE BENEFITS PLAN

PART I – THE FRINGE BENEFIT PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070 of the Cudahy Municipal Code to provide for the fringe benefits of City officers and employees.

The City of Cudahy has established a number of benefit programs for its eligible employees. This Plan does not restate all of the features of these benefit programs. The purpose of this Plan is to identify the coverage amounts, costs and limitations of specific benefits as applied and approved by the City Council for specific employee groups. Additional terms, conditions, and limitations regarding program eligibility and benefit entitlement are included in official plan documents, which, notwithstanding the foregoing, shall control in determining coverage amounts, costs and limitations of specific benefits. Additional administrative guidelines may also be found in the City's Personnel Rules, and other terms and conditions of employment within the Cudahy Miscellaneous Employees' Memoranda of Understanding. The Fringe Benefit and Salary Plan shall not change the nature of any employee's status as an at-will employee.

Section 2. Applicability

This exhibit defines the various benefits provided to City officers and employees. Each category covered herein indicates the specific group and/or classification of employee for which the benefit applies (e.g. Appointed Officials, Management/Confidential Employees, and Miscellaneous Employees).

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein, and defined specifically under Section 23 below.

City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City. To the extent that any benefits described herein conflict with the applicable employment agreement, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreement controls.

Section 3. Holidays

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same holidays that Management/Confidential employees receive, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same holidays that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[1]

Every employee shall be entitled to the following paid holidays each year and such other as may be designated by action of the City Council:

1. New Year's Day – January 1st
2. Martin Luther King Jr. Day - The third Monday in January
3. President's Day - The third Monday in February
4. Cesar Chavez Day – March 31st
5. Memorial Day - The last Monday in May
6. Independence Day - July 4th
7. Labor Day - The first Monday in September
8. Veteran's Day – November 11th
9. Thanksgiving Day
10. Christmas Eve – December 24th
11. Christmas Day – December 25th
12. One Floating Holidays (Pro-rated for New Employees based on hire date)

The observance of holidays, work on a holiday, and other related rules as applied to holiday compensation shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

If the Friday after Thanksgiving or Good Friday fall on a regularly scheduled work day, it shall be considered a designated holiday; alternatively, if the Friday after Thanksgiving or Good Friday fall on the employees day off, it shall not be considered a designated holiday.

[1] See Memorandum of Understanding By and Between Cudahy Miscellaneous Employees' Association and The City of Cudahy, July 1, 2015-June 30, 2019 (hereinafter "CMEA MOU"), pg. 15.

Section 4. Vacation

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall be entitled to the same Vacation benefits that Miscellaneous Employees are entitled to, including buy-back provisions unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive a maximum of eighty (80) hours of vacation leave per year, and may carry over unused leave from year to year, not to exceed a total of 320 hours, at which time accruals shall cease. On December 31st of each year, accumulated and unused vacation leave may be sold back to the City at the regular hourly rate, provided that fifty (50) hours of accrued vacation time remains on the books.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Vacation benefits that Miscellaneous employees are entitled to including buy-back provisions, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[2]

1) Accrual of Vacation Leave

Full-time employees shall accrue paid vacation leave on the following scheduled basis.

Years of Service	Hours Per Year	Bi-Weekly Accrual	Maximum Accrual
0-5	80	3.077 hours	160 hours
6-10	120	4.616 hours	240 hours
11+	160	6.154 hours	320 hours

2) Vacation Buy Back

At the end of each calendar year, provided that fifty (50) hours of accrued vacation time remains on the books, employees may request pay in lieu of time off for accrued and unused vacation time. Upon separation from City employment, all accrued but unused vacation time is eligible to be sold back at full value based on the employee's rate of pay at the time of separation.

[2] See CMEA MOU, pp. 8-10.

3) Vacation Policy

Vacation Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 5. Sick Leave

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to twelve (12) days of sick leave per year (96) hours, and may sell back at full rate of pay accrued but unused sick leave on the same terms and conditions as established for other employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Sick Leave benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[3]

1) Accrual of Sick Leave

Employees shall be granted sick leave with pay at the rate based on the current number of hours the employee is regularly scheduled to work during a workday. For example, employees who are currently scheduled to work 10 hours during the workday will receive ten (10) hours of sick leave with pay for each full month of service. Any sick leave accrued but unused in any year shall be accumulated to a maximum accumulation of 480 hours.

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employees' normal rate of sick leave accumulation to be extended by the number of calendar days for which such leave of absence has been granted less the first fifteen (15) calendar days of such leave. Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

2) Sick Leave Buy-Back

On July 1 of each year, employees may sell back at 50% value of the maximum 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick

[3] See CMEA MOU pp. 10-11.

leave on the books prior to being eligible for any sick leave buy back. Sick leave buy-back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon retirement from employment with the city, all accumulated sick leave is eligible to be sold back at 50% value of the maximum of 192 hours of sick leave that they have accrued but did not utilize based on the employee's rate of pay at the time of separation.

3) Sick Leave Policy

The use of Sick Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 6. Car Allowance

The City recognizes that various Appointed Officials and Department Heads may require extensive use of an automobile in the ordinary course of performing duties for the City. Accordingly, the City, as added compensation, shall provide an automobile allowance to the following classifications, in the amounts defined below, unless changed by an amendment to this Resolution by the City Council.

POSITION	MONTHLY AMOUNT
City Clerk	$350.00
City Manager	$400.00
City Treasurer	$350.00
Finance Manager	$350.00
Community Development Manager	$350.00
Public Safety and Services Manager	$350.00
Assistant City Clerk	$350.00
Human Resources Manager	$350.00

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 7. Reimbursement for Expenses

The City will reimburse employees for reasonable and authorized expenses incurred on behalf of the City of Cudahy. All travel and other business expenses must be pre-approved by the department head and the City Manager, and must follow the Travel/Training Expense Policy and be reported within one (1) month from the time they are incurred. Every attempt will be made to issue reimbursement for approved expenses within two (2) weeks from the time the expense report forms received by Finance. Failure to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action.

Employees shall be reimbursed for the use of their vehicle for City Business at the allowable IRS Standard Mileage Rate for each year. Employees shall be reimbursed upon submittal of a monthly reimbursement form with Department Head approval.

Section 8. Health Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be 100% of plan cost for City Manager and Dependent's Coverage.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a health insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[4]

The City shall contribute toward the coverage of employees and their dependents in the medical insurance program available through the Public Employee's Retirement System as provided for under the Public Employee's Medical and Hospital Care Act as follows:

Effective upon MOU adoption, the City shall contribute an amount up to 100% of the coverage amount for the Kaiser Permanente plan that corresponds to the employee's coverage. For an employee with Blue Shield insurance, the City and employee shall equally share the difference between the Blue Shield plan and Kaiser Permanente plan monthly premium amount that corresponds to the employee's coverage where the Blue Shield plan monthly premium is higher than the Kaiser Permanente monthly premium.

[4] See CMEA MOU p. 20.

Section 9. Health Insurance for Retirees

a) Vesting of Medical Benefits for Appointed Officials (Non-represented)

Appointed officials including the City Clerk, City Treasurer and City Manager may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Appointed officials shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Vesting of Medical Benefits for Management/Confidential Employees (Non-represented)

Management/Confidential Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules and upon retirement from the City of Cudahy. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

Management/Confidential Employees shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Vesting of Medical Benefits for Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Miscellaneous Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution is $1,200.00 of the plan cost.

Section 10. Life Insurance

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall receive City paid term life insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive City paid term life insurance policy in the amount of $1,000,000.00.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same life Insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[5]

Effective January 11, 2016, the City will provide a term life insurance policy in the amount of $100,000 per employee. The premium for such insurance shall be paid by the City.

[5] See CMEA MOU p. 21.

Section 11. Disability Insurance

a) Appointed Officials (Non-represented)

The City Manager, City Clerk, and City Treasurer shall receive a City paid Long Term Disability policy, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Disability Insurance benefits that miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[6]

The City will provide a sixty (60) day Long Term Disability policy. 100% of the premium coverage for such insurance shall be paid by the City.

Upon execution of the MOU, the City will immediately take steps to join the short-term disability insurance plan proposed and outlined by Keenan Associates as described in exhibit "B" of the agreement.

[6] See CMEA MOU, p. 21.

Section 12. Dental Insurance

a) Appointed Officials (Non-represented)

For the City Clerk and City Treasurer, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the dental insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[7]

The City shall offer a dental plan for employees and their dependents. The City will contribute towards the purchase of said dental coverage if the employee elects coverage as follows:

Effective January 11, 2016, the City shall contribute an amount up to the average amount of the dental plans available that corresponds to the employee's coverage.

[7] See CMEA MOU, pp. 20-21.

Section 13. Vision Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the vision insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[8]

For Miscellaneous Employees, the City shall offer vision care insurance for employees and their dependents. The City shall contribute towards the coverage in a vision insurance program as provided by the City. Effective January 11, 2016, the City shall contribute 100% of the coverage amount that corresponds to the employee's coverage.

[8] See CMEA MOU, p. 21.

Section 14. Deferred Compensation (457 or 401a) Plan

a) Appointed Officials (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City does not make a contribution to said Plan on behalf of employees.

Section 15. Retirement Contribution

Every full-time employee shall participate in the California Public Employees Retirement System (CalPERS) plan as adopted by the City Council, as well as part-time classes that are not formally excluded via the City's CalPERS contract. Hourly classes that are excluded via the City's CalPERS contract shall not be enrolled in the plan. Participation in the retirement plan continues until the employee terminates employment with the City for any reason, and shall then cease under the terms of said plan. An employee is vested after five (5) years and may be eligible for benefits from the CalPERS system.

a) First Tier Retirement Formula ("Classic Members"):

Effective July 1, 2008, the City amended the CalPERS contract to provide the benefit knows as 2.7% at 55 retirement formula.

1) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[9]

For unit members covered under the 2.7% at 55 retirement formula, who are defined as "classic members" under the Public Employees Reform Act of 2013 (PEPRA) (i.e. not defined as "new members" under Gov. Code section 7522.04(f):

Effective January 11, 2016 - Classic members shall pay 3% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS. Effective July 1, 2016 – Classic members shall pay an additional 3% for a total of 6% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

Effective July 1, 2017 – Classic members shall pay an additional 2% for a total of 8% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

b) Second Tier Retirement Formula ("Classic Members"):

Effective October 16, 2011, the benefit known as 2% @ 60 retirement formula shall apply to employees hired or who become eligible for enrollment in the CalPERS Retirement Plan on or after the effective date of the City's contract amendment with CalPERS to implement this benefit. For unit members covered under this 2% at 60 retirement formula, who are defined as "classic members" under the PEPRA (i.e. not defined as "new members" under Gov. Code section 7522.04(f)), the City will only contribute the normal employer contribution, and the employee is responsible for paying the entire employee's contribution rate of 7% of "compensation earnable" as defined in Gov. Code section 20636.

[9] See CMEA MOU, pp. 21-22.

c) Third Tier Retirement Formula ("New Members"): Effective January 1, 2013, in accordance with the Public Employees' Pension Reform Act (PEPRA) and Gov. Code section 7522.30, new employees hired on or after January 1, 2013 shall be enrolled in the benefit known as 2% @ 62 retirement formula. The City will only contribute the normal employer contribution, and the employee is responsible for paying the employee contribution of 50% of the total normal cost, as defined by CalPERS.

d) Employer Paid Member Contributions (EPMC)
Should the City express interest in providing the EPMC benefit for any employee unit, a "me too" clause shall take effect for the Miscellaneous Unit.

Section 16. Severance Allowance

a) Appointed Officials (Non-represented)

For Appointed Officials, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential employees, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

Section 17. Relocation Allowance

a) Appointed Officials (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

b) Management/Confidential Employees (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

Section 18. Uniform Allowance

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[10]

The City shall purchase uniforms for designated employees as budgeted, but not to exceed $500/year.

Section 19. Cell Phone Stipend

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[11]

Employees who are not issued cell phones by the City and use their personal cell phones for minimal work-related use are eligible to receive a monthly stipend in the amount of $20. Employees who believe they are eligible to receive the stipend shall make a request to the City Manager for the stipend. The City Manager or designee shall then decide whether the employee is eligible for the stipend.

The following City positions are issued cell phones by the City, and employees holding these positions are not eligible to receive the cell phone stipend: Maintenance Leader, Maintenance Supervisor, and Code Enforcement Officer.

Section 20. Bereavement Leave

The City shall provide bereavement leave to all full-time Appointed Officials, Management/Confidential Employees, and Miscellaneous employees[12].

Regular full-time employees are entitled to up to three (3) working days of leave, with pay, upon the death of an immediate family member, calculated at regular base rate, to arrange and attend the funeral.

The City shall administer the provisions of this benefit as defined in the Personnel Rules and the City of Cudahy Miscellaneous Employees' Association MOU. Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for Bereavement Leave.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

[10] See CMEA MOU, p. 24.
[11] See CMEA MOU, p. 25.
[12] See CMEA MOU, p. 12.

Section 21. Miscellaneous Leaves of Absence

The City shall provide leaves of absence policies for the following categories:

a) Paid Bone Marrow or Organ Donor Leave
b) Paid Time Off for Jury Duty/Witness Duty
c) Time Off to Vote
d) Family and Medical Leave (FMLA)/California Family Rights Leave (CFRA)
e) Pregnancy Disability Leave (PDL)
f) Work Related Disability Leave
g) Medical Disability Leave
h) Industrial Leave
i) Military Duty Leave
j) Military Family Leave
k) Spousal/Registered Domestic Partner Military Leave
l) School Activities and School Visits Leave
m) Victims of Domestic Violence, Sexual Assault and Other Crimes Leave
n) Volunteer Civil Service Leave
o) Literacy Assistance Leave
p) Personal Leave/

The City's personnel rules shall serve as the official policy related to eligibility and benefits for the above stated leaves. It is the intent of the City to comply with all state and federal laws related to leaves, and to the extent that state and federal laws provide a greater benefit, the City shall comply and provide such benefits to eligible employees.

Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for under the section Leave of Absence Without Pay.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 22. Education Reimbursement

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to education reimbursement on the same terms and conditions as established for Management/Confidential employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City shall reimburse Management/Confidential Employees for the cost of books and tuition for courses taken at any State College, State University, Community College or an approved accredited private college or university as approved by the City Manager.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[13]

The City will reimburse employees for 100% of the cost of books, materials, parking and tuition up to a maximum reimbursement equivalent to a part-time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college, not to exceed $5,000 per employee per year. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager or designee must approve all courses in advance in order for the employee to be eligible for the reimbursement.

The City is currently reviewing its education incentive policy City-wide. The City intends on providing the education incentive in a manner that is consistent across eligible employee groups. The CMEA may reopen negotiations during the term of the MOU as to the education incentive.

Section 23. Educational Seminars

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[14]

Employees wishing to further their education through short-term courses or one-day seminars at City expense may do so but only with written Department Head approval. The City shall administer the terms of this provision as further defined under the Education Seminars section of the Cudahy Miscellaneous Employees' Association MOU.

[13] See CMEA MOU, p. 22.
[14] See CMEA MOU, p. 23.

Section 24. The Extension of Benefits to Other Classifications

a) Appointed Officials (Non-represented)

The fringe benefits set forth herein are minimum benefits; to the extent greater benefits are extended to other employees of the City, the City Clerk, City Treasurer and City Manager shall be entitled to such benefits. All provisions of the Cudahy Municipal Code, any Memorandum of Understanding with represented employees of the City, and the City's Personnel Rules that relate to fringe benefits as those provisions now exist, or hereinafter may be amended, shall apply to the City Clerk, City Treasurer, and City Manager in like manner as they apply to other employees of City.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

All Management/Confidential employees are entitled to and shall enjoy the specific fringe benefits as described and defined within each benefit provision.

Except as otherwise stated within any section of the Fringe Benefits and Salary Plan, all Management/Confidential employees are exempt from the City's Personnel Rules. All Management/Confidential employees are at-will employees.

Section 25. Hourly Employees

a) Eligibility for Benefits

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein.

b) Paid Sick Leave Accrual

Hourly employees, including temporary, extra help, part-time, and seasonal employees who work 30 or more days within a year from when employment commences, shall be entitled to 24 hours of sick leave per fiscal year, effective July 1, 2015, and employees shall receive subsequent annual sick leave accruals of 24 hours added to their leave bank in January of each calendar year. Sick leave must be used in a minimum of 2 hour increments. Unused sick leave under this program may be carried over to the following year not to exceed an accrual cap of six (6) days/forty-eight (48) hours of sick leave. An employee may use no more than twenty-four (24) hours in any one year. Employees are entitled to request and use accrued paid sick days beginning on the 90th day of employment. The rate of pay shall be at the employee's regular hourly wage.

c) FICA Alternative Plan

Hourly employees shall be entitled to receive the City's 3.75% FICA alternative plan contribution in lieu of Social Security and/or participation in CalPERS.

PART II

THE SALARY PLAN

PART II - THE SALARY PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070(2) of the Cudahy Municipal Code to provide for the compensation of City officers and employees and to conform to the principle of equal pay for equal work. Notwithstanding the foregoing, the terms of individual employment agreements shall control over the compensation amounts described in this Salary Plan when determining the salary of individual employees under contract with the City.

Section 2. The Classification Plan

The Classification Plan includes the allocation of class titles to salary ranges for City officers and employees under one Plan in which all positions substantially similar with respect to duties, authority, responsibility and working conditions are included within the same class, and that the same schedules of compensation be made to apply with equity under the working conditions to all positions in the same class.

The Classification Plan further includes the allocation of class titles to salary ranges for those employees which are designated as non-represented Management/Confidential employees who are exempt from the classified service. These exempt classes consist of persons appointed by the City Council, including the City Manager, City Clerk, and City Treasurer, and persons appointed by the City Manager, including department heads or designees, that serve in an "at will" capacity subject to the terms and conditions of an employment agreement, and are exempt from the classified service.

Non-classified positions are entitled to no more than the same benefits as provided to classified employees in a similar position and level in the organization. The Classification Plan as of the date of adoption of this Plan is hereby established as set forth in the addendum, referred to as the **Salary Schedule,** which is attached hereto and incorporated herein by reference. The Classification Plan shall not change the nature of any employee's status as an at-will employee.

Section 3. Basic Compensation Plan

The basic compensation plan for City officers and employees, as of the date of adoption of this Plan is hereby established as set forth in the Addendum, including the following:

1) Hourly Range Table

2) Association Range Table

3) Management/Confidential Range Table

4) Salary Schedule

The Salary Plan shall be referred to as the **Salary Schedule** which incorporates the allocation of ranges (defined in the range tables) to classifications, which is attached hereto and incorporated herein by reference.

Range tables for the Cudahy Municipal Employees' Association include steps with approximately 2.5% between steps.

Range tables for Appointed Officials (City Clerk, City Treasurer, and City Manager) have one step (flat rate).

Range tables for Management/Confidential include ten (10) steps with approximately 2.5% between steps.

Range tables for Hourly employees consist of one (1) to three (3) steps.

Section 4. Pay Philosophy

The City Council establishes a pay philosophy that the base pay of all positions shall be ideally set at the median pay provided by comparable cities of similar size, budget, staff, and geographic area, based on the City's financial ability to pay.

Section 5. Plan Maintenance

Increases to the Range tables and applied to the Salary Schedule are adopted and approved by the City Council via Resolution to amend the Fringe Benefit and Salary Plan.

Such recommended increases are negotiated between the City and the Cudahy Miscellaneous Employees' Association. The City Council may further take appropriate action to extend such increases to unrepresented Management/Confidential Employees, Appointed Officials including the City Clerk, City Treasurer and City Manager, and positions appointed by the City Manager.

In addition to negotiated increases, the City may take steps to maintain the Salary Plan by conducting regularly scheduled salary reviews and/or intermittent salary reviews as determined by changes in the labor market, and the need to compete for talent and/or retain current employees.

Section 6. Eligibility for Salary Advancement

a) Management/Confidential Employees (Non-represented)

Management/Confidential employees may receive the same considerations for salary advancement as provided to Miscellaneous Employees, at the City Manager's discretion.

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[15]

Salary step increases shall be considered on a merit basis only, and at prescribed times as defined in the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Any employee receiving a promotion shall receive a salary increase consistent with the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

[15] See CMEA MOU, pp. 5-6.

Section 7. Merit Ranges

a) Appointed Officials and Management/Confidential Employees (Non-represented)

Appointed City Officials including the City Clerk, City Treasurer and City Manager, as well as non-represented Management/Confidential employees who serve in an at-will capacity and are exempt from the classified service, may, subject to the terms and conditions set forth below, be eligible to have his/her salary increased to a maximum of fifteen percent beyond the regularly assigned top step of his/her salary range or salary set forth in an existing contract. The City Manager shall have administrative authority to assign, create and maintain the merit range (pay band) to implement the provisions of this Section.

Such increase shall be subject to documentation of the eligible employee's outstanding performance, based on performance and achievement of previously defined goals. The City Manager shall solely determine placement within the merit range based on the employee's performance. Notwithstanding the foregoing, with regard to increases for the City Manager and other Officials appointed by the City Council, the City Council shall determine placement within the merit range based on the employee's performance, subject to the Appointed Official's employment agreement, if any.

The continuation of increases pursuant to the provisions of this Section shall not be automatic, and failure to sustain "outstanding performance" shall cause the employee's pay to revert to the regularly assigned step for his/her classification. An employee who fails to sustain "outstanding performance" shall have their compensation reduced to the "regular range", in accordance with this section, and at the City Manager's discretion for Management/Confidential classes, and the City Council's discretion for Appointed Officials. Salary for Appointed Officials/ Management/Confidential employees who have an employment agreement with the City shall not be modified prior to an amendment to his/her employment agreement, unless the agreement permits the increase or decrease to be handled administratively.

The regular salary range shall constitute the regularly defined Steps in the Salary Range (A-J). The "merit range" shall constitute a "pay band" with a minimum rate set one dollar above the maximum of the "regular salary range" and the maximum set at an amount not to exceed fifteen percent beyond the regularly assigned top step of the salary range. The "pay band" shall be added to the Salary Schedule for the assigned non-represented Management/Confidential classifications and Appointed Officials when the increase is recommended by the City Manager or City Council.

In no case shall an employee receive additional merit compensation above the designated "merit range" as defined herein.

Eligibility for additional compensation granted to all employees as part of changes authorized by the City Council shall not be adversely affected by the employee's status in steps granted beyond the regularly assigned step pursuant to the provisions of this Section. Salaries granted pursuant to this provision shall be reported to PERS as compensation earned.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of salary that may be contained in this Fringe Benefits and Salary Plan

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

As provided in the Cudahy Miscellaneous Employees' Association MOU, employees may be eligible for merit longevity compensation as continuing incentive to career employees upon achieving the "J" step and completing ten continuous years of service. Employees may be eligible for a 5% stipend above their base pay rate , and after twenty (20) years, the stipend shall increase to a total of 7.5% above the base pay rate. Such payment shall be granted with the approval of the city Manager to employees who continue to "Exceed Standards" as evidenced by the performance rating of such employee, which is defined as a comprehensive rating at or above the middle column of the current reporting form, or the equivalent rating on any revised reporting form. Merit Longevity may be removed by the City Manager when the employee's performance does not merit such additional compensation. The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

Section 8. Compaction Rule

The top step of the salary range of any Management/Confidential classification shall be a minimum of two steps (approximately ten percent) above the top step of the closest subordinate classification, with the exception of those Management/Confidential classifications supervising specialized classifications which are highly compensated due to labor market conditions. In the case of highly compensated positions due to labor market conditions, employees may directly supervise a subordinate classification where the maximum salary range exceeds the supervisory class without the two step minimum (approximately ten percent). Subordinate classification shall be defined as any position classification in which there are employees who are supervised by the Management/Confidential employee.

Section 9. Salaries Above Market Rate – Use of "Y" Rating Method

The City Manager has the authority to implement a "Y" rating for employees whose range is found to exceed the market rate based on a salary survey. The employee in this case shall receive no increase in salary unless the maximum salary established by this Plan for their classifications exceeds the amount of their "Y" rate.

Section 10. Trainee Positions

The City Manager has the authority to establish a Trainee class for any class in the system. The salary range for Trainee classes shall be established with a salary range starting fifteen percent (15%) below the first step of the regular position and ending five percent (5%) below the first

step of the regular position. Employees who successfully complete the training program and meet the criteria for the higher level class, may be reclassified to the higher level class upon approval by the City Manager.

Section 11. Salary Differentials/Stipends

Exceptions shall be made to Sections 2 and 3 of this Plan as follows:

a. (5%) Salary Differential

After investigation and approval by the City Manager, a 5% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

b. (10%) Salary Differential

After investigation and approval by the City Manager, a 10% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

c. Bi-lingual Pay

1. Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same compensation as provided to Management/Confidential employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

2. Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same compensation as provided to Miscellaneous employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

3. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[16]

Approved and certified employees shall be compensated with a bilingual pay stipend in the amount of $75.00 per month for oral translation duties, and $125.00 per month for oral and written translations.
The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

d. Temporary Upgrade – Acting Capacity

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[17]

An employee who has been designated by the City to serve in an acting capacity for thirty (30) consecutive work days or more shall receive Step A of the pay range for the classification in which the employee is performing active duties, or a stipend of 5% above the base pay, whichever is greater. Service in an acting capacity shall not be used as a basis for, or in support of, a request for reclassification. The City Manager or designee may determine that a position filled pursuant to an acting assignment shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates.

e. Temporary Upgrade – Work Out of Class

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[18]

The City may temporarily assign employees to work out of classification. The selection of employees for an out-of-classification assignment shall be at the discretion of the City Manager or designee. A temporary out-of-class stipend of 5% above the employee's base pay shall be authorized with advance approval by the Department Head, upon consultation and approval from the City Manager or designee when an employee is designated and scheduled to work in an out- of- class assignment. Paid holidays shall be considered as days actually worked. Other forms of authorized leave such as sick leave, emergency leave and vacation shall not be considered as days actually worked.

[16] See CMEA MOU, p. 19.
[17] See CMEA MOU, pp. 7-8.
[18] See CMEA MOU, p. 8.

Section 12. Overtime

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to overtime consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Non-exempt employees shall be paid for hours worked in accordance with all legal requirements. Overtime is calculated at one and one-half (1 ½) times the employee's regular base rate of pay for all time worked over 40 hours in one workweek. Hours paid that are not actually worked, such as holidays, sick days, and vacation hours do not count as hours worked when calculating weekly overtime.

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[19]

1. For all workweeks in which there is no designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God, the employee shall be eligible for overtime pay (time and one half the employee's regular rate of pay as that term is used in the Fair Labor Standards Act) for time worked over 40 hours per workweek. In a workweek where there is a designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God and is thus unable to work their regularly scheduled shift, and the employee has not taken any time off or leave during that same week (e.g. vacation, sick or other personal leave), the employee shall be eligible for overtime pay (time and one half) for time worked beyond the employee's scheduled shift(s) during that workweek.

2. When an employee is not regularly scheduled to work on Saturdays and Sundays the employee shall receive overtime pay (time and one-half) for all time worked on those days. When an employee works on a designated City holiday, the employee shall receive overtime pay (time and one half) for all time worked on the holiday.

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedule, as work demands require.

Section 13. Compensatory Time Off

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[20]

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Compensatory Time consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

[19] See CMEA MOU, pp. 16-17
[20] CMEA MOU, p. 18.

Compensatory time is an alternative method of overtime payment to non-exempt employees. In lieu of paying a non-exempt employee for overtime worked, employees may be granted compensatory time off at the overtime rate of one and one half (1 ½) for each hour of overtime worked. Employees shall have the option of receiving overtime pay for any overtime worked. Use of earned compensatory time off must be approved in advance by the Department Head or designee. The maximum accrual limit is 120 hours.

Section 14. Executive Leave

Management/Confidential employees shall be entitled to take three (3) days (27 hours) of executive leave per fiscal year. The three (3) days (27 hours) may not be carried over to the next fiscal year and their use must have the prior permission of the City Manager. This provision shall be administered in accordance with the City's Personnel Rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 15. On-Call (Standby) Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[21]

An employee who has been instructed by their direct supervisor to stand-by is free to use this time for their own benefit. Employees On-Call (Standby) shall receive two (2) hours of compensatory time for an assigned 24 consecutive hour shift, which will not be counted towards over-time calculations.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to On-Call (Standby) Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 16. Call Back Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[22]

Call back duty occurs when an employee is called back in to work after their regular shift has ended. An employee called back to duty shall be paid a minimum of two (2) hours of compensatory time at a rate equal to time and one-half (1 ½) the regular hourly pay rate, and for actual hours worked at time and one-half the regular hourly pay rate, if hours worked exceeds two (2).

[21] CMEA MOU, p. 18.
[22] CMEA MOU, p. 19.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Call Back Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 17. Additional Approved Increases in Compensation and Changes to the Salary and Classification Plans

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[23]

All members shall receive:

- A 2% increase to their base rate effective July 1, 2019;
- A 2% increase to their base rate effective July 1, 2020; and
- A 2.5% increase to their base rate effective July 1 2021.

Section 18. The Provisions of This Plan Shall Be Operative on the Date of Its Adoption.

ADDENDUM:

1. HOURLY RANGE TABLES
2. ASSOCIATION RANGE TABLES
3. MANAGEMENT/CONFIDENTIAL RANGE TABLES
4. SALARY SCHEDULES

[23] CMEA MOU, p. 5.

HOURLY RANGE TABLES

Compensation Schedule Effective
January 1, 2019

Hourly Steps			
Ranges	**A**	**B**	**C**
H1	12.00	12.55	12.87
H2	12.55	12.86	13.19
H3	12.86	13.19	13.52
H4	13.19	13.52	13.86
H5	13.52	13.86	14.20
H6	14.20	14.55	14.92
H7	14.92	15.29	15.67
H8	15.67	16.06	16.46
H9	16.46	17.28	18.15
H10	18.15	19.06	20.01

Account Clerk	**H10**
Administrative Clerk	**H10**
Administrative Intern	**H5**
Community Preservation Technician	**H8**
Maintenance Aide	**H2**
Municipal Enforcement Officer	**H6**
Planning Technician	**H7**
Recreation Aide	**H1**
Recreation Leader	**H3**
Sr. Recreation Leader	**H4**

Compensation Schedule Effective
January 1, 2020

Hourly Steps			
Ranges	**A**	**B**	**C**
H1	13.00	13.65	14.33
H2	13.65	14.33	15.05
H3	14.33	15.05	15.80
H4	15.05	15.80	16.59
H5	15.80	16.20	16.61
H6	16.20	16.61	17.03
H7	16.61	17.03	17.46
H8	17.46	17.90	18.35
H9	17.90	18.35	18.81
H10	18.35	19.27	20.23

Account Clerk	**H10**
Administrative Clerk	**H10**
Administrative Intern	**H5**
Community Preservation Technician	**H8**
Maintenance Aide	**H2**
Municipal Enforcement Officer	**H6**
Planning Technician	**H7**
Recreation Aide	**H1**
Recreation Leader	**H3**
Sr. Recreation Leader	**H4**

ASSOCIATION RANGE TABLES

Compensation Schedule Effective

July 1, 2019

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3169	3248	3330	3413	3498	3586	3675	3767	3861	3958
A2	3321	3404	3489	3577	3666	3758	3852	3948	4047	4148
A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
A4	3656	3747	3841	3937	4035	4136	4239	4345	4454	4565
A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
A7	4063	4165	4269	4376	4485	4597	4712	4830	4951	5074
A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
A13	5128	5256	5388	5522	5661	5802	5947	6096	6248	6404
A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
A15	5646	5787	5932	6080	6232	6388	6548	6711	6879	7051
A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
A18	6521	6684	6851	7022	7198	7378	7562	7751	7945	8144
A19	6842	7013	7188	7368	7552	7741	7934	8133	8336	8544
A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
A21	7535	7724	7917	8115	8317	8525	8739	8957	9181	9410
A22	7908	8106	8308	8516	8729	8947	9171	9400	9635	9876
A23	8299	8506	8719	8937	9160	9389	9624	9864	10111	10364
A24	8711	8928	9152	9380	9615	9855	10102	10354	10613	10878

Compensation Schedule Effective

July 1, 2020

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3248	3329	3413	3498	3585	3676	3767	3861	3958	4057
A2	3404	3489	3576	3666	3758	3852	3948	4047	4148	4252
A3	3574	3663	3755	3849	3945	4044	4145	4249	4354	4463
A4	3747	3841	3937	4035	4136	4239	4345	4454	4565	4679
A5	3931	4028	4130	4232	4339	4446	4558	4672	4789	4909
A6	4128	4231	4337	4445	4556	4670	4787	4907	5030	5155
A7	4165	4269	4376	4485	4597	4712	4830	4951	5075	5201
A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
A10	4772	4892	5014	5139	5269	5400	5535	5673	5815	5960
A11	5010	5136	5264	5396	5531	5669	5811	5956	6105	6258
A12	5075	5202	5332	5465	5602	5742	5886	6033	6184	6339
A13	5256	5387	5523	5660	5803	5947	6096	6248	6404	6564
A14	5516	5654	5795	5940	6089	6241	6397	6557	6721	6889
A15	5787	5932	6080	6232	6388	6548	6712	6879	7051	7227
A16	6071	6223	6379	6537	6701	6869	7041	7217	7397	7582
A17	6371	6530	6693	6861	7033	7209	7388	7574	7762	7957
A18	6684	6851	7022	7198	7378	7562	7751	7945	8144	8348
A19	7013	7188	7368	7552	7741	7935	8132	8336	8544	8758
A20	7361	7544	7733	7926	8124	8327	8535	8748	8968	9192
A21	7723	7917	8115	8318	8525	8738	8957	9181	9411	9645
A22	8106	8309	8516	8729	8947	9171	9400	9635	9876	10123
A23	8506	8719	8937	9160	9389	9624	9865	10111	10364	10623
A24	8929	9151	9381	9615	9855	10101	10355	10613	10878	11150

Compensation Schedule Effective

July 1, 2021

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3329	3412	3498	3585	3675	3768	3861	3958	4057	4158
A2	3489	3576	3665	3758	3852	3948	4047	4148	4252	4358
A3	3663	3755	3849	3945	4044	4145	4249	4355	4463	4575
A4	3841	3937	4035	4136	4239	4345	4454	4565	4679	4796
A5	4029	4129	4233	4338	4447	4557	4672	4789	4909	5032
A6	4231	4337	4445	4556	4670	4787	4907	5030	5156	5284
A7	4269	4376	4485	4597	4712	4830	4951	5075	5202	5331
A8	4440	4551	4665	4782	4902	5025	5150	5279	5410	5545
A9	4660	4777	4894	5017	5142	5271	5404	5538	5676	5818
A10	4891	5014	5139	5267	5401	5535	5673	5815	5960	6109
A11	5135	5264	5396	5531	5669	5811	5956	6105	6258	6414
A12	5202	5332	5465	5602	5742	5886	6033	6184	6339	6497
A13	5387	5522	5661	5802	5948	6096	6248	6404	6564	6728
A14	5654	5795	5940	6089	6241	6397	6557	6721	6889	7061
A15	5932	6080	6232	6388	6548	6712	6880	7051	7227	7408
A16	6223	6379	6538	6700	6869	7041	7217	7397	7582	7772
A17	6530	6693	6860	7033	7209	7389	7573	7763	7956	8156
A18	6851	7022	7198	7378	7562	7751	7945	8144	8348	8557
A19	7188	7368	7552	7741	7935	8133	8335	8544	8758	8977
A20	7545	7733	7926	8124	8327	8535	8748	8967	9192	9422
A21	7916	8115	8318	8526	8738	8956	9181	9411	9646	9886
A22	8309	8517	8729	8947	9171	9400	9635	9876	10123	10376
A23	8719	8937	9160	9389	9624	9865	10112	10364	10623	10889
A24	9152	9380	9616	9855	10101	10354	10614	10878	11150	11429

MANAGEMENT/CONFIDENTIAL RANGE TABLES

Compensation Schedule Effective
July 1, 2017

Confidential										
	Steps									
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507

Compensation Schedule Effective
July 1, 2008

Management										
	Steps									
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
M1	5322	5474	5591	5729	5847	6020	6171	6325	6483	6645
M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781

SALARY SCHEDULES

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE NOVEMBER 19, 2019

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H10	18.15	19.06	20.01							
Accounting Technician	CMEA	MONTHLY	A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
Administrative Analyst	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Administrative Assistant	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Administrative Clerk	PT	HOURLY	H10	18.15	19.06	20.01							
Administrative Intern	PT	HOURLY	H4	13.19	13.52	13.86							
Assistant City Enginner	CMEA	MONTHLY	A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
Assistant City Clerk	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Assistant Enginner	CMEA	MONTHLY	A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
Associate Engineer	CMEA	MONTHLY	A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
Assistant Recreation Program Coordinator	CMEA	MONTHLY	A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	16,250									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Community Development Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Community Preservation Officer	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Commmunity Preservation Technician	PT	HOURLY	H8	15.67	16.06	16.46							
Deputy City Clerk	CONFIDENTIAL	MONTHLY	C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Human Resources Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Human Resources Specialist	CONFIDENTIAL	MONTHLY	C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Junior Deputy City Clerk	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Maintenance Aide	PT	HOURLY	H2	12.55	12.86	13.19							
Maintenance Leader	CMEA	MONTHLY	A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
Maintenance Superintendent	CMEA	MONTHLY	A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
Maintenance Supervisor	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Maintenance Worker	CMEA	MONTHLY	A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
Municipal Enforcement Officer	PT	HOURLY	H6	14.20	14.55	14.92							
Planning Assistant	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Planning Associate	CMEA	MONTHLY	A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
Planning Technician	PT	HOURLY	H7	14.92	15.29	15.67							
Public Safety and Services Manager	MGMT	MONTLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Recreation Aide	PT	HOURLY	H1	12.00	12.55	12.87							
Recreation Leader	PT	HOURLY	H2	12.55	12.86	13.19							
Recreation Program Coordinator	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Accountant	CMEA	MONTHLY	A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
Senior Community Preservation Officer	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Recreation Leader	PT	HOURLY	H3	12.86	13.19	13.52							

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JANUARY 1, 2020

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Accounting Technician	CMEA	MONTHLY	A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
Administrative Analyst	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Administrative Assistant	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Administrative Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Administrative Intern	PT	HOURLY	H4	15.05	15.80	16.59							
Assistant City Enginner	CMEA	MONTHLY	A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
Assistant City Clerk	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Assistant Enginner	CMEA	MONTHLY	A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
Associate Engineer	CMEA	MONTHLY	A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
Assistant Recreation Program Coordinator	CMEA	MONTHLY	A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	16,250									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Community Development Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Community Preservation Officer	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Commmunity Preservation Technician	PT	HOURLY	H8	17.46	17.90	18.35							
Deputy City Clerk	CONFIDENTIAL	MONTHLY	C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Human Resources Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Human Resources Specialist	CONFIDENTIAL	MONTHLY	C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Junior Deputy City Clerk	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Maintenance Aide	PT	HOURLY	H2	13.65	14.33	15.05							
Maintenance Leader	CMEA	MONTHLY	A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
Maintenance Superintendent	CMEA	MONTHLY	A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
Maintenance Supervisor	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Maintenance Worker	CMEA	MONTHLY	A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
Municipal Enforcement Officer	PT	HOURLY	H6	16.20	16.61	17.03							
Planning Assistant	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Planning Associate	CMEA	MONTHLY	A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
Planning Technician	PT	HOURLY	H7	16.61	17.03	17.46							
Public Safety and Services Manager	MGMT	MONTLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Recreation Aide	PT	HOURLY	H1	13.00	13.65	14.33							
Recreation Leader	PT	HOURLY	H2	13.65	14.33	15.05							
Recreation Program Coordinator	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Accountant	CMEA	MONTHLY	A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
Senior Community Preservation Officer	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Recreation Leader	PT	HOURLY	H3	14.33	15.05	15.80							

RESOLUTION NO. 19-30

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY REPLACING AND SUPERSEDING RESOLUTION NO. 16-01 AND ADOPTING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CUDAHY AND THE CUDAHY MISCELLANEOUS EMPLOYEE'S ASSOCIATION (JULY 1, 2019 – JUNE 30, 2022)

WHEREAS, the City of Cudahy, hereinafter referred to as the "City", and the Cudahy Miscellaneous Employee's Association, hereinafter referred to as "CMEA" have met and conferred in accordance with the Meyers-Milias-Brown Act and Government Labor Code §3500; and

WHEREAS, the City and the CMEA have memorialized the agreement in a written Memorandum of Understanding for a three-year term, commencing July 1, 2019 and terminating on June 30, 2022.

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

SECTION 1. The Memorandum of Understanding between the City and the CMEA, attached hereto, is hereby approved in substantially the form thereof together with any additions thereto or changes therein deemed necessary or advisable by the City Manager.

SECTION 2. The City Manager is authorized to sign the Memorandum of Understanding.

SECTION 3. This Resolution shall replace and supersede Resolution No. 16-01 and any other Resolution which is in conflict or inconsistent with the provisions of this Resolution.

SECTION 3. The Assistant City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 19th day of November, 2019.

Jose R. Gonzalez
Mayor

9073704.1 CU010-007

ATTEST:

Richard Iglesias
Assistant City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Assistant City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 19-30 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 19th day of November, 2019, and that said Resolution was adopted by the following vote, to-wit:

AYES: Garcia, Alcantar, and Gonzalez

NOES: Guerrero

ABSTAIN: Lozoya

ABSENT: None

Richard Iglesias
Assistant City Clerk

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CUDAHY AND THE CUDAHY MISCELLANEOUS EMPLOYEES' ASSOCIATION (JULY 1, 2019 - JUNE 30, 2022)

CITY OF CUDAHY

MEMORANDUM OF UNDERSTANDING

PURSUANT TO THE CALIFORNIA

MEYERS - MILIAS - BROWN ACT

JULY 1, 2019 - JUNE 30, 2022

BY AND BETWEEN

THE CUDAHY MISCELLANEOUS EMPLOYEES' ASSOCIATION

AND

THE CITY OF CUDAHY

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CITY OF CUDAHY
MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE CUDAHY MISCELLANEOUS EMPLOYEES' ASSOCIATION
AND
THE CITY OF CUDAHY

This Memorandum of Understanding has been prepared pursuant to Government Code Sections 3500 through 3510 as amended, which is generally referred to as the Meyers-Milias-Brown Act.

This Agreement has been developed as a result of request of the Cudahy Miscellaneous Employees' Association. The items in this Agreement are subject to the approval of the City Council of the City of Cudahy and will be placed into effect upon the adoption of the necessary ordinances and resolutions by the City Council, if acceptable to them, in accordance with the terms and conditions hereinafter set forth.

The parties agree that the provisions contained herein shall be subject to all applicable laws and shall cover the period July 1, 2019 through June 30, 2022, unless otherwise provided.

RECOGNITION

The City hereby recognizes the Cudahy Miscellaneous Employees' Association as the majority representative of the employee representation unit consisting of the classifications listed in attached Salary Plan, exhibit "A".

Nothing contained herein shall be construed to deny those employees who do not belong to the CMEA from representing themselves.

ACCESS TO WORK LOCATIONS

Reasonable access to employee work locations shall be granted to officers of the Association and its official representatives for the purpose of processing grievances or contacting members of the Association concerning business within the scope of representation. Such officers or

representatives shall not enter any work locations without the consent of the City or its authorized representative. Access shall be restricted so as not to interfere with the normal operations of the City or with established safety or security requirements.

Solicitation of membership and activities concerned with the internal management of an employee organization, such as collecting dues, campaigning for office, conducting elections, and distributing literature, will not be permitted during working hours.

THE SALARY PLAN

A. Salary Increases

All members shall receive a 2% increase to their base rate effective July 1, 2019; a 2.5% increase to their base rate effective July 1, 2020; and a 2.5% increase to their base rate effective July 1, 2021.

B. The Salary Plan

The Salary Plan is attached hereto as Exhibit A.

C. Eligibility for Merit Salary Advancement

Eligibility for Salary Step Increases

1. Salary step increases shall be considered on a merit basis only, and then only at the following times, and in accordance with subsection below.

2. All full time appointments shall be made at the first step of the salary schedule assigned that class, unless prior written approval of the City Manager is obtained for appointments at a higher step in the assigned schedule.

3. No salary advancements shall be made so as to exceed the maximum rate established in the salary schedule for the class to which the employee's position is allocated.

Qualification for Salary Step Advancement

1. Shall not be automatic but, shall be based upon merit, dependent upon increased service value of an employee to the City as exemplified by recommendations of his supervisor, length of service, performance record, special training undertaken, and other objective evidence.

2. Only employees rated as meeting the standard of work performance expected of City employees shall be qualified to advance to the salary steps B, C, D and E.

3. If an employee does not receive a merit increase as a result of the performance evaluation, the employee may appeal through the grievance procedure.

D. Merit Evaluation

1. Every employee shall receive an objective, written job performance rating, no sooner than Five (5) weeks before, nor later than five (5) weeks after the completion of the six month probationary period, and annually thereafter but not later than January 31 of each subsequent year, and upon a change of employment status. Nothing in this Section shall prohibit the department head or authorized supervisor from giving an additional objective rating to an employee between those periods of time described in this Section.

2. It shall be the duty of the department head to delegate the responsibility of every employee's rating to that level of supervision having immediate knowledge of the employee's work. An employee shall be rated by his immediate supervisor and that rating shall be reviewed by the department head.

E. Eligibility for Merit Longevity

Upon approval of the appointing power, regular employees who have completed ten (10) continuous years of service may be eligible to receive merit longevity pay provided that:

1. The employee has maintained eligibility for salary Step E and,

The employee has been evaluated in the tenth year as "Exceeds standards" as defined by a comprehensive rating at or above the middle column of the current reporting form, or the equivalent rating on any revised reporting form. Eligible employees shall be paid, in addition to their respective regular rate of pay, a stipend of 5% of the employee's base pay rate; and after twenty (20) years, the percentage amount of the stipend shall increase to 7.5% of the employee's base pay rate.

F. Qualification for Merit Longevity

Merit longevity is to be provided as continuing incentive to career employees. Such payment shall continue with approval of the City Manager, only during such period as an eligible employee continues to "Exceeds standards" as defined above, and shall be terminated by the City Manager when the quality of service, as evidenced by the performance rating of such employee, does not merit such additional compensation.

G. Eligibility for Promotion Increases

1. Any employee receiving a promotion shall receive a salary increase equivalent to one pay range or shall be placed on the first step of the salary schedule for the class to which he is promoted, whichever is greater.

2. Any employee receiving a promotion who would otherwise have been eligible to receive a merit increase within sixty (60) days of the effective date of such promotion, shall be granted the merit increase prior to the application of provision G.1 of this Section.

H. Acting Pay

An employee who has been designated by the City to serve in an acting capacity for thirty (30) consecutive work days or more shall receive Step A of the pay range for the classification in which the employee is performing active duties, or a stipend of 5% of the employee's base pay, whichever is greater. Service in an acting capacity shall not be used as a basis for, or in support of, a request for reclassification. The City Manager or designee may determine that a position filled pursuant to an acting assignment shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates.

I. Out-Of-Class Pay

The City may temporarily assign employees to work out of classification. The selection of employees for an out-of-classification assignment shall be at the discretion of the City Manager or designee. A temporary out-of-class stipend of 5% of the employee's base pay shall be authorized with advance approval by the Department Head, upon consultation and approval from the City Manager or designee, when an employee is designated and scheduled to work in an out of class assignment. Paid holidays shall be considered as days actually worked. Other forms of authorized leave such as sick leave, emergency leave and vacation shall not be considered as days actually worked.

VACATION

A. Basis of Accrual

Full-time employees covered by this Agreement shall accrue paid vacation leave on the following scheduled basis:

Year of Service	Hours Per Year	Monthly Accrual
0-5	80	6.7 Hrs.
6 -10	120	10.0 Hrs.

11+	160	13.4 Hrs.

B. Vacation Accrual

All employees shall be entitled to accrue vacation earned during two full calendar years of employment. Department Heads shall encourage the taking of accrued vacation leave. If for some specific reason an employee wishes to accrue vacation leave in excess of the limits established herein, he/she must submit a request in writing to his/her Department Head listing this reason.

The Department Head and City Manager shall review and may grant such request if it is in the best interest of the City. The excess of the limit shall be determined by the Department Head and the City Manager. It is not the intent of this section to penalize an employee who is not able to utilize his/her accumulated vacation because of scheduling problems within the individual department.

Those employees who will have more than two years accumulation of vacation on the books at the end of the fiscal year will be notified two months prior to the end of the fiscal year to reduce their accrued vacation to the two year maximum. At the end of each calendar year, an employee may be entitled to be paid in lieu of accumulated vacation time provided that fifty (50) hours of accrued time remains on the books. A written request must be submitted to the City Manager by December 1 of each calendar year for the amount of hours to be paid in lieu of accumulated time on the books. When separation is caused by death of any employee, payment shall be made to the estate of such employee or, in applicable cases, as provided by the California Probate Code.

C. Effect of Holiday on Vacation Leave

In the event one or more authorized municipal holidays fall within a vacation leave, such holiday shall not be charged as vacation leave, but shall be credited as a holiday.

D. Effect of Leave of Absence on Accrual of Vacation Leave

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employee's annual vacation earned during the calendar year to be reduced

proportionately for each month or major portion of a month that the employee is on leave of absence without pay.

E. Compensation for City Work During Vacation Prohibited

Other than "exempt" employees, no person shall be permitted to work for compensation for the City in any capacity, except compensation for mandated court appearances, during the time of his/her paid vacation leave from City service. This clause shall not limit the City's right to recall an employee from vacation in the event of an emergency and place him/her on regular pay status.

F. Scheduling Vacation

An employee may take his/her annual vacation leave at any time during the year, contingent upon approval by his/her Department Head. An employee shall normally provide two weeks notice in advance of the day(s) he/she is requesting vacation time off. When a family emergency arises which necessitates the use of vacation time, an employee shall provide as much advance notice as possible considering the particular circumstances. The Department Head should consider an employee's length of service when assigning vacation periods. Vacation leave may be taken in a minimum of 30 minute increments.

G. Terminal Vacation Pay

An employee with regular status separating from City service, who has accrued vacation leave, shall be entitled to terminal pay in lieu of such vacation. No leave credit will be earned on terminal leave payments. When separation is caused by death of any employee, payment shall be made to the estate of such employee or, in applicable cases, as provided by the Probate Code of the State.

SICK LEAVE

A. Accrual of Sick Leave

Employees shall be granted sick leave with pay at the rate based on the current number of hours the employee is regularly scheduled to work during a workday. For example, employees who are currently scheduled to work 10 hours during the workday will receive ten (10) hours of

sick leave with pay for each full month of service. Any sick leave accrued but unused in any year shall be accumulated to a maximum accumulation of 480 hours.

Sick leave shall not be considered a right which an employee may use at his/her discretion, but shall be allowed only in cases of actual sickness or non-job incurred disability, or in the event of a personal necessity, making it impossible for the employee to perform his/her normal work assignments. Sick leave usage for personal necessities other than sickness or disability is allowed to a maximum of twelve (12) days (96 hours) per fiscal year with advanced Department Head approval. Sick leave may also be used for scheduled doctor, dental and optometry appointments, when advanced Department Head approval has been received.

B. Proof of Illness

In order to receive compensation while absent from duty on sick leave, the employee must notify his/her immediate supervisor prior to the time set for the beginning of his/her regular duties. The Department Head may request a certificate issued by a licensed physician or other satisfactory proof of illness before sick leave is granted. Sick leave with pay in excess of three (3) consecutive working days shall be granted only after presentation of a written statement by a physician certifying that the employee's condition prevented him/her from performing the duties of the position. Employees shall be required to complete a leave compensation form when returning to work after utilizing sick leave. Violation of sick leave privileges may result in disciplinary action and/or loss of pay when in the opinion of the Department Head the employee has abused such privileges.

C. Effect of Leave of Absence on Sick Leave Accrual

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employees' normal rate of sick leave accumulation to be extended by the number of calendar days for which such leave of absence has been granted less the first fifteen calendar days of such leave. Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

D. Sick Leave Buy-Back

On July 1 of each year, employees may sell back at 50% value of the maximum 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick leave on the books prior to being eligible for any sick leave buy back. Sick leave buy-back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon retirement from employment with the city, all accumulated sick leave is eligible to be sold back at 50% value of the maximum of 192 hours of sick leave that they have accrued but did not utilize based on the employee's rate of pay at the time of separation.

BEREAVEMENT

Whenever a full-time employee is compelled to be absent from duty by reason of death or critical illness (where death appears imminent) of members of the employee's immediate family (father, mother, brother, sister, spouse, children, mother-in-law, father-in-law, grandmother, grandfather, or grandchildren) such person shall be entitled to bereavement leave with pay up to three (3) working days. The employee shall furnish satisfactory evidence of such death or critical illness to his/her Department Head. Bereavement leave shall not be allowed in any case where in the preceding six (6) calendar months, a leave on the grounds of critical illness of that same relative has been granted. Absences under this Section shall not be charged against sick leave.

INDUSTRIAL

A. Any employee who is compelled to be absent from duty on account of an on-the-job injury or illness which, by the determination of the Administrative Officer, would be compensated under Worker's Compensation Laws of the State of California had the absence extended to the seventh day or which thereafter is compensated under Workers' Compensation Laws, shall be entitled to receive the difference between any disability compensation due him under Workers' Compensation Laws and his/her salary, provided that such benefits shall not be paid for longer than twelve (12) months in the aggregate for any one such injury or illness.

B. Sick leave shall not be charged during absence as set forth in Section A above.

C. Neither sick leave nor vacation shall be accumulated during absence set forth in Section A above.

D. Any employee who claims or receives the benefits provided in this section shall furnish to the City Manager or designee satisfactory evidence of his/her right to receive such benefits, as well as verification of the amount of the disability compensation he/she has received or is entitled to receive.

TEMPORARY DISABILITY LEAVE

Upon submission of an appropriate certificate from a licensed physician, an employee may be granted temporary disability leave. The employee utilizing temporary disability leave may utilize all sick leave accredited to him/her and upon the expiration of sick leave, may utilize any accredited annual vacation leave. When both sick leave and annual vacation leave credit are exhausted, the remainder of the absence required will be on the basis of leave without pay. If leave without pay is utilized, no accruals of leave or benefits will be credited to the employee. The leave without pay will constitute a break in continuous service with the City, unless the City Manager authorizes otherwise.

PREGNANCY DISABILITY LEAVE

Employees may continue in employment during pregnancy, subject to the City Rules and Regulations, and relevant State and Federal Laws.
An employee who is disabled because of pregnancy, childbirth, or a related medical condition is entitled to an unpaid leave for up to the number of hours she would normally work within four calendar months (one-third of a year or 17 1/3 weeks). Requests for pregnancy disability leave must be submitted in writing with reasonable advance notice of the medical need for the leave. All leaves must be confirmed in writing, have an agreed-upon specific date of return, and be submitted to Human Resources.

If pregnancy disability leave is required, the employee shall provide a certificate in writing from a licensed physician which shall advise the City that: the employee is disabled from working by pregnancy, childbirth or a related medical condition; 2) the date on which the employee became disabled by pregnancy, childbirth or a related medical condition; and 3) the estimated duration or end date of the leave.

MILITARY LEAVE

Military leave with pay shall be granted in accordance with applicable state and federal law.

JURY DUTY

When called to jury duty, an employee, having provided at least five working days written notice, shall be entitled to his/her regular compensation provided he/she deposits his/her fees for service with the City. Employees released early from jury duty shall report to their supervisor for assignment for the duration of the shift. Employees shall be entitled to keep mileage reimbursement pay while on jury duty.

LEAVE OF ABSENCE WITHOUT PAY

A leave of absence without pay may be made by an employee who has exhausted all accrued leave balances. The City Manager may consider an extended leave of absence as a reasonable accommodation and/or whether such an extended leave of absence would present an undue hardship on the City, following an interactive process when the unpaid leave involves a serious health condition and disability. For non-medical requests, the City Manager will evaluate the nature of the request, and impact on the City, and may grant a non-medical leave of absence not to exceed one year. The procedure in requesting an extension shall be the same as that in requesting the original leave provided that the request for the extension is made no later than fourteen (14) calendar days prior to the expiration of the original leave.

HOLIDAYS

A. Designated City Holidays

Every employee shall be entitled to the following paid holidays each year and such other as may be designated by action of the City Council:

1. New Year's Day – January 1
2. The third Monday in January (Martin Luther King Jr. Day)
3. The third Monday in February (Presidents' Day)
4. Cesar Chavez Day (March 31)
5. The last Monday in May (Memorial Day)
6. Independence Day (July 4th)
7. The first Monday in September (Labor Day)
8. Veterans Day- Observed on November 11th
9. Thanksgiving Day
10. Christmas Eve- December 24
11. Christmas Day- December 25
12. One floating holiday.

If the Friday after Thanksgiving or Good Friday fall on a regularly scheduled work day, it shall be considered a designated holiday. Alternatively, if the Friday after Thanksgiving or Good Friday fall on the employee's day off, it shall not be considered a designated holiday.

B. Procedure if Holiday Falls on a Sunday

When a designated holiday above (e.g. Veterans Day, Christmas Day, New Year's Day or July 4th) falls on a Sunday, the following Monday shall be treated as a designated holiday.

C. Floating Holidays

Except as provided in Section D below, all floating holidays shall be used in full day increments. Employees will be credited with 10 hours for each floating holiday that he/she is entitled to and will be charged the same 10 hours when he/she uses it. A floating holiday shall be equivalent to one full day off and no additional compensation, or time off, will be granted. Department Head approval of floating holiday leave shall be obtained prior to its use and with no less than 72

hours notice. All accumulated floating holiday hours shall be combined and labeled as vacation hours.

D. Floating Holiday for New Employees

Employees hired during the fiscal year shall receive a pro-rated credit for the floating holiday based on date of hire.

HOURS OF WORK

Employees shall work a 4/10 work schedule, Monday through Thursday, starting at either 6:30 a.m. and ending at 5:30 p.m. or starting at 7:00 a.m. and ending at 6:00 p.m. The Department Head will consider requests in writing to work alternative work schedules on an individual basis, subject to the approval of the City Manager. Reasonable requests will be approved if such modified schedule will not negatively impact the Department and City Business operations.

ATTENDANCE

Employees shall be in attendance at work in accordance with the rules regarding hours of work, holidays, and leaves. Failure on the part of an employee who is absent without leave to return to duty within 24 hours after due notice to return to duty has been issued shall be cause for discipline up to and including termination.

OVERTIME

It is the policy of the City of Cudahy to avoid the necessity for overtime work whenever possible. However, in cases of emergency, or whenever public interest or necessity requires, any employee may be directed by designated authority and is expected to perform overtime work. Under such circumstances, management will seek volunteers to perform overtime work. In the event that no volunteers step forward, a draft of employees shall take place and be based upon seniority. All overtime work, with the exception of emergency conditions, must have the approval of the City Manager prior to the actual performance of work. Failure to obtain such approval may subject the employee to disciplinary action up to and including termination. Only non-exempt employees are eligible to receive overtime pay.

Except as stated herein, for all workweeks in which there is no designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God, the employee shall be eligible for overtime pay (time and one half the employee's regular rate of pay as that term is used in the Fair Labor Standards Act) for time worked over 40 hours per workweek. In a workweek where there is a designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God and is thus unable to work their regularly scheduled shift, and the employee has not taken any time off or leave during that same week (e.g. vacation, sick or other personal leave), the employee shall be eligible for overtime pay (time and one half) for time worked beyond the employee's scheduled shift(s) during that workweek.

A. The City of Cudahy has enacted a special provision internally for non-exempt employees to provide compensatory time off in lieu of monetary overtime compensation at a rate of one and one-half (1 1/2) hours for compensatory time for each hour of overtime worked.

B. Exempt Classified Staff Employees - Are paid a salary that reflects the full responsibility of the position, including being *on-call* or being *called back* to work, and are not eligible to receive overtime, On-Call or Call-Back pay.

C. Non-exempt Classified Staff Employees - May be required to be available and/or to work outside the regular schedule. The two types of status and pay related to those circumstances are On-Call (Standby) and Call-Back.

E. Overtime Pay for Saturdays, Sundays and Holidays – When an employee is not regularly scheduled to work on Saturdays and Sundays, the employee shall receive overtime pay (time and one half) for all time worked on those days. When an employee works on a designated City holiday, the employee shall receive overtime pay (time and one half) for all time worked on the holiday.

F. Consent to Work Overtime – The City does not require notice to or consent from employees when scheduling overtime hours. The City shall provide an employee with as much advance notice as possible of a work schedule change in those situations where the City wants to avoid placing an employee into overtime status. This advance scheduling allows the City to avoid the

overtime situation by readjusting the workday and by scheduling time off for the employee so that the employee's time worked does not exceed 40 hours within the workweek.

G. At the City Manager's Discretion, payment of overtime may be approved on a case by case basis.

COMPENSATORY TIME OFF

Compensatory time off is an alternative method of overtime payment to non-exempt employees. In lieu of paying a non-exempt employee for overtime worked, employees may be granted compensatory time off at the overtime rate of one and one half (1 ½) for each hour of overtime worked. Employees shall have the option of receiving overtime pay for any overtime worked. Use of earned compensatory time off must be approved in advance by the Department Head or designee. The maximum accrual limit for compensatory time off is 120 hours.

ON-CALL (STANDBY) PAY

On-Call (Standby) status is a designated shift within any 24 consecutive hours. Such shifts may vary in beginning and ending times from department to department, and are subject to change by administrative decision as dictated by work load needs. On-Call shift hours usually coincide with regular shift hours. Any Classified Staff employee may be assigned to an On-Call status, which requires the employee to be accessible, available, and able to report for duty if called.

Department Heads are responsible for determining the need for On-Call availability and for assigning Classified Staff employees to On-Call status. The supervisor of the employee assigned to On-Call status shall maintain a roster of all qualified employees who may be required to be On-Call. An equitable rotation policy shall be followed in requiring employees to be On-Call.

On-Call pay will be provided for assigned On-Call shifts. The minimum On-call pay per 24-hour period shall be 2 hours. These 2 hours shall not be considered towards overtime or

compensated time. The employing department will choose a single level of accrued compensatory time that will be provided to all non-exempt employees in On-Call Status.

CALL BACK PAY

Call back duty occurs when an employee is unexpectedly ordered by the department to return to duty following the termination of his/her normal shift or is working prior to his/her regularly scheduled shift. An employee called back to duty shall be paid a minimum of two (2) hours compensation at the overtime rate commencing when he/she reports for duty.
A nonexempt Classified Staff employee who is called back to work from On-Call status or otherwise at a time not previously scheduled shall receive compensatory time as follows:

a) A minimum of two (2) hours of compensatory time at rate equal to time and one-half the regular hourly pay rate even when the time actually spent back on the job is less than two (2) hours.
b) Compensatory time for actual hours worked at time and one-half the regular hourly pay rate, if hours worked exceeds two (2).

c) Actual hours worked for Call-Back purposes means only that time spent at the work site. Time spent in route to or from the work site is not included as time worked.
d) Call-Back is mandatory and employee must return to work within a reasonable time frame (2 hours).
e) Employees shall be contacted based on a rotating schedule.

Compensatory time off can only be used in lieu of pay for Call-Back time worked in accordance with Cudahy overtime policies.

BILINGUAL PAY

A. City departments may request a bilingual pay stipend for an employee based on the employee's use of a non-English language as part of his/her regular job duties. Requests may be made on the basis of oral translation duties only or oral and written translations. Requests

are reviewed by Human Resources to determine whether there is a need for the bilingual skills based on the employee's job duties. If the request is approved by Human Resources, the employee must pass the examination described below.

B. Human Resources is responsible for the development of examination content and rating criteria to evaluate an employee's ability to speak or write a non-English language. The examination may be administered by employees who have already been certified in that language, under the direction of Human Resources, or by an outside vendor selected by Human Resources.

C. Approved and certified employees shall be compensated with a bilingual pay stipend in the amount of $75.00 per month for oral translation duties, and $125.00 per month for oral and written translations.

HEALTH INSURANCE

The City shall contribute towards health insurance benefits as listed below:

A) Medical Insurance: the City shall contribute toward the coverage of employees and their dependents in the medical insurance program available through the Public Employee's Retirement System as provided for under the Public Employee's Medical and Hospital Care Act as follows:

Effective Upon MOU Adoption:

The City shall contribute an amount up to 100% of the coverage amount for the Kaiser Permanente plan that corresponds to the employee's coverage. For an employee with Blue Shield insurance, the City and employee shall equally share the difference between the Blue Shield plan and Kaiser Permanente plan monthly premium amount that corresponds to the employee's coverage where the Blue Shield plan monthly premium is higher than the Kaiser Permanente monthly premium.

B) Dental Insurance: the City shall offer a dental plan for employees and their dependents. The City will contribute towards the purchase of said dental coverage if the employee elects coverage as follows:

Effective Upon MOU Adoption:
The City shall contribute an amount up to the average amount of the dental plans available that corresponds to the employee's coverage.

C) Vision Insurance: the city shall offer vision care insurance for employees and their dependents. The City will contribute towards the purchase of said vision care coverage if the employee elects coverage as follows:

Effective Upon MOU Adoption:
The City shall contribute 100% of the coverage amount that corresponds to the employee's coverage.

D) Life Insurance: the City agrees to provide a term life insurance policy in the amount of $100,000 per employee. The premium for such insurance shall be paid by the City.

E) Disability Insurance: the City will provide a sixty (60) day Long Term Disability policy. 100% of the premium coverage for such insurance shall be paid by the City. Upon execution of the MOU, the City will immediately take steps to join the short-term disability insurance plan proposed and outlined by Keenan Associates as described in attached exhibit "B."

RETIREMENT PLAN

The City contracts with the California Public Employees Retirement System (CalPERS) for retirement benefits.

<u>First Tier Retirement Formula for "Classic Members" – 2.7% at 55 (Effective July 1, 2008)</u>
For unit members covered under the 2.7% at 55 retirement formula, who are defined as "classic members" under the Public Employees' Pension Reform Act of 2013 (PEPRA) (i.e. not defined as "new members" under Gov. Code section 7522.04(f)):

Effective Upon MOU Adoption – Classic members shall pay 3% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

Effective July 1, 2016 – Classic members shall pay an additional 3% for a total of 6% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

Effective July 1, 2017 – Classic members shall pay an additional 2% for a total of 8% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

Second Tier Retirement Formula for "Classic Members" – 2% at 60 (Effective October 16, 2011)
For unit members covered under the 2% at 60 retirement formula, who are defined as "classic members" under the PEPRA (i.e. not defined as "new members" under Gov. Code section 7522.04(f)), shall be responsible for paying the entire employee's contribution rate of 7% of "compensation earnable" as defined in Gov. Code section 20636.

Third Tier Retirement Formula for "New Members" – 2% at 62 (Effective January 1, 2013)
Pursuant to Gov. Code section 7522.30, unit members, who are defined as "new members" under PEPRA, Gov. Code section 7522.04(f), shall be responsible for paying the employee contribution of 50% of the total normal cost of the plan, as defined by CalPERS.

EDUCATION INCENTIVE

The City will reimburse employees for 100% of the cost of books, materials, parking and tuition up to a maximum reimbursement equivalent to a part-time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college, not to exceed $5,000 per employee per year. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager or designee must approve all courses in advance in order for the employee to be eligible for the reimbursement.

In order for an employee to be reimbursed for a course, proof of successful completion must first be furnished. In graded courses, a letter grade of "C" or better is required. In a "Pass/Fail" grading system, a "Pass is required. In a "Credit/No Credit" grading system, a "Credit" is required for approval.

Reimbursement for books will not be permitted until proof of successful completion of the course has been furnished. A sales receipt for the purchased books must also be submitted with the request for reimbursement.

Courses from a private university or college may also be considered; however, reimbursement for such courses shall not exceed the amount permitted for a similar course at a state college or university.

The educational reimbursement will be provided upon completion of coursework. The employee must remain employed by the City or the employee must repay the cost based on the following scale:

- 100% of the reimbursement if employee leaves within 6 months,
- 75% of the reimbursement if employee leaves after 6 months,
- 50% of the reimbursement if employee leaves after 12 months,
- 25% of the reimbursement if employee leaves after 18 months,
- 0% of the reimbursement if employee leaves after two years.

The City is currently reviewing its education incentive policy City-wide. The City intends on providing the education incentive in a manner that is consistent across eligible employee groups. The CMEA may reopen negotiations during the term of the MOU as to the education incentive.

EDUCATIONAL SEMINARS

Employees wishing to further their education through short-term courses or one-day seminars at City expense may do so but only with written Department Head approval.
The department head shall consider the following before granting such approval:

1. Necessity and applicability to the individual.
2. Alternative training methods.
3. Department staffing needs and/or schedules.
4. Amount budgeted for training and education.
5. Fiscal approval by the City Manager.

PROBATIONARY PERIOD

A. An original or promotional appointment is an at-will employment, subject to a probationary period of not less than six (6) months, except that the City Manager may extend the probationary period for any position up to an additional six (6) months or for a marginal employee who is on probation for up to an additional three (3) months. During the probationary period an employee may be terminated at any time with or without cause. During the probationary period the employee's supervisor shall attempt to counsel the probationary employee on a periodic basis, prior to the end of the probationary period regarding his/her performance.

B. If the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the City Manager or designee a merit rating including a statement, in writing, to such effect and stating that the retention of such employee in the service of the City is desired. If the services of the employee are deemed to be unsatisfactory and his employment is to be terminated at or before the expiration of the probationary period, the appointing authority shall file with the Personnel Officer, a statement in writing setting forth this action to be taken.

C. All probationary periods shall extend to the first day of the month following the period of probation.

D. Rejection Following Promotion: Any employee rejected during the probationary period following a promotional appointment or at the conclusion of the probationary period by reason of failure of the appointing power to file a statement that his services have been satisfactory, or at the discretion of the employee, shall be reinstated to the position from which he was promoted

unless charges are filed and he/she is discharged in the manner provided in the Personnel Ordinance and the rules for positions in the classified service.

UNIFORMS

The City shall purchase uniforms for designated employees as budgeted, but not to exceed $500/year.

MILEAGE REIMBURSEMENT

Employees shall be reimbursed for the use of their vehicle for City Business at the allowable rate per mile as stated by the IRS the current rate in effect at the time during the period of this agreement. Employees shall be reimbursed upon submittal of a monthly reimbursement form with Department Head approval.

HOME COMPUTER PURCHASE PROGRAM

The City agrees to provide an employee home computer purchase program in the form of a $3,000, 24-month, interest-free loan. Employees are allowed to purchase a new computer only after the first loan has been paid off. The City reserves the right to determine the details and specific terms of such a program. Should the employee separate from the City prior to paying off the loan, the balance of the loan becomes due and payable immediately.

CELL PHONE STIPEND

Employees who are not issued cell phones by the City and use their personal cell phones for minimal work-related use are eligible to receive a monthly stipend in the amount of $20. Employees who believe they are eligible to receive the stipend shall make a request to the City Manager for the stipend. The City Manager or designee shall then decide whether the employee is eligible for the stipend.

The following City positions are issued cell phones by the City, and employees holding these positions are not eligible to receive the cell phone stipend: Maintenance Leader, Maintenance Supervisor, and Code Enforcement Officer.

TIME OFF FOR EXAMINATION

Any employee classified in competitive service shall be entitled to necessary time off with pay for the purpose of taking qualifying or promotional examinations pertaining to positions in competitive service of the City.

SUBSTANCE ABUSE POLICY

The City of Cudahy and the Association have a vital interest in maintaining safe, healthful and efficient working conditions. Being under the influence of a drug or alcohol on the job may pose serious safety and health risks not only to the user but to co-workers and the citizens of Cudahy. The possession, use or sale of an illegal drug or of alcohol on the job also poses unacceptable risks for safe, healthful and efficient operations. "On the job" means while on City premises, at work locations, or while on duty or being compensated on an "on call status."

The City of Cudahy and the Association recognize that their future is dependent on the physical and psychological well-being of all employees. The City and the Association mutually acknowledge that a drug and alcohol-free work environment benefits Cudahy's employees and citizens.

The purpose of this section is to define the City's drug and alcohol policy as well as the possible consequences of policy violation.

A. Possession, sale, use or being under the influence of drugs or alcohol while on the job is strictly prohibited.

B. When reasonable suspicion exists that the employee is under the influence of drugs or alcohol on the job, the City may require an employee to submit to a drug/alcohol examination, including, but not limited to, a substance screening. Substance screening means the testing of urine or other body fluids as reasonably deemed necessary by a physician to determine whether an employee has a restricted substance in their system.

1. Reasonable suspicion is cause based upon objective facts sufficient to lead a reasonably prudent supervisor to suspect that an employee is under the influence of drugs or alcohol so that the employee's ability to perform the functions of the job is impaired or so that the employee's ability to perform his/her job safely is reduced.

2. Post-accident testing under this Article shall be conducted based on reasonable suspicion as defined in this Section and shall not be automatic, unless as required by law per Department of Transportation (DOT) Federal Motor Carrier Safety Administration Regulations (FMCSA).

C. Any manager or supervisor requesting an employee to submit to a substance screening shall document in writing the facts constituting reasonable suspicion and shall give the employee a copy. The employee shall be given an opportunity to provide additional facts. An employee who is then ordered to submit to a substance abuse screening may request to be represented. Because time is of the essence in substance screening, a representative must be available within a reasonable time or the employee will then be ordered to submit to substance screening. An employee who refuses to submit to a substance screening may be considered insubordinate and shall be subject to disciplinary action up to and including termination.

D. The supervisor, or designee, shall transport the suspected employee to the testing facility. Testing shall occur on City time and be paid for by the City. Employee urine samples, or other body fluids, will be by a certified system which includes methods or mechanisms designed to assure the integrity of the sample. The facility used for testing shall be certified by the National Institute on Drug Abuse and comply with established guidelines for "chain of custody" to insure that identity and integrity of the sample is preserved throughout the collecting, shipping, testing and storage process.

E. Any positive test for alcohol or drugs will be confirmed by a scientifically sound method. An employee who tests positive on a confirmatory test will be given the opportunity to discuss the results with a physician to be designated by the City. The employee should be prepared at that time to show proof of any valid medical prescription for any detected substance or to otherwise explain, if he or she so chooses, a positive test result.

F. While use of medically prescribed medications and drugs is not per se a violation of this policy, this policy shall establish that no employee shall operate a City vehicle or dangerous

machinery or equipment while taking any kind of medication or drugs which are clearly marked that they may cause significant drowsiness or impair an employee's performance. An employee shall notify his/her supervisor, before beginning work, when taking such medications or drugs. In the event there is a question regarding an employee's ability to safely and effectively perform assigned duties while using such medications or drugs, clearance from a physician designated by the City may be required. The City reserves the right to send an employee home on sick leave under these circumstances.

G. Employees with substance abuse problems are encouraged to participate voluntarily in the City-sponsored Employee Assistance Program (EAP). Assistance through the EAP may be sought by an employee with complete confidentiality and without adverse consequences to his/her employment. Employees should be aware, however, that a request for assistance through the EAP will not insulate the employee from disciplinary action already contemplated. Depending upon the facts surrounding the reasonable suspicion determination, positive test result, and/or other violation of this policy or other City/department rules and regulations, the City may refer an employee to the EAP. Such referral could, at the discretion of the City, be made available to the employee as an alternative to disciplinary action. Referral would be subject to agreement by the employee to enroll, participate in and successfully complete rehabilitation and/or counseling program and other terms and conditions in a "Last Chance Agreement."

1. It is the City's intent to use the EAP option for first offenders except the City reserves the right to discipline for those offenses, which are a significant violation of City/department rules and regulations or where violation did or could have resulted in serious injury or property damage.

2. Consequences of a Positive Controlled Substance and/or Alcohol Test. A covered employee who tests positive for a controlled substance and/or alcohol may be subject to disciplinary action, up to and including termination from employment.

As a result of a positive controlled substance and/or alcohol random test, a temporary non-safety sensitive job assignment for an employee who is removed from the performance of safety sensitive duties or who is restricted from driving non-commercial City vehicles, may be

approved by the department head based on the availability of meaningful work to meet operational need.

An employee must use accrued leave time or request personal leave of absence without pay if time off from work is necessary for any treatment or rehabilitation program. The costs of rehabilitation or treatment services, whether or not covered by the employee's medical plan, are the ultimate responsibility of the employee.

PEACEFUL PERFORMANCE

Apart from and in addition to existing restrictions upon work stoppages, the Association hereby agrees that neither it nor its officers, agents, or representatives shall incite, encourage, or participate in any strike, sympathy strike, walkout, slowdown, speedup, sick-out, or other work stoppage during the life of this Agreement for any cause or dispute whatsoever, either with the Association or with any other person or organization. In the event of work stoppage as enumerated above, the Association, its officers, agents and representatives shall do everything within their power to end or avert the same. The City reserves its rights to exercise all available legal and equitable remedies in the event of a violation. Any employee engaging in or assisting any work stoppage as enumerated above, or refusing to perform duly assigned services in violation of this Article, shall be subject to discipline up to and including termination. The City reserves the right to selectively discipline employees hereunder.
It is understood that violation of this Article by the Association will warrant the withdrawal of any rights, privileges or services provided for in this Agreement and/or legal action by the City of redress.

The inclusion of this Article in this agreement shall in no way be deemed to stop the City from seeking any form of legal, equitable, or administrative relief to which it may be entitled during the term of this agreement.

GRIEVANCE PERIOD

A. <u>Definition of Grievance</u>

A grievance is an alleged violation of a specific provision of this MOU or the City of Cudahy Personnel Rules and Regulations that adversely affects the grievant. This grievance procedure applies to all unit members. The grievance procedure cannot be utilized to challenge the content of a performance evaluation, a disciplinary action, or rejection from probation.

B. Statement of Grievance

The grievance filed by the grievant should include the following information: the date of the alleged violation; the specific provision(s) of the MOU or personnel rule that were allegedly violated; a description of all facts regarding how the alleged violation occurred; and a list of all persons who are witnesses or are involved.

C. Timelines

Failure of the City to comply with the time limits of the grievance procedures allows the grievant to appeal to the next level of review. Failure of the grievant to comply with the time limits of the grievance procedures constitutes an abandonment of the grievance. The parties may extend time limits by mutual written agreement in advance of a deadline.

D. Grievance Procedure

1. Step One: Informal Resolution with Supervisor – The employee must first work in good faith to resolve the grievance informally through discussion with his/her immediate supervisor no later than 14 calendar days after the event giving rise to grievance has occurred. The supervisor shall attempt to resolve the matter with the employee, and, within a reasonable amount of time, issue a decision on the matter in writing to the employee.

2. Step Two: Department Head – If the employee believes that the grievance has not been resolved through Step One, the employee may submit a written Statement of the Grievance to his/her department head. The employee must submit the Statement of the Grievance within 14 calendar days of receiving the written decision by the immediate supervisor. The department head shall consider, discuss the grievance with the grievant, and investigate as he/she deems appropriate, and shall, within 14 calendar days of receipt of the written Statement of the Grievance, submit his/her decision in writing to the grievant.

3. Step Three: City Manager – If the employee believes that the grievance has not been resolved through Step Two, the employee may appeal the grievance decision of the department head to the City Manager. Such appeal must be filed within 14 calendar days of the date of the department head's written decision. The City Manager shall consider, discuss the grievance with the grievant, and investigate as he/she deems appropriate, and shall, within 21 calendar days of receipt of the written Statement of the Grievance, submit his/her decision in writing to the grievant. The decision of the City Manager shall be final.

E. Representation

A grievant may have a representative of his/her choice at any stage of the grievance procedure, except that the grievant may not be represented by an employee he/she supervises, or by his/her supervisor. The grievant and designated representative of the grievant (if the representative is a City employee) shall receive release time for the time during grievance meetings. 48 hours prior to the schedule grievance meeting, the grievant shall inform his/her immediate supervisor, department head or City Manager whether he/she shall be represented at the grievance meeting, and shall identify the representative.

F. Withdrawal of Grievance

Any grievance may be withdrawn by the grievant at any time in writing. Withdrawal of a grievance shall be with prejudice and shall remove the right of the grievant to refile the grievance on the same set of facts.

MANAGEMENT FUNCTIONS

1. Manage the City.
2. Scheduling working hours.
3. Establish, modify or change work schedule standards.
4. Institute changes in procedures.

5. Direct the work force, including the right to hire, promote, demote, transfer, suspend, discipline, layoff, or discharge any employee.
6. Determine the location of any new facilities, buildings, departments, divisions or subdivisions thereof, and the relocation, sale, leasing or closing of facilities, departments, divisions, and subdivisions thereof.
7. Determine services to be rendered.
8. Determine the layout of buildings and equipment and materials to be used therein.
9. Determine processes, techniques, methods, and means of performing work.
10. Determine the size, character, and use of inventories.
11. Determine financial policy, including accounting procedure.
12. Determine the administrative organization of the City.
13. Determine selection, promotion, or transfer of employees.
14. Determine the size and characteristics of the work force.
15. Determine the allocation and assignment of work force.
16. Determine policy affecting the selection of new employees.
17. Determine the establishment of quality and quantity standards and the judgment of quality and quantity of work required.
18. Determine administration of discipline.
19. Determine control and use of City property, materials and equipment.
20. Schedule work periods and determine the number and duration of work periods.
21. Establish, modify, eliminate, or enforce rules and regulations.
22. Place work with outside firms.
23. Determine the kind and number of personnel necessary.
24. Determine the methods and means by which such operations are to be conducted.
25. Require employees, where necessary, to take in-service training courses during working hours.
26. Determine duties to be included in any job classification.
27. Determine the necessary of overtime and the amount of overtime required.
28. Take any necessary action to carry out the mission of the City in case of an emergency.
29. Prescribe a uniform dress to be worn by designated employees.
30. Determine an on call system for employees.

The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the City, the adoption of policies, rules, regulations, and practices in furtherance thereof, and the use of

judgment and discretion in connection therewith, shall be limited only by the specific and express terms of this Agreement, and then only to the extent such specific and express terms are in conformance with the law.

Any dispute arising out of or in any way connected with either the existence of, or the exercise of any of the above described rights of the City is not subject to the grievance provision unless such dispute is otherwise grievable under another Article of this Agreement.

CONSTRUCTION

Nothing contained in this Memorandum of Understanding, or any attachment thereto, is intended to, in any way, modify, interpret, construe, or change existing or future law which may cover the topic. For purposes of these references, law shall include the Constitution and all relevant Federal statutes, and all final appellate court decisions on the issue. References contained herein the matters covered by the law are included simply for the purpose of drawing the attention of the parties to legal requirements related to City employees and the government of the City.

FULL UNDERSTANDING, MODIFICATIONS, WAIVER

It is intended that this Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

Except as specifically provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right, and agrees that the other shall not be required to negotiate with respect to any subject or matter covered herein during the term of this Agreement.

Any agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto, and if required, approved and implemented by the City Council.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

SAVINGS CLAUSE

This Memorandum of Understanding is subject to all applicable Federal, State, and City laws, ordinances, resolutions, and any lawful rules and regulations enacted by the City Council. If any part or provision of this Memorandum of Understanding is in conflict or inconsistent with such applicable provisions of Federal, State, or City laws, ordinances, resolutions, or is otherwise held to be invalid or unenforceable by any tribunal suspended and superseded by such applicable law or regulations, and the remainder of this Memorandum of Understanding shall not be affected thereby.

For Cudahy Miscellaneous Employees Association

Aracely Villaseñor, CMEA Board

Ruben Vasquez, CMEA Board

Aurelio Trujillo, CMEA Board

For the City of Cudahy

Jose Pulido, City Manager

Jose Gonzalez, Mayor

Raul Mazariegos, CMEA Board

ATTEST:

Richard Iglesias, Assistant City Clerk

EXHIBIT A
SALARY RANGES

RANGES	POSITION	7/1/2019 Salary Range	7/1/2020 Salary Range	7/1/2021 Salary Range
24				
23				
22				
21				
20	Assistant City Enginner	7181-8968	7361-9192	7545-9422
19				
18				
17	Senior Accountant	6216-7763	6371-7957	6530-8156
16	Associate Engineer	5923-7397	6071-7582	6223-7772
15				
14	Asssistant Engineer	5381-6721	5516-6889	5654-7061
13				
12	Accounting Technician	4951-6184	5075-6339	5202-6497
11	Maintenance Superintendent	4888-6105	5010-6258	5135-6414
10	Planning Associate	4656-5815	4772-5960	4891-6109
9	Maintenance Supervisor	4435-5538	4546-5676	4660-5818
	Planning Assistant			
	Recreation Program Coordinator			
	Sr. Community Preservation Officer			
8	Community Preservation Officer	4226-5278	4332-5410	4440-5545
	Administrative Assistant			
7				
6	Maintenance Leader	4027-5029	4128-5155	4231-5284
5	Asst. Recreation Program Coordinator	3835-4789	3931-4909	4029 - 5032
4				
3	Maintenance Worker	3487-4354	3574-4463	3663-4575
2				
1				

Compensation Schedule Effective

July 1, 2019

Association Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	3169	3248	3330	3413	3498	3586	3675	3767	3861	3958
A2	3321	3404	3489	3577	3666	3758	3852	3948	4047	4148
A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
A4	3656	3747	3841	3937	4035	4136	4239	4345	4454	4565
A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
A7	4063	4165	4269	4376	4485	4597	4712	4830	4951	5074
A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
A13	5128	5256	5388	5522	5661	5802	5947	6096	6248	6404
A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
A15	5646	5787	5932	6080	6232	6388	6548	6711	6879	7051
A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
A18	6521	6684	6851	7022	7198	7378	7562	7751	7945	8144
A19	6842	7013	7188	7368	7552	7741	7934	8133	8336	8544
A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
A21	7535	7724	7917	8115	8317	8525	8739	8957	9181	9410
A22	7908	8106	8308	8516	8729	8947	9171	9400	9635	9876
A23	8299	8506	8719	8937	9160	9389	9624	9864	10111	10364
A24	8711	8928	9152	9380	9615	9855	10102	10354	10613	10878

Compensation Schedule Effective

July 1, 2020

Association Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	3248	3329	3413	3498	3585	3676	3767	3861	3958	4057
A2	3404	3489	3576	3666	3758	3852	3948	4047	4148	4252
A3	3574	3663	3755	3849	3945	4044	4145	4249	4354	4463
A4	3747	3841	3937	4035	4136	4239	4345	4454	4565	4679
A5	3931	4028	4130	4232	4339	4446	4558	4672	4789	4909
A6	4128	4231	4337	4445	4556	4670	4787	4907	5030	5155
A7	4165	4269	4376	4485	4597	4712	4830	4951	5075	5201
A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
A10	4772	4892	5014	5139	5269	5400	5535	5673	5815	5960
A11	5010	5136	5264	5396	5531	5669	5811	5956	6105	6258
A12	5075	5202	5332	5465	5602	5742	5886	6033	6184	6339
A13	5256	5387	5523	5660	5803	5947	6096	6248	6404	6564
A14	5516	5654	5795	5940	6089	6241	6397	6557	6721	6889
A15	5787	5932	6080	6232	6388	6548	6712	6879	7051	7227
A16	6071	6223	6379	6537	6701	6869	7041	7217	7397	7582
A17	6371	6530	6693	6861	7033	7209	7388	7574	7762	7957
A18	6684	6851	7022	7198	7378	7562	7751	7945	8144	8348
A19	7013	7188	7368	7552	7741	7935	8132	8336	8544	8758
A20	7361	7544	7733	7926	8124	8327	8535	8748	8968	9192
A21	7723	7917	8115	8318	8525	8738	8957	9181	9411	9645
A22	8106	8309	8516	8729	8947	9171	9400	9635	9876	10123
A23	8506	8719	8937	9160	9389	9624	9865	10111	10364	10623
A24	8929	9151	9381	9615	9855	10101	10355	10613	10878	11150

Compensation Schedule Effective

July 1, 2021

Association Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	3329	3412	3498	3585	3675	3768	3861	3958	4057	4158
A2	3489	3576	3665	3758	3852	3948	4047	4148	4252	4358
A3	3663	3755	3849	3945	4044	4145	4249	4355	4463	4575
A4	3841	3937	4035	4136	4239	4345	4454	4565	4679	4796
A5	4029	4129	4233	4338	4447	4557	4672	4789	4909	5032
A6	4231	4337	4445	4556	4670	4787	4907	5030	5156	5284
A7	4269	4376	4485	4597	4712	4830	4951	5075	5202	5331
A8	4440	4551	4665	4782	4902	5025	5150	5279	5410	5545
A9	4660	4777	4894	5017	5142	5271	5404	5538	5676	5818
A10	4891	5014	5139	5267	5401	5535	5673	5815	5960	6109
A11	5135	5264	5396	5531	5669	5811	5956	6105	6258	6414
A12	5202	5332	5465	5602	5742	5886	6033	6184	6339	6497
A13	5387	5522	5661	5802	5948	6096	6248	6404	6564	6728
A14	5654	5795	5940	6089	6241	6397	6557	6721	6889	7061
A15	5932	6080	6232	6388	6548	6712	6880	7051	7227	7408
A16	6223	6379	6538	6700	6869	7041	7217	7397	7582	7772
A17	6530	6693	6860	7033	7209	7389	7573	7763	7956	8156
A18	6851	7022	7198	7378	7562	7751	7945	8144	8348	8557
A19	7188	7368	7552	7741	7935	8133	8335	8544	8758	8977
A20	7545	7733	7926	8124	8327	8535	8748	8967	9192	9422
A21	7916	8115	8318	8526	8738	8956	9181	9411	9646	9886
A22	8309	8517	8729	8947	9171	9400	9635	9876	10123	10376
A23	8719	8937	9160	9389	9624	9865	10112	10364	10623	10889
A24	9152	9380	9616	9855	10101	10354	10614	10878	11150	11429

Keenan
Associates

City of Cudahy

Short-Term and Long-Term Disability

Effective: January 1, 2020

	Current	Proposed
Carrier Name		**Reliance Std**
Rate Guarantee		1 year
Plan Name		STD Plan 1
General Plan Information		
Elimination Period		
Accident		14 days
Sickness		14 days
Benefit Percentage		66.67%
Weekly Benefit Maximum		$2,309
Maximum Period of Payment		180 days
Rate Structure		
STD Volume Benefit		$13,857
Premium Rate		$0.220
STD Premium (Monthly, per $10)	**$0.00**	**$304.85**
Total Annual Premium	**$0.00**	**$3,658.16**

Attachment D

FRINGE BENEFITS AND SALARY PLAN

(Exhibit A to Resolution No. 20-XX)

Effective July 1, 2020

CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

CITY OF CUDAHY
C
CALIFORNIA

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PART I
THE FRINGE BENEFITS PLAN

PART I – THE FRINGE BENEFIT PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070 of the Cudahy Municipal Code to provide for the fringe benefits of City officers and employees.

The City of Cudahy has established a number of benefit programs for its eligible employees. This Plan does not restate all of the features of these benefit programs. The purpose of this Plan is to identify the coverage amounts, costs and limitations of specific benefits as applied and approved by the City Council for specific employee groups. Additional terms, conditions, and limitations regarding program eligibility and benefit entitlement are included in official plan documents, which, notwithstanding the foregoing, shall control in determining coverage amounts, costs and limitations of specific benefits. Additional administrative guidelines may also be found in the City's Personnel Rules, and other terms and conditions of employment within the Cudahy Miscellaneous Employees' Memoranda of Understanding. The Fringe Benefit and Salary Plan shall not change the nature of any employee's status as an at-will employee.

Section 2. Applicability

This exhibit defines the various benefits provided to City officers and employees. Each category covered herein indicates the specific group and/or classification of employee for which the benefit applies (e.g. Appointed Officials, Management/Confidential Employees, and Miscellaneous Employees).

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein, and defined specifically under Section 23 below.

City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City. To the extent that any benefits described herein conflict with the applicable employment agreement, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreement controls.

Section 3. Holidays

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same holidays that Management/Confidential employees receive, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same holidays that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[1]

Every employee shall be entitled to the following paid holidays each year and such other as may be designated by action of the City Council:

1. New Year's Day – January 1st
2. Martin Luther King Jr. Day - The third Monday in January
3. President's Day - The third Monday in February
4. Cesar Chavez Day – March 31st
5. Memorial Day - The last Monday in May
6. Independence Day - July 4th
7. Labor Day - The first Monday in September
8. Veteran's Day – November 11th
9. Thanksgiving Day
10. Christmas Eve – December 24th
11. Christmas Day – December 25th
12. One Floating Holidays (Pro-rated for New Employees based on hire date)

The observance of holidays, work on a holiday, and other related rules as applied to holiday compensation shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

If the Friday after Thanksgiving or Good Friday fall on a regularly scheduled work day, it shall be considered a designated holiday; alternatively, if the Friday after Thanksgiving or Good Friday fall on the employees day off, it shall not be considered a designated holiday.

[1] See Memorandum of Understanding By and Between Cudahy Miscellaneous Employees' Association and The City of Cudahy, July 1, 2015-June 30, 2019 (hereinafter "CMEA MOU"), pg. 15.

Section 4. Vacation

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall be entitled to the same Vacation benefits that Miscellaneous Employees are entitled to, including buy-back provisions unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive a maximum of eighty (80) hours of vacation leave per year, and may carry over unused leave from year to year, not to exceed a total of 320 hours, at which time accruals shall cease. On December 31st of each year, accumulated and unused vacation leave may be sold back to the City at the regular hourly rate, provided that fifty (50) hours of accrued vacation time remains on the books.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Vacation benefits that Miscellaneous employees are entitled to including buy-back provisions, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[2]

1) Accrual of Vacation Leave

Full-time employees shall accrue paid vacation leave on the following scheduled basis.

Years of Service	Hours Per Year	Bi-Weekly Accrual	Maximum Accrual
0-5	80	3.077 hours	160 hours
6-10	120	4.616 hours	240 hours
11+	160	6.154 hours	320 hours

2) Vacation Buy Back

At the end of each calendar year, provided that fifty (50) hours of accrued vacation time remains on the books, employees may request pay in lieu of time off for accrued and unused vacation time. Upon separation from City employment, all accrued but unused vacation time is eligible to be sold back at full value based on the employee's rate of pay at the time of separation.

[2] See CMEA MOU, pp. 8-10.

3) Vacation Policy

Vacation Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 5. Sick Leave

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to twelve (12) days of sick leave per year (96) hours, and may sell back at full rate of pay accrued but unused sick leave on the same terms and conditions as established for other employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Sick Leave benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[3]

1) Accrual of Sick Leave

Employees shall be granted sick leave with pay at the rate based on the current number of hours the employee is regularly scheduled to work during a workday. For example, employees who are currently scheduled to work 10 hours during the workday will receive ten (10) hours of sick leave with pay for each full month of service. Any sick leave accrued but unused in any year shall be accumulated to a maximum accumulation of 480 hours.

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employees' normal rate of sick leave accumulation to be extended by the number of calendar days for which such leave of absence has been granted less the first fifteen (15) calendar days of such leave. Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

2) Sick Leave Buy-Back

On July 1 of each year, employees may sell back at 50% value of the maximum 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick

[3] See CMEA MOU pp. 10-11.

leave on the books prior to being eligible for any sick leave buy back. Sick leave buy-back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon retirement from employment with the city, all accumulated sick leave is eligible to be sold back at 50% value of the maximum of 192 hours of sick leave that they have accrued but did not utilize based on the employee's rate of pay at the time of separation.

3) Sick Leave Policy

The use of Sick Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 6. Car Allowance

The City recognizes that various Appointed Officials and Department Heads may require extensive use of an automobile in the ordinary course of performing duties for the City. Accordingly, the City, as added compensation, shall provide an automobile allowance to the following classifications, in the amounts defined below, unless changed by an amendment to this Resolution by the City Council.

POSITION	MONTHLY AMOUNT
City Clerk	$350.00
City Manager	$400.00
City Treasurer	$350.00
Finance Manager	$350.00
Community Development Manager	$350.00
Public Safety and Services Manager	$350.00
Assistant City Clerk	$350.00
Human Resources Manager	$350.00

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 7. Reimbursement for Expenses

The City will reimburse employees for reasonable and authorized expenses incurred on behalf of the City of Cudahy. All travel and other business expenses must be pre-approved by the department head and the City Manager, and must follow the Travel/Training Expense Policy and be reported within one (1) month from the time they are incurred. Every attempt will be made to issue reimbursement for approved expenses within two (2) weeks from the time the expense report forms received by Finance. Failure to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action.

Employees shall be reimbursed for the use of their vehicle for City Business at the allowable IRS Standard Mileage Rate for each year. Employees shall be reimbursed upon submittal of a monthly reimbursement form with Department Head approval.

Section 8. Health Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be 100% of plan cost for City Manager and Dependent's Coverage.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a health insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[4]

The City shall contribute toward the coverage of employees and their dependents in the medical insurance program available through the Public Employee's Retirement System as provided for under the Public Employee's Medical and Hospital Care Act as follows:

Effective upon MOU adoption, the City shall contribute an amount up to 100% of the coverage amount for the Kaiser Permanente plan that corresponds to the employee's coverage. For an employee with Blue Shield insurance, the City and employee shall equally share the difference between the Blue Shield plan and Kaiser Permanente plan monthly premium amount that corresponds to the employee's coverage where the Blue Shield plan monthly premium is higher than the Kaiser Permanente monthly premium.

[4] See CMEA MOU p. 20.

Section 9. Health Insurance for Retirees

a) Vesting of Medical Benefits for Appointed Officials (Non-represented)

Appointed officials including the City Clerk, City Treasurer and City Manager may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Appointed officials shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Vesting of Medical Benefits for Management/Confidential Employees (Non-represented)

Management/Confidential Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules and upon retirement from the City of Cudahy. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

Management/Confidential Employees shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Vesting of Medical Benefits for Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Miscellaneous Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution is $1,200.00 of the plan cost.

Section 10. Life Insurance

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall receive City paid term life insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive City paid term life insurance policy in the amount of $1,000,000.00.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same life Insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[5]

Effective January 11, 2016, the City will provide a term life insurance policy in the amount of $100,000 per employee. The premium for such insurance shall be paid by the City.

[5] See CMEA MOU p. 21.

Section 11. Disability Insurance

a) Appointed Officials (Non-represented)

The City Manager, City Clerk, and City Treasurer shall receive a City paid Long Term Disability policy, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Disability Insurance benefits that miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[6]

The City will provide a sixty (60) day Long Term Disability policy. 100% of the premium coverage for such insurance shall be paid by the City.

Upon execution of the MOU, the City will immediately take steps to join the short-term disability insurance plan proposed and outlined by Keenan Associates as described in exhibit "B" of the agreement.

[6] See CMEA MOU, p. 21.

Section 12. Dental Insurance

a) Appointed Officials (Non-represented)

For the City Clerk and City Treasurer, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the dental insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[7]

The City shall offer a dental plan for employees and their dependents. The City will contribute towards the purchase of said dental coverage if the employee elects coverage as follows:

Effective January 11, 2016, the City shall contribute an amount up to the average amount of the dental plans available that corresponds to the employee's coverage.

[7] See CMEA MOU, pp. 20-21.

Section 13. Vision Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the vision insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[8]

For Miscellaneous Employees, the City shall offer vision care insurance for employees and their dependents. The City shall contribute towards the coverage in a vision insurance program as provided by the City. Effective January 11, 2016, the City shall contribute 100% of the coverage amount that corresponds to the employee's coverage.

[8] See CMEA MOU, p. 21.

Section 14. Deferred Compensation (457 or 401a) Plan

a) Appointed Officials (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City does not make a contribution to said Plan on behalf of employees.

Section 15. Retirement Contribution

Every full-time employee shall participate in the California Public Employees Retirement System (CalPERS) plan as adopted by the City Council, as well as part-time classes that are not formally excluded via the City's CalPERS contract. Hourly classes that are excluded via the City's CalPERS contract shall not be enrolled in the plan. Participation in the retirement plan continues until the employee terminates employment with the City for any reason, and shall then cease under the terms of said plan. An employee is vested after five (5) years and may be eligible for benefits from the CalPERS system.

a) First Tier Retirement Formula ("Classic Members"):

Effective July 1, 2008, the City amended the CalPERS contract to provide the benefit knows as 2.7% at 55 retirement formula.

1) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[9]

For unit members covered under the 2.7% at 55 retirement formula, who are defined as "classic members" under the Public Employees Reform Act of 2013 (PEPRA) (i.e. not defined as "new members" under Gov. Code section 7522.04(f):

Effective January 11, 2016 - Classic members shall pay 3% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS. Effective July 1, 2016 – Classic members shall pay an additional 3% for a total of 6% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

Effective July 1, 2017 – Classic members shall pay an additional 2% for a total of 8% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

b) Second Tier Retirement Formula ("Classic Members"):

Effective October 16, 2011, the benefit known as 2% @ 60 retirement formula shall apply to employees hired or who become eligible for enrollment in the CalPERS Retirement Plan on or after the effective date of the City's contract amendment with CalPERS to implement this benefit. For unit members covered under this 2% at 60 retirement formula, who are defined as "classic members" under the PEPRA (i.e. not defined as "new members" under Gov. Code section 7522.04(f)), the City will only contribute the normal employer contribution, and the employee is responsible for paying the entire employee's contribution rate of 7% of "compensation earnable" as defined in Gov. Code section 20636.

[9] See CMEA MOU, pp. 21-22.

c) Third Tier Retirement Formula ("New Members"): Effective January 1, 2013, in accordance with the Public Employees' Pension Reform Act (PEPRA) and Gov. Code section 7522.30, new employees hired on or after January 1, 2013 shall be enrolled in the benefit known as 2% @ 62 retirement formula. The City will only contribute the normal employer contribution, and the employee is responsible for paying the employee contribution of 50% of the total normal cost, as defined by CalPERS.

d) Employer Paid Member Contributions (EPMC)
Should the City express interest in providing the EPMC benefit for any employee unit, a "me too" clause shall take effect for the Miscellaneous Unit.

Section 16. Severance Allowance

a) Appointed Officials (Non-represented)

For Appointed Officials, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential employees, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

Section 17. Relocation Allowance

a) Appointed Officials (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

b) Management/Confidential Employees (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

Section 18. Uniform Allowance

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[10]

The City shall purchase uniforms for designated employees as budgeted, but not to exceed $500/year.

Section 19. Cell Phone Stipend

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[11]

Employees who are not issued cell phones by the City and use their personal cell phones for minimal work-related use are eligible to receive a monthly stipend in the amount of $20. Employees who believe they are eligible to receive the stipend shall make a request to the City Manager for the stipend. The City Manager or designee shall then decide whether the employee is eligible for the stipend.

The following City positions are issued cell phones by the City, and employees holding these positions are not eligible to receive the cell phone stipend: Maintenance Leader, Maintenance Supervisor, and Code Enforcement Officer.

Section 20. Bereavement Leave

The City shall provide bereavement leave to all full-time Appointed Officials, Management/Confidential Employees, and Miscellaneous employees[12].

Regular full-time employees are entitled to up to three (3) working days of leave, with pay, upon the death of an immediate family member, calculated at regular base rate, to arrange and attend the funeral.

The City shall administer the provisions of this benefit as defined in the Personnel Rules and the City of Cudahy Miscellaneous Employees' Association MOU. Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for Bereavement Leave.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

[10] See CMEA MOU, p. 24.
[11] See CMEA MOU, p. 25.
[12] See CMEA MOU, p. 12.

Section 21. Miscellaneous Leaves of Absence

The City shall provide leaves of absence policies for the following categories:

a) Paid Bone Marrow or Organ Donor Leave
b) Paid Time Off for Jury Duty/Witness Duty
c) Time Off to Vote
d) Family and Medical Leave (FMLA)/California Family Rights Leave (CFRA)
e) Pregnancy Disability Leave (PDL)
f) Work Related Disability Leave
g) Medical Disability Leave
h) Industrial Leave
i) Military Duty Leave
j) Military Family Leave
k) Spousal/Registered Domestic Partner Military Leave
l) School Activities and School Visits Leave
m) Victims of Domestic Violence, Sexual Assault and Other Crimes Leave
n) Volunteer Civil Service Leave
o) Literacy Assistance Leave
p) Personal Leave/

The City's personnel rules shall serve as the official policy related to eligibility and benefits for the above stated leaves. It is the intent of the City to comply with all state and federal laws related to leaves, and to the extent that state and federal laws provide a greater benefit, the City shall comply and provide such benefits to eligible employees.

Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for under the section Leave of Absence Without Pay.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 22. Education Reimbursement

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to education reimbursement on the same terms and conditions as established for Management/Confidential employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City shall reimburse Management/Confidential Employees for the cost of books and tuition for courses taken at any State College, State University, Community College or an approved accredited private college or university as approved by the City Manager.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[13]

The City will reimburse employees for 100% of the cost of books, materials, parking and tuition up to a maximum reimbursement equivalent to a part-time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college, not to exceed $5,000 per employee per year. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager or designee must approve all courses in advance in order for the employee to be eligible for the reimbursement.

The City is currently reviewing its education incentive policy City-wide. The City intends on providing the education incentive in a manner that is consistent across eligible employee groups. The CMEA may reopen negotiations during the term of the MOU as to the education incentive.

Section 23. Educational Seminars

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[14]

Employees wishing to further their education through short-term courses or one-day seminars at City expense may do so but only with written Department Head approval. The City shall administer the terms of this provision as further defined under the Education Seminars section of the Cudahy Miscellaneous Employees' Association MOU.

[13] See CMEA MOU, p. 22.
[14] See CMEA MOU, p. 23.

Section 24. The Extension of Benefits to Other Classifications

a) Appointed Officials (Non-represented)

The fringe benefits set forth herein are minimum benefits; to the extent greater benefits are extended to other employees of the City, the City Clerk, City Treasurer and City Manager shall be entitled to such benefits. All provisions of the Cudahy Municipal Code, any Memorandum of Understanding with represented employees of the City, and the City's Personnel Rules that relate to fringe benefits as those provisions now exist, or hereinafter may be amended, shall apply to the City Clerk, City Treasurer, and City Manager in like manner as they apply to other employees of City.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

All Management/Confidential employees are entitled to and shall enjoy the specific fringe benefits as described and defined within each benefit provision.

Except as otherwise stated within any section of the Fringe Benefits and Salary Plan, all Management/Confidential employees are exempt from the City's Personnel Rules. All Management/Confidential employees are at-will employees.

Section 25. Hourly Employees

a) Eligibility for Benefits

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein.

b) Paid Sick Leave Accrual

Hourly employees, including temporary, extra help, part-time, and seasonal employees who work 30 or more days within a year from when employment commences, shall be entitled to 24 hours of sick leave per fiscal year, effective July 1, 2015, and employees shall receive subsequent annual sick leave accruals of 24 hours added to their leave bank in January of each calendar year. Sick leave must be used in a minimum of 2 hour increments. Unused sick leave under this program may be carried over to the following year not to exceed an accrual cap of six (6) days/forty-eight (48) hours of sick leave. An employee may use no more than twenty-four (24) hours in any one year. Employees are entitled to request and use accrued paid sick days beginning on the 90th day of employment. The rate of pay shall be at the employee's regular hourly wage.

c) FICA Alternative Plan

Hourly employees shall be entitled to receive the City's 3.75% FICA alternative plan contribution in lieu of Social Security and/or participation in CalPERS.

PART II

THE SALARY PLAN

PART II - THE SALARY PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070(2) of the Cudahy Municipal Code to provide for the compensation of City officers and employees and to conform to the principle of equal pay for equal work. Notwithstanding the foregoing, the terms of individual employment agreements shall control over the compensation amounts described in this Salary Plan when determining the salary of individual employees under contract with the City.

Section 2. The Classification Plan

The Classification Plan includes the allocation of class titles to salary ranges for City officers and employees under one Plan in which all positions substantially similar with respect to duties, authority, responsibility and working conditions are included within the same class, and that the same schedules of compensation be made to apply with equity under the working conditions to all positions in the same class.

The Classification Plan further includes the allocation of class titles to salary ranges for those employees which are designated as non-represented Management/Confidential employees who are exempt from the classified service. These exempt classes consist of persons appointed by the City Council, including the City Manager, City Clerk, and City Treasurer, and persons appointed by the City Manager, including department heads or designees, that serve in an "at will" capacity subject to the terms and conditions of an employment agreement, and are exempt from the classified service.

Non-classified positions are entitled to no more than the same benefits as provided to classified employees in a similar position and level in the organization. The Classification Plan as of the date of adoption of this Plan is hereby established as set forth in the addendum, referred to as the **Salary Schedule,** which is attached hereto and incorporated herein by reference. The Classification Plan shall not change the nature of any employee's status as an at-will employee.

Section 3. Basic Compensation Plan

The basic compensation plan for City officers and employees, as of the date of adoption of this Plan is hereby established as set forth in the Addendum, including the following:

1) Hourly Range Table

2) Association Range Table

3) Management/Confidential Range Table

4) Salary Schedule

The Salary Plan shall be referred to as the **Salary Schedule** which incorporates the allocation of ranges (defined in the range tables) to classifications, which is attached hereto and incorporated herein by reference.

Range tables for the Cudahy Municipal Employees' Association include steps with approximately 2.5% between steps.

Range tables for Appointed Officials (City Clerk, City Treasurer, and City Manager) have one step (flat rate).

Range tables for Management/Confidential include ten (10) steps with approximately 2.5% between steps.

Range tables for Hourly employees consist of one (1) to three (3) steps.

Section 4. Pay Philosophy

The City Council establishes a pay philosophy that the base pay of all positions shall be ideally set at the median pay provided by comparable cities of similar size, budget, staff, and geographic area, based on the City's financial ability to pay.

Section 5. Plan Maintenance

Increases to the Range tables and applied to the Salary Schedule are adopted and approved by the City Council via Resolution to amend the Fringe Benefit and Salary Plan.

Such recommended increases are negotiated between the City and the Cudahy Miscellaneous Employees' Association. The City Council may further take appropriate action to extend such increases to unrepresented Management/Confidential Employees, Appointed Officials including the City Clerk, City Treasurer and City Manager, and positions appointed by the City Manager.

In addition to negotiated increases, the City may take steps to maintain the Salary Plan by conducting regularly scheduled salary reviews and/or intermittent salary reviews as determined by changes in the labor market, and the need to compete for talent and/or retain current employees.

Section 6. Eligibility for Salary Advancement

a) Management/Confidential Employees (Non-represented)

Management/Confidential employees may receive the same considerations for salary advancement as provided to Miscellaneous Employees, at the City Manager's discretion.

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[15]

Salary step increases shall be considered on a merit basis only, and at prescribed times as defined in the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Any employee receiving a promotion shall receive a salary increase consistent with the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

[15] See CMEA MOU, pp. 5-6.

Section 7. Merit Ranges

a) Appointed Officials and Management/Confidential Employees (Non-represented)

Appointed City Officials including the City Clerk, City Treasurer and City Manager, as well as non-represented Management/Confidential employees who serve in an at-will capacity and are exempt from the classified service, may, subject to the terms and conditions set forth below, be eligible to have his/her salary increased to a maximum of fifteen percent beyond the regularly assigned top step of his/her salary range or salary set forth in an existing contract. The City Manager shall have administrative authority to assign, create and maintain the merit range (pay band) to implement the provisions of this Section.

Such increase shall be subject to documentation of the eligible employee's outstanding performance, based on performance and achievement of previously defined goals. The City Manager shall solely determine placement within the merit range based on the employee's performance. Notwithstanding the foregoing, with regard to increases for the City Manager and other Officials appointed by the City Council, the City Council shall determine placement within the merit range based on the employee's performance, subject to the Appointed Official's employment agreement, if any.

The continuation of increases pursuant to the provisions of this Section shall not be automatic, and failure to sustain "outstanding performance" shall cause the employee's pay to revert to the regularly assigned step for his/her classification. An employee who fails to sustain "outstanding performance" shall have their compensation reduced to the "regular range", in accordance with this section, and at the City Manager's discretion for Management/Confidential classes, and the City Council's discretion for Appointed Officials. Salary for Appointed Officials/ Management/Confidential employees who have an employment agreement with the City shall not be modified prior to an amendment to his/her employment agreement, unless the agreement permits the increase or decrease to be handled administratively.

The regular salary range shall constitute the regularly defined Steps in the Salary Range (A-J). The "merit range" shall constitute a "pay band" with a minimum rate set one dollar above the maximum of the "regular salary range" and the maximum set at an amount not to exceed fifteen percent beyond the regularly assigned top step of the salary range. The "pay band" shall be added to the Salary Schedule for the assigned non-represented Management/Confidential classifications and Appointed Officials when the increase is recommended by the City Manager or City Council.

In no case shall an employee receive additional merit compensation above the designated "merit range" as defined herein.

Eligibility for additional compensation granted to all employees as part of changes authorized by the City Council shall not be adversely affected by the employee's status in steps granted beyond the regularly assigned step pursuant to the provisions of this Section. Salaries granted pursuant to this provision shall be reported to PERS as compensation earned.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of salary that may be contained in this Fringe Benefits and Salary Plan

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

As provided in the Cudahy Miscellaneous Employees' Association MOU, employees may be eligible for merit longevity compensation as continuing incentive to career employees upon achieving the "J" step and completing ten continuous years of service. Employees may be eligible for a 5% stipend above their base pay rate , and after twenty (20) years, the stipend shall increase to a total of 7.5% above the base pay rate. Such payment shall be granted with the approval of the city Manager to employees who continue to "Exceed Standards" as evidenced by the performance rating of such employee, which is defined as a comprehensive rating at or above the middle column of the current reporting form, or the equivalent rating on any revised reporting form. Merit Longevity may be removed by the City Manager when the employee's performance does not merit such additional compensation. The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

Section 8. Compaction Rule

The top step of the salary range of any Management/Confidential classification shall be a minimum of two steps (approximately ten percent) above the top step of the closest subordinate classification, with the exception of those Management/Confidential classifications supervising specialized classifications which are highly compensated due to labor market conditions. In the case of highly compensated positions due to labor market conditions, employees may directly supervise a subordinate classification where the maximum salary range exceeds the supervisory class without the two step minimum (approximately ten percent). Subordinate classification shall be defined as any position classification in which there are employees who are supervised by the Management/Confidential employee.

Section 9. Salaries Above Market Rate – Use of "Y" Rating Method

The City Manager has the authority to implement a "Y" rating for employees whose range is found to exceed the market rate based on a salary survey. The employee in this case shall receive no increase in salary unless the maximum salary established by this Plan for their classifications exceeds the amount of their "Y" rate.

Section 10. Trainee Positions

The City Manager has the authority to establish a Trainee class for any class in the system. The salary range for Trainee classes shall be established with a salary range starting fifteen percent (15%) below the first step of the regular position and ending five percent (5%) below the first

step of the regular position. Employees who successfully complete the training program and meet the criteria for the higher level class, may be reclassified to the higher level class upon approval by the City Manager.

Section 11. Salary Differentials/Stipends

Exceptions shall be made to Sections 2 and 3 of this Plan as follows:

a. (5%) Salary Differential

After investigation and approval by the City Manager, a 5% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

b. (10%) Salary Differential

After investigation and approval by the City Manager, a 10% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

c. Bi-lingual Pay

1. Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same compensation as provided to Management/Confidential employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

2. Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same compensation as provided to Miscellaneous employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

3. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[16]

Approved and certified employees shall be compensated with a bilingual pay stipend in the amount of $75.00 per month for oral translation duties, and $125.00 per month for oral and written translations.
The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

d. Temporary Upgrade – Acting Capacity

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[17]

An employee who has been designated by the City to serve in an acting capacity for thirty (30) consecutive work days or more shall receive Step A of the pay range for the classification in which the employee is performing active duties, or a stipend of 5% above the base pay, whichever is greater. Service in an acting capacity shall not be used as a basis for, or in support of, a request for reclassification. The City Manager or designee may determine that a position filled pursuant to an acting assignment shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates.

e. Temporary Upgrade – Work Out of Class

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[18]

The City may temporarily assign employees to work out of classification. The selection of employees for an out-of-classification assignment shall be at the discretion of the City Manager or designee. A temporary out-of-class stipend of 5% above the employee's base pay shall be authorized with advance approval by the Department Head, upon consultation and approval from the City Manager or designee when an employee is designated and scheduled to work in an out- of- class assignment. Paid holidays shall be considered as days actually worked. Other forms of authorized leave such as sick leave, emergency leave and vacation shall not be considered as days actually worked.

[16] See CMEA MOU, p. 19.
[17] See CMEA MOU, pp. 7-8.
[18] See CMEA MOU, p. 8.

Section 12. Overtime

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to overtime consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Non-exempt employees shall be paid for hours worked in accordance with all legal requirements. Overtime is calculated at one and one-half (1 ½) times the employee's regular base rate of pay for all time worked over 40 hours in one workweek. Hours paid that are not actually worked, such as holidays, sick days, and vacation hours do not count as hours worked when calculating weekly overtime.

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[19]

1. For all workweeks in which there is no designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God, the employee shall be eligible for overtime pay (time and one half the employee's regular rate of pay as that term is used in the Fair Labor Standards Act) for time worked over 40 hours per workweek. In a workweek where there is a designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God and is thus unable to work their regularly scheduled shift, and the employee has not taken any time off or leave during that same week (e.g. vacation, sick or other personal leave), the employee shall be eligible for overtime pay (time and one half) for time worked beyond the employee's scheduled shift(s) during that workweek.

2. When an employee is not regularly scheduled to work on Saturdays and Sundays the employee shall receive overtime pay (time and one-half) for all time worked on those days. When an employee works on a designated City holiday, the employee shall receive overtime pay (time and one half) for all time worked on the holiday.

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedule, as work demands require.

Section 13. Compensatory Time Off

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[20]

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Compensatory Time consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

[19] See CMEA MOU, pp. 16-17
[20] CMEA MOU, p. 18.

Compensatory time is an alternative method of overtime payment to non-exempt employees. In lieu of paying a non-exempt employee for overtime worked, employees may be granted compensatory time off at the overtime rate of one and one half (1 ½) for each hour of overtime worked. Employees shall have the option of receiving overtime pay for any overtime worked. Use of earned compensatory time off must be approved in advance by the Department Head or designee. The maximum accrual limit is 120 hours.

Section 14. Executive Leave

Management/Confidential employees shall be entitled to take three (3) days (27 hours) of executive leave per fiscal year. The three (3) days (27 hours) may not be carried over to the next fiscal year and their use must have the prior permission of the City Manager. This provision shall be administered in accordance with the City's Personnel Rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 15. On-Call (Standby) Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[21]

An employee who has been instructed by their direct supervisor to stand-by is free to use this time for their own benefit. Employees On-Call (Standby) shall receive two (2) hours of compensatory time for an assigned 24 consecutive hour shift, which will not be counted towards over-time calculations.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to On-Call (Standby) Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 16. Call Back Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[22]

Call back duty occurs when an employee is called back in to work after their regular shift has ended. An employee called back to duty shall be paid a minimum of two (2) hours of compensatory time at a rate equal to time and one-half (1 ½) the regular hourly pay rate, and for actual hours worked at time and one-half the regular hourly pay rate, if hours worked exceeds two (2).

[21] CMEA MOU, p. 18.
[22] CMEA MOU, p. 19.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Call Back Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 17. Additional Approved Increases in Compensation and Changes to the Salary and Classification Plans

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[23]

All members shall receive:

- A 2% increase to their base rate effective July 1, 2019;
- A 2% increase to their base rate effective July 1, 2020; and
- A 2.5% increase to their base rate effective July 1 2021.

Section 18. The Provisions of This Plan Shall Be Operative on the Date of Its Adoption.

ADDENDUM:

1. HOURLY RANGE TABLES
2. ASSOCIATION RANGE TABLES
3. MANAGEMENT/CONFIDENTIAL RANGE TABLES
4. SALARY SCHEDULES

[23] CMEA MOU, p. 5.

HOURLY RANGE TABLES

Compensation Schedule Effective
January 1, 2019

Hourly Steps			
Ranges	**A**	**B**	**C**
H1	12.00	12.55	12.87
H2	12.55	12.86	13.19
H3	12.86	13.19	13.52
H4	13.19	13.52	13.86
H5	13.52	13.86	14.20
H6	14.20	14.55	14.92
H7	14.92	15.29	15.67
H8	15.67	16.06	16.46
H9	16.46	17.28	18.15
H10	18.15	19.06	20.01

Account Clerk	**H10**
Administrative Clerk	**H10**
Administrative Intern	**H5**
Community Preservation Technician	**H8**
Maintenance Aide	**H2**
Municipal Enforcement Officer	**H6**
Planning Technician	**H7**
Recreation Aide	**H1**
Recreation Leader	**H3**
Sr. Recreation Leader	**H4**

Compensation Schedule Effective
January 1, 2020

Hourly Steps			
Ranges	**A**	**B**	**C**
H1	13.00	13.65	14.33
H2	13.65	14.33	15.05
H3	14.33	15.05	15.80
H4	15.05	15.80	16.59
H5	15.80	16.20	16.61
H6	16.20	16.61	17.03
H7	16.61	17.03	17.46
H8	17.46	17.90	18.35
H9	17.90	18.35	18.81
H10	18.35	19.27	20.23

Account Clerk	**H10**
Administrative Clerk	**H10**
Administrative Intern	**H5**
Community Preservation Technician	**H8**
Maintenance Aide	**H2**
Municipal Enforcement Officer	**H6**
Planning Technician	**H7**
Recreation Aide	**H1**
Recreation Leader	**H3**
Sr. Recreation Leader	**H4**

ASSOCIATION RANGE TABLES

Compensation Schedule Effective

July 1, 2019

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3169	3248	3330	3413	3498	3586	3675	3767	3861	3958
A2	3321	3404	3489	3577	3666	3758	3852	3948	4047	4148
A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
A4	3656	3747	3841	3937	4035	4136	4239	4345	4454	4565
A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
A7	4063	4165	4269	4376	4485	4597	4712	4830	4951	5074
A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
A13	5128	5256	5388	5522	5661	5802	5947	6096	6248	6404
A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
A15	5646	5787	5932	6080	6232	6388	6548	6711	6879	7051
A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
A18	6521	6684	6851	7022	7198	7378	7562	7751	7945	8144
A19	6842	7013	7188	7368	7552	7741	7934	8133	8336	8544
A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
A21	7535	7724	7917	8115	8317	8525	8739	8957	9181	9410
A22	7908	8106	8308	8516	8729	8947	9171	9400	9635	9876
A23	8299	8506	8719	8937	9160	9389	9624	9864	10111	10364
A24	8711	8928	9152	9380	9615	9855	10102	10354	10613	10878

Compensation Schedule Effective

July 1, 2020

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3248	3329	3413	3498	3585	3676	3767	3861	3958	4057
A2	3404	3489	3576	3666	3758	3852	3948	4047	4148	4252
A3	3574	3663	3755	3849	3945	4044	4145	4249	4354	4463
A4	3747	3841	3937	4035	4136	4239	4345	4454	4565	4679
A5	3931	4028	4130	4232	4339	4446	4558	4672	4789	4909
A6	4128	4231	4337	4445	4556	4670	4787	4907	5030	5155
A7	4165	4269	4376	4485	4597	4712	4830	4951	5075	5201
A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
A10	4772	4892	5014	5139	5269	5400	5535	5673	5815	5960
A11	5010	5136	5264	5396	5531	5669	5811	5956	6105	6258
A12	5075	5202	5332	5465	5602	5742	5886	6033	6184	6339
A13	5256	5387	5523	5660	5803	5947	6096	6248	6404	6564
A14	5516	5654	5795	5940	6089	6241	6397	6557	6721	6889
A15	5787	5932	6080	6232	6388	6548	6712	6879	7051	7227
A16	6071	6223	6379	6537	6701	6869	7041	7217	7397	7582
A17	6371	6530	6693	6861	7033	7209	7388	7574	7762	7957
A18	6684	6851	7022	7198	7378	7562	7751	7945	8144	8348
A19	7013	7188	7368	7552	7741	7935	8132	8336	8544	8758
A20	7361	7544	7733	7926	8124	8327	8535	8748	8968	9192
A21	7723	7917	8115	8318	8525	8738	8957	9181	9411	9645
A22	8106	8309	8516	8729	8947	9171	9400	9635	9876	10123
A23	8506	8719	8937	9160	9389	9624	9865	10111	10364	10623
A24	8929	9151	9381	9615	9855	10101	10355	10613	10878	11150

Compensation Schedule Effective

July 1, 2021

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3329	3412	3498	3585	3675	3768	3861	3958	4057	4158
A2	3489	3576	3665	3758	3852	3948	4047	4148	4252	4358
A3	3663	3755	3849	3945	4044	4145	4249	4355	4463	4575
A4	3841	3937	4035	4136	4239	4345	4454	4565	4679	4796
A5	4029	4129	4233	4338	4447	4557	4672	4789	4909	5032
A6	4231	4337	4445	4556	4670	4787	4907	5030	5156	5284
A7	4269	4376	4485	4597	4712	4830	4951	5075	5202	5331
A8	4440	4551	4665	4782	4902	5025	5150	5279	5410	5545
A9	4660	4777	4894	5017	5142	5271	5404	5538	5676	5818
A10	4891	5014	5139	5267	5401	5535	5673	5815	5960	6109
A11	5135	5264	5396	5531	5669	5811	5956	6105	6258	6414
A12	5202	5332	5465	5602	5742	5886	6033	6184	6339	6497
A13	5387	5522	5661	5802	5948	6096	6248	6404	6564	6728
A14	5654	5795	5940	6089	6241	6397	6557	6721	6889	7061
A15	5932	6080	6232	6388	6548	6712	6880	7051	7227	7408
A16	6223	6379	6538	6700	6869	7041	7217	7397	7582	7772
A17	6530	6693	6860	7033	7209	7389	7573	7763	7956	8156
A18	6851	7022	7198	7378	7562	7751	7945	8144	8348	8557
A19	7188	7368	7552	7741	7935	8133	8335	8544	8758	8977
A20	7545	7733	7926	8124	8327	8535	8748	8967	9192	9422
A21	7916	8115	8318	8526	8738	8956	9181	9411	9646	9886
A22	8309	8517	8729	8947	9171	9400	9635	9876	10123	10376
A23	8719	8937	9160	9389	9624	9865	10112	10364	10623	10889
A24	9152	9380	9616	9855	10101	10354	10614	10878	11150	11429

MANAGEMENT/CONFIDENTIAL RANGE TABLES

Compensation Schedule Effective
July 1, 2017

Confidential										
	Steps									
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507

Compensation Schedule Effective
July 1, 2008

Management										
	Steps									
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
M1	5322	5474	5591	5729	5847	6020	6171	6325	6483	6645
M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781

SALARY SCHEDULES

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JANUARY 1, 2020

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Accounting Technician	CMEA	MONTHLY	A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
Administrative Analyst	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Administrative Assistant	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Administrative Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Administrative Intern	PT	HOURLY	H4	15.05	15.80	16.59							
Assistant City Enginner	CMEA	MONTHLY	A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
Assistant City Clerk	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Assistant Enginner	CMEA	MONTHLY	A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
Associate Engineer	CMEA	MONTHLY	A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
Assistant Recreation Program Coordinator	CMEA	MONTHLY	A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	16,250									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Community Development Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Community Preservation Officer	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Commmunity Preservation Technician	PT	HOURLY	H8	17.46	17.90	18.35							
Deputy City Clerk	CONFIDENTIAL	MONTHLY	C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Human Resources Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Human Resources Specialist	CONFIDENTIAL	MONTHLY	C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Junior Deputy City Clerk	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Maintenance Aide	PT	HOURLY	H2	13.65	14.33	15.05							
Maintenance Leader	CMEA	MONTHLY	A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
Maintenance Superintendent	CMEA	MONTHLY	A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
Maintenance Supervisor	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Maintenance Worker	CMEA	MONTHLY	A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
Municipal Enforcement Officer	PT	HOURLY	H6	16.20	16.61	17.03							
Planning Assistant	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Planning Associate	CMEA	MONTHLY	A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
Planning Technician	PT	HOURLY	H7	16.61	17.03	17.46							
Public Safety and Services Manager	MGMT	MONTLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Recreation Aide	PT	HOURLY	H1	13.00	13.65	14.33							
Recreation Leader	PT	HOURLY	H2	13.65	14.33	15.05							
Recreation Program Coordinator	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Accountant	CMEA	MONTHLY	A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
Senior Community Preservation Officer	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Recreation Leader	PT	HOURLY	H3	14.33	15.05	15.80							

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JULY 1, 2020

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Accounting Technician	CMEA	MONTHLY	A12	5075	5202	5332	5465	5602	5742	5886	6033	6184	6339
Administrative Analyst	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Administrative Assistant	CMEA	MONTHLY	A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
Administrative Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Administrative Intern	PT	HOURLY	H4	15.05	15.80	16.59							
Assistant City Enginner	CMEA	MONTHLY	A20	7361	7544	7733	7926	8124	8237	8535	8748	8968	9192
Assistant City Clerk	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Assistant Enginner	CMEA	MONTHLY	A14	5516	5654	5795	5940	6089	6241	6397	6557	6721	6889
Associate Engineer	CMEA	MONTHLY	A16	6071	6223	6379	6537	6701	6869	7041	7217	7397	7582
Assistant Recreation Program Coordinator	CMEA	MONTHLY	A5	3931	4028	4130	4232	4339	4446	4558	4672	4789	4909
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	16,250									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Community Development Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Community Preservation Officer	CMEA	MONTHLY	A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
Commmunity Preservation Technician	PT	HOURLY	H8	17.46	17.90	18.35							
Deputy City Clerk	CONFIDENTIAL	MONTHLY	C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Human Resources Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Human Resources Specialist	CONFIDENTIAL	MONTHLY	C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Junior Deputy City Clerk	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Maintenance Aide	PT	HOURLY	H2	13.65	14.33	15.05							
Maintenance Leader	CMEA	MONTHLY	A6	4128	4231	4337	4445	4556	4670	4787	4907	5030	5155
Maintenance Superintendent	CMEA	MONTHLY	A11	5010	5136	5264	5396	5531	5669	5811	5956	6105	6258
Maintenance Supervisor	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Maintenance Worker	CMEA	MONTHLY	A3	3574	3663	3755	3849	3945	4044	4145	4249	4354	4463
Municipal Enforcement Officer	PT	HOURLY	H6	16.20	16.61	17.03							
Planning Assistant	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Planning Associate	CMEA	MONTHLY	A10	4772	4892	5014	5139	5269	5400	5535	5673	5815	5960
Planning Technician	PT	HOURLY	H7	16.61	17.03	17.46							
Public Safety and Services Manager	MGMT	MONTLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Recreation Aide	PT	HOURLY	H1	13.00	13.65	14.33							
Recreation Leader	PT	HOURLY	H2	13.65	14.33	15.05							
Recreation Program Coordinator	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Senior Accountant	CMEA	MONTHLY	A17	6371	6530	6693	6861	7033	7209	7388	7574	7762	7957
Senior Community Preservation Officer	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Senior Recreation Leader	PT	HOURLY	H3	14.33	15.05	15.80							

FRINGE BENEFITS AND SALARY PLAN

(Exhibit A to Resolution No. 20-XX)

Effective July 1, 2020

CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

CITY OF CUDAHY
C
CALIFORNIA

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PART I
THE FRINGE BENEFITS PLAN

PART I – THE FRINGE BENEFIT PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070 of the Cudahy Municipal Code to provide for the fringe benefits of City officers and employees.

The City of Cudahy has established a number of benefit programs for its eligible employees. This Plan does not restate all of the features of these benefit programs. The purpose of this Plan is to identify the coverage amounts, costs and limitations of specific benefits as applied and approved by the City Council for specific employee groups. Additional terms, conditions, and limitations regarding program eligibility and benefit entitlement are included in official plan documents, which, notwithstanding the foregoing, shall control in determining coverage amounts, costs and limitations of specific benefits. Additional administrative guidelines may also be found in the City's Personnel Rules, and other terms and conditions of employment within the Cudahy Miscellaneous Employees' Memoranda of Understanding. The Fringe Benefit and Salary Plan shall not change the nature of any employee's status as an at-will employee.

Section 2. Applicability

This exhibit defines the various benefits provided to City officers and employees. Each category covered herein indicates the specific group and/or classification of employee for which the benefit applies (e.g. Appointed Officials, Management/Confidential Employees, and Miscellaneous Employees).

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein, and defined specifically under Section 23 below.

City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City. To the extent that any benefits described herein conflict with the applicable employment agreement, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreement controls.

Section 3. Holidays

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same holidays that Management/Confidential employees receive, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same holidays that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[1]

Every employee shall be entitled to the following paid holidays each year and such other as may be designated by action of the City Council:

1. New Year's Day – January 1st
2. Martin Luther King Jr. Day - The third Monday in January
3. President's Day - The third Monday in February
4. Cesar Chavez Day – March 31st
5. Memorial Day - The last Monday in May
6. Independence Day - July 4th
7. Labor Day - The first Monday in September
8. Veteran's Day – November 11th
9. Thanksgiving Day
10. Christmas Eve – December 24th
11. Christmas Day – December 25th
12. One Floating Holidays (Pro-rated for New Employees based on hire date)

The observance of holidays, work on a holiday, and other related rules as applied to holiday compensation shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

If the Friday after Thanksgiving or Good Friday fall on a regularly scheduled work day, it shall be considered a designated holiday; alternatively, if the Friday after Thanksgiving or Good Friday fall on the employees day off, it shall not be considered a designated holiday.

[1] See Memorandum of Understanding By and Between Cudahy Miscellaneous Employees' Association and The City of Cudahy, July 1, 2015-June 30, 2019 (hereinafter "CMEA MOU"), pg. 15.

Section 4. Vacation

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall be entitled to the same Vacation benefits that Miscellaneous Employees are entitled to, including buy-back provisions unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive a maximum of eighty (80) hours of vacation leave per year, and may carry over unused leave from year to year, not to exceed a total of 320 hours, at which time accruals shall cease. On December 31st of each year, accumulated and unused vacation leave may be sold back to the City at the regular hourly rate, provided that fifty (50) hours of accrued vacation time remains on the books.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Vacation benefits that Miscellaneous employees are entitled to including buy-back provisions, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[2]

1) Accrual of Vacation Leave

Full-time employees shall accrue paid vacation leave on the following scheduled basis.

Years of Service	Hours Per Year	Bi-Weekly Accrual	Maximum Accrual
0-5	80	3.077 hours	160 hours
6-10	120	4.616 hours	240 hours
11+	160	6.154 hours	320 hours

2) Vacation Buy Back

At the end of each calendar year, provided that fifty (50) hours of accrued vacation time remains on the books, employees may request pay in lieu of time off for accrued and unused vacation time. Upon separation from City employment, all accrued but unused vacation time is eligible to be sold back at full value based on the employee's rate of pay at the time of separation.

[2] See CMEA MOU, pp. 8-10.

3) Vacation Policy

Vacation Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 5. Sick Leave

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to twelve (12) days of sick leave per year (96) hours, and may sell back at full rate of pay accrued but unused sick leave on the same terms and conditions as established for other employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Sick Leave benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[3]

1) Accrual of Sick Leave

Employees shall be granted sick leave with pay at the rate based on the current number of hours the employee is regularly scheduled to work during a workday. For example, employees who are currently scheduled to work 10 hours during the workday will receive ten (10) hours of sick leave with pay for each full month of service. Any sick leave accrued but unused in any year shall be accumulated to a maximum accumulation of 480 hours.

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employees' normal rate of sick leave accumulation to be extended by the number of calendar days for which such leave of absence has been granted less the first fifteen (15) calendar days of such leave. Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

2) Sick Leave Buy-Back

On July 1 of each year, employees may sell back at 50% value of the maximum 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick

[3] See CMEA MOU pp. 10-11.

leave on the books prior to being eligible for any sick leave buy back. Sick leave buy-back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon retirement from employment with the city, all accumulated sick leave is eligible to be sold back at 50% value of the maximum of 192 hours of sick leave that they have accrued but did not utilize based on the employee's rate of pay at the time of separation.

3) Sick Leave Policy

The use of Sick Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 6. Car Allowance

The City recognizes that various Appointed Officials and Department Heads may require extensive use of an automobile in the ordinary course of performing duties for the City. Accordingly, the City, as added compensation, shall provide an automobile allowance to the following classifications, in the amounts defined below, unless changed by an amendment to this Resolution by the City Council.

POSITION	MONTHLY AMOUNT
City Clerk	$350.00
City Manager	$400.00
City Treasurer	$350.00
Finance Manager	$350.00
Community Development Manager	$350.00
Public Safety and Services Manager	$350.00
Assistant City Clerk	$350.00
Human Resources Manager	$350.00

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 7. Reimbursement for Expenses

The City will reimburse employees for reasonable and authorized expenses incurred on behalf of the City of Cudahy. All travel and other business expenses must be pre-approved by the department head and the City Manager, and must follow the Travel/Training Expense Policy and be reported within one (1) month from the time they are incurred. Every attempt will be made to issue reimbursement for approved expenses within two (2) weeks from the time the expense report forms received by Finance. Failure to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action.

Employees shall be reimbursed for the use of their vehicle for City Business at the allowable IRS Standard Mileage Rate for each year. Employees shall be reimbursed upon submittal of a monthly reimbursement form with Department Head approval.

Section 8. Health Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be 100% of plan cost for City Manager and Dependent's Coverage.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a health insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[4]

The City shall contribute toward the coverage of employees and their dependents in the medical insurance program available through the Public Employee's Retirement System as provided for under the Public Employee's Medical and Hospital Care Act as follows:

Effective upon MOU adoption, the City shall contribute an amount up to 100% of the coverage amount for the Kaiser Permanente plan that corresponds to the employee's coverage. For an employee with Blue Shield insurance, the City and employee shall equally share the difference between the Blue Shield plan and Kaiser Permanente plan monthly premium amount that corresponds to the employee's coverage where the Blue Shield plan monthly premium is higher than the Kaiser Permanente monthly premium.

[4] See CMEA MOU p. 20.

Section 9. Health Insurance for Retirees

a) Vesting of Medical Benefits for Appointed Officials (Non-represented)

Appointed officials including the City Clerk, City Treasurer and City Manager may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Appointed officials shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Vesting of Medical Benefits for Management/Confidential Employees (Non-represented)

Management/Confidential Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules and upon retirement from the City of Cudahy. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

Management/Confidential Employees shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Vesting of Medical Benefits for Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Miscellaneous Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution is $1,200.00 of the plan cost.

Section 10. Life Insurance

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall receive City paid term life insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive City paid term life insurance policy in the amount of $1,000,000.00.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same life Insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[5]

Effective January 11, 2016, the City will provide a term life insurance policy in the amount of $100,000 per employee. The premium for such insurance shall be paid by the City.

[5] See CMEA MOU p. 21.

Section 11. Disability Insurance

a) Appointed Officials (Non-represented)

The City Manager, City Clerk, and City Treasurer shall receive a City paid Long Term Disability policy, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Disability Insurance benefits that miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[6]

The City will provide a sixty (60) day Long Term Disability policy. 100% of the premium coverage for such insurance shall be paid by the City.

Upon execution of the MOU, the City will immediately take steps to join the short-term disability insurance plan proposed and outlined by Keenan Associates as described in exhibit "B" of the agreement.

[6] See CMEA MOU, p. 21.

Section 12. Dental Insurance

a) Appointed Officials (Non-represented)

For the City Clerk and City Treasurer, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the dental insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[7]

The City shall offer a dental plan for employees and their dependents. The City will contribute towards the purchase of said dental coverage if the employee elects coverage as follows:

Effective January 11, 2016, the City shall contribute an amount up to the average amount of the dental plans available that corresponds to the employee's coverage.

[7] See CMEA MOU, pp. 20-21.

Section 13. Vision Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the vision insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[8]

For Miscellaneous Employees, the City shall offer vision care insurance for employees and their dependents. The City shall contribute towards the coverage in a vision insurance program as provided by the City. Effective January 11, 2016, the City shall contribute 100% of the coverage amount that corresponds to the employee's coverage.

[8] See CMEA MOU, p. 21.

Section 14. Deferred Compensation (457 or 401a) Plan

a) Appointed Officials (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City does not make a contribution to said Plan on behalf of employees.

Section 15. Retirement Contribution

Every full-time employee shall participate in the California Public Employees Retirement System (CalPERS) plan as adopted by the City Council, as well as part-time classes that are not formally excluded via the City's CalPERS contract. Hourly classes that are excluded via the City's CalPERS contract shall not be enrolled in the plan. Participation in the retirement plan continues until the employee terminates employment with the City for any reason, and shall then cease under the terms of said plan. An employee is vested after five (5) years and may be eligible for benefits from the CalPERS system.

a) First Tier Retirement Formula ("Classic Members"):

Effective July 1, 2008, the City amended the CalPERS contract to provide the benefit knows as 2.7% at 55 retirement formula.

1) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[9]

For unit members covered under the 2.7% at 55 retirement formula, who are defined as "classic members" under the Public Employees Reform Act of 2013 (PEPRA) (i.e. not defined as "new members" under Gov. Code section 7522.04(f):

Effective January 11, 2016 - Classic members shall pay 3% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS. Effective July 1, 2016 – Classic members shall pay an additional 3% for a total of 6% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

Effective July 1, 2017 – Classic members shall pay an additional 2% for a total of 8% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

b) Second Tier Retirement Formula ("Classic Members"):

Effective October 16, 2011, the benefit known as 2% @ 60 retirement formula shall apply to employees hired or who become eligible for enrollment in the CalPERS Retirement Plan on or after the effective date of the City's contract amendment with CalPERS to implement this benefit. For unit members covered under this 2% at 60 retirement formula, who are defined as "classic members" under the PEPRA (i.e. not defined as "new members" under Gov. Code section 7522.04(f)), the City will only contribute the normal employer contribution, and the employee is responsible for paying the entire employee's contribution rate of 7% of "compensation earnable" as defined in Gov. Code section 20636.

[9] See CMEA MOU, pp. 21-22.

c) Third Tier Retirement Formula ("New Members"): Effective January 1, 2013, in accordance with the Public Employees' Pension Reform Act (PEPRA) and Gov. Code section 7522.30, new employees hired on or after January 1, 2013 shall be enrolled in the benefit known as 2% @ 62 retirement formula. The City will only contribute the normal employer contribution, and the employee is responsible for paying the employee contribution of 50% of the total normal cost, as defined by CalPERS.

d) Employer Paid Member Contributions (EPMC)
Should the City express interest in providing the EPMC benefit for any employee unit, a "me too" clause shall take effect for the Miscellaneous Unit.

Section 16. Severance Allowance

a) Appointed Officials (Non-represented)

For Appointed Officials, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential employees, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

Section 17. Relocation Allowance

a) Appointed Officials (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

b) Management/Confidential Employees (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

Section 18. Uniform Allowance

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[10]

The City shall purchase uniforms for designated employees as budgeted, but not to exceed $500/year.

Section 19. Cell Phone Stipend

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[11]

Employees who are not issued cell phones by the City and use their personal cell phones for minimal work-related use are eligible to receive a monthly stipend in the amount of $20. Employees who believe they are eligible to receive the stipend shall make a request to the City Manager for the stipend. The City Manager or designee shall then decide whether the employee is eligible for the stipend.

The following City positions are issued cell phones by the City, and employees holding these positions are not eligible to receive the cell phone stipend: Maintenance Leader, Maintenance Supervisor, and Code Enforcement Officer.

Section 20. Bereavement Leave

The City shall provide bereavement leave to all full-time Appointed Officials, Management/Confidential Employees, and Miscellaneous employees[12].

Regular full-time employees are entitled to up to three (3) working days of leave, with pay, upon the death of an immediate family member, calculated at regular base rate, to arrange and attend the funeral.

The City shall administer the provisions of this benefit as defined in the Personnel Rules and the City of Cudahy Miscellaneous Employees' Association MOU. Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for Bereavement Leave.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

[10] See CMEA MOU, p. 24.
[11] See CMEA MOU, p. 25.
[12] See CMEA MOU, p. 12.

Section 21. Miscellaneous Leaves of Absence

The City shall provide leaves of absence policies for the following categories:

a) Paid Bone Marrow or Organ Donor Leave
b) Paid Time Off for Jury Duty/Witness Duty
c) Time Off to Vote
d) Family and Medical Leave (FMLA)/California Family Rights Leave (CFRA)
e) Pregnancy Disability Leave (PDL)
f) Work Related Disability Leave
g) Medical Disability Leave
h) Industrial Leave
i) Military Duty Leave
j) Military Family Leave
k) Spousal/Registered Domestic Partner Military Leave
l) School Activities and School Visits Leave
m) Victims of Domestic Violence, Sexual Assault and Other Crimes Leave
n) Volunteer Civil Service Leave
o) Literacy Assistance Leave
p) Personal Leave/

The City's personnel rules shall serve as the official policy related to eligibility and benefits for the above stated leaves. It is the intent of the City to comply with all state and federal laws related to leaves, and to the extent that state and federal laws provide a greater benefit, the City shall comply and provide such benefits to eligible employees.

Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for under the section Leave of Absence Without Pay.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 22. Education Reimbursement

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to education reimbursement on the same terms and conditions as established for Management/Confidential employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City shall reimburse Management/Confidential Employees for the cost of books and tuition for courses taken at any State College, State University, Community College or an approved accredited private college or university as approved by the City Manager.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[13]

The City will reimburse employees for 100% of the cost of books, materials, parking and tuition up to a maximum reimbursement equivalent to a part-time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college, not to exceed $5,000 per employee per year. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager or designee must approve all courses in advance in order for the employee to be eligible for the reimbursement.

The City is currently reviewing its education incentive policy City-wide. The City intends on providing the education incentive in a manner that is consistent across eligible employee groups. The CMEA may reopen negotiations during the term of the MOU as to the education incentive.

Section 23. Educational Seminars

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[14]

Employees wishing to further their education through short-term courses or one-day seminars at City expense may do so but only with written Department Head approval. The City shall administer the terms of this provision as further defined under the Education Seminars section of the Cudahy Miscellaneous Employees' Association MOU.

[13] See CMEA MOU, p. 22.
[14] See CMEA MOU, p. 23.

Section 24. The Extension of Benefits to Other Classifications

a) Appointed Officials (Non-represented)

The fringe benefits set forth herein are minimum benefits; to the extent greater benefits are extended to other employees of the City, the City Clerk, City Treasurer and City Manager shall be entitled to such benefits. All provisions of the Cudahy Municipal Code, any Memorandum of Understanding with represented employees of the City, and the City's Personnel Rules that relate to fringe benefits as those provisions now exist, or hereinafter may be amended, shall apply to the City Clerk, City Treasurer, and City Manager in like manner as they apply to other employees of City.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

All Management/Confidential employees are entitled to and shall enjoy the specific fringe benefits as described and defined within each benefit provision.

Except as otherwise stated within any section of the Fringe Benefits and Salary Plan, all Management/Confidential employees are exempt from the City's Personnel Rules. All Management/Confidential employees are at-will employees.

Section 25. Hourly Employees

a) Eligibility for Benefits

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein.

b) Paid Sick Leave Accrual

Hourly employees, including temporary, extra help, part-time, and seasonal employees who work 30 or more days within a year from when employment commences, shall be entitled to 24 hours of sick leave per fiscal year, effective July 1, 2015, and employees shall receive subsequent annual sick leave accruals of 24 hours added to their leave bank in January of each calendar year. Sick leave must be used in a minimum of 2 hour increments. Unused sick leave under this program may be carried over to the following year not to exceed an accrual cap of six (6) days/forty-eight (48) hours of sick leave. An employee may use no more than twenty-four (24) hours in any one year. Employees are entitled to request and use accrued paid sick days beginning on the 90th day of employment. The rate of pay shall be at the employee's regular hourly wage.

c) FICA Alternative Plan

Hourly employees shall be entitled to receive the City's 3.75% FICA alternative plan contribution in lieu of Social Security and/or participation in CalPERS.

PART II

THE SALARY PLAN

PART II - THE SALARY PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070(2) of the Cudahy Municipal Code to provide for the compensation of City officers and employees and to conform to the principle of equal pay for equal work. Notwithstanding the foregoing, the terms of individual employment agreements shall control over the compensation amounts described in this Salary Plan when determining the salary of individual employees under contract with the City.

Section 2. The Classification Plan

The Classification Plan includes the allocation of class titles to salary ranges for City officers and employees under one Plan in which all positions substantially similar with respect to duties, authority, responsibility and working conditions are included within the same class, and that the same schedules of compensation be made to apply with equity under the working conditions to all positions in the same class.

The Classification Plan further includes the allocation of class titles to salary ranges for those employees which are designated as non-represented Management/Confidential employees who are exempt from the classified service. These exempt classes consist of persons appointed by the City Council, including the City Manager, City Clerk, and City Treasurer, and persons appointed by the City Manager, including department heads or designees, that serve in an "at will" capacity subject to the terms and conditions of an employment agreement, and are exempt from the classified service.

Non-classified positions are entitled to no more than the same benefits as provided to classified employees in a similar position and level in the organization. The Classification Plan as of the date of adoption of this Plan is hereby established as set forth in the addendum, referred to as the **Salary Schedule,** which is attached hereto and incorporated herein by reference. The Classification Plan shall not change the nature of any employee's status as an at-will employee.

Section 3. Basic Compensation Plan

The basic compensation plan for City officers and employees, as of the date of adoption of this Plan is hereby established as set forth in the Addendum, including the following:

1) Hourly Range Table

2) Association Range Table

3) Management/Confidential Range Table

4) Salary Schedule

The Salary Plan shall be referred to as the **Salary Schedule** which incorporates the allocation of ranges (defined in the range tables) to classifications, which is attached hereto and incorporated herein by reference.

Range tables for the Cudahy Municipal Employees' Association include steps with approximately 2.5% between steps.

Range tables for Appointed Officials (City Clerk, City Treasurer, and City Manager) have one step (flat rate).

Range tables for Management/Confidential include ten (10) steps with approximately 2.5% between steps.

Range tables for Hourly employees consist of one (1) to three (3) steps.

Section 4. Pay Philosophy

The City Council establishes a pay philosophy that the base pay of all positions shall be ideally set at the median pay provided by comparable cities of similar size, budget, staff, and geographic area, based on the City's financial ability to pay.

Section 5. Plan Maintenance

Increases to the Range tables and applied to the Salary Schedule are adopted and approved by the City Council via Resolution to amend the Fringe Benefit and Salary Plan.

Such recommended increases are negotiated between the City and the Cudahy Miscellaneous Employees' Association. The City Council may further take appropriate action to extend such increases to unrepresented Management/Confidential Employees, Appointed Officials including the City Clerk, City Treasurer and City Manager, and positions appointed by the City Manager.

In addition to negotiated increases, the City may take steps to maintain the Salary Plan by conducting regularly scheduled salary reviews and/or intermittent salary reviews as determined by changes in the labor market, and the need to compete for talent and/or retain current employees.

Section 6. Eligibility for Salary Advancement

a) Management/Confidential Employees (Non-represented)

Management/Confidential employees may receive the same considerations for salary advancement as provided to Miscellaneous Employees, at the City Manager's discretion.

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[15]

Salary step increases shall be considered on a merit basis only, and at prescribed times as defined in the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Any employee receiving a promotion shall receive a salary increase consistent with the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

[15] See CMEA MOU, pp. 5-6.

Section 7. Merit Ranges

a) Appointed Officials and Management/Confidential Employees (Non-represented)

Appointed City Officials including the City Clerk, City Treasurer and City Manager, as well as non-represented Management/Confidential employees who serve in an at-will capacity and are exempt from the classified service, may, subject to the terms and conditions set forth below, be eligible to have his/her salary increased to a maximum of fifteen percent beyond the regularly assigned top step of his/her salary range or salary set forth in an existing contract. The City Manager shall have administrative authority to assign, create and maintain the merit range (pay band) to implement the provisions of this Section.

Such increase shall be subject to documentation of the eligible employee's outstanding performance, based on performance and achievement of previously defined goals. The City Manager shall solely determine placement within the merit range based on the employee's performance. Notwithstanding the foregoing, with regard to increases for the City Manager and other Officials appointed by the City Council, the City Council shall determine placement within the merit range based on the employee's performance, subject to the Appointed Official's employment agreement, if any.

The continuation of increases pursuant to the provisions of this Section shall not be automatic, and failure to sustain "outstanding performance" shall cause the employee's pay to revert to the regularly assigned step for his/her classification. An employee who fails to sustain "outstanding performance" shall have their compensation reduced to the "regular range", in accordance with this section, and at the City Manager's discretion for Management/Confidential classes, and the City Council's discretion for Appointed Officials. Salary for Appointed Officials/ Management/Confidential employees who have an employment agreement with the City shall not be modified prior to an amendment to his/her employment agreement, unless the agreement permits the increase or decrease to be handled administratively.

The regular salary range shall constitute the regularly defined Steps in the Salary Range (A-J). The "merit range" shall constitute a "pay band" with a minimum rate set one dollar above the maximum of the "regular salary range" and the maximum set at an amount not to exceed fifteen percent beyond the regularly assigned top step of the salary range. The "pay band" shall be added to the Salary Schedule for the assigned non-represented Management/Confidential classifications and Appointed Officials when the increase is recommended by the City Manager or City Council.

In no case shall an employee receive additional merit compensation above the designated "merit range" as defined herein.

Eligibility for additional compensation granted to all employees as part of changes authorized by the City Council shall not be adversely affected by the employee's status in steps granted beyond the regularly assigned step pursuant to the provisions of this Section. Salaries granted pursuant to this provision shall be reported to PERS as compensation earned.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of salary that may be contained in this Fringe Benefits and Salary Plan

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

As provided in the Cudahy Miscellaneous Employees' Association MOU, employees may be eligible for merit longevity compensation as continuing incentive to career employees upon achieving the "J" step and completing ten continuous years of service. Employees may be eligible for a 5% stipend above their base pay rate , and after twenty (20) years, the stipend shall increase to a total of 7.5% above the base pay rate. Such payment shall be granted with the approval of the city Manager to employees who continue to "Exceed Standards" as evidenced by the performance rating of such employee, which is defined as a comprehensive rating at or above the middle column of the current reporting form, or the equivalent rating on any revised reporting form. Merit Longevity may be removed by the City Manager when the employee's performance does not merit such additional compensation. The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

Section 8. Compaction Rule

The top step of the salary range of any Management/Confidential classification shall be a minimum of two steps (approximately ten percent) above the top step of the closest subordinate classification, with the exception of those Management/Confidential classifications supervising specialized classifications which are highly compensated due to labor market conditions. In the case of highly compensated positions due to labor market conditions, employees may directly supervise a subordinate classification where the maximum salary range exceeds the supervisory class without the two step minimum (approximately ten percent). Subordinate classification shall be defined as any position classification in which there are employees who are supervised by the Management/Confidential employee.

Section 9. Salaries Above Market Rate – Use of "Y" Rating Method

The City Manager has the authority to implement a "Y" rating for employees whose range is found to exceed the market rate based on a salary survey. The employee in this case shall receive no increase in salary unless the maximum salary established by this Plan for their classifications exceeds the amount of their "Y" rate.

Section 10. Trainee Positions

The City Manager has the authority to establish a Trainee class for any class in the system. The salary range for Trainee classes shall be established with a salary range starting fifteen percent (15%) below the first step of the regular position and ending five percent (5%) below the first

step of the regular position. Employees who successfully complete the training program and meet the criteria for the higher level class, may be reclassified to the higher level class upon approval by the City Manager.

Section 11. Salary Differentials/Stipends

Exceptions shall be made to Sections 2 and 3 of this Plan as follows:

a. (5%) Salary Differential

After investigation and approval by the City Manager, a 5% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

b. (10%) Salary Differential

After investigation and approval by the City Manager, a 10% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

c. Bi-lingual Pay

1. Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same compensation as provided to Management/Confidential employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

2. Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same compensation as provided to Miscellaneous employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

3. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[16]

Approved and certified employees shall be compensated with a bilingual pay stipend in the amount of $75.00 per month for oral translation duties, and $125.00 per month for oral and written translations.
The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

d. Temporary Upgrade – Acting Capacity

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[17]

An employee who has been designated by the City to serve in an acting capacity for thirty (30) consecutive work days or more shall receive Step A of the pay range for the classification in which the employee is performing active duties, or a stipend of 5% above the base pay, whichever is greater. Service in an acting capacity shall not be used as a basis for, or in support of, a request for reclassification. The City Manager or designee may determine that a position filled pursuant to an acting assignment shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates.

e. Temporary Upgrade – Work Out of Class

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)[18]

The City may temporarily assign employees to work out of classification. The selection of employees for an out-of-classification assignment shall be at the discretion of the City Manager or designee. A temporary out-of-class stipend of 5% above the employee's base pay shall be authorized with advance approval by the Department Head, upon consultation and approval from the City Manager or designee when an employee is designated and scheduled to work in an out- of- class assignment. Paid holidays shall be considered as days actually worked. Other forms of authorized leave such as sick leave, emergency leave and vacation shall not be considered as days actually worked.

[16] See CMEA MOU, p. 19.
[17] See CMEA MOU, pp. 7-8.
[18] See CMEA MOU, p. 8.

Section 12. Overtime

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to overtime consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Non-exempt employees shall be paid for hours worked in accordance with all legal requirements. Overtime is calculated at one and one-half (1 ½) times the employee's regular base rate of pay for all time worked over 40 hours in one workweek. Hours paid that are not actually worked, such as holidays, sick days, and vacation hours do not count as hours worked when calculating weekly overtime.

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[19]

1. For all workweeks in which there is no designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God, the employee shall be eligible for overtime pay (time and one half the employee's regular rate of pay as that term is used in the Fair Labor Standards Act) for time worked over 40 hours per workweek. In a workweek where there is a designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God and is thus unable to work their regularly scheduled shift, and the employee has not taken any time off or leave during that same week (e.g. vacation, sick or other personal leave), the employee shall be eligible for overtime pay (time and one half) for time worked beyond the employee's scheduled shift(s) during that workweek.

2. When an employee is not regularly scheduled to work on Saturdays and Sundays the employee shall receive overtime pay (time and one-half) for all time worked on those days. When an employee works on a designated City holiday, the employee shall receive overtime pay (time and one half) for all time worked on the holiday.

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedule, as work demands require.

Section 13. Compensatory Time Off

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[20]

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Compensatory Time consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

[19] See CMEA MOU, pp. 16-17
[20] CMEA MOU, p. 18.

Compensatory time is an alternative method of overtime payment to non-exempt employees. In lieu of paying a non-exempt employee for overtime worked, employees may be granted compensatory time off at the overtime rate of one and one half (1 ½) for each hour of overtime worked. Employees shall have the option of receiving overtime pay for any overtime worked. Use of earned compensatory time off must be approved in advance by the Department Head or designee. The maximum accrual limit is 120 hours.

Section 14. Executive Leave

Management/Confidential employees shall be entitled to take three (3) days (27 hours) of executive leave per fiscal year. The three (3) days (27 hours) may not be carried over to the next fiscal year and their use must have the prior permission of the City Manager. This provision shall be administered in accordance with the City's Personnel Rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 15. On-Call (Standby) Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[21]

An employee who has been instructed by their direct supervisor to stand-by is free to use this time for their own benefit. Employees On-Call (Standby) shall receive two (2) hours of compensatory time for an assigned 24 consecutive hour shift, which will not be counted towards over-time calculations.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to On-Call (Standby) Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 16. Call Back Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[22]

Call back duty occurs when an employee is called back in to work after their regular shift has ended. An employee called back to duty shall be paid a minimum of two (2) hours of compensatory time at a rate equal to time and one-half (1 ½) the regular hourly pay rate, and for actual hours worked at time and one-half the regular hourly pay rate, if hours worked exceeds two (2).

[21] CMEA MOU, p. 18.
[22] CMEA MOU, p. 19.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Call Back Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 17. Additional Approved Increases in Compensation and Changes to the Salary and Classification Plans

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)[23]

All members shall receive:

- A 2% increase to their base rate effective July 1, 2019;
- A 2% increase to their base rate effective July 1, 2020; and
- A 2.5% increase to their base rate effective July 1 2021.

Section 18. The Provisions of This Plan Shall Be Operative on the Date of Its Adoption.

ADDENDUM:

1. HOURLY RANGE TABLES
2. ASSOCIATION RANGE TABLES
3. MANAGEMENT/CONFIDENTIAL RANGE TABLES
4. SALARY SCHEDULES

[23] CMEA MOU, p. 5.

HOURLY RANGE TABLES

Compensation Schedule Effective
January 1, 2019

Hourly Steps			
Ranges	**A**	**B**	**C**
H1	12.00	12.55	12.87
H2	12.55	12.86	13.19
H3	12.86	13.19	13.52
H4	13.19	13.52	13.86
H5	13.52	13.86	14.20
H6	14.20	14.55	14.92
H7	14.92	15.29	15.67
H8	15.67	16.06	16.46
H9	16.46	17.28	18.15
H10	18.15	19.06	20.01

Account Clerk	**H10**
Administrative Clerk	**H10**
Administrative Intern	**H5**
Community Preservation Technician	**H8**
Maintenance Aide	**H2**
Municipal Enforcement Officer	**H6**
Planning Technician	**H7**
Recreation Aide	**H1**
Recreation Leader	**H3**
Sr. Recreation Leader	**H4**

Compensation Schedule Effective
January 1, 2020

Hourly Steps			
Ranges	**A**	**B**	**C**
H1	13.00	13.65	14.33
H2	13.65	14.33	15.05
H3	14.33	15.05	15.80
H4	15.05	15.80	16.59
H5	15.80	16.20	16.61
H6	16.20	16.61	17.03
H7	16.61	17.03	17.46
H8	17.46	17.90	18.35
H9	17.90	18.35	18.81
H10	18.35	19.27	20.23

Account Clerk	**H10**
Administrative Clerk	**H10**
Administrative Intern	**H5**
Community Preservation Technician	**H8**
Maintenance Aide	**H2**
Municipal Enforcement Officer	**H6**
Planning Technician	**H7**
Recreation Aide	**H1**
Recreation Leader	**H3**
Sr. Recreation Leader	**H4**

ASSOCIATION RANGE TABLES

Compensation Schedule Effective

July 1, 2019

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3169	3248	3330	3413	3498	3586	3675	3767	3861	3958
A2	3321	3404	3489	3577	3666	3758	3852	3948	4047	4148
A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
A4	3656	3747	3841	3937	4035	4136	4239	4345	4454	4565
A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
A7	4063	4165	4269	4376	4485	4597	4712	4830	4951	5074
A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
A13	5128	5256	5388	5522	5661	5802	5947	6096	6248	6404
A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
A15	5646	5787	5932	6080	6232	6388	6548	6711	6879	7051
A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
A18	6521	6684	6851	7022	7198	7378	7562	7751	7945	8144
A19	6842	7013	7188	7368	7552	7741	7934	8133	8336	8544
A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
A21	7535	7724	7917	8115	8317	8525	8739	8957	9181	9410
A22	7908	8106	8308	8516	8729	8947	9171	9400	9635	9876
A23	8299	8506	8719	8937	9160	9389	9624	9864	10111	10364
A24	8711	8928	9152	9380	9615	9855	10102	10354	10613	10878

Compensation Schedule Effective

July 1, 2020

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3248	3329	3413	3498	3585	3676	3767	3861	3958	4057
A2	3404	3489	3576	3666	3758	3852	3948	4047	4148	4252
A3	3574	3663	3755	3849	3945	4044	4145	4249	4354	4463
A4	3747	3841	3937	4035	4136	4239	4345	4454	4565	4679
A5	3931	4028	4130	4232	4339	4446	4558	4672	4789	4909
A6	4128	4231	4337	4445	4556	4670	4787	4907	5030	5155
A7	4165	4269	4376	4485	4597	4712	4830	4951	5075	5201
A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
A10	4772	4892	5014	5139	5269	5400	5535	5673	5815	5960
A11	5010	5136	5264	5396	5531	5669	5811	5956	6105	6258
A12	5075	5202	5332	5465	5602	5742	5886	6033	6184	6339
A13	5256	5387	5523	5660	5803	5947	6096	6248	6404	6564
A14	5516	5654	5795	5940	6089	6241	6397	6557	6721	6889
A15	5787	5932	6080	6232	6388	6548	6712	6879	7051	7227
A16	6071	6223	6379	6537	6701	6869	7041	7217	7397	7582
A17	6371	6530	6693	6861	7033	7209	7388	7574	7762	7957
A18	6684	6851	7022	7198	7378	7562	7751	7945	8144	8348
A19	7013	7188	7368	7552	7741	7935	8132	8336	8544	8758
A20	7361	7544	7733	7926	8124	8327	8535	8748	8968	9192
A21	7723	7917	8115	8318	8525	8738	8957	9181	9411	9645
A22	8106	8309	8516	8729	8947	9171	9400	9635	9876	10123
A23	8506	8719	8937	9160	9389	9624	9865	10111	10364	10623
A24	8929	9151	9381	9615	9855	10101	10355	10613	10878	11150

Compensation Schedule Effective

July 1, 2021

Association Steps										
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
A1	3329	3412	3498	3585	3675	3768	3861	3958	4057	4158
A2	3489	3576	3665	3758	3852	3948	4047	4148	4252	4358
A3	3663	3755	3849	3945	4044	4145	4249	4355	4463	4575
A4	3841	3937	4035	4136	4239	4345	4454	4565	4679	4796
A5	4029	4129	4233	4338	4447	4557	4672	4789	4909	5032
A6	4231	4337	4445	4556	4670	4787	4907	5030	5156	5284
A7	4269	4376	4485	4597	4712	4830	4951	5075	5202	5331
A8	4440	4551	4665	4782	4902	5025	5150	5279	5410	5545
A9	4660	4777	4894	5017	5142	5271	5404	5538	5676	5818
A10	4891	5014	5139	5267	5401	5535	5673	5815	5960	6109
A11	5135	5264	5396	5531	5669	5811	5956	6105	6258	6414
A12	5202	5332	5465	5602	5742	5886	6033	6184	6339	6497
A13	5387	5522	5661	5802	5948	6096	6248	6404	6564	6728
A14	5654	5795	5940	6089	6241	6397	6557	6721	6889	7061
A15	5932	6080	6232	6388	6548	6712	6880	7051	7227	7408
A16	6223	6379	6538	6700	6869	7041	7217	7397	7582	7772
A17	6530	6693	6860	7033	7209	7389	7573	7763	7956	8156
A18	6851	7022	7198	7378	7562	7751	7945	8144	8348	8557
A19	7188	7368	7552	7741	7935	8133	8335	8544	8758	8977
A20	7545	7733	7926	8124	8327	8535	8748	8967	9192	9422
A21	7916	8115	8318	8526	8738	8956	9181	9411	9646	9886
A22	8309	8517	8729	8947	9171	9400	9635	9876	10123	10376
A23	8719	8937	9160	9389	9624	9865	10112	10364	10623	10889
A24	9152	9380	9616	9855	10101	10354	10614	10878	11150	11429

MANAGEMENT/CONFIDENTIAL RANGE TABLES

Compensation Schedule Effective
July 1, 2017

Confidential										
	Steps									
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507

Compensation Schedule Effective
July 1, 2008

Management										
	Steps									
Ranges	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**
M1	5322	5474	5591	5729	5847	6020	6171	6325	6483	6645
M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781

SALARY SCHEDULES

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JANUARY 1, 2020

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Accounting Technician	CMEA	MONTHLY	A12	4951	5075	5202	5332	5465	5602	5742	5886	6033	6184
Administrative Analyst	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Administrative Assistant	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Administrative Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Administrative Intern	PT	HOURLY	H4	15.05	15.80	16.59							
Assistant City Enginner	CMEA	MONTHLY	A20	7181	7360	7544	7733	7926	8124	8327	8535	8749	8968
Assistant City Clerk	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Assistant Enginner	CMEA	MONTHLY	A14	5381	5516	5654	5795	5940	6089	6241	6397	6557	6721
Associate Engineer	CMEA	MONTHLY	A16	5923	6071	6223	6378	6538	6701	6869	7041	7217	7397
Assistant Recreation Program Coordinator	CMEA	MONTHLY	A5	3835	3930	4029	4129	4233	4338	4447	4558	4672	4789
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	16,250									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Community Development Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Community Preservation Officer	CMEA	MONTHLY	A8	4226	4332	4440	4551	4665	4782	4901	5024	5149	5278
Commmunity Preservation Technician	PT	HOURLY	H8	17.46	17.90	18.35							
Deputy City Clerk	CONFIDENTIAL	MONTHLY	C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Human Resources Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Human Resources Specialist	CONFIDENTIAL	MONTHLY	C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Junior Deputy City Clerk	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Maintenance Aide	PT	HOURLY	H2	13.65	14.33	15.05							
Maintenance Leader	CMEA	MONTHLY	A6	4027	4128	4231	4337	4445	4556	4670	4787	4907	5029
Maintenance Superintendent	CMEA	MONTHLY	A11	4888	5011	5136	5264	5396	5531	5669	5811	5956	6105
Maintenance Supervisor	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Maintenance Worker	CMEA	MONTHLY	A3	3487	3574	3663	3755	3849	3945	4044	4145	4248	4354
Municipal Enforcement Officer	PT	HOURLY	H6	16.20	16.61	17.03							
Planning Assistant	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Planning Associate	CMEA	MONTHLY	A10	4656	4773	4892	5014	5140	5268	5400	5535	5673	5815
Planning Technician	PT	HOURLY	H7	16.61	17.03	17.46							
Public Safety and Services Manager	MGMT	MONTLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Recreation Aide	PT	HOURLY	H1	13.00	13.65	14.33							
Recreation Leader	PT	HOURLY	H2	13.65	14.33	15.05							
Recreation Program Coordinator	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Accountant	CMEA	MONTHLY	A17	6216	6371	6530	6694	6861	7033	7208	7389	7573	7763
Senior Community Preservation Officer	CMEA	MONTHLY	A9	4435	4546	4659	4776	4895	5017	5143	5271	5403	5538
Senior Recreation Leader	PT	HOURLY	H3	14.33	15.05	15.80							

CITY OF CUDAHY
SALARY SCHEDULE EFFECTIVE
DATE JULY 1, 2020

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Accounting Technician	CMEA	MONTHLY	A12	5075	5202	5332	5465	5602	5742	5886	6033	6184	6339
Administrative Analyst	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Administrative Assistant	CMEA	MONTHLY	A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
Administrative Clerk	PT	HOURLY	H10	18.35	19.27	20.23							
Administrative Intern	PT	HOURLY	H4	15.05	15.80	16.59							
Assistant City Enginner	CMEA	MONTHLY	A20	7361	7544	7733	7926	8124	8237	8535	8748	8968	9192
Assistant City Clerk	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Assistant Enginner	CMEA	MONTHLY	A14	5516	5654	5795	5940	6089	6241	6397	6557	6721	6889
Associate Engineer	CMEA	MONTHLY	A16	6071	6223	6379	6537	6701	6869	7041	7217	7397	7582
Assistant Recreation Program Coordinator	CMEA	MONTHLY	A5	3931	4028	4130	4232	4339	4446	4558	4672	4789	4909
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	16,250									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Community Development Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Community Preservation Officer	CMEA	MONTHLY	A8	4332	4440	4551	4665	4782	4902	5024	5150	5278	5410
Commmunity Preservation Technician	PT	HOURLY	H8	17.46	17.90	18.35							
Deputy City Clerk	CONFIDENTIAL	MONTHLY	C2	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Human Resources Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Human Resources Specialist	CONFIDENTIAL	MONTHLY	C3	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Junior Deputy City Clerk	CONFIDENTIAL	MONTHLY	C1	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
Maintenance Aide	PT	HOURLY	H2	13.65	14.33	15.05							
Maintenance Leader	CMEA	MONTHLY	A6	4128	4231	4337	4445	4556	4670	4787	4907	5030	5155
Maintenance Superintendent	CMEA	MONTHLY	A11	5010	5136	5264	5396	5531	5669	5811	5956	6105	6258
Maintenance Supervisor	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Maintenance Worker	CMEA	MONTHLY	A3	3574	3663	3755	3849	3945	4044	4145	4249	4354	4463
Municipal Enforcement Officer	PT	HOURLY	H6	16.20	16.61	17.03							
Planning Assistant	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Planning Associate	CMEA	MONTHLY	A10	4772	4892	5014	5139	5269	5400	5535	5673	5815	5960
Planning Technician	PT	HOURLY	H7	16.61	17.03	17.46							
Public Safety and Services Manager	MGMT	MONTLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Recreation Aide	PT	HOURLY	H1	13.00	13.65	14.33							
Recreation Leader	PT	HOURLY	H2	13.65	14.33	15.05							
Recreation Program Coordinator	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Senior Accountant	CMEA	MONTHLY	A17	6371	6530	6693	6861	7033	7209	7388	7574	7762	7957
Senior Community Preservation Officer	CMEA	MONTHLY	A9	4546	4660	4775	4895	5017	5142	5272	5403	5538	5676
Senior Recreation Leader	PT	HOURLY	H3	14.33	15.05	15.80							

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Item Number 13G

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/ Members of the City Council

From: Henry T. Garcia, Interim City Manager/Executive Director
By: Jennifer Hernandez, Human Resources Manager

Subject: **Update on Available Rental Assistance Programs for City of Cudahy Residents**

RECOMMENDATION

It is recommended that the City Council receive and file this report as an update on available assistance programs for the City of Cudahy (City) residents.

BACKGROUND

1. On April 7, 2020, LACDA notified the City that it was receiving supplemental funding via the CDBG-CV in the amount of $220,908. On May 19, 2020, the City Council approved a motion to implement an Emergency Rental Assistance (ERA) Program funded through CDBG Cares Act (CDBG-CV) funds and allocate $160,000 from its CDBG-CV funds for its ERA Program.

2. On July 28, 2020, Los Angeles County Development Authority (LACDA) informed the City of the availability funds to run an Rental Relief (RR) Program through LACDA using funds from the U.S. Treasury CARES Act Corona Virus Relief Fund. LACDA received $100 million in grant funds from the US Treasury for a Countywide Rental Relief Program. On August 4, 2020, LACDA reached out to the City to see if they were interested in participating in LACDA's RR Program. The RR Program was open to all residents in Los Angeles County (except for Los Angeles City residents).

3. On August 18, 2020, City staff and CDBG consultant Avant Garde presented an update on both the RR and ERA programs, at which time the City Council provided guidance on ERA implementation expectations and goals.

4. On August 21, 2020 the City commenced publicizing the LACDA's Rental Relief program on the City website and all City social media platforms.

5. On September 1, 2020, the City commenced publicizing the application period for the City's ERA program on the City website, all City social media platforms, and via flyer distribution at City delivery events.

6. On October 1, 2020, the City extended the application period for the ERA program until October 15, 2020, to allow for additional time for residents to apply for rental assistance.

ANALYSIS

Although the implementation guidelines for both programs are similar, there are some unique differences such as funding sources, compliance deadlines, eligibility criteria, grant amount, and City implementation requirements. It is important to note that City residents have been eligible to apply for both ERA and RR Programs, but can only receive assistance from one program. Federal disaster law prohibits the provision of federal assistance in excess of need. Before paying a cost with federal disaster assistance, a Federal agency must check to see that the assistance will not cause a duplication of benefits, meaning that the cost has not or will not be paid by another source. HUD grantees are required to prevent the duplication of benefits when carrying out HUD funded programs to provide disaster assistance.

For informational purposes, City staff has provided a brief overview of both programs, as well as an update of the ERA program to-date:

Programs Overview

	City's Emergency Rental Assistance Program (ERA)	LA County's Rental Relief Program (RR)
Funding Source	CDBG-CV	U.S. Treasury CARES Act Corona Virus Relief Fund
Allocation	Program will serve 100 clients $160,000	Program will serve 100 clients Approx. $1,000,000
Eligibility Criteria	**Resident** • Reside within eligible area, within City of Cudahy city limits • Fall within very-low income bracket, as determined by HUD. If selected for the award furnish additional supporting documents • Economically impacted by COVID-19 • Not concurrently receiving other forms of rental subsidies • Provide current residential lease agreement **Landlord/Property Manager** • Signed Program Participation form • W-9	**Resident** • Renters in Los Angeles County, except for residents living in the City of Los Angeles. • Fall within eligible income bracket • Demonstrate hardship to pay rent due to the COVID-19 pandemic • Not currently receiving other forms of rental subsidies including Section 8 Housing Choice, VASH Voucher, live in project-based Section 8 or public housing. **Landlord/Property Manager** • Signed Program Participation form

		• W-9
Award	One-time award of up to $1,300 ***paid directly to the landlord or property manager*** *(Per County and HUD requirements)*	One-time award of up to $10,000 ***paid directly to the landlord or property manager***. Award can be used for arrears and to pay future rental payments through December 2020. • Applicants currently at 30% of the median income can receive up to $10,000 • Applicants currently at 50% of the median income can receive up to $7,500

APPLICATION NUMBERS TO-DATE

Rental Assistance Program	Number of Applications Received To-Date
LA County Rent Relief Program	68
City Emergency Rental Assistance Program	81

CITY WEBSITE - ERA ANNOUNCMENT

Detailed program information/materials were posted to the City website on September 1, 2020: https://www.cityofcudahy.com/303/City-of-Cudahy-Emergency-Rental-Assistan

CITY ERA OUTREACH

Facebook Posting Dates	Instagram Posting Dates	Twitter Posting Dates	Story Posts (Social Media)	Flyer Distribution Dates
September 1st September 2nd September 3rd September 8th September 12th September 14th September 16th September 21st September 23rd October 2nd October 7th October 11th October 14th	September 1st September 2nd September 3rd September 16th September 21st September 23rd October 2nd October 7th October 11th October 14th	September 1st September 2nd September 3rd September 16th September 21st September 23rd October 2nd October 7th October 11th October 14th	September 1st September 2nd September 3rd September 8th September 12th September 14th September 16th September 21st September 23rd October 2nd October 7th October 11th October 14th	September 10th September 24th October 8th Cumulatively 900 Flyers and Applications (English and Spanish) were distributed to City residents.

CONCLUSION

The City will implement its own ERA Program with the eligibility guidelines provided by City Council. The information provided above provides a snapshot of City efforts to promote its ERA Program, as well as the number of program applications submitted to-date. It should be noted that the County's funding pool is greater, thus providing a higher threshold for community

assistance. Having both programs in progress simultaneously, has provided residents with access to greater levels of assistance with rental costs during the pandemic.

FINANCIAL IMPACT

The Rental Relief program is funded through the U.S. Treasury CARES Act Corona Virus Relief Fund. Program will serve 100 clients for an approx. amount of $1,000,000. The Emergency Rental Assistance Program will be funded at $160,000 from its CDBG-CV allocation. There is no impact to the General Fund. Program costs including administration will be paid by the programs directly.

ATTACHMENTS

A. Social Media Announcement (English/Spanish)
B. Program Flyer (English/Spanish)

CITY OF CUDAHY
EMERGENCY RENTAL ASSISTANCE PROGRAM

The City of Cudahy has launched the Emergency Rental Assistance (ERA) program to help residents who have been financially impacted by the COVID-19 pandemic.

Changes have been made to citizenship / residency requirements

Application deadline September 30th, 2020

Applications Available online and in person

Pick up and Drop off
Wednesday & Thursday
7am-5pm

CUDAHY
OPEN MINDS, OPEN DOORS

CITY OF CUDAHY

Programa de Asistencia de Renta

La ciudad de Cudahy ha lanzado el Programa de Asistencia de Renta (ERA) para ayudar a los residentes que se han visto afectados financieramente por la pandemia COVID-19.

La fecha límite para aplicar es 30 de septiembre de 2020

Solicitud disponible en línea o en persona:
Miércoles & Jueves
7am-5pm

Para preguntas sobre la aplicacion:
Visitar www.cityofcudahy.com o llamar al 562- 802-4510

CUDAHY
OPEN MINDS, OPEN DOORS

EMERGENCY RENTAL ASSISTANCE PROGRAM

Applications available online and in person
Pick up and Drop off
Monday - Thursday
7am-5pm

CUDAHYCA
OPEN MINDS, OPEN DOORS

Application deadline has been extended
until October 15th, 2020

For questions about the application:
Visit www.cityofcudahy.com or call 562- 802-4510

PROGRAMA DE ASISTENCIA DE RENTA

La ciudad de Cudahy ha lanzado el Programa de Asistencia de Renta (ERA) para ayudar a los residentes que se han visto afectados financieramente por la pandemia COVID-19.

CUDAHYCA
OPEN MINDS, OPEN DOORS

Se ha ampliado el plazo de solicitud hasta el 15 de octubre de 2020

Para preguntas sobre la aplicación:
Visite www.cityofcudahy.com o llame al 562-802-4510

Item Number
15A

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Agency Members

From: Henry Garcia, interim City Manager/Executive Director
By: Christine Kudija, Principal Planner (Willdan)
for Salvador Lopez Jr., Interim Community Development Director

Subject: **Adoption of Ordinance No. ZCA-710 and Ordinance No. 711 by Second Reading, Approving Development Agreement (DA) No. 20-01 (Location: 4610 Santa Ana Street; Applicant: Prima Development, Inc.)**

RECOMMENDATION

Staff recommends that the City Council of the City of Cudahy (the "City"):

1. Approve on Second Reading Ordinance No. 710, amending the Zoning Code to allow medical offices and adult day health care facilities as conditional uses as components of mixed-use residential-commercial projects within the City's Entertainment (E) Zone; and

2. Approve on Second Reading Ordinance No. 711, approving Development Agreement No. 20-01 to allow the construction of the Project within the Entertainment (E) Zone

BACKGROUND

On October 13, 2020, the City Council conducted a concurrent special meeting and regular adjourned meeting to consider an Addendum to the General Plan EIR (SCH 2017071071), Development Review Permit NO. 20-01, Conditional Use Permit No. 38-376, Ordinance No. 710 (amending the Zoning Code to allow medical offices and adult day health care facilities as conditional uses as components of mixed-use residential-commercial projects within the City's Entertainment (E) Zone), and Ordinance No. 711 (approving Development Agreement No. 20-01), associated with the proposed 179-unit mixed-use senior housing development at 4610 Santa Ana Street. The staff report for that meeting, including an errata sheet presented to the City Council on October 13, is attached. This report describes the procedural history of the

Planning Commission's hearing on September 28, 2020 and the Commission's recommendation that the Council approve the project and requested entitlements.

The City Council conducted the public hearing, received the staff report and recommendation, and received testimony from the applicant. No public testimony was offered in objection to the proposed project. After closing the public hearing and discussing the project, the Council approved the Addendum to the General Plan EIR, adopted Resolution No. 20-31 (approving Development Review Permit No. 20-01), adopted Resolution No. 20-32 (approving Development Agreement No. 20-01), and approved on first reading Ordinances 710 and 711 as described above.

ANALYSIS

No aspect of the project or staff analysis has changed since the preparation of the October 13, 2020 staff report and errata sheet.

CONCLUSION

Staff recommends approval on second reading of Ordinances 710 and 711.

ATTACHMENT

A. City Council Staff Report, October 13, 2020
B. Ordinance No. 710
C. Ordinance No. 711
D. DA No. 20-01

Item Number 13

STAFF REPORT

Date: October 13, 2020

To: Honorable Mayor/Chair and City Council/Agency Members

From: Henry Garcia, Interim City Manager/Executive Director
By: Salvador Lopez Jr., Interim Community Development Director

Subject: **Development Review Permit No. 41-539, Conditional Use Permit No. 38-376, Development Agreement No. DA 20-01, Amendment to the Zoning Code No. 90-12 and Addendum to the General Plan EIR, to allow the construction of a 179 unit Mixed-Use Senor Housing development located at 4610 Santa Ana Street (APN 6224-019-901)**

This staff report has been prepared for the both the special City Council meeting and the concurrent adjourned regular meeting of the City Council as set for October 13, 2020.

RECOMMENDATION

Staff recommends that the City Council of the City of Cudahy (the "City"):

Step 1: Convene Special Meeting (to be conducted concurrently with the adjourned regular meeting).
Step 2: Open Adjourned Regular Meeting (to be conducted concurrently with special meeting).
Step 3: Open and conduct public hearing for Steps 5, 6, and 7.
Step 4: Close public hearing.
Step 5: Approve Addendum to the City of Cudahy General Plan EIR.
Step 6: Adopt Resolution No. 20-31, approving Development Review Permit No. 41-539 and Conditional Use Permit No. 38-376.
Step 7: Adopt Resolution No. 20-32, approving Development Agreement No. 20-01.
Step 8: Adjourn special meeting
Step 9: Open adjourned regular meeting.
Step 10: Approve and adopt first reading of Ordinance No. ZCA 710.
Step 11: Approve and adopt first reading of Ordinance No. 711.
Step 12: Adjourn adjourned regular meeting.

RECOMMENDED COUNCIL ACTION ITEMS

1. Approve on First Reading Ordinance No. 710, amending the Zoning Code to allow medical offices and adult day health care facilities as conditional uses as components of mixed-use residential-commercial projects within the City's Entertainment (E) Zone; and

2. Approve on First Reading Ordinance No. 711, approving Development Agreement No. 20-01 to allow the construction of the Project within the Entertainment (E) Zone.

BACKGROUND

On September 28, 2020, the Planning Commission conducted a special public hearing to consider the aforementioned Project. Subsequently, the Planning Commission approved (3-0 vote) the Development Review Permit and the Conditional Use Permit and recommended the City Council approve the Agreement, Amendment to the Zoning Code and Addendum to the General Plan EIR ("Addendum").

Pursuant to Section 20.84.070 of the City's Zoning Code, when a proposed project requires more than one (1) permit application with more than one (1) Approving Authority, all project permits shall be processed concurrently at the applicant's own risk as interrelated permits for a project and shall not be bifurcated. The highest designated Approving Authority for all requested permits shall take final action on all permits. Therefore, all permit entitlements for this Project will require City Council review and approval accordingly.

Subsequent Modification

Since the time of the Planning Commission approval of the Project, the Applicant has proposed a "minor modification", as this term is defined in the Development Agreement, to the Project to include an additional five (5) dwelling units for a total of up to 179 dwelling units. This change does not represent a substantial modification to the Project as considered by the Planning Commission and is well under the maximum number of units allowed under the provision in the Development Agreement for any proposed modifications. The Addendum to the General Plan EIR acknowledges that the Project may include these five (5) additional dwelling units and the findings set forth in the Addendum also acknowledge that this increase does not represent a meaningful change to the analysis previously conducted.

PROJECT DESCRIPTION:

The Project includes the construction of a new six-story senior mixed-use development located on a 58,340 square foot (1.33 acre) lot. The zoning of the Property is Entertainment (E). The Project comprises one hundred fifty-five 527-square-foot one-bedroom and twenty-four 714-square-foot two-bedroom apartments intended for affordable senior-housing, a 945-square-foot two-bedroom manager's apartment, and up to 21,000 square feet of ground-floor commercial uses, including a walk-in medical clinic and an adult health day-care center. The proposed residential density is 131 dwelling units per acre (du/acre); the Applicant is requesting

a 231% density bonus pursuant to CMC § 20.52.340. All units would be classified as affordable under California density bonus law. Among the amenities, the Project would provide and include: a van service to transport seniors to shopping, church services, medical appointments, etc.; a landscaped second-floor private courtyard; a landscaped roof deck; a community room; below-grade parking garage; and individual balconies. The site is currently vacant. The immediate area is developed with a mix of commercial/retail establishments, multi-family residential and manufacturing land uses.

Access and Circulation. The subject Property faces Santa Ana Street, which the Cudahy General Plan classifies as a "collector street." The proposed entry driveway is approximately 400 feet west of Atlantic Avenue, a "major highway." The entry driveway leads to the parking garage, where an internal ramp proceeds to the below-grade level parking area. The parking garage plans show 87 dedicated residential parking spaces, 94 commercial parking spaces, and bicycle parking spaces. Pedestrians would enter the Project directly from Santa Ana Street through the at-grade landscaped courtyard. The site and driveway design have been reviewed by the Los Angeles County Fire Department.

Architecture. The proposed structure is modern contemporary and laid out in a modified U-shape, with a central landscaped courtyard opening to Santa Ana Street. Alternating façade surfaces of off-white stucco, tan stucco, and medium-brown fiber-cement siding, regularly placed windows, and balconies provide visual articulation. The ground-floor commercial area is constructed around the courtyard, is faced with glass windows and doors, and framed by a contrasting burnt-orange stucco façade. This latter stucco surface treatment continues around the east, west, and south sides of the building, from the finished grade to approximately 15 feet above grade. Individual commercial tenant spaces are defined by horizontal awning structures that support tenant signage. Open-air covered bridges connect the east and west "legs" of the upper stories approximately mid-structure. A landscaped deck occupies a 2,500 SF portion of the 6th story, facing Santa Ana Street. Centrally placed elevators stairways on the northeast, northwest, and southeast provide access to upper stories.

ANALYSIS & DISCUSSION:

General Plan and Zoning. The General Plan designates the site and surrounding area as "Entertainment" as noted above; the Property's zoning is Entertainment (E). Table 1 below shows the Project site and surrounding area's zoning and land uses.

The Entertainment Zone accommodates large scale entertainment that is required to be designed to provide pedestrian interest and accessibility along Atlantic Avenue. Additionally, residential uses may occur only in a mixed-use setting where the residential units are on upper floors and do not face Atlantic Avenue. The Entertainment Zone restricts building height to four (4) stories, however with a development agreement, additional stories may be permitted with the provision of a community benefit and with City Council approval.

Table 1
Zoning and Land Use

	ZONING	LAND USE
PROJECT SITE	Entertainment	Vacant
NORTH	Civic Mixed-Use	Retail/Commercial Shopping Center (Cudahy Plaza)
EAST	Entertainment	Water Company Office and Tank / Gasoline Station
SOUTH	Innovative Industrial / Entertainment	Manufacturing Facility / Mobile Home Park
WEST	Innovative Industrial	Multifamily Residential Development

DEVELOPMENT REVIEW PERMIT

The development review process is established to improve the general standards and orderly development through review of design, layout and other features of proposed developments and their environs prior to submission of plans for construction.

The proposed Project meets General Plan and Zoning standards for use (mixed-use), building height, density, floor area ratio, and front and side setbacks. The Project plans show that, although the common and private open space areas do not either meet or exceed zoning standards, the Applicant has included these shortcomings on its list of concessions under the density bonus Conditional Use Permit. In addition, the Applicant does not propose guest parking spaces for the Project as these are not required for projects that include a density bonus. Table 2 below compares the Project's characteristics with development standards.

Table 2

Development Standards: Required vs. Proposed Project

	General Plan	Zoning	Density	Height	Setbacks (Commercial)	Setbacks (Residential)	Min Floor Area (1-2 BR)	Parking	Private Open Space per unit	Common Open Space
Required	Ent.	Ent.	1,089 SF 40 du/acre maximum	4+4 with DA	Front: 0 ft Side: 0 ft. Rear: 0ft.	Front: 0 ft Side: 10 ft. Rear: 10 ft.	700 SF 1 BR 900 SF 2 BR	Residential 0.5 space/unit 89 spaces Commercial/ Medical 64 spaces 154 total	200 SF/Unit = 34,800 SF	280 SF/Unit = 48,720 SF
Proposed	Ent.	Ent.	179 affordable dwelling units	6 stories	Front: 5 ft. Side: 5 ft. Rear: 60 ft.	Front: 5 ft. Side: 10 ft. Rear: 10 ft.	527 SF 1 BR 714 SF 2 BR	182 spaces 28 guest spaces	9,425 SF	20,317 SF
Consistent?	**YES**	**YES**	**NO**	**YES**	**YES**	**YES**	**NO**	**YES**	**NO**	**NO**

Table 2 shows that the proposed Project complies strictly with all applicable development standards for development of new mixed-use developments in the Entertainment Zone with the exception of requested concessions associated with the Project's density bonus of 231% and discussed below.

The building would be set back from the eastern side of the Property by ten (10) feet, the rear setback by ten (10) feet, the western setback by ten (10) feet, and the front setback by five (5) feet. A six (6)-foot tall concrete-masonry-unit (CMU) wall would be constructed along the entire perimeter of the Property. A preliminary landscape plan has been submitted showing landscape areas on the buildings' perimeter and in interior open space areas and within the front yard setback. A more detailed plan will be submitted with the formal plan check submittal. Project lighting would consist of security lighting and wall lights on the building perimeters, using LED fixtures. All lighting would be designed to avoid light spillage to neighboring properties.

Pursuant to Section 20.20.040 of the Zoning Code, additional height provisions may be incorporated into a new development project in the Entertainment Zone with a development agreement. The purpose of the development agreement requirement is for the City to have the capability to shape how new development will contribute positively to the City as a whole, and to ensure that new development will be integrated and comprehensively planned while creating special places that enhance the quality of life. New development shall mean any new commercial, mixed-use, or residential development project on vacant land, on land where existing structure are demolished, or major expansions of existing buildings, in the Entertainment Zone.

The table below provides floor area detailed information for the proposed units:

Number of units	Number of Bedrooms	Habitable Area
155	one-bedroom units	78,300 sq. ft.
24	Two-bedroom units	19,936 sq. ft.
Manager's Unit	Two-bedroom unit	945 sq. ft.

The Project also includes private open spaces for each unit, although not at the required 200 SF per unit. This is one of the density bonus concessions requested by the Applicant (see below for detailed discussion of requested concessions). A series of common open spaces are provided throughout totaling 20,317 square feet. This also falls short of requirements, but is another concession requested by the Applicant associated with the density bonus.

A minimum number of on-site parking spaces are required for each residential unit based on the number of bedrooms, inclusive of guest parking spaces and for the commercial/office units based on the total square footage. The table below identifies the number of spaces required by the Zoning Code.

Type of unit	# of spaces required	# of spaces provided
1-2 Bedrooms	87 spaces (0.5 spaces/unit)	90 spaces
Commercial/Office	Commercial – 91 Office - 3	64 spaces

A total of 182 parking spaces are provided, which includes an additional 28 guest parking spaces.

Additionally, bicycle parking spaces for both residential and commercial are also provided in accordance with the CalGreen Building Code.

DENSITY BONUS – CONDITIONAL USE PERMIT

In order to accomplish the proposed 179-unit mixed-use affordable senior housing Project, the Applicant is requesting a density bonus of 231% more than the maximum density allowable in the Entertainment Zone. The Cudahy Municipal Code ("CMC") sets the maximum (or "base") density for the site at 54 units without additional discretionary approvals.

California density bonus law (Government Code § 65915(p)) and CMC § 20.52.364 require the City to grant a density bonus up to 35% greater than the base density in return for the Applicant's guarantee that the added units would be restricted to very low, low, or moderate-income levels. The City may grant greater densities provided that certain findings are made along with a conditional use permit but is not obligated to do so.

For this site in the Entertainment Zone, the 231% density bonus is 125 units more than the 54 units that would be allowed by-right, resulting in a 179-unit Project. For the City to grant a conditional use permit for a density bonus greater than the maximum 35%, State Law requires that the Project set aside *no less than* the percentage and types of units required to earn a density bonus of 35 percent (35%) under the state density bonus law. In this case the Applicant is proposing to provide the Project as 100% affordable.

Again, the Applicant proposes to designate all of the 179 units for low income seniors. This allocation exceeds the minimum number of required affordable units under both State law and the CMC.

Requested Concessions. As part of the Density Bonus process, an applicant may also request specific concessions, i.e. relaxation of Zoning Code requirements and/or site development standards, including but not limited to setback and square footage reductions, vehicle parking spaces, communal open space area, or landscaping requirements. The Applicant requests the following concessions:

1. <u>Private Open Space</u>

   The Applicant is requesting a concession to approve a reduction in the private open space requirement, providing a total of no less than 50 square feet of private open space for 1-bedroom units and 75 square feet for 2-bedroom units. Staff supports this concession as the Project provides ample space for private enjoyment and the Project provides additional common areas throughout.

2. <u>Common Open Space</u>

   The Applicant is requesting a concession to approve a reduction in the common open space requirement, providing a total of no less than 20,317 square feet of common open space areas throughout provided in a series of courtyards, community room and a rooftop deck. Staff supports this concession as the common open space provided provides multiple ample

common areas throughout the levels of development.

3. Floor Areas - Minimum

The Applicant is requesting a concession to reduce the minimum floor area requirement for one-and two-bedroom units, providing 527 square foot one-bedroom units and 714 square foot two-bedroom units. This represents a 24% reduction for the one-bedroom unit and 20% reduction for the two-bedroom unit. Staff supports this concession as the slight floor area reductions represent identifiable cost reductions that results in providing additional affordable units for the Project.

4. Reduced Parking

The Applicant is requesting a concession to approve the site plan without the provision of required guest parking spaces, as allowed by density bonus law. Staff supports this concession as the development of senior housing does not necessitate the need for the required amount of parking and the Project is within less than a ½ mile from a major transit corridor.

Density Bonus Procedural Requirements. CMC § 20.52.361 states that the density bonus and concessions requested shall be considered in conjunction with any housing development application for the Project. CMC § 20.52.360 requires that a density bonus must be approved by a decision-making body, either the Planning Commission or the City Council, depending on the entitlements requested. The requirement for a minimum number of affordable units is discussed above. The Applicant has designated all units as affordable for the Project, and a specific condition addressing deed-restriction and income level has been included as a Condition of Approval.

CMC § 20.52.367 also requires that in approving the density bonus and any related concessions, the City and Applicant shall enter into a Density Bonus Housing Agreement. This has been required as a Condition of Approval.

Should the City Council elect to deny one or more of the requested concessions, one of the following three findings must be made (Government Code § 65915 (d)(1)), based upon substantial evidence:

1. The concession or incentive is not required in order to provide for affordable housing costs, as defined in § 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c); and
2. The concession or incentive would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of § 65589.5 of the California Government Code, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households; and
3. The concession or incentive would be contrary to State or Federal law.

Staff certifies that none of these findings apply to the proposed request, as shown below by the Project's compatibility with many General Plan policies and goals; therefore, staff recommends that the requested concessions be approved, based on the requirements of the Zoning Code.

City of Cudahy General Plan Land Use and Housing Element Provisions. The following provisions relate to the Project's consistency with the City's policies for affordable housing:

- **Land Use Element Policy 2.8.** The City of Cudahy will provide adequate housing for various family sizes and income levels by allowing for different densities of development.

  Analysis: The Project's proposed increased density beyond existing conditions would provide affordable senior housing for the City. This is consistent with Policy 2.8, which allows for "different densities of development" as the Project would develop a vacant parcel with a relatively affordable and denser senior housing development.

- **Housing Element Goal 2.** The City of Cudahy will promote affordable housing and shelter for all economic segments of the community.

  - **Housing Element Policy 2.1.** The City of Cudahy will promote all State, regional and local practices and plans that support housing availability for all economic segments of the population.

    Analysis: The Project would provide additional housing in the City, increasing supply and providing a more affordable option to residents than the current use of single-family.

  - **Housing Element Policy 2.5**. The City of Cudahy will encourage variety in the supply of housing at costs affordable to the various income levels of the population.

    Analysis: The Project would supply a 100% affordable senior housing development for seniors.

Compatibility with surrounding uses. The proposed mixed-use senior housing Project is generally compatible and consistent with surrounding uses. The immediate area is developed with a mix of commercial/retail establishments, multi-family residential and manufacturing land uses which is conducive to a mixed-use environment. The additional building height is allowed and is consistent with the provisions of the Development Agreement for a property with more than one acre and located within the City's mixed-use Entertainment Zone and the General Plan Entertainment land use designation. The subject site is elongated and oriented north-south perpendicular to its access road. This will also serve to limit any aesthetic concerns about the proposed Project. The proposed rear and side setbacks meet the minimum requirements set forth in the development standard for developments in the City's Entertainment Zone.

The Los Angeles County Fire Department's Land Development Division reviewed the proposed

plan for access requirements and has tentatively approved the Project, the access to the subject Property and the proposed affordable units, with Conditions of Approval.

DEVELOPMENT AGREEMENT

Section 20.20.040 of the Zoning Code requires a development agreement for new development in the Entertainment Zone. The purpose of the development agreement requirement is for the City to have the capability to shape how new development will contribute positively to the City as a whole, and to ensure that new development will be integrated and comprehensively planned while creating special places that enhance the quality of life. New development shall mean any new commercial, mixed-use, or residential development project on vacant land, on land where existing structure are demolished, or major expansions of existing buildings, in the Entertainment Zone.

The purpose of this section is to establish procedures and requirements for the approval and adoption of development agreements. These procedures and requirements are established pursuant to, and are consistent with, Government Code Sections 65864 through 65869.5. The Planning Commission may recommend, and the City Council may enter into a development agreement with any person having a legal or equitable interest in real property.

The development agreement required pursuant to this section shall include public benefits, including but not limited to:

1. Monetary contribution to the City for community amenities.
2. On-site improvements over and above base requirements that contribute to the community, such as affordable housing, community facilities, innovative use of infrastructure and renewable resources, and public art.
3. Off-site improvements, such as pedestrian and bicycle connections, or off-site public art or community facilities.

The Project Development Agreement includes the following specific public benefits to be provided by Developer to the City in connection with acquisition of the Property and the improvement and operation of the Project:

1. Developer shall enter into a project labor agreement with the Los Angeles County Trade Counsel to cover trades and persons who provide construction labor services in connection with the construction of the Project.

2. Purchase of Project Construction Materials from Local Businesses. Developer shall use good efforts to purchase construction materials for the Development of the Project from third parties whose businesses are located in the City. Upon request of the City, Developer shall provide the City with a suitably detailed written report which describes the measures taken by Developer to purchase construction materials for the Development of the Project from third party Cudahy businesses.

3. Developer hereby agrees to use good faith efforts to recruit residents of the City of Cudahy for any new job or entry level employment position in the Project once the Project of the Senior Citizen Housing Project and the Healthcare Office Project are completed and open for business to the general public, and to the extent of all other factors being equal and consistent with other applicable law, Developer covenants on a best efforts basis to give Cudahy residents preference for hiring for such new entry level job or employment positions and to the maximum reasonable and reasonable extent, use the services of businesses which are located in the City of Cudahy which result from the Development.

4. Affordable Housing, Health and Wellness and Neighborhood Benefits applicable to Senior Citizen Housing Project and the Healthcare Office Project:

a. High quality affordable housing – The Senior Citizen Housing Project will allow seniors of limited economic means or in need of wrap around support services to live independently but remain in close proximity to their extended families or the neighborhoods they formerly resided.

b. General Resident Services – The Senior Citizen Housing Project will budget up to $100,000 annually to pay for general health, wellness, and socialization activities for the residents of the Senior Citizen Housing Project.

c. Supportive Housing Services – The residents of the up to ninety (90) supportive housing units in the Senior Citizen Housing Project will be eligible to receive up to $450 per unit per month in individual intensive case management services from the Los Angeles County Department of Health.

d. Healthcare Services – The Project will establish a Federal Qualified Healthcare Center (FQHC) and Program of All-Inclusive Care for the Elderly (PACE) center to meet the health and wellness needs of residents of the Senior Citizen Housing Project and the City of Cudahy with the following estimated service counts:

i. FQHC – 3,000 to 4,000 patients a year which is the equivalent of 12,000 to 15,000 visits per year

ii. PACE – 200-300 long-term and regular active patients which is the equivalent of 2,400 to 4,200 visits per year

e. Neighborhood Amenities – The overall final design elements of the Project will offer a pedestrian-friendly street level public plaza that will be activated by the residents of the Senior Citizen Housing Project as well as non-residential non-profit and healthcare activities centered at the Healthcare Office Project. In addition, the Project will offer additional off-street parking options both during daytime business hours and in the evenings for area residents and future business activities.

f. Non Residential Lifetime Rent Benefit – The Project shall include approximately 1,217 square feet of commercial office space reserved for occupancy by a nonprofit organization serving the community for $0.00 base rent payable by such organization

to Developer and such commercial office space shall remain available for such use and occupancy for 55 years.

g. Healthcare Office Project Jobs Creation Benefit - The construction and operations of the Healthcare Office Project shall result in substantial local and well-paid job creation opportunities due to the good faith effort of Developer to implement local hire requirements and partnerships with local education and training programs. The federal qualified health care center and PACE center are expected to generate up to 80 well-paid full-time permanent health care related jobs equivalent to an estimated $4,000,000 in annual employment income.

5. Developer will offer to reimburse the City in an amount not to exceed Fifty Thousand Dollars ($50,000) for actual and reasonable costs of the City that are not processing fees.

The Project shall be subject to all Subsequent Development Approvals required to construct and complete the Project including without limitation the Environmental Clean-up of the Property requirements accepted by Developer as part of the voluntary clean-up and removal of contaminants and chemicals of concern from the Property.

Section 20.20.040 also establishes the scope and content of development agreements. A development agreement shall include the following:

1. The duration of the agreement;
2. The permitted uses of the property;
3. The density or intensity of use;
4. The maximum height and size of proposed buildings;
5. Any provisions for the reservation or dedication of land for public purposes; and
6. Provision for a periodic review of the applicant's compliance with the terms of the agreement under Section 20.84.610 CMC.

In addition to the required terms, a development agreement may include any of the following provisions:

1. The specified time for construction to commence;
2. The specified time for the project, or any phase of the project, to be completed;
3. Terms and conditions relating to applicant financing of necessary public facilities, and subsequent reimbursement, if any;
4. Conditions, terms, restrictions, and requirements for subsequent discretionary actions by the City, provided these shall not prevent development of the land for the uses and to the density or intensity set forth in the agreement;
5. Provisions for the Director of Community Development to approve minor modifications to the development project, with criteria to determine what constitutes a minor modification; or
6. Any other terms, conditions, and requirements that the City Council deems proper.

The development agreement shall not be approved unless it finds that its provisions are

consistent with the General Plan.

The City desires that the Property be developed in a manner consistent with the Entertainment Subdistrict of the Atlantic District use designation of the City's General Plan, and the Entertainment zoning classification of the City Zoning Code. Recently, the Developer and the City, as successor to the former Cudahy Community Development Commission (the "Successor Agency") have entered into an Exclusive Negotiation Agreement, dated as of July 14, 2020, pursuant to which the Developer proposes to acquire the Property from the Successor Agency on terms mutually acceptable to the Successor Agency and the Developer.

Attached as Attachment #3 is a draft copy of the Agreement. The Agreement includes a summary of the following:

1. Developer proposes to develop a complete mixed-use development or Project which includes:

    a. The new construction of a Low-Income Housing Tax Credit project for low-income and homeless seniors consisting of up to 179 total dwelling units (the "Senior Housing Project") over ground level, which is a permitted use pursuant to CMC section 20.20.020; and

    b. An onsite healthcare clinic and other wellness-related uses ("Healthcare Office Project"), as well as space for a community-based organization and a common area on-site vehicle parking facility for up to 190 parking stalls for both the Senior Housing Project and the Health Care Office Project, which is also a permitted use pursuant to CMC section 20.20.020;

2. The Project will be subdivided into a condominium for the Senior Housing Project and commercial condominium for the Healthcare Office and Community Office;
3. Definition of certain terms and phrases;
4. Duration of Term of Development Agreement;
5. Detailed Description of the Project;
6. Effect of Development Agreement;
7. Development of Project;
8. Enforcement;
9. Public Benefits;
10. Public Improvements and Services;
11. Dedications and Exactions;
12. Development Fees;
13. Other provisions pertaining to Development Agreements

The City Council shall not approve a development agreement unless it finds that its provisions are consistent with the General Plan.

Required Findings:

- This Agreement: (i) is consistent with the objectives, policies, general land uses, and programs contained City's General Plan; (ii) complies with the uses authorized in the City Zoning Code under the Entertainment Zone; (iii) provides for the orderly development of the Property; and (iv) is entered into pursuant to and in compliance with the requirements of Section 65867 of the Development Agreement Statute;

- City desires to accomplish the goals and objectives set forth in City's General Plan and finds that the Project will accomplish their goals and objectives. The City has determined that the Project is consistent with the General Plan, the Entertainment Zone and the Existing Land Use Regulations, as defined below;

    - As consideration for the benefits gained by Developer from the vested rights acquired pursuant to the Development Agreement Statute, the City is requiring that Developer construct and install certain public improvements and provide other public benefits in connection with the Project;

    - In order to avoid any misunderstandings or disputes which may arise from time to time between Developer and City concerning the proposed Project and to assure each party of the intention of the other as to the processing of any land use entitlements which now or hereafter may be required for the Project, the Parties believe it is desirable to set forth their intentions and understandings in this Agreement. In order for both City and Developer to achieve their respective objectives, it is imperative that each be as certain as possible that Developer will develop and that City will permit Developer to develop the Project and public improvements and other public benefits as approved by City within the time periods provided in this Agreement, except as otherwise indicated herein;

    - In preparing and adopting the General Plan and in granting the Existing Development Approvals, the City considered the health, safety, and general welfare of the residents of City and prepared in this regard an extensive environmental impact report and other studies. Without limiting the generality of the foregoing, in preparing and adopting the General Plan and in granting the Existing Development Approvals, the City Council carefully considered and determined the projected needs (taking into consideration the planned development of the Project and all other areas within the City) for water service, sewer service, storm drains, electrical facilities, traffic/circulation infrastructure, police and fire services, paramedic and similar improvements, facilities and services and the appropriateness of the density and intensity of the development comprising the Project and the needs of City and surrounding areas for other infrastructure.

AMENDMENT TO THE ZONING CODE

This Project will require a zone text amendment to include medical offices and adult day health care facilities as conditional uses in conjunction with mixed-use residential-commercial projects

within the City's Entertainment (E) Zone.

Currently, the City's Zoning Code allows the following:

Medical Offices - as a permitted use within the Neighborhood Commercial (NC), Innovative Industrial (I Ind), Light Industrial (LI), and Commercial Mixed-Use (CMU) Zones; and as a conditional use in the Civic Mixed-Use (Civic MU) Zone.

Adult Health Day Care facilities (Adult Day Care Center) – as a conditional use in the Neighborhood Commercial (NC), Innovative Industrial (I Ind), Commercial Mixed-Use (CMU) and Civic Mixed-Use (Civic MU) Zones.

As shown above and identified in the Zoning Code, these two (2) land uses (medical offices and adult health day cares) are currently permitted or conditionally permitted in the other mixed-use zones. The Entertainment Zone along with the Civic Mixed-Use and Commercial Mixed-Use Zones are located within the Atlantic Avenue district established by the City's General Plan. According to the General Plan this district was established to achieve sustainable development forms. Mixed-use development approaches offer opportunities to live close to activity centers and transit stops, to walk to neighborhood services and parks, to enjoy indoor and outdoor entertainment close to home, and to experience a vibrant pedestrian district.

Adding these land uses as a conditional use in conjunction with a mixed-use project, will further implement the intent of the mixed-use land use designation by continuing to provide much needed services that are easily accessible by foot and other non-motorized transportation. In addition, medical offices and adult health day care centers are less intensive uses than a number of permitted uses in the Entertainment and the other Mixed-Use zones such as indoor recreation and health and fitness facilities, which have more of an impact than the medical office and adult health day care uses.

Adding these specific uses to the Entertainment Zone doesn't change the environmental analysis. The lead agency has discretion to determine what a "substantial change" in a "project" is per CEQA Guidelines Section 15162. Adding uses to a zone where those uses are no more intense than many permitted, or conditionally permitted uses do not constitute a "substantial change". Evaluating this text amendment would not require "major revisions" to the General Plan EIR, therefore including these conditional land uses to the Entertainment Zone and analyzing in the Addendum to the EIR is permissible.

To approve an amendment to the Zoning Code, the Planning Commission and City Council shall make the following findings about the proposed Zoning Code amendment:

A. The amendment is consistent with the goals, policies and objectives of the General Plan as the General Plan has included the Entertainment Zone as one of the subdistricts of the Atlantic Avenue Mixed-Use Corridor and adding the conditional land uses is consistent with the same permitted and conditional uses in both the Commercial Mixed-Use and Civic Mixed-Use subdistricts and land use designations;

B. The amendment will not adversely affect surrounding properties as the added conditional land uses represent a less intense use compared to other permitted uses in the Entertainment Zone;

C. The amendment promotes public health, safety, and general welfare. The City determines that the projected needs for water service, sewer service, storm drains, electrical facilities, traffic/circulation infrastructure, police and fire services, paramedic and similar improvements, facilities and services and the appropriateness of the density and intensity of the development comprising the Project and the needs of City and surrounding areas for other infrastructure.

D. The text amendment serves the goals and purposes of the Zoning Code and provides land use consistencies with the other mixed-use designations; and

E. The amendment is consistent with the portions of the County of Los Angeles Hazardous Waste Management Plan relating to siting, and siting criteria, for hazardous waste facilities as adding additional conditional land uses to the Entertainment Zone and the construction of the mixed-use senior housing development is not considered a hazardous waste facility.

ADDENDUM TO THE GENERAL PLAN EIR

This Project requires an Addendum to the City of Cudahy's General Plan Final EIR (GPFEIR). The City Council of the City of Cudahy certified the Program Environmental Impact Report for the current General Plan Update and adopted the General Plan 2040 in 2018.

The purpose of this Addendum is to evaluate the environmental impacts of a new mixed-use senior residential Project in the City's Entertainment Zone, including those impacts that might result from adding two land uses to the zone and revising the Commercial and Industrial permitted-use table (CMC Title 20, Table 20.20-1), and to determine whether the proposed Project is within the scope of development anticipated by the General Plan. The City is the Lead Agency under the California Environmental Quality Act (CEQA) and is responsible for preparing the Addendum to the GPFEIR (Addendum) (State Clearinghouse No. 2017071071).

This Addendum has been prepared in conformance with CEQA (California Public Resources Code Section 21000 et seq.), California CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq.), and the rules, regulations, and procedures for implementation of CEQA, as adopted by the City. The principal CEQA and CEQA Guidelines sections governing content of this document are Section 21157.1 (Review of Subsequent Projects Described in Report; Requirements); Sections 15162 (Subsequent Documents and Negative Declarations) and 15164 (Addendum to an EIR or Negative Declaration).

CEQA Guidelines Section 15162 permits agencies to prepare follow-up, or "subsequent" environmental documents to existing EIRs when, among other factors:

(a) substantial changes are proposed in the project that would require major revisions in that EIR resulting from new significant environmental effects or a substantial increase in the severity of effects previously described;
(b) there are substantial changes in the project's circumstances that would require major revisions;
(c) new information arises that was not known at the time that the document was certified, that shows new significant effects or an increase in their severity;
(d) a project proponent declines to implement mitigation measures that were previously infeasible, but became feasible and would substantially reduce one or more significant effects; or
(e) a project proponent declines to implement newly-discovered mitigation measures that would substantially reduce significant effects.

Alternatively, if there are changes to a project that would not require major revisions to the existing EIR, and only minor additions or changes to that existing EIR would be necessary, CEQA permits use of an Addendum to an existing Program EIR to evaluate the new effects, "tiering" from the Program EIR (CEQA Guidelines Section 15164).
CEQA Guidelines Section 15164(a-e) describes an Addendum's scope as follows:

(a) The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
(b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
(c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
(d) The decision-making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
(e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

The City has accordingly prepared this Addendum to the GPFEIR because the proposed Project and Zoning Code text amendment will likely necessitate only minor revisions and will not require mitigation measures different from those adopted in the GPFEIR and incorporated as policies in the General Plan. The accompanying Initial Study/Environmental Checklist Form (Attachment #6) evaluates the Project and amendment's environmental impacts and cites mitigation measures from the GPFEIR as required.

The Project is consistent with the General Plan in that the General Plan designation, Entertainment, allows mixed-use development with residential components on upper levels. The site's zoning designation, also Entertainment, allows multi-family residential housing as a

permitted, by-right use, as long as the residential component is part of a mixed-use development and the residential units are placed above the ground floor. The Project is consistent with the General Plan in that it facilitates and encourages diversity in housing types.

The Applicant proposes 179 affordable senior units, which adds additional housing options in the City. The Project is further consistent with the Housing Element of the General Plan in that it contributes units towards the required Regional Housing Needs Assessment (RHNA) requirement. Finally, the proposed Project is consistent with the General Plan of the City as it meets a) high-density mixed-use, affordable residential development; b) is located in the City on a site of less than five acres; c) the site has no value as a habitat for endangered species, as it is in an urbanized area and is vacant; d) there are no anticipated impacts to traffic, noise, or air quality as the land use at the site is not substantially changing, and e) is adequately served by utilities and public services. The Project site is in an urbanized area, is not located within or near a scenic highway, contains no significant rocks or outcroppings, and would not impede any scenic views into or out of the Project site because no scenic views exist from or into the Project site. The site is designated Entertainment, zoned Entertainment and surrounded by other residential and commercial properties of similar size in an urbanized area.

The Applicant has adequately demonstrated that the Project will not generate unmitigated significant noise, traffic, parking, or other impacts detrimental to surrounding properties or the general welfare. The environmental-impact issues cited above are addressed in the EIR that was adopted as part of the General Plan 2040, which show that the Project does not present significant environmental impacts that cannot be mitigated by either existing regulations or specific mitigation measures that have been incorporated into the Project's Conditions of Approval and the General Plan 2040. The City has accordingly prepared an Addendum to the GPFEIR and the proposed Project and Zoning Code text amendment will likely necessitate only minor revisions and will not require mitigation measures different from those adopted in the GPFEIR and incorporated as policies in the General Plan. The accompanying Initial Study/Environmental Checklist Form evaluates the Project and amendment's environmental impacts and cites mitigation measures from the GPFEIR as required.

REQUIRED FINDINGS:

<u>DEVELOPMENT REVIEW PERMIT</u>

CMC § 20.84.210, Basis for Approval or Denial of a Development Review Permit.

- **20.84.210(a) The Project is consistent with the City of Cudahy General Plan, any applicable specific plan, and any plan of another governmental agency made applicable by statue or ordinance.**

  Support for Finding: The Project is compatible with the City's General Plan because it proposes an affordable senior housing development in the Mixed-Use General Plan designation and the Entertainment Zone, at a density allowable under the Cudahy Zoning Code with a density bonus.

- **20.84.210(b) The height, bulk, and other design features of structures are in proportion to the building site, and external features are balanced and unified to present a harmonious appearance.**

  Support for Finding: The proposed Project's structure's height is permitted for a development project in the Entertainment Zone with approval of a development agreement. The purpose of the development agreement requirement is for the City to have the capability to shape how new development will contribute positively to the City as a whole, and to ensure that new development will be integrated and comprehensively planned while creating special places that enhance the quality of life. The Project represents a harmonious appearance with nearby residences and commercial uses. Accordingly, the Project is consistent with the height, bulk, and other design features required by the City Zoning design guidelines and provides a unified and uniform appearance.

- **20.84.210(c) The Project design contributes to the physical character of the community, relates harmoniously to existing and anticipated development in the vicinity, and is not monotonously repetitive in and of itself or in conjunction with neighboring uses and does not contribute to excessive variety among neighboring uses.**

  Support for Finding: The existing surrounding properties include a mix of multi-family residences and commercial uses. The proposed development includes 179 affordable senior residential units, consistent with the height, bulk, and other design features found in the surrounding area. The proposed surface articulations include trimmed windows, pop-out terraces etc., and avoid monotonous repetition.

- **20.84.210(d) The site layout and the orientation and location of structures and their relationship to one another and to open spaces, parking areas, pedestrian walks, signs, illumination, and landscaping achieve safe, efficient, and harmonious development.**

  Support for Finding: The proposed Project site layout presents a balanced, axial plan that relates to similar structures along Atlantic Avenue and Santa Ana Street and the Atlantic Avenue Corridor. The Project's orientation beyond the setback and the open courtyards helps to screen the building's mass from the public right of way and adjacent properties. There are areas available for landscaping, including the front setback, the rear setback, the private open space and common areas. The parking's access driveway permits good visibility along the length of the project exterior and will have security lighting for safety.

- **20.84.210(e) The grading and site development show due regard for the qualities of the natural terrain and landscape and do not call for the indiscriminate destruction of trees, shrubs, and other natural features.**

  Support for Finding: The proposed Project site is vacant and has no existing natural landscaping or any trees or shrubs. Generally, the rest of the site is urbanized, flat and

there is little evidence of "natural" terrain. There are no "natural" features on the site. Moreover, the Project would add new landscaping, including trees and shrubs throughout the development.

- **20.84.210(f) The design, lighting, and placement of signs are appropriately related to the structure and grounds and are in harmony with the general development of the site.**

  Support for Finding: The Project will not have illuminated signage, with the exception for possible illuminated identifying address signs or minor signage for the on-site services on the front elevation. Signs must meet CMC standards for overall site illumination, property identification signs and the Conditions of Approval for the Project, and thus would be in harmony with the general development of the site.

- **20.84.210(g) Mechanical equipment, machinery, trash, and other exterior service areas are screened or treated in a manner which is in harmony with the design of the structures and grounds.**

  Support for Finding: There are no proposed exterior mechanical equipment, machinery, or service areas except for the trash enclosures which are located within an enclosed structure behind decorative view obscuring doors to prevent stormwater runoff and to provide further screening and meets zoning code requirements for multi-family developments. Other mechanical equipment must comply with CMC design guidelines and Building Code standards, which require that all mechanical equipment, machinery, trash, and other exterior service areas be screened from public view.

- **20.84.210(h) The Project shows proper consideration for adjacent residentially zoned or occupied property and does not adversely affect the character of such property.**

  Support for Finding: The Project shows proper consideration for adjacent residentially zoned or occupied property and does not adversely affect the character or value of such property. The proposed Project would re-develop a site that lies between occupied multiple-family residences and commercial uses. By introducing new, up-to-date residences with new landscaping, the Project would improve the character of the adjacent properties and maintain or improve property value. The design is consistent with the City's General Plan's Entertainment and Mixed-Use zoning designations, meets all development standards within the provisions of the Development Review Permit for the Project, is compatible and will complement the surrounding residential and commercial uses, and will not adversely affect the value or quality of the neighborhood.

<u>CONDITIONAL USE PERMIT – 231% RESIDENTIAL DENSITY BONUS</u>

Basis for Approval or Denial of a Conditional Use Permit for a 231% Density Bonus:

- **20.52.340(A)**. The Project is consistent with the affordable housing provisions of the General Plan.

Support for Finding: The Project's proposed increased density, governed by the terms of the Conditional Use Permit, would provide all 179 units as affordable units. This is consistent with the General Plan Land Use Element Policy 2.8, which allows for "different densities of development" when a project would supply housing for various income levels. The Project is requesting a density bonus as permitted by State and local law and must set aside all units as affordable. This is consistent with the General Plan Housing Element Policy 2.1 regarding supporting housing availability for all economic segments. The Project would supply new residential units with habitable floor areas based on the unit type. All units would be characterized as "affordable" to residents with low incomes, consistent with General Plan Housing Element Policy 2.5. Finally, the Project would construct new housing and commercial development on a parcel in an existing mixed-use designation. It will rehabilitate the Property, consistent with General Plan Housing Element Policy 3.5.

- **20.52.340(B)**. The Project sets aside no less than the percentage and type of units required to earn a density bonus of 231 percent (231%) under the state density bonus law.

  Support for Finding: The Applicant is required to set aside all units as affordable, pursuant to California Government Code § 65915 and to CMC § 20.52.300 et seq. and is subject to the provisions and conditions of the Development Agreement.

- **20.52.340(C)**. The Applicant has adequately demonstrated that the Project will not generate unmitigated significant noise, traffic, parking, or other impacts detrimental to surrounding properties or the general welfare.

  Support for Finding: The Applicant has adequately demonstrated that the Project will not generate unmitigated significant noise, traffic, parking, or other impacts detrimental to surrounding properties or the general welfare. The environmental-impact issues cited above are addressed in the EIR that was adopted as part of the General Plan 2040, which show that the Project does not present significant environmental impacts that cannot be mitigated by either existing regulations or specific mitigation measures that have been incorporated into the Project's Conditions of Approval and the General Plan 2040. The City has accordingly prepared an Addendum to the GPFEIR and the proposed Project and Zoning Code text amendment will likely necessitate only minor revisions and will not require mitigation measures different from those adopted in the GPFEIR and incorporated as policies in the General Plan. The accompanying Initial Study/Environmental Checklist Form evaluates the Project and amendment's environmental impacts and cites mitigation measures from the GPFEIR as required.

Additional Findings for Approval:

- **There are adequate provisions for public and emergency vehicle access, fire protection, sanitation, water, and public utilities and services to ensure that the proposed development would not be detrimental to public health and safety**.

  Support for Finding: Planning staff and the Los Angeles County Fire Department reviewed the site plan. With application of the Conditions of Approval, the proposed site plan complies with the City's Zoning Code and Fire Department requirements related to vehicle access, fire protection, sanitation, water, and public utilities and services.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Based upon the proposed development, associated entitlements, and Staff's assessment, the proposed Project is subject to an Addendum to the previously adopted and certified General Plan EIR, pursuant to Article 11, Section 15164 of the California Environmental Quality Act ("CEQA").

This Addendum has been prepared in conformance with CEQA (California Public Resources Code Section 21000 et seq.), California CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq.), and the rules, regulations, and procedures for implementation of CEQA, as adopted by the City of Cudahy. The principal CEQA and CEQA Guidelines sections governing content of this document are Section 21157.1 (Review of Subsequent Projects Described in Report; Requirements); Sections 15162 (Subsequent Documents and Negative Declarations) and 15164 (Addendum to an EIR or Negative Declaration).

The Project is consistent with the General Plan in that the General Plan designation, Entertainment, allows mixed-use development with residential components on upper levels. The site's zoning designation, also Entertainment, allows multi-family residential housing as a permitted, by-right use, as long as the residential component is part of a mixed-use development and the residential units are placed above the ground floor. The Project is consistent with the General Plan in that it facilitates and encourages diversity in housing types.

The Applicant proposes 179 affordable senior units, which adds additional housing options in the City. The Project is further consistent with the Housing Element of the General Plan in that it contributes units towards the required Regional Housing Needs Assessment (RHNA) requirement. Finally, the proposed Project is consistent with the General Plan of the City as it meets a) high-density mixed-use, affordable residential development; b) is located in the City on a site of less than five (5) acres; c) the site has no value as a habitat for endangered species, as it is in an urbanized area and is vacant; d) there are no anticipated impacts to traffic, noise, or air quality as the land use at the site is not substantially changing, and e) is adequately served by utilities and public services. The Project site is in an urbanized area, is not located within or near a scenic highway, contains no significant rocks or outcroppings, and would not impede any scenic views into or out of the Project site because no scenic views exist from or into the Project site. The site is designated Entertainment, zoned Entertainment and surrounded by other residential and commercial properties of similar size in an urbanized area.

The Applicant has adequately demonstrated that the Project will not generate unmitigated significant noise, traffic, parking, or other impacts detrimental to surrounding properties or the general welfare.

The environmental-impact issues cited above are addressed in the EIR that was adopted as part of the General Plan 2040, which show that the Project does not present significant environmental impacts that cannot be mitigated by either existing regulations or specific mitigation measures that have been incorporated into the Project's Conditions of Approval and the General Plan 2040. The City has accordingly prepared an Addendum to the GPFEIR and the proposed Project and Zoning Code text amendment will likely necessitate only minor revisions and will not require mitigation measures different from those adopted in the GPFEIR and incorporated as policies in the General Plan. The accompanying Initial Study/Environmental Checklist Form evaluates the project and amendment's environmental impacts and cites mitigation measures from the GPFEIR as required.

ATTACHMENTS:

1. Location Map
2. Proposed Development Plans
3. Draft Development Agreement (attached as Exhibit A to Resolution No. 20-32 and Exhibit A to Ordinance No. 711).
4. Resolution No. 20-31 (approving the DRP and CUP/DB)
5. Resolution No. 20-32 (approving the Development Agreement)
6. Ordinance No 711 (approving the Development Agreement)
7. Ordinance No. 710 (adopting on first reading AZC)
8. Addendum to the General Plan EIR

This staff report-errata sheet has been prepared for both the special City Council meeting (item 6) and the concurrent adjourned regular meeting (item 13) of the City Council as set for October 13, 2020.

STAFF REPORT – ERRATA SHEET

The following contains corrections to the Staff Report distributed to the City Council on Saturday, October 10, 2020, in preparation for the Special Meeting to be conducted on October 13, 2020. The staff and applicant's PowerPoint™ slides have been revised to reflect these changes. The PowerPoint slides reflect the project as currently proposed by Prima Development.

Page, Paragraph	Erratum (*red, bold, italics*)	Correction
P. 3, par. 1: Project description:	The Project comprises one hundred fifty-five 527-square-foot one-bedroom and twenty-four 714-square-foot two-bedroom apartments intended for affordable senior-housing, ***a 945-square-foot two-bedroom manager's apartment, and up to 21,000 square feet of ground-floor commercial uses, including a walk-in medical clinic and an adult health day-care center.***	**…and up to 21,200 square feet of ground-floor commercial uses, including a walk-in medical clinic and an adult health day-care center. . Up to two (2) two-bedroom units will be reserved as on-site property manager apartments with one of the two-bedroom manager units to be approximately 945-square feet.**
P. 3, par. 2: Access and circulation	The parking garage plans show ***87*** dedicated residential parking spaces, ***94*** commercial parking spaces, and bicycle parking spaces	**The parking garage plans show 118 dedicated residential parking spaces, 64 commercial parking spaces, and bicycle parking spaces.**
P. 6, Table 2, Parking Column	***28*** guest spaces	**27 guest spaces**
P. 7, Table (Units/Bedrooms/Area)	***24*** Two-bedroom units,19,***936*** sq. ft. ***Manager's Unit, Two-bedroom unit, 945 sq. ft.***	**22 Two-bedroom units,19,222 sq. ft. 1 Manager's Unit, Two-bedroom unit, 714 sq. ft. 1 Manager's Unit, Two-bedroom unit, 945 sq. ft.**
P. 7, 2nd Table (parking)	***87*** spaces required (0.5 spaces/unit) ***90*** spaces provided	**91 spaces req'd (0.5 spaces/unit) 118 spaces provided**
P. 7, 2nd Table (parking)	Commercial: ***91*** required Office: 3 required 64 total provided	**Commercial – 61 required Office – 3 required 64 total comm/office spaces provided**
P. 7, par. 4	A total of 182 parking spaces are provided, which includes ***an additional 28*** guest parking spaces.	**A total of 182 parking spaces are provided, which includes 27 residential guest parking spaces.**
p. 8, par. 1	The Applicant has designated ***all*** units as affordable for the Project,	**The Applicant has designated 77 units as affordable for the Project, with two market-rate units reserved for on-site managers,**
p. 12	(clarification)	**The Development Agreement terms control how and by whom supportive services will be delivered.**

ORDINANCE NO. 710

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY APPROVING AN AMENDMENT TO TABLE 20.20-1 OF CHAPTER 20.20 COMMERCIAL AND INDUSTRIAL ZONES OF THE CITY'S ZONING CODE TO INCLUDE MEDICAL OFFICES AND ADULT DAY HEALTH CARE FACILITIES AS CONDITIONAL USES AS COMPONENTS OF MIXED-USE RESIDENTIAL-COMMERCIAL PROJECTS WITHIN THE CITY'S ENTERTAINMENT (E) ZONE (APPLICANT: PRIMA DEVELOPMENT; CASE NO: AZC 90-12)

WHEREAS, the Applicant, Prima Development, Inc. ("Applicant") proposes to construct a six-story, 179-unit mixed-use senior housing project with a commercial component consisting of a medical office and adult day health care facility located on a 58,340 square foot (1.33 acre) lot ("Project") at 4610 Santa Ana Street, Cudahy, California ("Property") in the Entertainment (E) Zone;

WHEREAS, the Applicant heretofore filed an application requesting approval of an amendment to the City of Cudahy's ("City") Zoning Code Table 20.20-1 to include medical offices and adult day health care facilities as conditional uses as components of mixed-use residential-commercial projects within the City's Entertainment (E) Zone ("Application"), described more particularly in the Application on file with the Planning Division; and

WHEREAS, the Planning Commission upon giving the required notice, conducted a duly noticed public hearing on September 28, 2020 as prescribed by law, at which time the Planning Commission adopted Resolution No. PC 20-11, recommending that the City Council approve the Addendum to the General Plan EIR and the amendment to the City Zoning Code (AZC 90-12); and

WHEREAS, the City Council conducted a duly noticed public hearing on October 13, 2020 upon the proposed amendment and received information and public testimony; and

WHEREAS, the amendment is consistent with the goals, policies and objectives of the General Plan as the General Plan has included the Entertainment Zone as one of the subdistricts of the Atlantic Avenue Mixed-Use Corridor and adding the conditional land uses is consistent with the same permitted and conditional uses in both the Commercial Mixed-Use and Civic Mixed-Use subdistricts and land use designations; and

WHEREAS, the amendment will not adversely affect surrounding properties as the added conditional land uses represent a less intense use compared to other permitted uses in the Entertainment Zone; and

WHEREAS, the amendment promotes public health, safety, and general welfare. The City determines that the projected needs for water service, sewer service, storm

drains, electrical facilities, traffic/circulation infrastructure, police and fire services, paramedic and similar improvements, facilities and services and the appropriateness of the density and intensity of the development comprising the Project and the needs of City and surrounding areas for other infrastructure; and

WHEREAS, the text amendment serves the goals and purposes of the Zoning Code and provides land use consistencies with the other mixed-use designations; and

WHEREAS, the amendment is consistent with the portions of the County of Los Angeles Hazardous Waste Management Plan relating to siting, and siting criteria, for hazardous waste facilities as adding additional conditional land uses to the Entertainment Zone and the construction of the mixed-use senior housing development is not considered a hazardous waste facility.

THE CITY COUNCIL OF THE CITY OF CUDAHY DOES HEREBY FIND, DETERMINE AND DECLARE AS FOLLOWS:

SECTION 1. That, based on the evidence presented, including the recommendation of the Planning Commission, the City Council of the City of Cudahy does hereby find, determine and declare that the public interest, necessity, convenience and general welfare require the approval of this amendment to the Zoning Code.

SECTION 2. That Table 20.20-1 of Zoning Code Chapter 20.20 entitled Commercial and Industrial Zones, is hereby amended by adding Medical Offices and Adult Day Health Care Facilities as conditional uses as components of/or in conjunction with mixed-use residential-commercial projects within the Entertainment Zone.

SECTION 3. The City Council at the time of the public hearing on the above matter reviewed and considered the proposed Addendum to the General Plan EIR. The City Council, based upon its public review, does hereby find that said Addendum to the General Plan EIR has been prepared and was considered pursuant to the provisions and guidelines of the California Environmental Quality Act and hereby approves the adoption of the Addendum since there is no substantial evidence that the Project will have a significant impact on the environment.

SECTION 4. That this Ordinance shall go into affect and be in full force and operation from and after thirty (30) days after its final reading and adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at its regular adjourned meeting on this 13th day of October 2020.

_____
Elizabeth Alcantar
Mayor

ATTEST:

_____
Richard Iglesias
Assistant City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Assistant City Clerk of the City of Cudahy, do hereby certify that the foregoing Ordinance was regularly introduced and placed upon its first reading at a regular adjourned meeting of the City Council on October 13, 2020. That thereafter said Ordinance No. 710 was duly approved and adopted at a regular meeting of the City Council of the City of Cudahy held on October 20, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Richard Iglesias
Assistant City Clerk

ORDINANCE NO. 711

AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA APPROVING (1) DEVELOPMENT AGREEMENT NO. 20-01 WITH PRIMA DEVELOPMENT, INC. FOR THE CONSTRUCTION OF A SENIOR CITIZEN MIXED-USE PROJECT AT 4610 SANTA ANA STREET

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code Section 65864 et seq. ("State Development Agreement Law"), which authorizes cities to enter into agreements for the development of real property with any person having a legal or equitable interest in such property in order to establish certain rights in such property;

WHEREAS, the City of Cudahy (the "City") adopted Cudahy Municipal Code ("CMC") Chapter 20.84 (Permit Procedures) Part 9 (Development Agreements) authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City;

WHEREAS, on September, 16, 2020, Prima Development, Inc. ("Developer") submitted a development project application for Conditional Use Permit No. 38-376, Development Review Permit No. 41-539, and Development Agreement No. 20-01 (the "Development Agreement") to construct a six-story, 179-unit mixed-use senior housing development located on a 58,340 square foot (1.33 acre) lot ("Project") at 4610 Santa Ana Street, Cudahy, California ("Property") in the Entertainment (E) Zone;

WHEREAS, the Developer has proposed to acquire the Property, which is owned by the City as successor to the former Cudahy Community Development Commission (the "Successor Agency"), from the Successor Agency on terms mutually agreeable to the Successor Agency and the Developer;

WHEREAS, the City and Developer seek to enter into the Development Agreement for the Project pursuant to State Development Agreement Law and CMC Chapter 20.84, Part 9;

WHEREAS, the Development Agreement is attached hereto as **Exhibit "A"**;

WHEREAS, pursuant to the provisions of the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.) ("CEQA") and the state guidelines for CEQA (Cal. Code Regs., tit. 14, § 15000 et seq.) ("CEQA Guidelines"), the City is the "lead agency" for the preparation and consideration of environmental documentation for the Project;

WHEREAS, in 2018, the City prepared an update to its General Plan and Zoning Code (CMC Title 20) and prepared and certified the associated "Cudahy General Plan Update Environmental Impact Report" (State Clearinghouse No. 2017071071) (hereinafter, the "EIR"). The EIR was certified by the Cudahy City Council (the "City Council") on _____ 2018 and focused on the impacts from changes to land use associated with buildout of the land use plan set forth in the update to the General Plan and impacts from the resulting population and employment growth in the City;

WHEREAS, the City Council's 2018 approval of the EIR included approval of that certain EIR exhibit document entitled, "CEQA Findings of Fact and Statement of Overriding Considerations regarding the Final Program Environmental Impact Report for the City of Cudahy General Plan Update" (the "EIR Findings"). The EIR Findings provide requisite CEQA findings for the EIR and identify specific reasons why the update to the General Plan and Zoning Code are acceptable despite significant impacts that are infeasible to mitigate;

WHEREAS, In connection with the approval of the Project, an addendum to the EIR (the "Addendum") has been prepared pursuant to CEQA Guidelines Section 15164 in order to determine whether any significant environmental impacts which were not identified in the EIR would result from the Project or whether previously identified significant impacts would be substantially more severe in connection with the Project;

WHEREAS, in connection with the Project, an addendum to the EIR (the "Addendum") has been prepared pursuant to CEQA Guidelines Section 15164 in order to determine whether any significant environmental impacts which were not identified in the EIR would result from the Project or whether previously identified significant impacts would be substantially more severe in connection with the Project;

WHEREAS, the Addendum is on file with the City Planning Division and is incorporated into this Ordinance by reference as though fully set forth herein;

WHEREAS, the Cudahy Planning Commission (the "Planning Commission") conducted a duly noticed public hearing on September 28, 2020 to consider approval of Development Review Permit No. 41-539, Conditional Use Permit No. 38-376, subject to the separate concurrence and approval by the City Council of a Conditional Use Permit for the Project and a recommendation of approval by the City Council of Development Agreement No. 20-01, and a recommendation of approval by the City Council to amend the zoning code to allow medical offices and adult day care facilities as conditionally permitted uses as components of mixed-use residential – commercial projects within the Entertainment (E) Zone (collectively, the "Existing Development Approvals") and recommendation of approval of the Addendum and considered all related testimony and evidence in light of applicable laws. After the conclusion of such public hearing, the Planning Commission adopted Planning Commission Resolution No. 20-10, entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CUDAHY APPROVING DEVELOPMENT REVIEW PERMIT NO. 41-539 TO ALLOW THE DESIGN, SITE LAYOUT, AND CONSTRUCTION OF A 174-UNIT MIXED-USE SENIOR HOUSING DEVELOPMENT AND CONDITIONAL USE PERMIT NO 38-376 TO PERMIT A 222% DENSITY BONUS FOR THE DEVELOPMENT IN THE ENTERTAINMENT (E) ZONE, INCLUDING ASSOCIATED CONCESSIONS LOCATED AT 4610 SANTA ANA STREET. APPLICANT: PRIMA DEVELOPMENT.

And Planning Commission Resolution No. 20-11, entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CUDAHY RECOMMENDING THAT THE CITY COUNCIL APPROVE 1) AN AMENDMENT TO CHAPTER 20.20 TABLE 20.20-1 OF THE CITY'S ZONING CODE TO INCLUDE MEDICAL OFFICES AND ADULT HEALTH DAY CARE FACILITIES AS A CONDITIONAL USE WITHIN THE ENTERTAINMENT (E) ZONE, PURSUANT TO SECTION 153.630 OF THE CITY'S ZONING CODE; 2) A DEVELOPMENT AGREEMENT TO ALLOW THE COSTRUCTION OF A SENIOR MIXED-USE DEVELOPMENT, PURSUANT TO SECTION 20.20.040 OF THE CITY'S ZONING CODE; AND 3) AN ADDENDUM TO THE CITY'S GENERAL PLAN ENVIRONMENTAL IMPACT REPORT, PURSUANT TO SECTION 21157.1 AND SECTION 15162 OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (APPLICANT: PRIMA DEVELOPMENT; CASE NO's. AZC 90-12, DA 20-01 AND ADDENDUM TO THE GENERAL PLAN EIR (SCH 2017071071).

WHEREAS, the City has conducted a public hearing on October 13, 2020 to consider the approval of the Development Agreement, the amendment of the zoning code to accommodate the Development of the Project and to approve a conditional use permit for the Project, including a density bonus to allow for the construction of up to 179 dwelling units as part of the Senior Citizen Housing Project element of the Project within the Entertainment (E) Zone and the Property and the Addendum in accordance with the State Development Agreement Law, CEQA, the CEQA Guidelines, and the CMC and considered all related testimony and evidence;

WHEREAS, during such public hearing on October 13, 2020 the City Council considered all related testimony and evidence relating to the approval of a Conditional Use Permit No. 38-376 and the Development Agreement (first reading), in accordance with the State Development Agreement Law, and the Addendum, in accordance with

CEQA, the CEQA Guidelines, and the CMC and considered all related testimony and evidence;

WHEREAS, on October 13, 2020, the City Council found and determined that this Development Agreement: (i) is consistent with the objectives, policies, general land uses, and programs contained City's General Plan; (ii) complies with the uses authorized in the City Zoning Code under the Entertainment Zone; (iii) provides for the orderly development of the Property; and (iv) is entered into pursuant to and in compliance with the requirements of Section 65867 of the Development Agreement Statute;

WHEREAS, after the conclusion of such hearing, at which all related testimony and evidence was considered the City Council approved this Ordinance for first reading; and

WHEREAS, the first reading approval of this Ordinance was made pursuant to Government Code Section 65867.5 and CMC 20.84.580 and in accordance with the findings set forth in Sections 2 and 3 below.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The recitals above are true and correct and incorporated herein by reference.

SECTION 2. Development Agreement Findings. The City Council finds and determines as follows:

A. The Development Agreement is consistent with the General Plan as the Property is consistent with its land use designation of Entertainment, which is intended to allow for the development of accommodates large scale entertainment that is required to be designed to provide pedestrian interest and accessibility along Atlantic Avenue. The Entertainment Zone along with the Civic Mixed-Use and Commercial Mixed-Use Zones are located within the Atlantic Avenue district established by the City's General Plan. According to the General Plan this district was established to achieve sustainable development forms. Mixed-use development approaches offer opportunities to live close to activity centers and transit stops, to walk to neighborhood services and parks, to enjoy indoor and outdoor entertainment close to home, and to experience a vibrant pedestrian district. The terms of the Development Agreement for the Project's residential and commercial components and onsite and offsite improvements (e.g., landscaping and off-street parking will be consistent with the General Plan Land Use designation of Entertainment and the implementing Entertainment Zone.

B. The Development Agreement is consistent with the State Development Agreement Law and CMC Chapter 20.84, Part 9 because:

1. The Development Agreement contains all requisite provisions set forth therein;

2. The Project will not be detrimental to the health, safety, and general welfare through the enforcement and implementation of conditions of approval and mitigation measures. Further, before the issuance of City development permits and/or the issuance of a Certificate of Occupancy for the initial occupancy of any tenant on the Property, Building and Safety Division, Engineering/Public Works Division, and Fire Department conditions and requirements must be met, which protect and preserve the health, safety, and general welfare; and

3. The Project will not adversely affect the orderly development of Property or the preservation of land values as it will enhance development in the vicinity through the introduction of vibrant and compatible mixed-use residential-commercial activity to an area that is developed with a mix of commercial/retail establishments, multi-family residential and manufacturing land uses.

SECTION 2. Approval of Development Agreement. The City Council hereby approves the Development Agreement subject to such minor, conforming, and clarifying changes consistent with the terms thereof as may be approved by the City Manager, in consultation with the City Attorney, prior to the execution thereof.

SECTION 3. Inconsistent Provisions. Any provision of the CMC or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Ordinance.

SECTION 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 5. Publication and Effective Date. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in a newspaper of general circulation within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days after adoption.

SECTION 6. Execution by City Manager. The City Manager is hereby delegated to execute this Development Agreement and all other associated documents to effectuate the terms of the Development Agreement.

SECTION 7. Recordation. This Development Agreement shall be recorded concurrently upon the Developer's acquisition of the Property from the City as Successor Agency in the office of the Los Angeles County Registrar-Recorder/County Clerk.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this _____ day of October 2020.

_____
Elizabeth Alcantar
Mayor

ATTEST:

_____
Richard Iglesias
Assistant City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Assistant City Clerk of the City of Cudahy, do hereby certify that the foregoing Ordinance was regularly introduced and placed upon its first reading at a regular adjourned meeting of the City Council on October 13, 2020. That thereafter said Ordinance No. 711 was duly approved and adopted at a regular meeting of the City Council of the City of Cudahy held on October 20, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Richard Iglesias
Assistant City Clerk

EXHIBIT “A”
DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
City of Cudahy
c/o City Clerk
5220 Santa Ana Street
Cudahy, CA 90201

(Space Above Line for Recorder's Use)

DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF CUDAHY
AND
PRIMA DEVELOPMENT, INC.

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DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF CUDAHY
AND
PRIMA DEVELOPMENT, INC.

This Development Agreement ("Development Agreement") is dated as of October 20, 2020, by and between the City of Cudahy, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California, ("City") and Prima Development, Inc., a California nonprofit public benefit corporation ("Developer"), pursuant to the authority set forth in Article 2.5 of Chapter 4 of Division 1 of Title 7, Sections 65864 through 65869.5 of the California Government Code (the "Development Agreement Statute"). This Development Agreement shall take effect on the "Development Agreement Date" as this term is defined herein below.

RECITALS

This Development Agreement is predicated upon the following facts:

A. City is authorized, pursuant to California Government Code §§65864 through 65869.5 (the "Development Agreement Statute") and Part 9 of Title 20, Chapter 20.84 (the "Development Agreement Ordinance") of the Cudahy Municipal Code ("CMC") to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property in order to, among other things: encourage and provide for the development of public facilities in order to support development projects; provide certainty in the approval of development projects in order to avoid the waste of resources and the escalation in project costs and encourage investment in and commitment to comprehensive land use planning which will make maximum efficient utilization of resources at the least economic cost to the public; provide assurance to the applicants of development projects: (i) that they may proceed with their projects in accordance with existing policies, rules and regulations, subject to the conditions of approval of such projects and provisions of such development agreements, and (ii) encourage private participation in comprehensive planning and reduce the private and public economic costs of development;

B. As of the Development Agreement Date, the City of Cudahy as successor to the former Cudahy Community Development Commission (the "Successor Agency") owns a vacant 1.34-acre (58,370 square feet) parcel located at 4610 Santa Ana Street, Cudahy, CA 90201 (APN No. 6224-019-014) (the "Property") which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference;

C. City desires that upon the disposition of the Property by the Successor Agency to the Developer that the Property shall be developed in a manner consistent with the Entertainment Subdistrict of the Atlantic District use designation of the City's General Plan, and the Entertainment zoning classification of the City Zoning Code;

D. Developer and the Successor Agency have entered into an Exclusive Negotiation Agreement, dated as of July 14, 2020, pursuant to which the Developer has proposed to acquire

the Property from the Successor Agency on terms mutually acceptable to the Successor Agency and the Developer;

E. Separately, the Developer has submitted a development project application to the City dated September 16, 2020, for the construction and improvement on the Property of mixed-use development or "Project" which includes:

(i) the new construction of a Low-Income Housing Tax Credit ("LIHTC") project for very low-income and homeless seniors (inclusive of a density bonus) over ground level, which is a permitted use pursuant to CMC section 20.20.020 (the "Senior Citizen Housing Project"); and

(ii) an onsite healthcare clinic and other wellness-related uses, as well as space for a community-based organization and a common area on-site vehicle parking facility for both the Senior Housing Project and the Healthcare Office Project, which is also a permitted use pursuant to CMC section 20.20.020 ("Healthcare Office Project");

F. The Property and the Project will be subdivided into one or more parcels in order to accommodate a condominium plan for the development and operation of the Senior Citizen Housing Project and commercial condominium(s) for the Healthcare Office Project;

G. Pursuant to the provisions of the California Environmental Quality Act (Pub. Resources Code, § 21000 *et seq*.) ("CEQA") and the state guidelines for CEQA (Cal. Code Regs., tit. 14, § 15000 et seq.) ("CEQA Guidelines"), the City is the "lead agency" for the preparation and consideration of environmental documentation for the Project. In 2018, the City prepared an update to its General Plan and Zoning Code (CMC Title 20) and prepared and certified the associated "Cudahy General Plan Update Environmental Impact Report" (State Clearinghouse No. 2017071071) (hereinafter, the "EIR"). The EIR was certified by the Cudahy City Council (the "City Council") on March 20, 2018 and focused on the impacts from changes to land use associated with buildout of the land use plan set forth in the update to the General Plan and impacts from the resulting population and employment growth in the City;

H. The City Council's 2018 approval of the EIR included approval of that certain EIR exhibit document entitled, "CEQA Findings of Fact and Statement of Overriding Considerations regarding the Final Program Environmental Impact Report for the City of Cudahy General Plan Update" (the "EIR Findings"). The EIR Findings provide requisite CEQA findings for the EIR and identify specific reasons why the update to the General Plan and Zoning Code are acceptable despite significant impacts that are infeasible to mitigate;

I. In connection with the approval of the Project, an addendum to the EIR (the "Addendum") has been prepared pursuant to CEQA Guidelines Section 15164 in order to determine whether any significant environmental impacts which were not identified in the EIR would result from the Project or whether previously identified significant impacts would be substantially more severe in connection with the Project;

J. The Cudahy Planning Commission (the "Planning Commission") conducted a duly noticed public hearing on September 28, 2020 to consider approval of Development Review

Permit No. 41-539, Conditional Use Permit No. 38-376, subject to the separate concurrence and approval by the City Council of a conditional use permit for the Project and a recommendation approval by the City Council of Development Agreement No. 20-01, and a recommendation of approval by the City Council to amend the zoning code to allow medical offices and adult day care facilities as conditionally permitted uses as components of mixed-use residential – commercial projects within the Entertainment (E) Zone and recommendation of approval of the Addendum and considered all related testimony and evidence in light of applicable laws. After the conclusion of such public hearing, the Planning Commission adopted Planning Commission Resolution No. 20-10 , entitled:

> A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CUDAHY APPROVING DEVELOPMENT REVIEW PERMIT NO. 41-539 TO ALLOW THE DESIGN, SITE LAYOUT, AND CONSTRUCTION OF A 174-UNIT MIXED-USE SENIOR HOUSING DEVELOPMENT AND CONDITIONAL USE PERMIT NO 38-376 TO PERMIT A 222% DENSITY BONUS FOR THE DEVELOPMENT IN THE ENTERTAINMENT (E) ZONE, INCLUDING ASSOCIATED CONCESSIONS LOCATED AT 4610 SANTA ANA STREET. APPLICANT: PRIMA DEVELOPMENT.

And Planning Commission Resolution No. 20-11, entitled:

> A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CUDAHY RECOMMENDING THAT THE CITY COUNCIL APPROVE 1) AN AMENDMENT TO CHAPTER 20.20 TABLE 20.20-1 OF THE CITY'S ZONING CODE TO INCLUDE MEDICAL OFFICES AND ADULT HEALTH DAY CARE FACILITIES AS A CONDITIONAL USE WITHIN THE ENTERTAINMENT (E) ZONE, PURSUANT TO SECTION 153.630 OF THE CITY'S ZONING CODE; 2) A DEVELOPMENT AGREEMENT TO ALLOW THE COSTRUCTION OF A SENIOR MIXED-USE DEVELOPMENT, PURSUANT TO SECTION 20.20.040 OF THE CITY'S ZONING CODE; AND 3) AN ADDENDUM TO THE CITY'S GENERAL PLAN ENVIRONMENTAL IMPACT REPORT, PURSUANT TO SECTION 21157.1 AND SECTION 15162 OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (APPLICANT: PRIMA DEVELOPMENT; CASE NO's. AZC 90-12, DA 20-01 AND ADDENDUM TO THE GENERAL PLAN EIR (SCH 2017071071).

K. The City has conducted a public hearing on October 13, 2020 to consider the approval of the Development Agreement, the amendment of the zoning code to accommodate the Development of the Project and to approve a conditional use permit for the Project, including a density bonus to allow for the construction of up to 179 dwelling units as part of the Senior Citizen

Housing Project element of the Project within the Entertainment (E) Zone and the Property and the Addendum in accordance with the State Development Agreement Law, CEQA, the CEQA Guidelines, and the CMC and considered all related testimony and evidence;

L. During such public hearing on October 13, 2020 the City Council considered all related testimony and evidence relating to the approval of a Conditional Use Permit No. 38-376 and the Development Agreement (first reading) in accordance with the State Development Agreement Law, and the Addendum, in accordance with CEQA, the CEQA Guidelines, and the CMC;

M. Upon the conclusion of such public hearing, at which all related testimony and evidence was considered, the City Council: (1) approved City Council Resolution No. 20-31 affirming the recommendation and decision of the Planning Commission approving the Existing Development Approvals for the Project, as set forth in Planning Commission Resolution No. 20-10; (2) approved City Council Resolution No. 20-32 approving and adopting this Development Agreement and the Addendum as the appropriate environmental document for the Project, pursuant to the findings set forth therein; (3) approved Ordinance No. AZC 710 approving Development Review Permit No. 41-539, Conditional Use Permit No. 38-376, for first reading; and (4) approved Ordinance No. 711 approving and adopting this Development Agreement for first reading; and collectively such approvals by the Planning Commission and the City Council are referred to herein as the "Existing Development Approvals for the Project";

N. On October 13, 2020, the City Council found and determined that this Development Agreement: (i) is consistent with the objectives, policies, general land uses, and programs contained City's General Plan; (ii) complies with the uses authorized in the City Zoning Code under the Entertainment Zone; (iii) provides for the orderly development of the Property; and (iv) is entered into pursuant to and in compliance with the requirements of Section 65867 of the Development Agreement Statute;

O. City desires to accomplish the goals and objectives set forth in City's General Plan, and finds that the Project will accomplish their goals and objectives. The City has determined that the Project is consistent with the General Plan, the Entertainment Zone and the Existing Land Use Regulations, as defined below;

P. As consideration for the benefits gained by Developer from the vested rights acquired pursuant to the Development Agreement Statute, the City is requiring that Developer construct and install certain public improvements and provide other public benefits in connection with the Project;

Q. In order to avoid any misunderstandings or disputes which may arise from time to time between Developer and City concerning the proposed Project and to assure each party of the intention of the other as to the processing of any land use entitlements which now or hereafter may be required for the Project, the Parties believe it is desirable to set forth their intentions and understandings in this Development Agreement. In order for both City and Developer to achieve their respective objectives, it is imperative that each be as certain as possible that Developer will develop and that City will permit Developer to develop the Project and public improvements and other public benefits as approved by City within the time periods provided in this Development Agreement, except as otherwise indicated herein;

R. In preparing and adopting the General Plan and in granting the Existing Development Approvals, the City considered the health, safety and general welfare of the residents of City and prepared in this regard an extensive environmental impact report and other studies. Without limiting the generality of the foregoing, in preparing and adopting the General Plan and in granting the Existing Development Approvals, the City Council carefully considered and determined the projected needs (taking into consideration the planned development of the Project and all other areas within the City) for water service, sewer service, storm drains, electrical facilities, traffic/circulation infrastructure, police and fire services, paramedic and similar improvements, facilities and services and the appropriateness of the density and intensity of the development comprising the Project and the needs of City and surrounding areas for other infrastructure.

NOW, THEREFORE, PURSUANT TO THE AUTHORITY CONTAINED IN THE DEVELOPMENT AGREEMENT STATUTE, AND PURSUANT TO THE AUTHORIZING ORDINANCE, AND PURSUANT TO THE MUTUAL PROMISES AND COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

SECTION 1 DEFINITIONS

In addition to the definition of certain terms or phrases set out in the recital paragraphs or in this Development Agreement, the following words and phrases are used as defined terms throughout this Development Agreement, and each defined term shall have the meaning set forth below.

1.1 100% Affordable Senior Housing Project. The words "100% Affordable Senior Citizen Housing Project" shall have the meaning ascribed in Section 3.3.

1.2 Authorizing Ordinance. "Authorizing Ordinance" means Ordinance No. 711 approving this Development Agreement.

1.3 City. "City" means the City of Cudahy, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California.

1.4 Development. "Development" or "Redevelopment" means the improvement or renovation of the Property by the Developer for the purposes of completing the structures, improvements and facilities comprising the Project including, without limitation: grading; the construction of infrastructure and public facilities related to the Project whether located within or outside the Property, the construction of buildings, structures, and other facilities; the installation of landscaping, and the construction of other facilities and improvements necessary or appropriate for the Project. "Development" or "Redevelopment" does not mean the maintenance or repair of any building, structure, improvement, landscaping or facility by the Developer after the initial construction and completion thereof except as may be provided in one or more Development Approvals.

1.5 Development Agreement. "Development Agreement" means this Development Agreement and any subsequent amendments to this Development Agreement which have been made in compliance with the provisions of this Development Agreement, the Development Agreement Statute, and the Development Agreement Ordinance.

1.6 Development Agreement Date. Provided this Agreement has been fully executed by the Parties, the words "Development Agreement Date" means the effective date of the Authorizing Ordinance.

1.7 Development Agreement Ordinance. The "Development Agreement Ordinance" means Part 9 of Chapter 20.84 of Title 20 of the CMC.

1.8 Development Agreement Statute. The "Development Agreement Statute" means Sections 65864 through 65869.5 of the California Government Code as it exists on the Development Agreement Date.

1.9 Development Approvals. "Development Approvals" means the maps, permits and other entitlements of every kind and nature to use the Property which are approved or granted by City to the Developer in connection with Development of the Property. The Development Approvals include the Discretionary Approvals set forth in Planning Commission Resolution No. 20-10 and Resolution No. 20-11 and the City Council Resolution No. 20-31 as part of the Existing Development Approvals, and Development Approvals include each of the development grading, building and other similar Ministerial Approvals and Ministerial Permits which shall be issued by the City to the Developer during the course of the Development of the Project, upon application to the City by the Developer following the Development Agreement Date. To the extent that during the Term the Developer may apply to the City for an amendment or material modification of any of such Discretionary Permit or Ministerial Permit, the words "Development Approvals" shall include such matters as so approved by amendment adopted by the City. If this Development Agreement or the Authorizing Ordinance is required by law to be amended by action of the City Council following a public meeting in order for one or more elements of the "Development Approvals" to include any such amendment, the words "Development Approvals" shall not include such amendments unless and until this Development Agreement is so amended.

1.10 Development Fees. "Development Fees" shall have the meaning ascribed in Section 10.1 of this Development Agreement.

1.11 Development Plan. "Development Plan" means the Development of the Property pursuant to this Development Agreement, the Existing Development Approvals, the Existing Land Use Regulations and the Subsequent Development Approvals, and the Subsequent Land Use Regulations as applicable.

1.12 Discretionary Action(s), Discretionary Approval(s), or Discretionary Permit(s). "Discretionary Action(s)", "Discretionary Approval(s)", or "Discretionary Permit(s)" means an action related to the Development of the Project which requires the exercise of judgment, deliberation or discretion on the part of the City, including any board, agency, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which is defined herein as a Ministerial Action, Ministerial Approval, or Ministerial Permit.

1.13 CMC. "CMC" means the Cudahy Municipal Code.

1.14 Environmental Clean-up of the Property. "Environmental Clean-up of the Property" means the work of voluntary clean-up and removal of contaminates and chemicals of concern from the Property by Developer as part of the Development in order to appropriately

protect the residents and users of the Project from exposure or contact with such contaminants or chemicals of concern. The regulatory oversight of the Environmental Clean-up of the Property shall be undertaken pursuant to a separate agreement by and between the Los Angeles County Consolidated Fire Protection District Waste Mitigation Unit, or the Regional Water Quality Control Board Los Angeles Region, or the State Department of Toxic Substances Control, as applicable, and Developer. As of the time of approval of the Development Agreement, Developer has informed the City that the estimated cost of the Developer's performance of the Environmental Clean-up of the Property shall be approximately $2,540,000.

1.15 Existing Development Approvals. "Existing Development Approvals" means all Development Approvals, including, without limitation, this Development Agreement, which the Developer has applied to the City for approval and which the City has approved on or before the Development Agreement Date.

1.16 Existing Land Use Regulations. "Existing Land Use Regulations" means all ordinances, laws, resolutions, codes, rules, regulations, moratoria, initiatives, policies, requirements, or guidelines of the City in effect on the Development Agreement Date, which govern the permitted uses of land, the density and intensity of use, and the design, improvement, construction standards and specifications applicable to the development of the Property, including, but not limited to, the General Plan, the Zoning Code, Mitigation Monitoring Program for the Project, and all other ordinances of City establishing subdivision standards, park regulations, impact or development fees and building and improvement standards. The term, Existing Land Use Regulations, excludes non-land use regulations, such as, City ordinances, resolutions, rules, regulations or official policies governing: business licenses issued by the City for the conduct of businesses, professions, and occupations; the control and abatement of nuisances; the granting of encroachment permits and the conveyance of rights and interests which provide for the use of the entry upon public property; public street traffic regulations and the like and/or the exercise of the power of eminent domain.

1.17 General Plan. "General Plan" means the City General Plan, also referred to as "Cudahy 2040," as updated in March 2018.

1.18 Healthcare Office Project Property. "Healthcare Office Project Property" means and refers to the condominium interest in the Property as shall be created by Developer for the Healthcare Office Project element of the Project as set forth in Section 2.10.3.

1.19 LIHTC. "LIHTC" means and refers to the low-income housing tax credit program authorized under the state and Federal law (Section 42 of the Internal Revenue Code) to provide equity funds for the acquisition, development and operation of affordable rental dwelling units reserved for occupancy by lower income persons and families.

1.20 LIHTC Financing Documents. "LIHTC Financing Documents" means and refers to any of the Senior Citizen Housing Project related construction financing documents and Developer equity contribution documents as Developer may hereafter enter into with third parties to provide Developer with funds for the acquisition, development and operation of the Senior Citizen Housing Project. Third parties to such LIHTC Financing Documents may include private parties who are unaffiliated with Developer and government agencies, including without limitation TCAC, the State Department of Housing and Community Development and Los Angeles County.

1.21 Ministerial Action(s), Ministerial Approval(s), or Ministerial Permit(s). "Ministerial Action(s)", "Ministerial Approval(s)", and "Ministerial Permit(s)" means a permit approval or clearance approved or issued by the City related to the Development of the Project following the Development Agreement Date in conformance with the Existing Land Use Regulations and the Existing Development Approvals, including, without limitation, conformance maps for tentative maps, determinations of compliance with the Project condition of approval of the Existing Development Approvals and Subsequent Development Approvals, including Minor Modifications, defined in Section 1.22, as applicable, grading plans, improvement plans, buildings plans and specifications, and ministerial issuance of one or more final maps, zoning clearances, grading permits, improvement permits, wall permits, building permits, demolition permits, lot line adjustments, encroachment permits, temporary use permits, and certificates of use and occupancy as necessary for completion of the Development of the Property by the Developer, as distinguished from an activity which is defined herein as an element of a Discretionary Action, Discretionary Approval, or Discretionary Permit for the Project.

1.22 Minor Modification. "Minor Modification" means any minor modification or series of such minor modifications of the Project, where Developer seeks and obtains no more than a five percent (5%) increase of either building's footprint or an aggregate increase of no more than ten percent (10%) of the total gross interior building area of the Project, as set forth in the architect's site plan considered and approved by the City as part of the Existing Development Approvals, provided such Minor Modification is otherwise consistent with the other applicable elements of the Development Approvals and the existing Land Use Regulations and further provided that such Minor Modification shall not result in any rental dwelling unit being smaller than 500 square feet in size and the total number of rental dwelling units in the Project shall not be increased by more than ten (10) rental dwelling units. The aforementioned percentage increase in total gross interior building area shall be based upon a modified larger building footprint, as authorized in this Section 1.22, if applicable. In the case of a Minor Modification which increases the buildable square footage of the Project, the Project's Development Fees shall increase in an amount based upon the increased square footage. A Minor Modification is not an amendment to this Development Agreement and is not subject to the procedures set forth in Section 13.2.

1.23 Mitigation Monitoring Program. "Mitigation Monitoring Program" means the mitigation monitoring program dated as of March 2018, as established under the Environmental Impact Report identified in Recital Paragraph G, above.

1.24 Mortgage. "Mortgage" means a mortgage, deed of trust or sale and leaseback arrangement or other transaction in which the Senior Citizen Housing Project Property in the case of one or more LIHTC Financing Documents or the Healthcare Office Project in the case of any financing related to the Healthcare Office Project element of the Project, or a portion thereof or an interest therein, is pledged as security.

1.25 Mortgagee. "Mortgagee" means the holder of the beneficial interest under a Mortgage affecting the Senior Citizen Housing Project Property or the Healthcare Office Project Property, as applicable.

1.26 Developer. "Developer" is Prima Development, Inc., and any person or entity with which or into which Prima Development may merge, and any person or entity who may acquire substantially all of the assets of Developer, and any person or entity who receives any of the rights

or obligations of the Developer under this Development Agreement in accordance with the provisions of Section 21 of this Development Agreement.

1.27 Parties. "Parties" means Developer and the City.

1.28 Processing Fees. "Processing Fees" mean those City program regulatory fees and charges imposed by City as generally provided in Section 10 in an amount estimated by the City to cover the actual and reasonable costs of the City of processing applications of the Developer for Development Approvals, including any Subsequent Development Approvals. Processing Fees include the estimated costs of the City for monitoring or inspecting compliance with any Development Approval including each Subsequent Development Approval granted or issued. The words "Processing Fees" does not apply to the City program regulatory fees assessed to third party occupants of the Project, or to occupancies of the Property by persons other than the Developer.

1.29 Project. The "Project" means the up to 179-unit senior affordable rental dwelling units (the "Senior Citizen Housing Project") housing and the approximately 20,000 square feet of ground floor commercial medical office space and related wellness uses (the "Healthcare Office Project") and related common areas, including but not limited to the on-site parking facilities which shall be designed, constructed and installed by the Developer on the Property in accordance with the Existing Development Approvals and this Development Agreement. The final configuration of the Senior Citizen Housing Project and the Healthcare Office Project is subject to Minor Modifications as set forth at Section 1.22.

1.30 Property. The "Property" means the real property described in Exhibit A to this Development Agreement.

1.31 [RESERVED – NO TEXT].

1.32 Senior Citizen. "Senior Citizen" as used in this Agreement means a person sixty-two (62) years of age or older, as provided by Civil Code Section 51.3(b).

1.33 Senior Citizen Covenant and Density Bonus Agreement. "Senior Citizen Covenant and Density Bonus Agreement" or "Density Bonus Agreement" means and refers to the instrument substantially in the form attached hereto as Exhibit "B-1," as provided in Section 3.10.5.

1.34 Senior Citizen Housing Project Property. "Senior Citizen Housing Project Property" means and refers to the condominium interest in the Property as shall be created by Developer for the Senior Citizen Housing Project element of the Project as set forth in Section 3.10.3.

1.35 Senior Citizen Housing Regulatory Agreement. "Senior Citizen Housing Regulatory Agreement" or "Regulatory Agreement" means and refers to the instrument substantially in the form attached hereto as Exhibit "B-2," as provided in Section 3.10.5.

1.36 Subsequent Development Approvals. "Subsequent Development Approvals" means all Development Approvals which are applied for by the Developer and approved, granted, or issued for the Project by the City after the Development Agreement Date which are required or permitted either by the Existing Land Use Regulations and the Existing Development Approvals,

or which are required or permitted under the particular Subsequent Land Use Regulations to which Developer has consented in writing, and this Development Agreement.

1.37 Subsequent Land Use Regulations. "Subsequent Land Use Regulations" means any change in or addition to the Existing Land Use Regulations which would otherwise be applicable to the Property and the Project and which are adopted by the City after the Development Agreement Date and which thereafter become effective during the Term, including, without limitation, any change in the general or a specific plan, zoning, subdivision, or building regulation applicable to the Property, including, without limitation, any such Subsequent Land Use Regulation which is enacted by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever by the City Council or any other board, agency, commission or department of City, or any officer or employee thereof, or by the electorate, as the case may be, or changes in state law which affected the Existing Land Use Regulations of the City during the Term, and which would, absent this Development Agreement, otherwise be applicable to the Project.

1.38 Term. "Term" is defined in Section 2 of this Development Agreement.

1.39 Very Low Income. "Very Low Income" shall have the same meaning as set forth at Health and Safety Code Section 50105.

1.40 Uniform Codes. "Uniform Codes" means codes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, and also adopted by the City, if applicable City-wide.

1.41 Zoning Code. "Zoning Code" refers to Title 20 of the CMC.

1.42 List of Exhibits to Development Agreement. The following is a listing of the exhibits which are attached to this Development Agreement and incorporated herein by this reference:

Exhibit "A"	Legal Description of the Property
Exhibit "B-1"	Senior Citizen Occupancy Covenant and Density Bonus Agreement
Exhibit "B-2"	Senior Citizen Housing Regulatory Agreement

SECTION 2 TERM

2.1 Duration of Term of Development Agreement. The Term of this Development Agreement shall be that period of time during which this Development Agreement shall be in effect and bind the Parties hereto. The Term shall commence on the Development Agreement Date and shall extend for a period of ten (10) years thereafter, and shall automatically terminate at the end of the day on the tenth (10th) anniversary following the date of completion of the improvement of the Project as such completion of improvement is evidenced by the City's issuance of a certificate of occupancy for the Senior Citizen Housing Project, subject to the earlier termination provisions of Sections 2.3, 2.4 and 2.5, the mutual cancellation provisions of Section

17, the periodic review provisions of Section 18, the default provisions of Section 19 and the modification or termination provisions of Section 20, provided however that certain provisions of this Development Agreement shall survive the termination of the Development Agreement as set forth in Section 22.27.6. The Term is subject to the force majeure event provisions of Section 22.1.

2.2 Termination Due to Judicial Order. This Development Agreement shall terminate and be of no force and effect upon the occurrence of the entry of a final judgment or issuance of an order of a court with jurisdiction which such judgment or order directs the City to cancel this Development Agreement, after all appeals have been exhausted, as a result of any lawsuit filed against City to set aside, withdraw or abrogate the approval of the City Council of this Development Agreement, whereupon such termination, the Parties shall be mutually released from any further liability except as provided in Section 22.27.6.

2.3 Termination of Development Agreement.

(a) If not already terminated by reason of any other provision in this Development Agreement, or for any other reason, this Development Agreement shall terminate and be of no further force and effect upon the fifth (5th) anniversary following the Developer's acquisition of the Property from the Successor Agency in the event that the Developer may not have completed the Environmental Clean-up of the Property. In such a situation, in order to complete the termination of this Development Agreement pursuant to this Section 2.3(a), City shall follow the provisions of Section 19.1 of this Development Agreement.

(b) Subject to the default provisions of Section 19.1 and the force majeure provisions of Section 22.1, this Development Agreement shall terminate and be of no further force and effect in the event that the Exclusive Negotiation Agreement may be terminated by either the Developer or the Successor Agency or the Developer may fail to complete its acquisition of the Property from the Successor Agency on or before January 1, 2023. In such a situation, in order to complete the termination of this Development Agreement pursuant to this Section 2.3(b), City shall follow the provisions of Section 19.1 of this Development Agreement.

(c) If City does not approve all of the Development Approvals to the satisfaction of Developer not later than September 30, 2022, then Developer has the option to terminate this Development Agreement by giving written notice to City.

2.4 Effect of Expiration of Term of Development Agreement Prior to Completion of Project. If not already terminated by reason of any other provision in this Development Agreement, or for any other reason, this Development Agreement shall automatically terminate and be of no further force and effect upon expiration of the Term, regardless of whether the improvement of the Project has been completed. Upon expiration of the Term, Developer's rights to Development of the Project pursuant to this Development Agreement shall automatically terminate and be of no further force and effect.

2.5 Effect of Termination of Development Agreement Upon Development Approvals. Except in the case of a termination of this Development Agreement under the provisions of Section 2.2 or Section 2.3(b), the effectiveness of all Development Approvals which have previously been granted by the City to the Project, including the Existing Development Approvals, shall survive the termination of this Development Agreement as provided in each such Development Approval (whether any such element of the Development Approvals is a Discretionary Approval or a Ministerial Approval) and the then applicable Existing Land Use Regulations.

SECTION 3 DESCRIPTION OF THE PROJECT

3.1 General Description. The Project is a "mixed-use" development project which consists of up to 179 dwelling units inclusive of a density bonus for senior housing development (e.g. the Senior Citizen Housing Project element of the Project) and 20,000 square feet of ground floor commercial medical office and related community wellness service space including adult day care (e.g. the Healthcare Office Project).

3.2 Principal Components of the Project. The Project consists of the following principal components, which are hereby approved by the City subject to the other provisions of this Agreement:

(a) not to exceed one hundred seventy-nine (179) unit, inclusive of a density bonus, apartment building for Senior Citizen very low-income and homeless households funded with LIHTC allocated to the Senior Citizen Housing Project by TCAC;

(b) not to exceed twenty thousand (20,000) square feet for an onsite community healthcare clinic and other wellness related uses (e.g., the Healthcare Office Project) that will serve both the needs of Senior Citizen Housing Project residents and the surrounding community;

(c) not to exceed one thousand, five hundred (1,500) square feet of office and meeting space for a nonprofit organization committed to neighborhood and regional capacity building and development (Community Services Facility Office);

3.3 The proposed residential use for the Senior Citizen Housing Project element of the Project shall be developed using LIHTC allocated by TCAC to the Senior Citizen Housing Project as a Very Low Income or "100% Affordable Senior Housing Project" and the Senior Citizen Housing Project shall occupy the upper floors of the Project building improvements with a management office and private elevator serviced residential lobby on the ground floor of the Project, yielding the following:

(a) not to exceed one hundred fifty-five (155) one (1)-bedroom units and twenty-four (24) two-bedroom units.

(b) Community room and laundry facilities;

(c) Private sky garden and second floor open space courtyard;

(d) not to exceed ninety (90) secure and covered on-site resident parking stalls and not to exceed twenty-eight (28) secure and covered on-site residential guest parking stalls.

3.4 Between twenty percent (20%) to fifty percent (50%) of the total number of dwelling units in the Senior Citizen Housing Project will be reserved for permanent supportive housing for Seniors Citizen households whose annual income at the time of initial occupancy in the Senior Citizen Housing Project does not exceed Very Low Income, adjusted for family size and the balance of such dwelling units in the Senior Citizen Housing Project shall be reserved for occupancy by Senior Citizen households who do not receive permanent supplemental services whose annual income at the time of initial occupancy in the Senior Citizen Housing Project does not exceed Very Low Income (e.g., up to fifty percent (50%) of Los Angeles County Area Median Income ("AMI")) adjusted for family size and meeting applicable occupancy standards, as well as designated unit(s) for on-site property management staff.

3.5 The age restriction of the Senior Citizen Housing Project applies to persons who are sixty-two (62) years of age or older, and such age restriction for occupancy in the Senior Citizen Housing Project shall be recorded in a restrictive covenant against the Senior Citizen Housing Project as provided in Section 3.10.5 upon the acquisition of the Property by the Developer from the Successor Agency and such Senior Citizen occupancy restrictive covenant shall continue in perpetuity.

3.6 Covenants, Conditions and Restrictions ("CC&Rs") for the condominium association applicable to for the Senior Citizen Housing Project element and the Health Office Project element of the Project by Developer in a form reasonably acceptable to Developer which CC&Rs shall be recorded not later than the issuance of a certificate of occupancy by the City for the Senior Housing Project or the Healthcare Office Project, whichever may first occur, and thereafter such CC&Rs shall continue in perpetuity.

The CC&Rs shall provide for the maintenance and repair of all elements of the Project which costs of maintenance and repair shall be payable solely by the owner of the Senior Citizen Housing Project and the owner of the Healthcare Office Project as their interest in the Property may then appear. The City shall be a party to such CC&Rs for the Project solely for the purpose of assuring the on-going maintenance and repair of the Project, and the City shall have the right but not the obligation under such CC&Rs to enforce the maintenance and repair obligations of the owner of the Senior Citizen Housing Project and the owner or owners of the Healthcare Office Project and recover any such actual and reasonable costs of the City incurred in the enforcement of such maintenance and repair obligations of the owners of the Project as a lien upon the Senior Citizen Housing Project and/or the Healthcare Office Project, as applicable. The final form of such CC&Rs shall be subject to the review and approval of the City and such approval by the City shall not be unreasonably withheld, conditioned or delayed.

3.7 The Developer shall cause general social services and individualized case management services attached to the supportive housing units for the residents of the Senior Citizen Housing Project to be provided by either on-site health and wellness providers or a to-be-determined experienced provider to the residents of the Senior Citizen Housing Project. The general social services will be open to all building residents, which may include a range of social, health, wellness and financial education activities and classes.

3.8 Healthcare Office Project. The proposed non-residential use elements of the Project will occupy the ground floor of the building and allow for a mix of healthcare, wellness and community activities, including but not limited to:

(a) A Federally Qualified Healthcare Clinic (FQHC);

(b) A Program for All-Inclusive Care Center (PACE);

(c) An Adult Day Care Center;

(d) Office and meeting space for nonprofit community and regional capacity building groups (community services facility office) such as the Southeast Los Angeles Collaborative;

(e) An inviting and activated entry courtyard with easy access from Santa Ana Avenue to on-site at grade and subterranean parking stalls and/or

(f) Not to exceed seventy (70) parking stalls for commercial healthcare (3.5 parking stalls per 1,000 square feet) and three (3) parking stalls for community services facility office (2 parking stalls per 1,000 square feet

3.9 Authorized Use of the Project. The Project, a mixed-use development (e.g., the Senior Citizen Housing Project and the Healthcare Office Project), is a permitted use in the City Entertainment Zone pursuant to CMC Section 20.20.020.

3.10 Entitlements. The following Development Approvals apply to the Project:

3.10.1. Conditional Use Permit for Density Bonus. Since the Senior Citizen Housing Project element of the Project satisfies both the State density bonus law (California Government Code Section 65915 et seq.) and the requirements set forth in CMC Title 20, Part 10, Chapter 20.52, the Senior Citizen Housing Project element of the Project is eligible to receive a density bonus, concessions, and vehicular on-site parking standards in accordance with the State density bonus law and the applicable provisions of the CMC.

3.10.1.1 A conditional use permit for the Senior Citizen Housing Project has been approved by the City Council (City Council Resolution No. 20-31) based upon the recommendation of approval of a conditional use permit for the Project by the Planning Commission (Planning Commission Resolution No. 20-10) as the density bonus for the Senior Citizen Housing Project sought by Developer is greater than thirty five percent (35%). Pursuant to CMC Section 20.52.340, the City has considered the benefits of the Project and other factors in making the findings required in CMC Section 20.52.340.

3.10.2. Development Review Permit. Pursuant to CMC Chapter 20.84, Section 20.84.170, the Planning Commission has approved Developer's application for a development review permit.

3.10.3. Subdivision of the Property and Condominium Plan for the Project (Senior Citizen Housing Project and Healthcare Office Project). Developer intends to apply to the City for approval of an appropriate subdivision map and condominium plan for the Project in order to

accommodate the construction, use, occupancy and operation of the Project as a mixed-use development integrating the Senior Citizen Housing Project element and the Healthcare Office Project elements, subject to the CC&Rs as set forth in Section 3.6. For the purpose of this Development Agreement, such subdivision of the Property and condominium plan for the Project is deemed to be a Subsequent Development Approval, and upon application by Developer to the City shall be approved, granted or issued for the Project by the City after the Development Agreement Date as required or permitted by the Existing Land Use Regulations and the Existing Development Approvals or which are required or permitted under the particular Subsequent Land Use Regulations to which Developer has consented in writing. Such subdivision map and condominium plan for the Property and the Project shall be recorded concurrently with Developer's acquisition of the Property from the Successor Agency.

3.10.4. Zoning Code Text Amendment. By approval of this Development Agreement the City Council has accepted the recommendation of the Planning Commission and the City Council has approved an amendment to CMC Zoning Code Table 20.20-1 of Zoning Code Chapter 20 to allow medical offices and adult-health care day care facilities as a conditional use in the Entertainment Zone as a component of a commercial-residential mixed use development.

3.10.5. Senior Citizen Occupancy Covenant and Density Bonus Agreement and Senior Citizen Housing Regulatory Agreement for Senior Citizen Housing Project Element of the Project. The Senior Citizen Occupancy Covenant and Density Bonus Agreement and the Regulatory Agreement for the Senior Citizen Housing Project substantially in the form as attached hereto as Exhibit B-1 and Exhibit B-2 respectively, shall be executed by the Parties and filed for recordation upon Developer's acceptance of the Property from the Successor Agency.

3.10.5.1 Conforming Edits to the Senior Citizen Covenant and Density Bonus Agreement and Regulatory Agreement. The final form of the Senior Citizen Occupancy Covenant and Density Bonus Agreement and the Regulatory Agreement shall be subject to the final and conforming edits approved by the City prior to the recordation of each such instrument so as to conform each such instrument to the final terms of the LIHTC allocated to the Senior Citizen Housing Project by TCAC and the LIHTC Financing Documents by and between Developer and the third parties who shall provide equity and other financing to Developer for the acquisition and development of the Senior Citizen Housing Project, including without limitation the tax credit equity investor designation by Developer. All such edits to the Senior Citizen Covenant and Density Bonus Agreement and the Regulatory Agreement shall be deemed to be a Subsequent Development Approval under this Development Agreement; provided however, that no provision of any LIHTC Financing Document shall require the City to subordinate its interest in either such instrument to the security interest of any party to a LIHTC Financing Document.

3.11 Acknowledgment of City Regarding Project Financing, LIHTC Allocation by TCAC and LIHTC Financing Documents. The City acknowledges that promptly following the Development Agreement Date, Developer shall undertake reasonable effort to obtain financing for the acquisition and development of the Project, including a LIHTC allocation from TCAC for a portion of the Senior Citizen Housing Project funding under the LIHTC Financing Documents. As used in the next sentence, the words "assist and cooperate" mean and include with respect to the City, that the City shall direct City staff to provide Developer with information in the possession of City or for which the City is responsible with respect to the Project as promptly as feasible following a written of Developer. Concurrently, as the Developer completes its

acquisition of the Property from the Successor Agency under the ENA, and thereafter during the term of this Development Agreement, the City shall assist and cooperate with Developer to provide such items as may be reasonably requested by financing sources for the Project proposed by Developer, including for the Senior Citizen Housing Project financing and the LIHTC Financing Documents, including without limitation the following:

(i) confirmation of completion of all CEQA-related review of the Project;

(ii) letters of support for the Project including support by the City in connection with one or more Developer applications for financing for the Project and the Senior Citizen Housing Project as shall be evidenced by any of the LIHTC Financing Documents;

(iii) documentation relating to the Senior Citizen Housing Project under any of the LIHTC Financing Documents which confirms compliance with State Constitution Article XXXIV;

(iv) documentation relating to financing for the Project and the Senior Citizen Housing Project which confirms that all required Development Approvals have been completed and that all building permits are ready to be issued by the City subject only to payment of any applicable Processing Fees corresponding to such Development Approvals including building permits;

(v) documentation relating to financing for the Project and the Senior Citizen Housing Project which confirms the final amount of all Processing Fees of the City which are payable (or estimated to be payable in connection with the Development Approvals for the Project).

SECTION 4 EFFECT OF DEVELOPMENT AGREEMENT

As a material part of the consideration of this Development Agreement, unless otherwise provided herein, the Parties agree that during the Term the Existing Land Use Regulations shall be applicable to Development of the Project. In connection with all subsequent Discretionary Actions which City takes or has the right to take under this Development Agreement relating to the Project, including any review, approval, renewal, conditional approval or denial, City, shall exercise its discretion or take action in a manner which complies and is consistent with the Existing Land Use Regulations (as same may be modified in accordance with this Development Agreement), the Existing Development Approvals and such other standards, terms and conditions expressly contained in this Development Agreement. City shall accept and timely process, in the normal manner for processing any such Discretionary Approval or Ministerial Approval as may then be applicable, all applications for further or modified approvals with respect to the Project called for or required under this Development Agreement, including, without limitation, any necessary site plan, site development permit, conditional use permit, variance, parking use permit and any subdivision, tentative map, vesting tentative map, final map and any grading, construction or other permits filed by Developer with the City in accordance with the Development Approvals. In the case of any conflict between the conditions of approval recommended in Planning Commission Resolution No. 20-10 and/or City Council Resolution No. 20-31 and this

Development Agreement, or between the Public Improvement Installation and Agreement and this Development Agreement, in either case, this Development Agreement shall control.

SECTION 5 DEVELOPMENT OF PROJECT

5.1 Rights to Development of the Project. During the Term of this Development Agreement, the Developer shall have a vested right subject to this Development Agreement to undertake the Development of the Project in accordance with the Existing Development Approvals as set forth in Section 3.10 and the Subsequent Development Approvals and any Minor Modification thereof. No Subsequent Land Use Regulation shall delay, hinder, materially increase the cost of Development, or impede the purpose or the effect of the vested rights of the Developer which arise hereunder unless specifically authorized by this Development Agreement or agreed to in writing by Developer. The Project shall be subject to all Subsequent Development Approvals required to construct and complete the Project including without limitation the Environmental Clean-up of the Property requirements accepted by Developer as part of the voluntary clean-up and removal of contaminants and chemicals of concern from the Property. The permitted uses of the Property, the density bonus, or intensity of use, the size of proposed buildings, and provisions for reservation or dedication of land for public purposes shall be those set forth in the Existing Land Use Regulations, the Existing Development Approvals, the Subsequent Development Approvals and the Development Agreement. Except as provided in Section 16.1, the Project shall not be subject to Subsequent Land Use Regulations including any specific plan, unless Developer specifically consents to be subject to such Subsequent Land Use Regulations including any specific plan, in the sole discretion of Developer.

5.2 Vesting of Rights of Developer. The City agrees that the Development of the Project consistent with the Development Approvals, including the Existing Development Approvals is a property right vested in Developer. Developer's Development of the Project shall be a right vested in favor of the Developer during the Term in accordance with this Development Agreement and the Development Agreement Statute.

5.3 Effect of Development Agreement on Land Use Regulations. Except as otherwise provided under the provisions of this Development Agreement, the only rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to Development of the Property, shall be those set forth in the Existing Land Use Regulations and the Subsequent Land Use Regulations (if any) to which Developer has consented in writing, subject to the terms of this Development Agreement.

5.4 Development of the Property.

5.4.1 Developer's Discretion in Timing of Development. The City acknowledges that the commencement of development of the Project is subject to and contingent upon Developer's obtaining a LIHTC allocation from TCAC for the Senior Citizen Housing Project and the funds required under the LIHTC Financing Documents for the acquisition and construction of the Senior Citizen Housing Project and other funds necessary for the acquisition and construction of the Healthcare Office Project on terms reasonably acceptable to Developer. Subject to the provisions of Section 2.3(b), Developer shall be under no obligation under the Development Agreement to commence the Development of the Property including the implementation of the

Environmental Clean-up of the Property in any particular time frame, or at all provided however, that once Developer acquires the Property from the Successor Agency and Development is commenced on the Property, the Healthcare Office Project element of the Project and the Senior Housing Project element of the Project shall each be constructed concurrently and each shall be made ready for initial occupancy and use at the same time. The purpose of this Development Agreement is to set forth the applicable rules and regulations applicable to the Development of the Property and the Project during the Term. The Parties recognize that Development of the Project including the assembly of al of the funding necessary to undertake the improvement of the Senior Citizen Housing Project pursuant to the LIHTC Financing Documents, by its nature, can be an incremental process and this Development Agreement and Development Approvals contemplate this. The Parties acknowledge that Developer cannot at this time predict when or the precise rate at which Development shall complete the acquisition of the Property and commence the improvement of the Project. The decisions of the Developer related to the timing of the commencement of the Development depend upon numerous factors which are not within the control of Developer, such as market orientation and demand and other similar factors. Because the California Supreme Court held in *Pardee Construction v. City of Camarillo* (1984) 37 Cal. 3d 465, that the failure of the parties therein to provide for the timing of development resulted in a latter-enacted initiate restricting the timing of development to prevail over such parties' agreement, it is the Parties' intent to cure that deficiency considered in *Pardee Construction* by acknowledging and providing that Developer shall have the right to develop the Property (but not the obligation to develop the Property) in such order and at such rate and at such time as Developer deems appropriate within the exercise of its sole and absolute subjective business judgement.

5.4.2 Duty of City to Grant and Implement an Approval. The City's obligation to grant and implement any Ministerial Approval or Discretionary Approval shall not infringe upon the City's right to withhold the issuance of a particular Development Approval on the grounds that the application for such Ministerial Approval or Discretionary Approval fails to conform to the Existing Land Use Regulations or the Existing Development Approvals. If the City rejects an application for a Ministerial Approval or Discretionary Approval, it shall provide the Developer, in good faith, a specific written list of reasons why the application was rejected, along with a description of specific and reasonable legal measures to correct ("Measures to Correct") each basis for rejection of an application or disapproval of a Ministerial Action or Ministerial Permit or a Discretionary Action or Discretionary Permit. If Developer resubmits its application which addresses each Measure to Correct, the City shall promptly consider such application and approve conditionally approve or reject such application and the Measures to Correct as then indicated.

5.4.3 Development Approvals, Consultations. At Developer's request, weekly meetings shall be held with the appropriate City officials, regarding the processing of all Discretionary Permits, and monthly meetings with the appropriate City officials, regarding the processing of all Ministerial Permits.

5.4.3.1 Processing Obligations. To the fullest extent allowed by law, the City hereby agrees that it shall process all applications filed in connection with the Development of the Project as expeditiously as possible in accordance with Existing Land Use Regulations and shall complete at the earliest possible time all steps necessary for the implementation of this Development Agreement and the Development of the Project, including, but not limited to, the following:

(a) The processing of applications for and the issuance of all Development Approvals requiring the exercise of judgment and deliberation by the City, including without limitation, the Subsequent Development Approvals;

(b) The retention, upon Developer's request and cost, of outside plan check consultants to expedite the processing by the City of applications and plans (including infrastructure and storm drain plans);

(c) The holding of any required public hearings;

(d) The process of verifying that an application for and the issuance of all Ministerial Approvals is complete shall be accomplished within thirty (30) days after application is submitted to the City and if applicable, the City shall deliver a written list of Measures to Correct within said thirty (30)-day period specifically identifying why the requested Ministerial Approval is not consistent with the Existing Development Approvals and/or Subsequent Development Approvals, as applicable, or this Development Agreement;

(e) Subject to the provisions of Section 5.4.2, City processing and approval of all Ministerial Approvals shall be completed by the City within thirty (30) days of submission by Developer of complete plans. City shall inform Developer as part of the consultation process under Section 5.4.3, upon Developer's request, of the necessary submission requirements for each application for a building permit or other entitlement for use in advance and review of said application and scheduling the application for review by the appropriate authority within the times set forth in this Section; and

(f) City performance of all required inspections, including courtesy inspections, called for by Developer under any Ministerial Permit within one (1) business day following a request for such inspection by Developer.

5.4.4 Changes in the Project. City acknowledges that the Developer may in the future desire to change or modify the Project based on precise planning, changes in market demand, changes in development occurring in the vicinity of the Property, or other factors. All such Project revisions shall also be subject to the provisions of Section 5 of this Development Agreement, and City shall cooperate with Developer to expeditiously review and take final action on such requested changes to the Development of the Project consistent with the Existing Land Use Regulations.

5.4.4.1 Developer reserves the right to reduce the densities and intensities of uses at the Property and the heights and sizes of the improvements below the maximums permitted in the Existing Land Use Regulations, and any such application for a reduction shall be processed by the City as a Ministerial Approval.

5.4.4.2 Developer shall have the right to seek a Minor Modification of the Project, which shall be promptly considered by the City Planning Director based upon the Existing Land Use Regulations.

5.4.4.3 Developer also reserves the right to relocate the various components of the Project on the Property, as set forth in the Existing Development Approvals, as long as such relocation is consistent with the Existing Land Use Regulations and the approval by the City of any such relocation of components of the Project shall be deemed to be a Ministerial Approval.

5.4.4.4 No change to the Project which is consistent with the Existing Land Use Regulations and the Existing Development Approvals shall require an amendment to this Development Agreement and, in the event any change to the Project proposed by Developer is approved by the City, the references in this Development Agreement to the Project shall be deemed to refer to the Project as so changed.

5.4.5 Developer's Right to Contest Increases in Processing Fees. Nothing in this Development Agreement shall be deemed to prevent Developer from contesting, in any appropriate forum, the imposition or the amount of any new Processing Fee or increase of an existing Processing Fee which may take effect following the Development Agreement Date or the modification (increase) of the amount of any Processing Fee which is in effect as of the Development Agreement Date. Notwithstanding any pending challenge by the Developer of such Processing Fees and provided that the Developer has paid the disputed amount of each such Processing Fee with a reservation of right, City shall proceed with issuance of all required Development Approvals and shall not withhold or delay issuance of those Development Approvals based upon any pending protest or appeal of Developer with respect to such Processing Fee.

5.5 Development of the Project. No City funds are committed or made available to Developer for the acquisition, construction or operation of the Project under this Development Agreement. Developer is solely responsible for providing all of the funding and equity necessary to acquire the Property from the Successor Agency under the terms and conditions of a purchase and sale agreement by and between Developer and the Successor Agency, subject to the ratification of such purchase and sale agreement by the Los Angeles County Consolidated Oversight Board and that Developer is further responsible for providing other funding for the development of the Project including such funds as may be obtained by Developer under the LIHTC Financing Documents for the Senior Citizen Housing Project element of the Project. Developer shall have completed its assembly of the necessary financing to undertake the Project, and shall be ready to commence construction of the Project promptly following its acquisition of the Property from the Successor Agency. Developer shall provide the City with a complete set of copies of all LIHTC Financing Documents for the Senior Citizen Housing Project element of the Project within thirty (30) days following the Developer's acquisition of the Property from the Successor Agency.

5.5.1 Payment of Prevailing Wage. As part of the implementation of an element of the public benefits offered to the City by Developer under Section 7 of this Development Agreement, Developer shall ensure that all persons who provide construction related work to Developer as part of the Development shall be compensated at not less than prevailing wages under Labor Code Section 1720, et. seq. Separate and cumulative within any other indemnity in favor of the City arising under this Development Agreement, Developer shall at its expense, defend, indemnify, and hold harmless the City and its officers, agents, employees and representatives harmless from any and all losses, liabilities, claims, lawsuits, causes of action, judgments, settlements, court costs, attorneys' fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other damages of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of Developer or its agents, employees, contractors and subcontractors of any tier and employees thereof in connection with or arising the Development or Developer's ownership or operation of the Senior Citizen Housing Project, or the development of the Healthcare Office Project, except for any such loss, liability, claim, lawsuit or other damage to the extent arising from the gross negligence or willful misconduct of the City or its officers, agents, employees or representatives.

5.5.2 Developer shall comply with all Governmental Requirements during the course of Development. As used herein, "Governmental Requirements" shall mean and include any and all laws, statutes, ordinances, codes, rules, regulations, directives, writs, injunctions, orders, decrees, rulings, conditions of approval, or authorizations, now in force or which may hereafter be in force, of any governmental entity, agency or political subdivision as they pertain to the Development except as provided as to the City under this Development Agreement, including specifically but without limitation the California Environmental Quality Act; fair housing laws, prevailing wage laws (e.g. California Labor Code 1720 et seq. and the federal Davis-Bacon Act (40 U.S.C. 276a)), and any other applicable federal, state and local laws and environmental and building regulations applicable to the Environmental Clean-up of the Property.

5.5.3 Project Construction Coordination Agreement. Developer intends to prepare and enter into a Project construction coordination agreement (the "Coordination Agreement") to more specifically delineate the rights, responsibilities and terms and conditions as appropriate for the coordination of the construction and installation of the Project improvements for each element of the Project (e.g., the Senior Citizen Housing Project and the Healthcare Office Project) following Developer's acquisition of the Property from the Successor Agency. The parties to the Coordination Agreement may include one or more affiliate of the Developer (e.g., a limited partnership entity to be formed by Developer) to own the Senior Citizen Housing Project and one or more affiliate of the Developer, or a third party entity which shall own the Healthcare Office Project following the conveyance of the Property by the Successor Agency to the Developer and its permitted assigns, and the general contractor of each of them for the construction and development of the Project. The Coordination Agreement will delineate the roles and responsibilities of the parties as pertain to the Senior Citizen Housing Project and the Healthcare Office Project during the construction and prior to the time of conversion of the construction financing for the Senior Citizen Housing Project to a permanent financing for the Senior Citizen Housing Project upon the completion of construction activity. The Coordination Agreement will assure each construction related responsibility of the owners of the mixed-use elements of the Project are implemented, regular communication among such parties including the general contractor of each of them is continuously maintained during the course of construction of the Project and that there are appropriate controls and remedies for the prompt resolution of any conflict among such parties to the Coordination Agreement as may arise during the course of construction of the Project. The Coordination Agreement shall be subject to the reasonable review and approval by the City and such approval shall not be unreasonably conditioned, withheld or denied. The Coordination Agreement shall be in full force and effect at the time when the Developer acquires the Property from the Successor Agency.

SECTION 6 ENFORCEMENT

Unless this Development Agreement is terminated or cancelled pursuant to the provisions of this Development Agreement, the provisions of this Development Agreement or any amendment hereto, shall be enforceable by Developer or the City, as applicable notwithstanding any change hereafter in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building ordinance adopted by City which alters or amends the rules, regulations or policies of Development of the Project as provided in this Development Agreement pursuant to Section 65865.4 of the Development Agreement Statute; provided, however, that the limitations of this Section shall not apply to changes mandated by State or Federal laws or other permissible

changes or new regulations as more particularly set forth in Section 16 of this Development Agreement. No third party may enforce any provision of this Development Agreement.

SECTION 7 PUBLIC BENEFITS

7.1 This Development Agreement has been accepted by City in light of the offer of Developer to provide the community with certain public benefits associated with the Project as enumerated in this Section 7.

7.1.1 As used in this Section 7, the words "good faith efforts" of Developer to provide and thereafter maintain certain of the public benefits enumerated int his Section 7 include, but are not limited to, the following applicable factors:

(1) advertisement in local media concerning employment, contracting and subcontracting opportunities;

(2) providing written notice to a reasonable number of local business enterprises soliciting their interest in contracting or subcontracting in sufficient time to allow them to participate effectively;

(3) establishing an applicant pool of eligible persons who have responded to such entry level employment outreach efforts of Developer;

(4) attendance at pre-solicitation or pre-bid meetings to inform contractors or subcontractors of contracting and subcontracting opportunities for local business enterprises;

(5) following up initial solicitation of interest by contacting local business enterprises by telephone to determine with certainty whether they are interested in participating;

(6) selecting portions of the work to be performed by local business enterprises;

(7) providing interest local business enterprises and other enterprises with adequate information about the Development and requirements of contracts and subcontracts related to the project;

(8) negotiating in good faith with interested local business enterprises to perform work; and

(9) making reasonable efforts to assist interested local business enterprises in obtaining necessary sources of supply, lines of credit or insurance in order to participate in such work associated with Development.

7.2 The following public benefits shall be provided by Developer to the City in connection with the acquisition of the Property and the improvement and operation of the Project.

7.2.1 Developer shall enter into a project labor agreement with the Los Angeles County Trade Counsel to cover trades and persons who provide construction labor services in connection with the construction of the Project.

7.2.2 Purchase of Project Construction Materials from Local Businesses. Developer shall use good efforts to purchase construction materials for the Development of the Project from third parties whose businesses are located in the City. Upon request of the City, Developer shall provide the City with a suitably detailed written report which describes the measures taken by Developer to purchase construction materials for the Development of the Project from third party Cudahy businesses.

7.2.3 Developer hereby agrees to use good faith efforts to recruit residents of the City of Cudahy for any new job or entry level employment position in the Project once the Project of the Senior Citizen Housing Project and the Healthcare Office Project are completed and open for business to the general public, and to the extent of all other factors being equal and consistent with other applicable law, Developer covenants on a best efforts basis to give Cudahy residents preference for hiring for such new entry level job or employment positions and to the maximum reasonable and reasonable extent, use the services of businesses which are located in the City of Cudahy which result from the Development.

7.2.4 Affordable Housing, Health and Wellness and Neighborhood Benefits applicable to Senior Citizen Housing Project and the Healthcare Office Project:

a. High quality affordable housing – The Senior Citizen Housing Project will allow seniors of limited economic means or in need of wrap around support services to live independently but remain in close proximity to their extended families or the neighborhoods they formerly resided.

b. General Resident Services – The Senior Citizen Housing Project will budget up to $100,000 annually to pay for general health, wellness, and socialization activities for the residents of the Senior Citizen Housing Project.

c. Supportive Housing Services – The residents of up to ninety (90) dwelling units in the Senior Citizen Housing Project will be eligible to receive up to $450 per unit per month in individual intensive case management services from the Los Angeles County Department of Health.

d. Healthcare Services – The Project will establish a Federal Qualified Healthcare Center (FQHC) and Program of All-Inclusive Care for the Elderly (PACE) center to meet the health and wellness needs of residents of the Senior Citizen Housing Project and the City of Cudahy with the following estimated service counts:
   i. FQHC – 3,000 to 4,000 patients a year which is the equivalent of 12,000 to 15,000 visits per year

   ii. PACE – 200-300 long term and regular active patients which is the equivalent of 2,400 to 4,200 visits per year

e. Neighborhood Amenities – The overall final design elements of the Project will offer a pedestrian-friendly street level public plaza that will be activated by the residents of the Senior Citizen Housing Project as well as non-residential non-profit and healthcare activities centered at the Healthcare Office Project. In addition, the Project will offer additional off-street parking options both during daytime business hours and in the evenings for area residents and future business activities.

f. Non Residential Lifetime Rent Benefit – The Project shall include approximately 1,217 square feet of commercial office space reserved for occupancy by a nonprofit organization serving the community for $0.00 base rent payable by such organization to Developer and such commercial office space shall remain available for such use and occupancy for 55 years.

g. Healthcare Office Project Jobs Creation Benefit - The construction and operations of the Healthcare Office Project shall result in substantial local and well-paid job creation opportunities due to the good faith effort of Developer to implement local hire requirements and partnerships with local education and training programs. The federal qualified health care center and PACE center are expected to generate up to 80 well-paid full-time permanent health care related jobs equivalent to an estimated $4,000,000 in annual employment income.

7.3. Repayment of Entitlement Deferral Loan. Developer and City have entered into an Agreement entitled "Memorandum of Understanding" dated as of August, 2020 pursuant to which the City provided the "Entitlement Deferral Loan" as this term is defined in such Memorandum of Understanding to Developer. Upon Developer's acquisition of the Property from the Successor Agency, the outstanding principal balance of the Entitlement Deferral Loan shall be repaid to the City by Developer.

7.4. Developer Reimbursement of Certain City Costs. Upon the acquisition of the Property by the Developer from the Successor Agency, Developer shall pay the City an amount up to $50,000 for the actual and reasonable costs of the City incurred in connection with the implementation of this Development Agreement by the City. For the purposes of this Section 7.4, the reimbursement of such actual and reasonable costs of the City shall include the costs and expenses of the City which are not otherwise included within any City Processing Fee. Such some shall be payable by Developer to the City at the time that Developer acquires the Property from the Successor Agency, subject to receipt by Developer of a suitably detailed written invoice therefore from the City.

7.5. Review of Public Benefits. As part of the periodic review of this Development Agreement by the City under Section 18, the City shall also consider the good faith compliance of Developer with providing the community benefits set forth in this Section 7.

SECTION 8 PUBLIC IMPROVEMENTS AND SERVICES

8.1 Public Improvements Required to Support the Project. The design, construction, installation and acceptance by the City of the public improvements required for the Development of the Project, including without limitation the modification or temporary encroachment into existing public right-of-way during the construction of the Project otherwise required under the Existing Development Approvals and Subsequent Development Approvals shall be undertaken by the Developer as required by the applicable Development Agreement.

8.2 Cooperation by City and Developer for Public Improvements. The public improvements associated with the Development of the Project will be designed and constructed in phases as required to service the Project. City shall cooperate with Developer for the purpose of coordinating this installation of all public improvements as required under the Development Approvals and this Development Agreement.

8.3 Timing, Phasing and Sequence of Public Improvements and Facilities. The timing, phasing and sequence of the construction of public improvements shall be as provided in the Development Approvals.

8.4 Maintenance of Public Improvements Pending Acceptance by the City. City shall not be responsible or liable for the maintenance or care of public improvements, intended to be dedicated to the City during the course of the Development of the Project, until City has confirmed that each such particular public improvement has been properly constructed and installed by the Developer and that the particular public improvement is in a condition to be accepted by the City as a public improvement as evidenced by the recordation of a certificate of acceptance of each element of the public improvement by the City. City shall promptly accept such public improvement. City shall exercise no control over any such public improvement as constructed and installed by the Developer until accepted as complete by the City. Any use by any person of the public improvements, or any portion thereof, shall be at the sole and exclusive risk of the Developer at all times prior to City's acceptance of the public improvements. Developer shall maintain all the public improvements in a state of good repair until such public improvements are completed by Developer and approved and accepted by City as provided in the Public Improvement Installation Agreement. City shall not be responsible or liable for any damages or injury to any person or property of any nature in any way related to or caused by the public improvements or their condition prior to acceptance by the City. Approval and acceptance of public improvements shall not be unreasonably withheld, conditioned or delayed by the City.

SECTION 9 DEDICATIONS AND EXACTIONS

Right-of-way or property for required public improvements associated with the construction and improvement of the Project shall be irrevocably offered for dedication as required by the Development Approvals. Nothing contained in this Development Agreement shall be deemed to preclude City during the Term from exercising the power of eminent domain for a public project or facility affecting any portion of the Property or the Project.

SECTION 10 PROCESSING FEES AND OTHER DEVELOPMENT FEES

10.1 Processing Fees and Development Fees Applicable to the Property. Except for Processing Fees payable by Developer to the City during the course of Development (e.g., plan

check fees, building permit fees, improvement fees and other regulatory application fees of the City for any Development Approval, and except for the dedications and exactions covered in the Public Improvement Installation Agreement and the Mitigation Monitoring Program as specifically appliable to the Project under the Developer Approvals) no other fee or capital charge shall be payable to the City for the improvement of the Project. Notwithstanding anything to the contrary in this Development Agreement, the specific amount of any Processing Fee (an increase or decrease in the amount of such Processing Fee based upon any changes in the Project during the course of Development including Minor Modifications) shall be based upon the rate existing for each such Processing Fee when applied to the Development of the Project at the time of application for the particular Development Approval. Accordingly, any development impact fee or other charge which has general application to all development in the City which is not a Processing Fee which may be adopted by the City after the Development Agreement Date shall not apply to the Project (collectively, "Development Fees").

The Parties acknowledge that the following fees and charges of the City (in general, all Processing Fees) do not constitute Development Fees and that nothing in this Development Agreement is intended or shall be construed to release Developer from the obligation to pay the City these fees and charges, including increases, if and when they become due:

(a) City's fees for processing, environmental assessment and review, tentative tract and parcel map review, plan checking, site review and approval, administrative review, building permit, grading permit, inspection, and similar fees imposed to recover City's costs associated with processing, reviewing, and inspecting development project applications, plans, and specifications including Development Approvals; and

(b) Fees and charges levied by any other public agency, utility, district, or joint powers authority in connection with any Development Approval, regardless of whether City collects such fees and charges for another public agency; and

(c) Any charge of the City which is a tax or utility service or commodity charge.

10.2 Processing Fees Applicable for Modified Development Approvals. Notwithstanding Section 10.1 of this Development Agreement, if and to the extent that any Development Approval applicable to the Property is amended after the Development Agreement Date which authorizes the Developer to develop any additional density or intensity of use beyond what is allowed as of the Development Agreement Date which is not deemed to be a Minor Modification under this Development Agreement, City shall retain the right to require Developer to pay all addition Processing Fees for such additional density or intensity of use to the extent such Processing Fees would be applicable in accordance with this Development Agreement.

SECTION 11 RESERVED

SECTION 12 FUTURE APPROVALS

12.1 Basis for Denying or Conditionally Granting Future Approvals. Before Developer can begin grading on the Property or other development of the Property, including the initiation of the Environmental Clean-up of the Property, Developer must first complete its acquisition of the Property from the Successor Agency and secure permits and/or approvals from City as set forth in this Development Agreement for the commencement of the construction of the Development on the Property. The Parties agree that for the commencement of the Development of the Project based upon the Existing Development Approvals, only submissions of the relevant plans and specifications and development project applications for Ministerial Approvals are required by City; provided however, that relevant requirements of the voluntary clean-up oversight agency for the Environmental Clean-up of the Project shall be prepared and submitted by Developer to the agency providing such oversight of the Environmental Clean-up of the Property. The Parties agree that to the extent such Development Approvals are Ministerial in nature, City shall not, through the enactment or enforcement of any subsequent ordinances, rules, regulations, initiatives, policies, requirements, guidelines, or other constraints, withhold such approvals as a means of blocking construction or of imposing new conditions on the Project which were not imposed as part of Existing Development Approvals unless City has been ordered to do so by a court of competent jurisdiction. Notwithstanding the previous sentence, City and Developer will use reasonable efforts to ensure each other that all applications for and approvals of all required permits whether Ministerial Approvals or otherwise, as necessary for Developer to develop the Project in accordance with this Development Agreement, shall be applied for and processed in a timely manner.

12.2 Standard of Review. The rules, regulations and policies that apply to any Subsequent Development Approval which Developer must secure either prior to the commencement of Development or during the course of Development following such commencement shall be the Existing Land Use Regulations, as defined in this Development Agreement.

SECTION 13 AMENDMENT

13.1 Initiation of Amendment. Either Party may propose an amendment to this Development Agreement.

13.2 Procedure. The procedure for proposing and adopting an amendment to this Development Agreement shall be the same as the procedure required for entering into this Development Agreement in the first instance.

13.3 Consent. Except as provided elsewhere within this Development Agreement, any amendment to this Development Agreement shall require the consent of both Parties. No amendment of this Development Agreement or any provision hereof shall be effective unless set forth in writing and signed by duly authorized representatives of each Party hereto.

13.4 Effect of Amendment to Development Agreement. The Parties agree that except as expressly set forth in any such amendment, an amendment to this Development Agreement will not alter, affect, impair, modify, waive or otherwise impact any other rights, duties or obligations of either Party under this Development Agreement.

13.5 Operating Memoranda. The provisions of this Development Agreement require a close degree of cooperation and flexibility between the City and Developer. The Development of the Property may demonstrate that clarifications or modifications to this Development Agreement or the Existing Land Use Regulations are appropriate with respect to the details of performance of the City and Developer. To the extent allowable by law, Developer shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Development Agreement. When and if the Developer finds it necessary or appropriate to make changes, adjustments or clarifications to matters, items or provisions in this Development Agreement, including to the public benefits referenced in Section 7, the Parties shall effectuate such changes, adjustments or clarifications through operating memoranda ("Operating Memoranda") approved by the Parties in writing which reference this Section 13.5. Operating Memoranda are not intended to constitute either a substantial change or an amendment to this Development Agreement, but are ministerial clarification; and accordingly, public notices and hearings shall not be required in the case of the mutual approval of an Operating Memorandum. Operating Memoranda may be used and thus deemed non-substantive and/or procedural if, for example in the case of an adjustment or clarification as relates to a Development Approval such Operating Memorandum: (i) does not increase the density or intensity of use of the Property, unless such increases are consistent with the Existing Land Use Regulations; (ii) does not change the permitted uses of the Property, unless such uses are consistent with the Existing Land Use Regulations; (iii) does not increase the maximum size of buildings on the Property beyond increases which constitute Minor Modifications or are consistent with the Existing Land Use Regulations; (iv) does not decrease the amount of land to be dedicated for public purposes; or (v) does not reduce improvement and construction standards and specifications for the Project. The City Manager in consultation with the City Attorney shall determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute either a substantive change or an amendment to this Development Agreement which requires compliance with the provisions of Section 13.2 of this Development Agreement.

SECTION 14 NON-CANCELLATION OF RIGHTS

Subject to the provisions of Sections 20, 21 or 22 of this Development Agreement, the Development Approvals granted by the City shall be final and the rights once granted thereby shall be vested in the Property for the Term hereof.

SECTION 15 UNDERTAKINGS AND ASSURANCES CONTEMPLATED PROMOTED BY DEVELOPMENT AGREEMENT STATUTE

The mutual undertakings and assurances described in this Development Agreement are for the benefit of City and Developer and promote the comprehensive planning, private and public cooperation and participation in the provision of public facilities, and the effective and efficient development of infrastructure and facilities supporting development which was contemplated and promoted by the Development Agreement Statute. City agrees that it will not take any actions which are intended to circumvent this Development Agreement; provided, however, that any action of the electorate shall not be deemed an action of the City for purposes of this Section.

SECTION 16 RESERVED AUTHORITY

16.1 Reservation of Authority of the City.

16.1.1 Limitations, Reservations and Exceptions.

(a) The following exclusive list of Subsequent Land Use Regulations shall apply to the Development of the Property without the consent of the Developer:

1) Processing fees and charges of every kind and nature imposed by City to cover the estimated actual costs to City of processing applications for Subsequent Development Approvals or for monitoring compliance with the Development Approvals and any Subsequent Development Approvals granted or issued by the City.

2) Procedural regulations consistent with this Development Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearing, reports, recommendations, appeals and any other matter of procedure.

3) Changes to the Uniform Codes adopted by the City as Subsequent Land Use Regulations, if such changes are applicable Citywide except as such changes may otherwise be applied to a Discretionary Permit or Ministerial Permit for development of the Project under the Existing Development Approvals.

4) Changes to the Existing Land Use Regulations that are not in conflict with, do not impede, delay or prevent implementation of the Project or this Development Agreement, and do not materially impair Developer's rights under this Development Agreement.

5) The effect of federal, state, county, and multi-jurisdictional laws and regulations (including monetary fees) which City is required to enforce as against the Property or the Development of the Property as of the Development Agreement Date.

(b) The list as set forth in Section 16.1.1 shall not apply to any Subsequent Land Use Regulation which the Developer may in its sole discretion expressly agree to accept.

16.1.2 Modification or Suspension by Federal, State, County, or Multi-Jurisdictional Law. In the event that Federal, State, County, or multi-jurisdictional laws or regulations, enacted after the Development Agreement Date, prevent or preclude compliance with one or more of the provisions of this Development Agreement, such provisions of this Development Agreement shall be modified or suspended as may be necessary to cause such provisions to minimally comply with such Federal, State, county, or multi-jurisdictional laws or regulations, and this Development Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations, to the extent such laws or regulations do not render such remaining provision impractical to enforce and do not otherwise materially frustrate Developer's rights under this Development Agreement and the Development Approvals. When City or Developer believes such a change or addition exists under this Subsection 16.1.2, that Party shall take the following actions:

(a) The Party which believes a change or addition to the Existing Land Use Regulations has occurred shall provide the other Party hereto with a copy of such State or Federal

law or regulation and a statement of the nature of its conflict with the provisions of the Existing Land Use Regulations and/or of this Development Agreement.

(b) The Parties shall, within ten (10) days, meet and confer in good faith and engage in a reasonable attempt to modify this Development Agreement to comply with such Federal or State law or regulation. In such discussions, the City and the Developer agree to preserve the terms of this Development Agreement and the rights of the Developer derived from this Development Agreement to the maximum extent feasible while resolving the conflict.

(c) Thereafter, if the representatives of the Parties are unable to reach agreement on the effect of such Federal or State law or regulation and the change in this Development Agreement necessitated thereby, or if the required change which is agreed to by the Parties requires, in the judgment of the City Manager and the City Attorney, a hearing before and/or approval by the City Council, then the matter shall be scheduled for hearing before the City Council by the City Clerk, at its next meeting. At least ten (10) days' written notice of the time and place of such hearing shall be given by the City Clerk to the representative of Developer and the City Manager. The City Council, at such hearing, or at a continuation of such hearing, shall determine the exact modification which is necessitated by such Federal or State law or regulation. Developer, and any other interested person, shall have the right to offer oral and written testimony at the hearing. The determination of the City Council shall be final and conclusive, except for judicial review thereof.

16.1.3 Regulation by Other Public Agencies. It is acknowledged by the Parties that other public agencies not subject to control by City may possess authority to regulate aspects of the Development of the Property, and this Development Agreement does not limit the authority of such other public agencies to act with respect to the Project on the Property.

16.1.4 Future Voter Actions Not Applicable to the Project. Notwithstanding any other provision of this Development Agreement to the contrary, any general plan amendment, specific plan amendment, zoning ordinance or regulation, or any other law, policy, or procedure adopted by the voters of the City after the Development Agreement Date ("Voter Measures"), shall not apply in whole or in part to the Property, the Development, and/or the Project. No Voter Measures shall impede the vested right Developer has to develop the Project pursuant to the terms of this Development Agreement.

16.1.5 Development Agreement/Development Approvals. In the event of any inconsistency between any Existing Land Use Regulation and a Development Approval, the provisions of the Development Approval shall control. In the event of any inconsistency between any Existing Land Use Regulation, Subsequent Land Use Regulation or Development Approval and this Development Agreement, the provisions of this Development Agreement shall control.

SECTION 17 CANCELLATION

17.1 Initiation of Cancellation. Either Party may propose cancellation of this Development Agreement.

17.2 Procedure. Except as provided in Section 17.3, the procedure for proposing a cancellation of and cancelling this Development Agreement shall be the same as the procedure

required for entering into this Development Agreement in the first instance. Such procedures are set forth in Section 65868 of the California Government Code.

17.3 Consent of Developer and City. Except in the case of a cancellation of this Agreement as a result of the Developer's failure to acquire the Property from the Successor Agency on or before January 1, 2023, or any extension, as provided in Section 2.3(b), any cancellation of this Development Agreement shall require the mutual consent of Developer and City.

SECTION 18 PERIODIC REVIEW

18.1 Time for Review. In accordance with the procedures set forth in the Development Agreement Ordinance, City shall, at least every twelve (12) months after the Development Agreement Date, review the extent of good faith compliance by Developer with the terms of this Development Agreement including the Existing Entitlements and Subsequent Development Approvals and the community benefits set forth in Section 7. Such periodic review shall determine compliance with the terms of this Development Agreement pursuant to California Government Code Section 65865.1 and other successor laws and regulations. If City fails to review the Project and the Developer's compliance with the material terms of this Development Agreement, then in such an event the Developer will be deemed to be in compliance with the provisions of this Development Agreement, and the Development Agreement will be deemed in full force and effect until such time as the City may complete such review of the Project and the Developer's compliance with this Development Agreement. The City's failure to review the Project or Developer's compliance with the terms of the Development Agreement, or Developer's failure to submit evidence concerning its good faith compliance with the material terms of the Development Agreement as specified in Section 18.2 of this Development Agreement, shall not constitute or be asserted by either Party as a breach of the Development Agreement by the other Party.

18.2 Developer's Submission. Each year, not less than forty-five (45) days nor more than ninety (90) days prior to the anniversary of the Development Agreement Date, Developer shall submit evidence to the City Council demonstrating its good faith compliance with the terms and conditions of this Development Agreement, the Existing Entitlements and Subsequent Development Approvals. Developer shall pay to City a processing fee for the reimbursement of the actual and reasonable cost incurred by the City on each occasion that Developer submits its evidence for a periodic review including the costs of the City associated with the preparation of such technical reports as the City may reasonably require as part of such periodic review if any, to confirm such good faith compliance by Developer with the Development Agreement, the Existing Entitlements and Subsequent Development Approvals. The Developer shall pay such a processing fee to the City within thirty (30) days following receipt of a mutually detailed written invoice from the City.

18.3 Findings. Within sixty (60) days after the submission of Developer's evidence as provided in Section 18.2, the City Council shall determine, on the basis of substantial evidence, whether or not Developer has, for the period under review, complied in good faith with the terms and conditions of this Development Agreement, the Existing Entitlements and Subsequent Development Approvals. The burden of proof on this issue shall be on the Developer. If the City Council finds that Developer has so complied, the review for that period shall be deemed concluded. If the City Council finds and determines, on the basis of substantial evidence, that Developer has not complied in good faith with the terms and conditions of this Development

Agreement for the period under review, Developer shall be deemed to be in default of the Development Agreement, and City may proceed in accordance with Section 19.

SECTION 19 EVENTS OF DEFAULT

19.1 Defaults by the Parties. If the City Council finds and determines, on the basis of substantial evidence, that Developer has not complied in good faith with one (1) or more terms and conditions of this Development Agreement, City shall, by written notice to Developer, specify the manner in which Developer has failed to so comply and state the steps Developer must take to bring itself into compliance. Developer shall be given at least sixty (60) days to cure such non-compliance and if the actions required to cure such non-compliance take more than sixty (60) days, then City shall give Developer additional time provided that Developer is making reasonable progress towards such end. If during the cure period, Developer fails to cure such noncompliance or is not making reasonable good faith progress towards such end, then, the City Council may, at its discretion, proceed to modify or terminate this Development Agreement or establish a time schedule for compliance in accordance with the procedures set forth in Section 20 of this Development Agreement. If Developer finds and determines that City has not complied in good faith with one or more terms or conditions of this Development Agreement, Developer shall, by written notice to City, specify the manner in which City has failed to so comply and state the steps City must take to bring itself into compliance. City shall be given at least sixty (60) days to cure such non-compliance and if the actions required to cure such non-compliance take more than sixty (60) days, then Developer shall give City additional time provided that City is making reasonable progress towards such end.

19.2 Specific Performance Remedy. Developer has invested significant time and resources and performed extensive planning and processing of the Project and with respect to agreeing to the terms of this Development Agreement. The Developer shall be investing even more significant time in implementing the Project in reliance upon the terms of this Development Agreement, and it is not possible to determines the sum of money which would adequately compensate Developer for an injury in the event of a default by the City under the Development Agreement. For the above reasons, City and Developer agree that damages shall not be a remedy in favor of the Developer if City is in default with respect to any of its obligations under this Development Agreement. Therefore, specific performance of this Development Agreement by the City is the sole remedy of the Developer which would compensate Developer if City fails to carry out its obligations under this Development Agreement, and City hereby agrees that Developer shall be entitled to specific performance in the event of a default by City hereunder. City and Developer further acknowledge and agree that, if Developer fails to carry out its obligations under this Development Agreement, City shall have the right to refuse to issue any permit or other approval which Developer would otherwise have been entitled to pursuant to the Existing Development Approvals and any related Development Approval and this Development Agreement and further, if the Developer is in default under this Development Agreement or any Development Approval the City and the Developer agree that damages shall not be a remedy in favor of the City if the Developer is in default of its obligations with respect to any of its obligations under this Development Agreement except as provided for a default of the Developer under the Public Improvement Installation Agreement. City shall be entitled to specific performance for the sole purpose of causing Developer to satisfy such condition.

SECTION 20 MODIFICATION OR TERMINATION

If pursuant to Section 19 of this Development Agreement, City elects to modify or terminate this Development Agreement or establish a revised time schedule for compliance as herein provided, then City shall proceed as set forth in this Section.

20.1 Notice to Developer. City shall give notice to Developer of the City Council's intention to proceed to modify or terminate this Development Agreement or establish a time schedule for compliance within ten (10) days of making City's findings.

20.2 Public Hearing. The City Council shall set and give notice of a public hearing on modification, termination or a time schedule for compliance to be held within forty-five (45) days after the City Council gives notice to Developer.

20.3 Decision. The City Council shall announce its findings and decisions on whether this Development Agreement is to be terminated, how this Development Agreement is to be modified or the provisions of the Development Agreement with which Developer must comply and a time schedule therefore not more than ten (10) days following completion of the public hearing.

20.4 Standard of Review. Any determination by City to terminate this Development Agreement because Developer has not complied in good faith with the terms of this Development Agreement must be based upon a finding by the City Council, on the basis of a preponderance of the evidence, that Developer is in default and has not cured that default in the timeframe permitted by Sections 18 and 19 of this Development Agreement, as applicable.

20.5 Implementation. Amending or terminating this Development Agreement shall be accomplished by City enacting an ordinance. The ordinance shall recite the reasons which, in the opinion of City, make the amendment or termination of this Development Agreement necessary. Not later than ten (10) days following the adoption of the ordinance, one copy thereof shall be forwarded to Developer. This Development Agreement shall be terminated, or this Development Agreement as modified shall become effective on the effective date of the ordinance terminating or modifying this Development Agreement.

20.6 Schedule for Compliance. Setting a reasonable time schedule for compliance with this Development Agreement may be accomplished by City enacting a resolution. The resolution shall recite the reasons which, in the opinion of City, make it advisable to set a schedule for compliance and why the time schedule is reasonable. Not later than ten (10) days following adoption of the resolution, one copy thereof shall be forwarded to Developer. Compliance with any time schedule so established as an alternative to amendment or termination shall be subject to periodic review as provided in this Development Agreement and lack of good faith compliance by Developer with the time schedule shall be basis for termination or modification of this Development Agreement.

SECTION 21 ASSIGNMENT OF INTEREST OF THE DEVELOPER

21.1 Right to Assign. Provided that Developer is not then in material default of the Development Agreement, Developer shall have the right to sell, mortgage, hypothecate, assign or transfer any and all of its rights, duties and obligations arising under this Development Agreement,

to any person, partnership, joint venture, firm or corporation at any time during the term of this Development Agreement upon thirty (30) days prior written notice to the City which references this Section 21.1 and further, provided that any such sale, mortgage, hypothecation, assignment or transfer must be pursuant to a sale, assignment or other transfer of the interest of Developer in the Property, or a portion thereof. In the event of any such sale, mortgage, hypothecation, assignment or transfer, (a) Developer shall notify City of such event and the name of the transferee, together with the corresponding entitlements as relate to the Project which are proposed for transfer to such transferee, and (b) the Developer shall provide the City with a copy of the proposed form of agreement between Developer and such transferee accomplishing such transfer of interest and such agreement shall provide that either Developer or the transferee or both shall be liable to the City for the performance of all obligations of Developer pursuant to this Development Agreement and the Development Approvals with respect to the portion of the Property as transferred. Such transferee and/or Developer shall notify City in the notice described in the first sentence of this Section 21.1 regarding which entity as between them shall be liable for the performance of such obligations to the City. Within thirty (30) days of its receipt of the assignment and assumption agreement described in Section 21.1 the City Council shall confirm its acceptance thereof and such acceptance shall by the City shall not be unreasonably withheld, conditioned or delayed.

21.2 Release Upon Transfer. Upon the sale, transfer, or assignment of Developer's rights and interests under this Development Agreement as permitted pursuant to the Section 21.1 above, Developer shall be released from its obligations under this Development Agreement with respect to the Property, or portion thereof so transferred. Thereafter, a default under this Development Agreement by Developer shall not be considered or acted upon by the City as a default by the transferee and shall not affect the transferee's rights or obligations hereunder. Likewise, a default by a transferee relating to the transferred property shall not be considered or acted upon by the City as a default by Developer and shall not affect Developer's rights and obligations hereunder. Any and all successors, assigns and transferees of Developer shall have all of the same rights, benefits and obligations of Developer as used in this Development Agreement and the term "Developer" as used in this Development Agreement shall refer to any such successors, assigns and transferees unless expressly provided herein to the contrary.

SECTION 22 GENERAL

22.1 Force Majeure. The Term of this Development Agreement and the time within which Developer shall be required to perform any act under this Development Agreement shall be extended by a period of time equal to the number of days during which performance of such act by the Developer is delayed unavoidably by strikes, lock-outs, Acts of God, failure or inability to secure materials or labor by reason of priority or similar regulations or order of any governmental or regulatory body, initiative or referenda, moratoria, enemy action, civil disturbances, fire, unavoidable casualties, economic slowdowns, or any other cause beyond the reasonable control of Developer Any litigation filed challenging City's approval this Development Agreement or any Development Approval including any of the Existing Development Approvals shall toll the expiration date each Development Approval for the length of time such litigation is pending until it is finally resolved.

22.2 Construction of Development Agreement. The language in all parts of this Development Agreement shall in all cases, be construed as a whole and in accordance with its fair meaning. The captions of the paragraphs and subparagraphs of this Development Agreement are

for convenience only and shall not be considered or referred to in resolving questions of constructions. This Development Agreement shall be governed by the laws of the State of California. The Parties understand and agree that this Development Agreement is not intended to constitute, nor shall it be construed to constitute, an impermissible attempt to contract away the legislative and governmental functions of City, and in particular, City's police powers. In this regard, the Parties understand and agree that this Development Agreement shall not be deemed to constitute the surrender or abnegation of City's governmental powers over the Property.

22.3 Severability. If any provision of this Development Agreement shall be adjudged to be invalid, void or unenforceable, such provision shall in no way affect, impair or invalidate any other provision hereof, unless such judgment affects a material part of this Development Agreement, the Parties hereby agree that they would have entered into the remaining portions of this Development Agreement not adjudged to be invalid, void or illegal. In the event that all or any portion of this Development Agreement is found to be unenforceable, this Development Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event they shall take all steps necessary to comply with such public hearings and/or notice requirements as may be necessary in order to make valid this Development Agreement or that portion which is found to be unenforceable. Notwithstanding any other provisions of this Development Agreement, in the event that any material provision of this Development Agreement is found to be unenforceable, void or voidable, Developer or City may mutually agree to terminate this Development Agreement in accordance with the provisions of the Development Agreement Statute.

22.4 Cumulative Remedies. In addition to any other rights or remedies arising under the Public Improvement Installation Agreement, the Senior Citizen Covenant and Density Bonus Agreement, the Senior Citizen Housing Project Regulatory Agreement or the power of the City to enforce the CMC with respect to the Property and the Development, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement of this Development Agreement, or to enjoin any threatened or attempted violation, including suits for declaratory relief, and specific performance and in the case of the Developer, relief against the City in the nature of mandamus. All of the remedies described above shall be cumulative and not exclusive of one another, and the exercise of anyone or more of the remedies shall not constitute a waiver or election with respect to any other available remedy.

22.5 Indemnification. Developer agrees to, and shall, to the fullest extent permitted by law, defend, indemnify, and hold harmless City and City's elective and appointive councils, boards, commissions, officers, officials, agents, representatives and employees from and against each and every claim, action, proceeding, cost, fee, legal cost, damage, award or liability of any nature whatsoever arising out of City's performance of its obligation under this Development Agreement. The provisions of this Subsection shall not be binding on Developer to the extent the liability arises out of the gross negligence or willful misconduct of City, or its elective and appointive councils, boards, commissions, officers, officials, agents, representatives or employees, and shall expire upon expiration or termination of this Development Agreement, whichever occurs earlier.

22.6 Cooperation in the Event of Legal Challenge. Developer shall defend and indemnify the City, its agents, officers and employees from any claim, action, liability or proceeding that seeks to attack, set aside, void or annul the Project or any of the proceedings, acts

or determinations taken, done or made as a result of City's processing and approval of the Project. Developer's obligation to defend and indemnify the City hereunder shall apply to any lawsuit or challenge alleging failure to comply with the requirements of any federal, state, or local law, including but not limited to general plan and zoning requirements and the California Environmental Quality Act. Developer's obligations under this Section 22.6 shall include, but not be limited to, payment of all court costs and attorney fees, all litigation-related costs, all costs of judgments and awards against the City, and all settlement costs, which arise out of City's processing and approval of the Project. The City shall notify Developer promptly of any claim, action or proceeding and reasonably cooperate in the defense. Upon receipt of such notification, the Project Applicant shall assume the defense of the claim, action, or proceeding, including the employment of counsel satisfactory to City, which approval shall not be unreasonably withheld. If City reasonably determines that having common counsel would create a conflict of interest between the Developer and the City, or if the Developer fails to promptly assume the defense of the claim, action, or proceeding or to promptly employ counsel satisfactory to the City, then the City may hire counsel for its own defense, and the Developer shall pay the City the reasonable attorney fees and costs of such counsel within 30 days after receiving an itemized invoice from the City. Developer shall further pay for all costs and fees related to any additional investigation or study, or for supplementing or revising any document, including, without limitation, environmental documents for the Project.

22.7 Public Agency Coordination. City and Developer shall cooperate and use reasonable efforts in coordinating the implementation of the Development Approvals with other public agencies, if any, having jurisdiction over the Property or the Project including without limitation the implementation of the Environmental Clean-up of the Property.

22.8 Initiative Measures. Both City and Developer intend that this Development Agreement is a legally binding contract which shall be exempt from any initiative measure or municipal moratorium affecting the consideration and approval of parcel or subdivision maps (whether tentative, vesting tentative or final), building permits, occupancy certificates or other entitlements to use approved, issued or granted within the City. This Development Agreement shall apply to the Project to the extent such initiative measure or municipal moratorium or other limitation is inconsistent or in conflict with this Development Agreement. Should an initiative measure or moratorium or other limitation be enacted by the citizens of City which would preclude construction of all or any part of the Project, and to the extent such initiative, measure, moratorium, referendum, statute, ordinance or other limitation be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Development Agreement, Developer shall have no recourse against City pursuant to the Development Agreement for damages, but shall retain all other rights, claims and causes of action under this Development Agreement not so invalidated and any and all other rights, claims and causes of action at law or in equity which Developer may have independent of this Development Agreement with respect to the Project. The foregoing shall not be deemed to limit Developer's right to appeal any such determination that such initiative measure, moratorium or other limitation invalidates or prevails over all or any part of this Development Agreement. City agrees to cooperate with Developer in all reasonable manners in order to keep this Development Agreement in full force and effect, provided Developer shall reimburse City for its actual and reasonable out-of-pocket expenses incurred directly in connection with such cooperation and City shall not be obligated to institute a lawsuit or other court proceedings in this connection.

22.9 Attorneys' Fees. In the event of any litigation between the Parties involving the covenants or conditions contained in this Development Agreement, the prevailing party shall be entitled to recover its reasonable expenses, attorneys' fees and costs.

22.10 No Waiver. No delay or omission by either party in exercising any right or power accruing upon non-compliance or failure to perform by the other party under any of the provisions of this Development Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of any of the covenants or conditions to be performed by the other party shall not be construed as a waiver of any succeeding breach of nonperformance of the same or other covenants and conditions hereof.

22.11 Authority to Execute. The person executing this Development Agreement on behalf of Developer represents and warrants that he/she has the authority to execute this Development Agreement on behalf of his/her partnership and represents and warrants that he/she has the authority to bind Developer to the performance of Developer's obligations hereunder.

22.12 Notice.

22.12.1 To Developer. Any notice required or permitted to be given by City to Developer under or pursuant to this Development Agreement shall be deemed sufficiently given if in writing and delivered personally to an officer of Developer or mailed with postage thereon fully prepaid, registered or certified mail, return receipt requested, addressed; to Developer as follows:

Prima Development, Inc.
12401 Woodruff Ave., Suite 10
Downey, CA 90421
Attn: Fernando Vasquez

With copies to:

_____
_____
_____
Attn: _____

or such changed address as Developer shall designate in writing to City.

22.12.2 To City. Any notice required or permitted to be given to City under or pursuant to this Development Agreement shall be made and given in writing, if by mail addressed to:

City Council
City of Cudahy
c/o City Clerk
5220 Santa Ana Street
Cudahy, CA 90201
With copies to:

City Manager
City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201

City Attorney
Olivarez Madruga Lemieux O'Neill, LLP
500 S. Grand Ave., 12th Floor
Los Angeles, CA 90071

or such changed address as City shall designate in writing to Developer. Alternatively, notices to City may also be personally delivered to the City Clerk, at the Cudahy City Hall, 5220 Santa Ana Street, Cudahy, California 90201, together with copies marked for the City Manager and the City Attorney or, if so addressed and mailed, with postage thereon fully prepaid, registered or certified mail, return receipt requested, to the City Council in care of the City Clerk at the above address with copies likewise so mailed to the City Manager and the City Attorney, respectively and also in care of the City Clerk at the same address. The provisions of this Section shall be deemed permissive only and shall not detract from the validity of any notice given in a manner which would be legally effective in the absence of this Section.

22.13 Captions. The captions of the paragraphs and subparagraphs of this Development Agreement are for convenience and reference only and shall in no way define, explain, modify, construe, limit, amplify or aid in the interpretation, construction or meaning of any of the provisions of this Development Agreement.

22.14 Consent. Any consent required by the Parties in carrying out the terms of this Development Agreement shall not unreasonably be withheld, conditioned or delayed.

22.15 Further Actions and Instruments. Each of the Parties shall cooperate with and reasonably provide to the other to the extent contemplated hereunder in the performance of all obligations under this Development Agreement and the satisfaction of the conditions of this Development Agreement. Upon the request of either Party at any time, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Development Agreement to carry out the intent and to fulfill the provisions of this Development Agreement or to evidence or consummate the transactions contemplated by this Development Agreement.

22.16 Subsequent Amendment to Authorizing Statute. This Development Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute in effect as of the Development Agreement Date. Accordingly, to the extent that subsequent amendments to the California Government Code would affect the provisions of this Development Agreement, such amendments shall not be applicable to this Development Agreement unless necessary for this Development Agreement to be enforceable or unless this Development Agreement is modified pursuant to the provisions set forth in this Development Agreement and California Government Code Section 65868 as in effect on the Development Agreement Date.

22.17 Governing Law. This Development Agreement, including, without limitation, its existence, validity, construction and operation, and the rights of each of the Parties shall be determined in accordance with the laws of the State of California.

22.18 Effect on Title. Developer and City agree that this Development Agreement shall not continue as an encumbrance against any portion of the Property as to which this Development Agreement has terminated.

22.19 Mortgagee Protection. A breach of this Development Agreement by the Developer shall not defeat, render invalid, diminish, or impair the lien of Mortgagees having a mortgage on any portion of the Property made in good faith and for value, unless otherwise required by law. No Mortgagee shall have an obligation or duty under this Development Agreement to perform Developer's obligations, or to guarantee such performance of the Developer prior to any foreclosure by such Mortgage of its security interest in the Property or its acceptance of a deed in lieu thereof.

22.20 Notice of Default to Mortgagee, Right of Mortgagee to Cure. If the City Clerk timely receives notice from a Mortgagee or party to any LIHTC Financing Document referencing this Section 22.20 of the Development Agreement and referencing a copy of any notice of default given to Developer under the terms of this Development Agreement, City shall provide a copy of that notice to the Mortgagee or party to any LIHTC Financing Document within ten (10) days of sending the notice of default to Developer. Each such Mortgagee or party to any LIHTC Financing Document shall have the right, but not the obligation, for a period up to ninety (90) days after the receipt of such notice from City to cure or remedy, or to commence to cure or remedy the default unless a further extension of time to cure is granted in writing by City. If the default is of a nature which can only be remedied or cured by such Mortgagee or party to any LIHTC Financing Document upon obtaining possession of the Property, such person shall seek to obtain possession of the Property, or portion thereof with diligence and continually through foreclosure, appointment of a receiver or otherwise, and shall thereafter remedy or cure the default or noncompliance within thirty (30) days after obtaining possession of the Property. If any such default or noncompliance cannot, with diligence, be remedied or cured within such thirty (30) day period, then such Mortgagee or party to any LIHTC Financing Document shall have such additional time as may be reasonably necessary to remedy or cure such default or non-compliance if such Mortgagee or party to any LIHTC Financing Document commences cure during such thirty (30) day period, and thereafter diligently pursues and completes such cure.

22.21 Bankruptcy. Notwithstanding the foregoing provisions of Section 22.20 of this Development Agreement, if any Mortgagee or party to any LIHTC Financing Document is prohibited from commencing or pursues and prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving City, the times specified in Section 22.20 for commencing or prosecuting foreclosure or other proceedings following notice by the City shall be extended for the period of the prohibition.

22.22 Disaffirmance.

22.22.1 New Development Agreement upon Most Senior Mortgagee's Request. City agrees that in the event of termination of this Development Agreement by reason

of any default by the Developer, or by reason of the disaffirmance hereof by a receiver, liquidator or trustee for Developer or its property, City, if requested by any Mortgagee or party to any LIHTC Financing Document, shall enter into a new Development Agreement for the Project with the most senior Mortgagee requesting such new agreement, for the remainder of the Term, effective as of the date of such termination, upon the terms, provisions, covenants and agreements as herein contained to the extent and subject to the law then in effect, and subject to the rights, if any, of any parties then in possession of any part of the Property, provided:

(a) The Mortgagee or party to any LIHTC Financing Document shall make written request upon City for the new Development Agreement for the Project within thirty (30) days after the date of termination;

(b) The Mortgagee or party to any LIHTC Financing Document, as applicable, shall pay to City at the time of the execution and delivery of the new Development Agreement for the Project expenses, including reasonable attorneys' fees, to which City shall have been subjected by reason of Developer's default; and

(c) The Mortgagee or party to any LIHTC Financing Document, as applicable, shall perform and observe all covenants herein contained on Developer's part to be performed, and shall further remedy any other conditions which Developer under the terminated agreement was obligated to perform under its terms, to the extent the same are curable or may be performed by the Mortgagee or party to any LIHTC Financing Document, as applicable.

22.22.2 New Development Agreement Not Required. Nothing herein contained shall require any Mortgagee or party to any LIHTC Financing Document to enter into a new Development Agreement pursuant to Section 22.22.1 of this Development Agreement, nor to cure any default of Developer referred to above.

22.23 No Third-Party Beneficiaries. This Development Agreement and all provisions hereof is made and entered into for the sole protection and benefit of City, Developer and their successors and assigns. No other person shall have right of action based upon any provision in this Development Agreement.

22.24 Jurisdiction and Venue. Any action at law or in equity arising under this Development Agreement or brought by a Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Development Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

22.25 Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the Project is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Development Agreement. No partnership, joint venture or other association of any kind is formed by this Development Agreement. The only relationship between City and Developer is that of a government entity regulating the development of private property and the developer of such private property.

22.26 Restrictions. Developer shall place in any agreements to sell or convey any interest in the Property or any portion thereof, provisions making the terms of this Development Agreement binding on any successors in interest of Developer and express provision for Developer or City, acting separately or jointly, to enforce the provisions of this Development Agreement and to recover attorneys' fees and costs for such enforcement.

22.27 Recitals. The recitals in this Development Agreement constitute part of this Development Agreement and each party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this Development Agreement.

22.27.1 Recording. The City Clerk shall cause a copy of this Development Agreement as executed in recordable form by the Parties in the Official Records of Los Angeles County following the Development Agreement Date concurrently upon the Developer's acquisition of the Property form the Successor Agency, provided however that the City Council shall not submit a copy of this Development Agreement for recordation in the event that the Developer may not acquire the Property from the Successor Agency on or before January 1, 2023.

22.27.2 Entire Agreement. This Development Agreement, constitutes the entire agreement between the Parties with respect to the subject matter of this Development Agreement, and this Development Agreement supersedes all previous negotiations, discussions and agreements between the Parties, and no parole evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof.

22.27.3 Successors and Assigns. The burdens of the Development Agreement shall be binding upon, and the benefits of the Development Agreement inure to all successors in interest and assigns of the Parties to the Development Agreement.

22.27.4 Bindings Covenants. Upon the recordation of this Development Agreement, the provisions of this Development Agreement to the extent permitted by law shall constitute covenants which shall run with the Property for the benefit thereof, and the benefit of the Property and the Developer and the City and the community generally, and this Development Agreement shall bind and inure to the benefit of the Parties and all successors in interest to the Parties hereto.

22.27.5 Exhibits. All exhibits, including attachments thereto, are incorporated in this Development Agreement in their entirety by this reference.

22.27.6 Survival of Certain Obligations and Provisions Upon Termination of Development Agreement. The indemnification obligations of the Parties which may arise prior to the termination of this Agreement shall survive the termination of this Development Agreement, and the following instruments and provisions of this Development Agreement shall also survive the termination of this Development Agreement:

(i) the effect of the Senior Citizen Occupancy and Density Bonus Agreement following its recordation;

(ii) the effect of the Senior Citizen Housing Regulatory Agreement following its recordation;

(iii) the effect of the Public Improvement Installation Agreement following its recordation;

(iv) the effect of the CC&Rs with respect to the Project as provided in Section 3.6;

(v) the right of the City as provided in Section 18, to review and confirm that the public benefits referenced in Section 7.2.3 and Section 7.2.4 remain available to the community from the Project.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, City and Developer have executed this Development Agreement as of the date of the signature of the City, below.

"CITY"

CITY OF CUDAHY, a California municipal corporation

By:_____
Mayor

Date:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

"DEVELOPER"

PRIMA DEVELOPMENT, INC., a California nonprofit public benefit corporation

By: _____

Name:_____

Its:_____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B-1

SENIOR CITIZEN COVENANT AND DENSITY BONUS AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:
City of Cudahy
c/o City Clerk
5220 Santa Ana Street
Cudahy, CA 90201
Attn: City Manager

(Space Above Line For Use By Recorder)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103 27383

[Editor's note: the draft text of this Senior Citizen occupancy Covenant and Density Bonus Agreement is subject to certain conforming edits prior to its recordation in coordination with the LIHTC Financing Documents as set forth in the Development Agreement.]

2020
CITY OF CUDAHY
SENIOR CITIZEN OCCUPANCY COVENANT AND HOUSING DENSITY BONUS AGREEMENT
(Cudahy Successor Agency: Site 3)

This **2020 SENIOR CITIZEN OCCUPANCY COVENANT AND HOUSING DENSITY BONUS AGREEMENT** (the "Agreement"), is dated as of _____, 2020, and is entered into by and between the **CITY OF CUDAHY**, a California municipal corporation (the "City") and **PRIMA DEVELOPMENT**, a California nonprofit public benefit corporation and its successors and assigns (the "Developer"). The capitalized term "Parties" shall be a collective reference to both City and Developer. The capitalized term "Party" shall refer to either City or Developer interchangeably as appropriate.

RECITALS

WHEREAS, Developer has obtained the "Development Approvals" as this term is defined in the Development Agreement dated as of October 20, 2020 by and between the Developer and the City for the improvement and construction of a complete mixed-use development (the "Project") on the lands described in Exhibit "A" attached hereto (the "Senior Housing Project Property"); and

WHEREAS, the Project as shall be undertaken by the Developer in accordance with Development Agreement and the provisions of this Agreement; and

WHEREAS, the Project is more particularly described in the Development Agreement and consists of two primary elements more particularly defined herein below as: (i) the "Senior Housing Project"; and (ii) the "Healthcare Office Project"; and

WHEREAS, in the Developer offered to undertake the development and operation of the Project subject to the City's approval of the Development Agreement and the Developer's plan of improvement of the Project including the Developer's commitment that all of the residential dwelling units in the Senior Citizen Housing Project element of the Project shall be reserved for occupancy by lower income senior citizen households as authorized by California Government Code Section 65915 *et seq*., and City of Cudahy Municipal Code Chapter 20.52 (collectively, the "Density Bonus Law"); and

WHEREAS, pursuant to the application of the Density Bonus Law to the Senior Citizen Housing Project, and subject to the satisfaction of the covenants of the Developer as provided in the Development Agreement and this Agreement, the Developer may construct up to one hundred seventy-nine (179) rental dwelling units on the Senior Citizen Housing Project Property (subject to "Minor Modifications" as this term is described in the Development Agreement); provided however that all such rental dwelling units in the Senior Housing Project shall be reserved for occupancy by Eligible Senior Citizen Households as provided herein below except for an on-site manager dwelling unit.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE CITY AND DEVELOPER AGREE AS FOLLOWS:

- PART ONE -

SECTION 1.1. Recitals. The Recitals above are true and correct and incorporated herein by reference.

SECTION 1.2. Purpose of Agreement**.** The purpose of this Agreement is to evidence the City's acceptance of the offer of Developer to provide up to one hundred seventy-nine (179) Dwelling Units on the Senior Citizen Housing Project Property (subject to Minor Modifications) for use and occupancy by Eligible Senior Citizen Households as part of the Project during the Term hereof. In the absence of the recordation of this Agreement, the Cudahy Municipal Code permits the development and occupancy of a maximum of fifty-four (54) dwelling units on the lands on which the Project shall be developed, including the Senior Citizen Housing Project Property. Pursuant to the Density Bonus Law and the covenant of Developer to undertake and operate the Senior Housing Project in accordance with the Development Agreement, the total number of Dwelling Units as shall be constructed on the Property by Developer may exceed the fifty-four (54) dwelling unit base up to the maximum number of Dwelling Units authorized by the Development Agreement (e.g., up to 179 dwelling units subject to Minor Modification).

SECTION 1.3. In addition to the definition of certain terms and phrases as set forth in the Recital paragraphs of this Agreement and elsewhere in this Agreement, the following terms and phrases shall have the meaning as set forth below:

1.3.1 Adjusted for family size. Adjusted for family size shall have the same meaning as set forth at Health and Safety Code Section 50052.5.

1.3.2 Affordability Period. Affordability Period means the period of time when the Dwelling Units shall remain affordable to Eligible Senior Citizen Households, from and after the date of recordation of an instrument entitled "Senior Citizen Housing Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 20, 2020 by and between the Development and the City as recorded concurrently herewith.

1.3.3 Affordable Rent. Affordable Rent means the maximum monthly rent that may be charged and paid by an Eligible Senior Citizen Household for occupancy of a Dwelling Unit as annually determined in accordance with Health and Safety Code Section 50053(b) and implementing regulations promulgated by the State of California and/or Los Angeles County, as applicable.

1.3.4 Area Median Income. Area Median Income means the adjusted area median income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development ("HUD"), pursuant to Section 8 of the United States Housing Act of 1937 published for each county in California by the State Department of Housing and Community Development (the "State HCD") pursuant to Health and Safety Code Section 50093. For purposes of this Agreement, the Area Median Income shall be for Los Angeles County, California.

1.3.5 Dwelling Units. Dwelling Units means each of the rental dwelling units reserved for occupancy by Eligible Senior Citizen Households on the Senior Citizen Housing Project Property.

1.3.6 Effective Date. Effective Date means and refers to the date on which each of the following conditions has been satisfied:

(i) the Development Agreement is in full force and effect and shall be recorded against the Senior Citizen Housing Project Property concurrently with this Agreement and the Senior Citizen Housing Regulatory Agreement; and

(ii) this Agreement has been executed by the Developer in recordable form; and

(iii) this Agreement has been executed by the City in recordable form; and

(iv) this Agreement has been approved by each lender or beneficiary who may then claim a mortgage security interest in the Senior Citizen Housing Project Property at the time of recordation of this Agreement under any "LIHTC Financing Document" as this term is defined in the Development Agreement; and

(v) the lands on which the Project shall be constructed and improved has been subdivided and a condominium plan for the Project has been recorded which provided for a legal description of the Senior Citizen Housing Project Property; and

(vi) the Developer has acquired the Senior Citizen Housing Project Property from the Successor Agency; and

(vii) this Agreement has been filed for recordation by the City with the Office of Records of Los Angeles County.

1.3.7 Eligible Senior Citizen Household. Eligible Senior Citizen Household means and refers to a Senior Citizen Household whose income does not exceed the qualifying limits for a Very Low Income Household.

1.3.8 Healthcare Office Project. Healthcare Office Project means and refers to the community medical services office, senior citizen day care service office and related commercial office mixed-use development element of the Project as more particularly described in the Development Agreement.

1.3.9 Senior Citizen. Senior Citizen means and refers to any person who is at least sixty-two (62) years of age at the time of such person's initial occupancy of a Dwelling Unit as part of a Senior Citizen Household.

1.3.10 Senior Citizen Household. Senior Citizen Household means and refers to the persons who are eligible to occupy a Dwelling Unit as either a Senior Citizen, or a "qualified permanent resident," as this term is defined in Civil Code Section 51.3(b)(2) and (3), or a "cohabitant," as this term is defined in Civil Code Section 51.3(b)(6) with a Senior Citizen. Collectively, these persons who reside in a Dwelling Unit in the Senior Citizen Housing Project and referred to as a Senior Citizen Household.

1.3.11 Senior Citizen Housing Project. Senior Citizen Housing Project means and refers to the affordable rental housing development reserved for occupancy by Eligible Senior Citizen Households. The Senior Citizen Housing Project element of the Project as more particularly described in the Development Agreement.

1.3.12 Successor Agency. Successor Agency means and refers to the City of Cudahy as Successor Agency to the former Cudahy Community Development Commission.

1.3.13 Term. Term means the period of time when this Agreement is in effect, which shall be concurrent with the Affordability Period.

1.3.14 Very Low Income Household. Very Low Income Household has the same meaning as set forth in California Health and Safety Code Section 50105

and the Very Low Income Household includes extremely low income households, as defined in California Health and Safety Code Section 50106.

SECTION 1.4. Successor Agency. The Successor Agency is not a Party to this Agreement.

SECTION 1.5. Owner of the Healthcare Office Project. The owner of the property condominium interest on which the Healthcare Office Project element of the Project shall be constructed, improved and operated, is not a Party to this Agreement provided however, that such owner expressly consents to the provisions of Section 5.16 as evidenced by the signature of its authorized principal which appears on page 11 of this Agreement.

SECTION 1.6. Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Project including the Senior Citizen Housing Project element of the Project and the Healthcare Office Project element of the Project, is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants, and conditions contained in this Agreement. No partnership, joint venture or other association of any kind among Developer or the owner of the Healthcare Office Project element of the Project or the City is formed by this Agreement. The relationship between City and Developer which arises under this Agreement is that of a government entity regulating the development of private property under the terms of the Development Agreement in the case of the City and the Owner of the Senior Citizen Housing Project element of the Project in the case of Developer.

- PART TWO -

The approval of the necessary land use entitlements that authorize Developer to develop, operate, and maintain the Senior Citizen Housing Project is based upon Developer's offer to the City as accepted by the City under the Development Agreement that all of the Dwelling Units in the Senior Housing Project shall be reserved for occupancy by Eligible Senior Citizen Households. This Agreement shall have priority over any and all mortgages, deed of trust, and other similar forms of secured financing recorded against the Senior Citizen Housing Project Property or any portion thereof (e.g., any of the LIHTC Financing Documents), and Developer expressly understands and acknowledges that the provision of PART THREE and PART FOUR shall not be subordinate to any such mortgage, deed of trust, or other similar forms of financing secured by the Senior Citizen Housing Project Property.

- PART THREE -

From and after the date of recordation of this Agreement, and except during the construction of the Senior Citizen Housing Project, Developer hereby agrees to reserve and restrict the Senior Housing Project Property for improvement, use and residential occupancy, by persons and family who at the time of initial occupancy of each Dwelling Unit, satisfy the requirements of an Eligible Senior Citizen Household. Nothing in the preceding sentence shall be deemed to prohibit Developer from reserving one of the Dwelling Units for occupancy by an on-site residential management employee of Developer or a property management company under

contract with Developer and the household of such on-site residential management employee need not qualify as an Eligible Senior Citizen Household or as a Senior Citizen Household.

- PART FOUR -

SECTION 4.1. Grant of Density Bonus. Subject to the terms of this Agreement, upon the recordation of this Agreement against the Senior Citizen Housing Project Property, the City hereby allocates and grants a density bonus of up to one hundred twenty-five (125) rental dwelling units (subject to Minor Modifications under the Development Agreement) for the development of the Senior Citizen Housing Project on the Senior Citizen Housing Project Property in accordance with the Development Agreement.

SECTION 4.2. Senior Citizen Housing Project Facilities. Each of the Dwelling Units in the Senior Citizen Housing Project shall contain facilities adequate for living, sleeping, eating, cooking, and sanitation, in accordance with all applicable federal, state, and local laws, regulations, and codes. The development and maintenance of the Dwelling Units shall comply with the City building code and all other applicable local codes, development standards, ordinances, and zoning ordinances in effect.

SECTION 4.3. Operation of Dwelling Units. Developer hereby agrees to make available, restrict occupancy to, and rent each of the Dwelling Units in the Senior Citizen Housing Project to Eligible Senior Citizen Households at an Affordable Rent. One (1) Dwelling Unit in the Senior Housing Project shall be reserved for an on-site manager and shall not be deemed to be a Dwelling Unit which must otherwise be occupied by an Eligible Senior Household.

SECTION 4.4. Use of the Senior Citizen Housing Project. All the uses conducted at the Senior Citizen Housing Project Property, including, without limitation, all activities undertaken by the Developer as part of the Project pursuant to this Agreement shall conform to all applicable provisions of the Cudahy Municipal Code and other applicable federal, state, and local laws, rules, and regulations. The Senior Citizen Housing Project shall, at all times during the Term of this Agreement, be used as an affordable Senior Citizen Household rental complex and none of the Dwelling Units in the Senior Citizen Housing Project shall, at any time, be utilized on a transient basis, nor shall the Senior Citizen Housing Project Property, or any portion thereof, be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home, or be converted to residential condominium ownership. All of the community facilities and any social programs provided to the residents of the Senior Citizen Housing Project shall be available at all times on an equal, non-discriminatory basis to residents of all Dwelling Units at the Senior Citizen Housing Project.

SECTION 4.5. Senior Citizen Housing Project Regulatory Agreement. Concurrently upon the recordation of this Agreement, Developer and the City have caused to be recorded against the Senior Citizen Housing Project Property an instrument entitled "Senior Citizen Housing Project Regulatory Agreement and Declaration of Restrictive Covenants," dated as of October 20, 2020 (the "Regulatory Agreement"). In the event of any conflict or inconsistency between the provisions of this Agreement and the Regulatory Agreement, the more restrictive conflicting or inconsistent provision of the two (2) instruments shall apply.

- PART FIVE -

SECTION 5.1. Covenants Run with the Land. The Senior Citizen Housing Project Property shall be held, sold, conveyed, hypothecated, encumbered, used, occupied and improved subject to the covenants, conditions, and restrictions set forth herein. The covenants, conditions, restrictions, reservations, equitable servitudes, liens and charges set forth in this Agreement shall run with the Senior Citizen Housing Project Property and shall be binding upon Developer and all persons having any right, title or interest in the Senior Citizen Housing Project Property, or any part thereof, their heirs, and successive owners and assigns, shall inure to the benefit of City and its successor and assigns, and may be enforced by City and its successors and assigns. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of City and its successor and assigns, and the parties hereto expressly agree that this Agreement and the covenants herein shall run in favor of City, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. Furthermore, all of the covenants, conditions, and restrictions contained herein shall also constitute easements in gross running in favor of City. City is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, in whose favor and for and whose benefit this Agreement and the covenants running with the land have been provided. Developer hereby declares its understanding and intent that the burden of the covenants set forth herein touch and concern the land and the Developer's interest in the Senior Citizen Housing Project Property is rendered less valuable thereby. Developer hereby further declares its understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Senior Citizen Housing Project Property by the citizens of City and by furthering the health, safety, and welfare of the residents of City.

SECTION 5.2. No Impairment of Lien. No violation or breach of this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust, or other financing or security instrument, or any part thereof or interest therein which affect the Senior Citizen Housing Project Property.

SECTION 5.3. Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

DEVELOPER:
Prima Development, Inc.
12401 Woodruff Ave., Suite 10
Downey, CA 90421
Attn: Fernando Vasquez, President
Phone: (562) 261-7601
Fax: (562) 478-4580

CITY:
City of Cudahy
Community Development/Planning
5220 Santa Ana Street
Cudahy, CA 90201
Attn: Community
Development/Planning Director
Phone: (323) 773-5143 ext. 242
Fax: _____

With copy to:	With copy to:
_____	City Manager
_____	City of Cudahy
_____	5220 Santa Ana Street
_____	Cudahy, CA 90201

SECTION 5.4. Default. Failure or delay by any Party to perform any term or provision of this Agreement which is not cured within thirty (30) days after receipt of notice from the other Party specifying the default (or such other period specifically provided herein) constitutes a default under this Agreement; provided, however, if such default is of the nature requiring more than thirty (30) days to cure, the defaulting party shall avoid default hereunder by commencing to cure within such thirty (30) day period, and thereafter diligently pursuing each cure to completion within an additional sixty (60) days following the conclusion of such thirty (30) day period (for a total of ninety (90) days). Except as required to protect against further damages, the injured Party may not institute proceedings against the Party in default until the time for cure has expired. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. City hereby agrees to accept any cure offered by any limited partner of or lender to Developer on the same basis as if such cure were offered by Developer.

SECTION 5.5. Rights and Remedies Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

SECTION 5.6. Indemnification. In addition to any indemnity specifically provided under any other agreements between the Parties including without limitation, the Development Agreement, Developer agrees to defend (with counsel of City's choosing and the consent of Developer, which shall not be unreasonably withheld, and which may be joint defense counsel upon City's and Developer's consent) indemnify and hold harmless City and its respective officers, officials, agents, employees, representatives, and volunteers (collectively, "Indemnitees") from and against any loss, liability, claim, or judgement arising from any act or omission of Developer in connection with its obligations under this Agreement, except to the extent caused by the gross negligence of misconduct of Indemnitees.

SECTION 5.7. Representation and Warranties Of Developer.

The Developer represents and warrants for the benefit and reliance for the City as follows:

(i) the Developer is a California nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California and is authorized to conduct business in California and is authorized to carry on its business as new being conducted and as contemplated in this Agreement;

(ii) the Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and

delivered and this Agreement has been duly and validly executed and delivered by the Developer to the City as of the Effective Date;

(iii) as of the Effective Date, this Agreement shall be a legal, valid and binding obligation of the Developer, enforceable against the Developer and its successors and assigns in interest in the Property, and each portion thereof, in accordance with its terms, subject to bankruptcy and other equitable principles.

SECTION 5.8. Time of The Essence. Time is expressly made of the essence with respect to the performance by City and Developer of each and every obligation and condition of this Agreement.

SECTION 5.9. Attorneys' Fees. In addition to any other remedies provided herein or available under applicable laws, if either Party to this Agreement commences an action against the other Party arising out of, or in connection with this Agreement, the prevailing Party shall be entitled to recover from the losing Party its costs of suit, including, but not limited to, its reasonable attorneys' fees, expert witness fees, and costs of investigation.

SECTION 5.10. Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or having knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and they have freely signed this Agreement without any reliance upon any agreement, promise, statement, or representation by or on behalf of the other Party, or in their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

SECTION 5.11. Amendment. No amendment, modification or supplement of this Agreement shall be valid or binding unless it is in writing and such writing has been executed and signed by both Parties, subject to City approval. The requirement for written amendment, modification or supplement of this Agreement cannot be waived and any attempted waiver shall be void and invalid.

SECTION 5.12. Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the current, actual knowledge of the certifying party, (a) this Agreement is in full force and effect and a binding obligation of the parties, (b) this Agreement has not been amended or modified or, if so amended or modified, identifying the amendments or modifications and (c) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and extent of any such defaults. Failure to provide such certificate, or provide written explanation of why it will not do so within thirty (30) days, may, at the option of the requesting party, be deemed a default hereunder.

SECTION 5.13. Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

SECTION 5.14. Integration. This Agreement contains the entire understanding between the Parties relating to the transaction contemplated by this Agreement, except as otherwise provided. All prior contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each Party is entering into this Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such Party deems material. This Agreement constituted the entire understanding and agreement of the Parties, notwithstanding any previous negotiations or agreements between the Parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

SECTION 5.15. Further Actions and Instructions. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either Party at any time, the other Party shall promptly execute, with acknowledgement or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

SECTION 5.16. Acknowledgement of Owner of Healthcare Office Project Element of the Project. The entity whose principal has signed the "CONSENT" at page ____ of this Agreement hereby acknowledges and agrees that no amendment or modification of the condominium plan for the Project referenced in Section 1.3.6.(v) of this Agreement may be in conflict or purport to invalidate any of the provisions of PART TWO or PART THREE or PART FOUR of this Agreement and that such entity shall own, use and operate the condominium interest as described in Exhibit B attached hereto, subject to the acknowledgment set forth in this Section 5.16.

SECTION 5.17. Counterparts. This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. One (1) fully executed original counterpart shall be delivered to Developer and the remaining two (2) original counterparts shall be retained by the City.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as evidenced by the signatures of the authorized officers of each of them.

CITY

City of Cudahy, a municipal corporation

By:_____
City Manager

Date:_____

APPROVED AS TO FORM:

By:_____

DEVELOPER

Prima Development, a nonprofit public benefit corporation

By:_____

Name: Fernando Vasquez

Title: President

Date:_____

ACKNOWLEDGEMENT OF OWNER OF HEALTHCARE OFFICE ELEMENT OF THE PROJECT TO SECTION 5.16 OF THIS AGREEMENT

By_____

EXHIBIT B-2

SENIOR CITIZEN HOUSING REGULATORY AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Cudahy
5220 Santa Ana Street
Cudahy, California 90201
Attn: City Manager

(Space Above Line For Use By Recorder)

No fee for recording pursuant to
Government Code Section 27383

[Editor's note: the draft text of this Regulatory Agreement is subject to certain conforming edits prior to its recordation in coordination with the LIHTC Financing Documents as set forth in the Development Agreement.]

CITY OF CUDAHY
SENIOR CITIZEN HOUSING REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS
(Prima Development: Site 3)

This Senior Citizen Housing Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") is made and entered into as of October 20, 2020, by and between the Prima Development, Inc., a California non-profit corporation (the "Developer") and the City of Cudahy, a municipal corporation (the "City"), and is entered into in light of the facts set forth in the following recital paragraphs.

RECITALS

A. Developer submitted an application to the City, dated September 16, 2020 (the "Development Project Application") for the approval of the construction of a complete mixed-use development (the "Project") on the lands described in Exhibit "A" attached hereto (the "Senior Housing Project Property").

B. The Project as shall be undertaken by Developer in accordance with the Development Project application and that certain agreement by and between Developer and the City entitled "Development Agreement," dated as of October 20, 2020 (the "Development Agreement") and the provisions of this Agreement.

C. The Project consists of two primary elements more particularly defined herein below as: (i) the "Senior Citizen Housing Project"; and (ii) the "Healthcare Office Project."

D. In the Development Project Application, Developer offers to undertake the development and operation of the Project subject to the City's approval of the Development Agreement, and Developer's plan of improvement of the Project includes Developer's commitment that all of the residential dwelling units in the Senior Citizen Housing Project element of the Project shall be reserved for occupancy by lower income senior citizen households as authorized by California Government Code Section 65915 *et seq*., and City of Cudahy Municipal Code Chapter 20.52 (collectively, the "Density Bonus Law").

E. Pursuant to the application of the Density Bonus Law to the Property and the Senior Citizen Housing Project, and subject to the satisfaction of the covenants of the Developer as provided in the Development Agreement and this Agreement, the Developer may construct up to one hundred seventy-four (174) rental dwelling units on the Senior Citizen Housing Project Property (subject to "Minor Modifications" as this term is described in the Development Agreement); provided however that at least one hundred seventy-three (173) of such rental dwelling units in the Senior Citizen Housing Project shall be reserved for occupancy by Eligible Senior Citizen Households as defined below.

THEREFORE, THE DEVELOPER AND THE CITY HEREBY AGREE FOR THEMSELVES AND THEIR SUCCESSOR AND ASSIGNS AND EACH OF THEM AS FOLLOWS:

ARTICLE 1
DEFINITIONS AND AFFECT OF AGREEMENT ON OTHER SENIOR CITIZEN HOUSING PROJECT DOCUMENTS

1.1 Definitions.

When used in this Regulatory Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.

- "Adjusted for family size" shall have the same meaning as set forth at Health and Safety Code Section 50052.

- "Affordable Rent" shall have the same meaning as set forth at Health and Safety Code Section 50053(b).

- "Certification Notice" means the document to be recorded by the Developer upon issuance of the final certificate of occupancy by the City upon the completion of the work of improvement of the Senior Housing Project on the Senior Housing Project Property, which recites the date of issuance of the final certificate of occupancy for the purposes of determining the end of the Term of this Regulatory Agreement.

- "City" means the City of Cudahy, California.

- "Developer" means Prima Development, Inc., a California nonprofit public benefit corporation and its authorized representatives, assigns, transferees, or successors in interest thereto.

- "Dwelling Unit" means one of the rental dwelling units included in the Senior Citizen Housing Project, excluding the (1) manager's units.

- "Eligible Senior Citizen Household" means and refers to the tenants who reside in a Dwelling Unit in the Senior Housing Project whose income at the time of initial occupancy by such an Eligible Senior Citizen Household of a Dwelling Unit does not exceed the maximum level of a very low income household, adjusted for family size.

- "LIHTC Financing Documents" has the same meaning as set forth in the Development Agreement, Section 1.20.

- "Rent" means the total of monthly payments by the Eligible Senior Citizen Household of a Dwelling Unit for the following: use and occupancy of the Dwelling Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by the Developer which are required of all Senior Citizen Households, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Senior Citizen Household, but not electricity for the Dwelling Unit, telephone service or cable television and communication; and any other interest, taxes, fees or charges for use of the land or associated facilities as assessed by a public or private entity other than the Developer and paid by the Senior Citizen Household.

- "Senior Citizen Housing Project" means the senior citizen affordable rental housing development to be constructed by the Developer on the Senior Citizen Housing Project Property as described in the Development Agreement.

- "Senior Housing Project Property" has the meaning set forth in the Recitals. The Senior Housing Project Property is more particularly described in Exhibit "A."

- "TCAC" means the California Tax Credit Allocation Committee.

- "TCAC Rent" means the maximum rent set by TCAC for a particular Dwelling Unit in the Senior Citizen Housing Project depending on the applicable bedroom size of such Dwelling Unit.

- "Tenant" means a household legally occupying a Dwelling Unit.

- "Term" means the term of this Regulatory Agreement which commences as of the date recordation of this Agreement affecting the Senior Citizen Housing Project Property and continues until ninety-nine (99) years following the date of recordation of the Certification Notice.

- "Very low income household" means a Senior Citizen Household with an adjusted income level which is not more than as provided in Health and Safety Code Section 50105.

1.2 <u>City Acknowledgment</u>.

The City acknowledges that as of the date of recordation of this Regulatory Agreement, the Developer is in compliance with all relevant provisions of the Development Agreement and that the construction and improvement of the Senior Citizen Housing Project on the Senior Citizen Housing Project Property may be commenced by the Developer in accordance with the applicable plans and specifications of improvement, including without limitation the plans for the "Environmental Clean-up of the Property" as set forth in the Development Agreement, and that the City is not aware of any fact with respect to the Senior Citizen Housing Project or the Developer that with the giving of written notice and the passage of time would give rise to a default under the Development Agreement or the instrument entitled "2020 City of Cudahy Senior Citizen Occupancy Covenant and Housing Density Bonus Agreement" by and between the Developer and the City as recorded concurrently herewith.

1.3 Developer Acknowledgment.

The Developer acknowledges that as of the date of recordation of this Regulatory Agreement, the City is in compliance with all relevant provisions of the Development Agreement and that the Developer is not aware of any fact with respect to the Senior Citizen Housing Project, the Senior Citizen Housing Project Property or the Development Agreement that with the giving of written notice and the passage of time would give rise to a default under the Development Agreement or the Density Bonus Agreement.

ARTICLE 2
AFFORDABILITY AND OCCUPANCY COVENANTS FOR DWELLING UNITS

2.1 Occupancy Requirements.

(a) The Dwelling Units shall be rented at an Affordable Rent to Eligible Senior Citizen Households as outlined in the following table:

Household Income Level (% of AMI)	1-BR Units	2-BR Units	TOTAL DWELLING UNITS
20%			
30%			
40%			
50%			
Manager Unit			
TOTAL			

[The population of this table with dwelling units at specific income levels is subject to the final terms of the LIHTC Financing Documents.]

(b) The Developer shall reserve for occupancy each of the Dwelling Units by Eligible Senior Citizen Households during the Term as set forth in the table in Section 2.1(a), above; provided however that following the end of the affordability period for any Dwelling Unit required by TCAC, the Developer may thereafter reallocate the income level occupancy required under Section 2.1(a) for such Dwelling Units not to exceed an Affordable Rent for a very low income household.

(c) Intermingling of Units. The Dwelling Units occupied by the different income categories of Eligible Senior Citizen Household shall be intermingled throughout the Senior Citizen Housing Project and each Dwelling Unit shall be of comparable quality to other Dwelling Units on the Senior Housing Project Property. Tenants in all Dwelling Units shall have equal access to and enjoyment of all common facilities in the Senior Citizen Housing Project.

2.2 Allowable Rent.

(a) Affordable Rent. During the Term, the rent paid by Eligible Senior Citizen Households shall not exceed the Affordable Rent for a Very Low Income Household, as set forth in Section 2.1.

(b) Initial Rent, Initial Rent Levels. Within sixty (60) days following the issuance by the City of the certificate of occupancy for the Senior Citizen Housing Project, the Developer shall deliver to the City the rent roll for the Senior Citizen Housing Project which

indicates the amount of Rent payable by each Tenant. Such rent roll shall indicate which Dwelling Units have initially been designated by the Developer for occupancy at the rent levels set forth in Section 2.1(a). The form of the rent roll for the Senior Citizen Housing Project shall include such other information as the City may request in order for the City to maintain compliance by the Developer of the affordable rent and Tenant occupancy covenants of this Regulatory Agreement during the Term hereof.

(c) No Additional Fees. During the Term the Developer shall not charge any fee, other than Rent, to any resident of any Dwelling Unit for occupancy of the particular Dwelling Unit.

(1) Rent Increases. Rent may not be increased for any Dwelling Unit more often than once every twelve (12) month. The Developer will provide each Eligible Senior Citizen Household with at least sixty (60) days written notice of any increase in Rent applicable to such Tenant.

(2) Increased Income Above Very Low Income Household But Below Lower Income Household Rent Limits. Subject to Section 2.3, in the event that, upon recertification of the income of an Eligible Senior Citizen Household, the Developer determines that the Eligible Senior Citizen Household no longer qualifies as a very low income household or an extremely low income household, but does qualify as a lower income household (as this term is defined at Health and Safety Code Section 50079.5), such Tenant may continue to occupy the Dwelling Unit and the Tenant's Rent shall remain at the then applicable Affordable Rent Level. The Developer shall then rent the next available Dwelling Unit to an Eligible Senior Citizen Household which is also a very low income household, at a Rent not exceeding the maximum Rent specified in Section 2.2(a) or re-designate another Dwelling Unit in the Senior Citizen Housing Project with a very low income household, as applicable.

(3) Termination of Occupancy. Upon termination of occupancy of a Dwelling Unit by a Tenant, such Dwelling Unit shall be deemed to have been continuously occupied by Senior Citizen Household of the same income level as the initial income level of the vacating Tenant, until such Dwelling Unit is reoccupied, at which time the income character of such Dwelling Unit will be redetermined to meet the occupancy requirements of the incoming new Tenant under Section 2.1(b).

2.3 Income and Rent Calculations.

In the event that TCAC or the State Department of Housing and Community Development no longer publishes the income and rent information that this Regulatory Agreement contemplates that TCAC and/or the State Department of Housing and Community Development, respectively shall apply in any LIHTC Financing Document, the City shall provide the Developer with other income and rent determination standards which are reasonably similar with respect to methods of calculation to those previously published by TCAC and/or the State Department of Housing and Community Development for very low income households, as applicable.

2.4 Disabled Persons Occupancy; Compliance with Accessibility Requirements.

(a) The Senior Citizen Housing Project shall be operated at all times in compliance with the provisions of: (i) the Unruh Act; (ii) the California Fair Employment and Housing Act; (iii) Section 504 of the Rehabilitation Act of 1973 (29 U.S. C. 794)('Section 504");

(iv) the United States Fair Housing Act, as amended; and (v) any other applicable law or regulation (including the American With Disabilities Act.

(b) The Developer shall design, construct and install the Senior Citizen Housing Project in compliance with the Development Agreement and all applicable federal and state disabled persons accessibility requirements, including, but not limited to, the Federal Fair Housing Act; Section 504 and its implementing regulations (24 CFR Part 8); Title II and/or title III of the American with Disabilities Act of 1990; and Title 24 of the California Code of Regulations. Prior to the recordation of the Certification Notice, the Developer shall provide the City with a certification from the Developer's architect for the Senior Citizen Housing Project that to the best of such architect's knowledge, the Senior Citizen Housing Project complies with all federal and state accessibility requirements applicable to the Senior Citizen Housing Project as required by Section 504.

(c) The Developer agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the City) the City, and its board members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of the Developer's failure to comply with applicable legal requirements related to housing for persons with disabilities who reside or seek to reside at the Project. The provisions of this subsection shall survive expiration of the Term or other termination of this Regulatory Agreement, and shall remain in full force and effect.

ARTICLE 3
TENANT INCOME CERTIFICATION AND REPORTING

3.1 Income Certification.

(a) The Developer will obtain, complete and maintain on file, immediately prior to initial occupancy of the Senior Citizen Housing Project, and annually thereafter, income certifications from each Tenant renting any of the Dwelling Units. The Developer shall make a good faith effort to verify that the income provided by an applicant or occupying household in an income certification is accurate by taking two or more of the following steps as a part of the verification process: (a) obtain a pay stub for the most recent pay period; (b) obtain an income tax return for the most recent tax year; (c) conduct a credit agency or similar search; (d) obtain an income verification form from the applicant's current employer; (e) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (f) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. Developer shall also complete and/or have the Tenants of each Dwelling Unit complete and sign the "Income Computation and Certification" and the "Owner's Certification of Household Income and other forms related to Tenants' Income provided to the Developer by the City each year during the Term or that provide income information that is sufficient to determine an applicant's income as required under this Regulatory Agreement. Copies of Tenant income certifications shall be made available to the City for inspection and copying upon request.

3.2 Reporting Requirements.

Following completion of the improvement of the Senior Citizen Housing Project, as evidenced by the recordation of the Certification Notice, the Developer shall submit operational information to the City relating to the Senior Citizen Housing Project status reports for the first

two (2) years of operation of the Senior Citizen Housing Project no later than ninety (90) days after the end of the calendar year quarter in which the Certification Notice is recorded. Thereafter, the Developer shall submit to the City annual reports in a form approved by the City, no later than one hundred twenty (120) days after the end of the Senior Citizen Housing Project tax year. The reports shall contain such operation information as the City may require, including, but not limited to, the following:

(i) A statement of the fiscal condition of the Senior Citizen Housing Project, including a financial statement indicating surpluses or deficits in operating accounts for the period covered, a detailed itemized listing of income and expenses, and the amounts of any Senior Citizen Housing Project reserves. The report due after the end of each fiscal year shall contain an audited version of this statement. Such audit shall be prepared in accordance with the requirements of the City and certified at the Developer's expense by an independent certified public accountant licensed by the State of California. For the purpose of providing such a statement of fiscal conditions to the City, the Developer shall also follow audit requirements of the Single Audit Act and OMB Circulars A-122 and 110 as set forth in 24 CFR Part 574.605 and other audit requirements of 24 CFR Part 574.650 and 24 CFR Part 92.506.

(ii) An identification of the occurrence of any events giving rise to physical deficiencies in the Senior Citizen Housing Project, if any, including a description of any major repair or maintenance work undertaken in the reporting period.

(iii) The occupancy of the Senior Citizen Housing Project indicating:

A. A listing of current Tenants' names, income levels, rent charged and paid, move-in dates, and the race and ethnic groups of Tenants;

B. The number of Tenants receiving services for each year; and

C. General management performance, including Tenant relations and other relevant information.

Upon request of the City, the Developer shall furnish, within thirty (30) days, copies of all Tenant agreements for the Dwelling Units. Within thirty (30) days after receipt of a written request from the City, the Developer shall also submit any other information or completed forms requested by the City in order to comply with the reporting requirements of this Section 3.2, (provided, however, that the Developer shall in no event be obligated to provide any information that it cannot legally obtain as a housing provider), or TCAC or the State Department of Housing and Community Development, or any other government entity or lender to the Developer as applicable to the Senior Citizen Housing Project.

3.3 Additional Information.

The Developer shall provide any additional information reasonably requested by the City as relates to the construction and operation of the Senior Citizen Housing Project by the Developer. The City shall have the right to examine and make copies of all books, records or other documents of the Developer which pertain to the Senior Citizen Housing Project.

3.4 Records.

The Developer shall maintain complete, accurate and current records pertaining to the Senior Citizen Housing Project, and shall permit any duly authorized representative of the City to inspect Developer records for the Senior Citizen Housing Project, including records pertaining to income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Senior Citizen Housing Project shall at all times be kept separate and identifiable from any other business of the Developer and shall be maintained as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. The Developer shall retain copies of all materials obtained or produced with respect to the occupancy of the Dwelling Units for a period of at least five (5) years.

3.5 On-site Health and Safety Inspection.

The City shall have the right to perform on-site health and safety inspections of the Senior Citizen Housing Project when deemed necessary by the City including any inspection described in 24 CFR Part 92.504(d), at least one (1) time per year upon reasonable prior notice to the Developer. The Developer agrees to cooperate in each such inspection.

ARTICLE 4
CONSTRUCTION, COMPLETION, AND OPERATION OF THE SENIOR CITIZEN HOUSING PROJECT

4.1 Construction and Improvement of the Senior Citizen Housing Project.

Promptly following the acquisition of the Senior Citizen Housing Project from the Cudahy Successor Agency, the Developer shall diligently construct and improve the Senior Citizen Housing Project as provided in the Development Agreement.

4.2 Residential Use.

The Senior Citizen Housing Project shall be operated only for residential use by Senior Citizen Households. Each Dwelling Unit shall be occupied by an Eligible Senior Citizen Household as the principal place of residence of such tenant. No part of the Senior Citizen Housing Project shall be operated as transient housing.

4.3 Tenant Move-in to Senior Citizen Housing Project.

A major portion of the Senior Citizen Housing Project shall have been completed and Eligible Senior Citizen Household shall commence occupancy of the Dwelling Units by a date not later than the fourth (4th) anniversary following the recordation of this Regulatory Agreement.

4.4 Taxes and Assessments.

The Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any line or charge from attaching to the Senior Citizen Housing Project Property; provided, however that the Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax,

assessment, or charge against it, the Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgement rendered against it, together with all costs, charges and interest.

4.5 Property Tax Exemption.

The Developer shall not apply for a property tax exemption for the Senior Citizen Housing Project Property and the Senior Citizen Housing Project under any provision of law except California Revenue and Taxation Section 214(g), without the prior written consent of the City.

4.6 Notice of Operations.

The Developer shall promptly notify the City upon the discovery by the Developer that the rental income and other operating income of the Senior Citizen Housing Project contributed by third parties is insufficient to pay for annual operating expenses incurred by the Developer in connection with its operation of the Senior Citizen Housing Project.

4.7 Tenant Selection Plan.

(a) Developer shall be responsible for the selection of tenants for the Dwelling Units in compliance with lawful and reasonable criteria. Developer shall prepare and obtain City's approval, which approval shall not be unreasonably withheld, conditioned or delayed, of a program for marketing the Dwelling Units and the selection of tenants for the Dwelling Units (the "Marketing and Tenant Selection Program"). To the extent practicable and as permitted by applicable law and Senior Citizen Housing Project financing requirements, Developer's Marketing and Tenant Selection program shall provide a reasonable preference in its tenant selection process to Eligible Senior Citizen Households who reside in the City at the time of submission of an application to rent a Dwelling Unit. The leasing of the Dwelling Units shall be marketed and tenants shall be selected in accordance with the approved Marketing and Tenant Selection Program, as the same may be amended from time to time with City's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) The Developer shall not make material modifications to its Marketing and Tenant Selection Project after it has been initially approved by the City, which approval shall not be unreasonably withheld, conditioned or delayed.

(c) The initial Marketing and Tenant Selection Program shall be delivered to the City for its review and approval within one (1) year following the date of recordation of this Regulatory Agreement.

4.8 Social Services.

At all times during the Term, Developer shall provide activities and programs appropriate to the needs of the Tenants of the Senior Citizen Housing Project, with the selection of such activities and programs to be determined by Developer in consultation with the Tenants of the Senior Citizen Housing Project. If the provider of such activities and programs is someone other than Developer, the identity of the provider shall be reasonably approved by the City. If Developer proposes changing the identity of such a service provider at any time, Developer shall notify the City in writing of the identity of the proposed new provider, together with references and a description of the provider's past experience in providing activities and programs to similar

housing and residents, and City shall reasonably approve such provider. The approved provider shall annually submit a plan of activities and programs for City's review and reasonable approval, and shall also annually submit to the City a report of the prior year's activities and programs, describing the number and type of activities and programs and the number of Tenants served by such activities and programs.

ARTICLE 5
INSURANCE, INDEMNITY, PROPERTY MANAGEMENT, MAINTENANCE AND ASSIGNMENT

5.1 Management Responsibilities.

The Developer is responsible for all management functions with respect to the Senior Citizen Housing Project, including, without limitation management and administration of the construction, improvement and financing of the Senior Citizen Housing Project, as well as the selection of Tenants, certification and recertification of household size and income, eviction, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City shall have no responsibility to manager or supervise of the construction and improvement of the Senior Citizen Housing Project or thereafter, no responsibility for the operation of the Senior Citizen Housing Project. The Developer shall retain a professional property management company approved by the City in its reasonable discretion to perform the on-site management duties of the Developer hereunder. A resident manager for the Senior Citizen Housing Project is required.

5.2 Indemnity of the Developer in Favor of the City.

Developer shall, at its expense, defend, indemnify, and hold harmless the City and its officers, agents, employees and representatives harmless from any and all losses, liabilities, claims, lawsuits, causes of action, judgments, settlements, court costs, attorneys' fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other damages of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of Developer or its agents, employees, contractors and subcontractors of any tier and employees thereof in connection with or arising from Developer's performance or nonperformance of its obligations under this Regulatory Agreement, Developer's ownership or operation of the Senior Citizen Housing Project, or the development of the Senior Citizen Housing Project, except for any such loss, liability, claim, lawsuit or other damage arising from the gross negligence or willful misconduct of the City or its officers, agents, employees or representatives.

5.3 Insurance of the Developer.

During the Term of this Regulatory Agreement, the Developer shall secure and continuously maintain insurance coverage in favor of the City its officials, officers, employees and agents in accordance with the terms as provided in Exhibit "B" attached hereto.

5.4 Management Agent.

The Senior Citizen Housing Project shall at all times be managed by an experienced management agent reasonably acceptable to the City (the "Management Agent"). The Management Agent shall have demonstrated qualifications to operate residential facilities similar to the Senior Citizen Housing Project in a manner that will provide decent, safe, and sanitary

housing. The City hereby approves [to be identified prior to recordation], to serve the Developer and the Senior Citizen Housing Project as the Management Agent. The Developer shall submit for the City's approval the identity of any proposed substitute or replacement of the initial Management Agent not less than thirty (30) days prior to the commencement of operations of such proposed substitution or replacement Management Agent. The Developer shall also submit such additional information about the background, experience and financial condition of any proposed Management Agent as is reasonably necessary for the City to determine whether the proposed Management Agent meets the standard for a qualified Management Agent set forth above. If the proposed Management Agent meets the standard for a qualified Management Agent set forth above, the City shall approve the proposed Management Agent by notifying the Developer in writing. Unless the proposed Management Agent is disapproved by the City within thirty (30) days, which disapproval shall state with reasonable specificity the basis for disapprove, the substitute or replacement Management Agent as proposed by the Developer shall be deemed approved by the City.

5.5 Periodic Performance Review.

The City reserves the right to conduct an annual (or more frequently, if deemed necessary by the City) review of the management practices and financial status of the Senior Citizen Housing Project. The purpose of each periodic review will be to enable the City to determine if the Senior Citizen Housing Project is being operated and managed in accordance with the requirements and standards of this Regulatory Agreement. The Developer shall cooperate with the City during such reviews.

5.6 Replacement of Management Agent.

If as a result of a periodic review under Section 5.5, the City determines in its reasonable judgment that the Senior Citizen Housing Project is not being operated and managed in accordance with any of the material requirements and standards of the Development Agreement or this Regulatory Agreement, the City shall deliver notice to the Developer of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days after receipt by Developer of such written notice, City staff and the Developer shall meet in good faith to consider methods for improving the financial and operating status of the Senior Citizen Housing Project, including, without limitation, replacement of the Management Agent.

If, after such meeting, City staff recommends in writing the replacement of the Management Agent, Developer shall promptly dismiss the current Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a management agent acceptable to the City as set forth in Section 5.4.

Any contract for the operation or management of the Senior Citizen Housing Project entered into by the Developer shall provide that the Management Agent may be dismissed and the contract terminated as set forth above. Failure by the Developer following notice from the City to remove or replace the Management Agent in accordance with the provisions of this Section shall constitute a default under this Regulatory Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.8 below.

5.7 Approval of Management Policies.

The Developer shall submit its written management policies with respect to the Senior Citizen Housing Project to the City for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Regulatory Agreement.

5.8 Maintenance of the Senior Citizen Housing Project. The Developer, for itself, its successors and assigns, hereby covenants and agrees that:

(1) The interior and exterior areas of the Senior Citizen Housing Project including all paving, walkways, landscaping, and ornamentation, shall be maintained in good repair, decent, safe and sanitary, and in accordance with the standard of maintenance of first class apartment units within Los Angeles County, California. In the event that at any time during the Term hereof, there is an occurrence of an adverse condition in any area in the Senior Citizen Housing Project in contravention of the general maintenance standard described above, (a "Maintenance Deficiency") then the City shall notify the Developer in writing of the Maintenance Deficiency and give the Developer thirty (30) days from the date of such notice to cure the Maintenance Deficiency as identified in the notice. The words "Maintenance Deficiency" include without limitation the following inadequate or non-confirming property maintenance conditions and/or breaches of residential property use restriction:

- failure to properly maintain the windows, structural elements, and painted exterior surface areas of the Senior Citizen Housing Project in a clean and presentable manner;

- failure to keep the common areas of the Senior Citizen Housing Project free of accumulated debris, appliances, inoperable motor vehicles or motor vehicle parts, or free of storage of lumber, building materials or equipment not regularly in use on the property;

- failure to regularly maintain, replace and renew the landscaping in a reasonable condition free of weed and debris;

- parking of any tenant owned commercial motor vehicle in excess of 7,000 pounds gross weight anywhere on the Senior Citizen Housing Project;

- the use of garage areas on the Senior Citizen Housing Project for purposes other than the parking of motor vehicles and the storage of personal possessions and mechanical equipment of persons residing in the Senior Citizen Housing Project.

In the event the Developer fails to cure or commence to cure the Maintenance Deficiency within the time allowed, the City may thereafter conduct a public hearing following transmittal of written notice thereof to the Developer ten (10) days prior to the scheduled date of such public hearing in order to verify whether a Maintenance Deficiency exists and whether the Developer has failed to comply with the provision of this Section 5.8. If, upon the conclusion of a public hearing, the City makes a finding that a Maintenance Deficiency exists and that there appears to be non-compliance with the general maintenance standard, as described above, thereafter the City shall have the right to enter the Senior Citizen Housing Project and perform all acts necessary to cure the Maintenance Deficiency, or to take other action at law or equity in order that the City may then

accomplish the correction of the Maintenance Deficiency. Any sum expanded by the City for the correction of one or more Maintenance Deficiencies as authorized by this Section 5.8 shall become a lien on the Senior Citizen Housing Project Property. If the amount of the lien is not paid by the Developer within thirty (30) days after written demand for payment by the City, thereafter the City shall have the right to enforce the lien in the manner as provided in Section 5.8(3).

(2) Graffiti which is visible from any public right of way which is adjacent or contiguous to the Senior Citizen Housing Project shall be removed by the Developer from any exterior surface of a structure or improvement on the Senior Citizen Housing Project by either painting over the evidence of such vandalism with paint which has been color matched to the surface on which the paint is applied, or graffiti may be removed with solvents, detergents or water as appropriate. In the event that graffiti is placed on the Senior Citizen Housing Project and such graffiti is visible from an adjacent or contiguous public right of way and thereafter such graffiti is not removed within 72 hours following the time of its application: then in such event and without notice to the Developer, the City shall have the right to enter the Senior Citizen Housing Project and remove the graffiti. Notwithstanding any provision of Section 5.8(1) to the contrary, any sum expended by the City for the removal of graffiti from the Senior Citizen Housing Project as authorized by this Section 5.8(2) shall become a lien on the Senior Citizen Housing Project. If the amount of the lien is not paid within thirty (3) days by the Developer after written demand for payment by the City, thereafter the City shall have the right to enforce its lien in the manner as provided in Section 5.8(3).

(3) Subject to the lien of any permitted lender, as may be authorized under the Development Agreement, the parties hereto further mutually understand and agree that the rights conferred upon the City under this Section 5.8 expressly include the power to establish and enforce a lien or other encumbrance against the Senior Citizen Housing Project Property in the manner provided under Civil Code Sections 2924, 2924b and 2924e in the amount as reasonably necessary to restore the Senior Citizen Housing Project to the maintenance standard required under Section 5.8(1) or Section 5.8(2), including attorneys' fees and costs of the City, if any, associated with the correction of the Maintenance Deficiency or removal of graffiti and the collection of the costs of the City in connection with such action. In any legal proceeding for enforcing such a lien against the Senior Citizen Housing Project, the prevailing path shall be entitled to recover its attorneys' fees and costs of suit. The provisions of this Section 5.8 shall be a covenant running with the land for the term of this Agreement and shall be enforceable by the City in its discretion, cumulative with any other rights or powers granted by the City under the Development Agreement or the Senior Citizen Covenant and Density Bonus Agreement, or applicable law. Nothing in the foregoing provisions of this Section 5.8 shall be deemed to preclude the Developer from making any alterations, additions, or other changes to any structure or improvement or landscaping on the Housing Project, provided that such changes comply with the zoning and development regulation of the City and other applicable law.

5.9 Asset Management.

The Developer is responsible for all asset management functions with respect to the Senior Citizen Housing Project, including, without limitation, the oversight of the Management Agent, maintaining accurate and current books and records for the Senior Citizen Housing Project and promptly paying costs incurred in connection with the Senior Citizen Housing Project. The City shall have no responsibility over asset management of the Senior Citizen Housing Project.

5.10 Limitation Upon Change in Ownership, Management and Control of the Developer.

(a) Prohibition. The identity and qualifications of Developer as an experienced and successful operator of affordable rental housing developments are of particular concern to the City. It is because of this identity and these qualifications that the City has entered into the Development Agreement and this Regulatory Agreement with the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any right or interest in the Senior Citizen Housing Project Property by assignment or otherwise, nor shall Developer make any total or partial sale, transfer, conveyance, encumbrance to secure financing, assignment or lease of the whole or any part of the Senior Citizen Housing Project without the prior written approval of the City pursuant to Section 5.10(c) hereof, except as expressly set forth herein, which approval shall not be unreasonably withheld, conditioned or delayed by the City.

(b) Permitted Transfers. Notwithstanding any other provision of this Regulatory Agreement to the contrary and provided that the Developer is not then in material default, City approval of an assignment, transfer or conveyance of the Senior Citizen Housing Project Property or any part thereof pursuant to Section 5.10(c), shall not be required (except to the extent of an assumption agreement described in Section 5.10(c) (iii), below) in connection with any of the following (the "Permitted Transfers"):

(i) Subject to the restrictions of this Regulatory Agreement, the lease of Dwelling Units to an Eligible Senior Citizen Household.
(ii) [Insert list of other Permitted Transfers.]

In the event of a Permitted Transfer by Developer, Developer nevertheless agrees that at least thirty (30) days prior to such a Permitted Transfer it shall give written notice to the City of such assignment or transfer.

(c) City Consideration of Requested Transfer. The City agrees that it will not unreasonably withhold approval of a request for transfer made pursuant to the Development Agreement or Section 5.10 of this Regulatory Agreement, provided (i) the Developer is not then in material default and delivers written notice to the City requesting such approval, and (ii) the proposed assignee or transferee possesses comparable operational experience and capability, and comparable net worth and resources, as the proposed transferor or assignor, and (iii) the assignee or transferee assumes the obligations of the Developer under this Regulatory Agreement in a form which is reasonably acceptable to the City. Such notice of the Developer shall be accompanied by evidence regarding the proposed assignee's or purchaser's qualifications and experience and its financial commitments and resources sufficient to enable the City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 5.10(c) and other criteria as reasonably determined by the City. The City shall approve or disapprove the request within thirty (30) days of its receipt of the Developer's notice and all information and materials required herein.

5.11 Non-Liability of Officials and Employees of the City.

No member, official or employee of the City shall be personally liable to Developer or any successor in interest, in the event of any default or breach by City or for any amount which may

become due to Developer or its successors, or on any obligations under the terms of this Regulatory Agreement.

ARTICLE 6
MISCELLANEOUS

6.1 Lease Provisions.

In leasing the Dwelling Units, the Developer shall use a form of Tenant lease/rental agreement approved by the City. The specific form of Tenant lease/rental agreement shall comply with all requirements of this Regulatory Agreement and the Development Agreement, and shall, among other matters:

(1) provide for termination of the lease/rental agreement and consent by the tenant to immediate eviction for failure: (i) to provide any information required under this Regulatory Agreement or reasonably requested by the Developer to establish or recertify the tenant's qualification, or the qualification of the tenant's household, for occupancy in the Senior Citizen Housing Project in accordance with the standards set forth in this Regulatory Agreement, (ii) to qualify as an Eligible Senior Citizen Household as a result of any material misrepresentation made by such tenant with respect to the income computation.

(2) Include a provision which shall require a tenant who is residing in a Dwelling Unit made accessible pursuant to Section 2.6 and who is not in need of an accessible Dwelling Unit to move to a non-accessible Dwelling Unit when a non-accessible Dwelling Unit becomes available and another tenant or prospective tenant is in need of an accessible Dwelling Unit.

(3) shall not contain any provision which is prohibited by applicable State law.

6.2 Nondiscrimination.

(a) All of the Dwelling Units shall be available for occupancy in a continuous basis to members of the general public who are Eligible Senior Citizen Households. The Developer shall not give preference to any particular class or group of Senior Citizen in renting the Dwelling Units, except to the extent that the Dwelling Units are required to be leased to Eligible Senior Citizen Households as required by the 2020 Senior Citizen Occupancy Covenant and Housing Density Bonus Agreement and this Regulatory Agreement. The Developer herein covenants by and for the Developer, its assigns, and all persons claiming under or through the Developer, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, source of income (e.g., SSI), ancestry, or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Dwelling Unit nor shall the Developer or any person claiming under or through the Developer, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any Dwelling Unit or in connection with the employment of persons for the construction, operation and management of any Dwelling Unit. Notwithstanding the above, with respect to familial status, the above should not be construed to

apply to Senior Citizens and housing for older persons as defined in Section 12955.9 of the Government Code and other applicable sections of law as referred at Health and Safety Code Section 33050(b).

(b) The Developer will accept as tenants, on the same basis as all other prospective Senior Citizens, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Developer shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective tenants, nor shall the Developer apply or permit the application of management policies or lease provisions with respect to the Senior Citizen Housing Project which have the effect of precluding occupancy of units by such prospective Tenants.

6.3 Term.

The provisions of this Regulatory Agreement shall apply to the Senior Citizen Housing Project Property for the Term. This Regulatory Agreement shall bind any successor or assign of the Developer, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the City.

6.4 Compliance with Senior Citizen Covenant and Density Bonus Agreement.

During the Term, the Developer and the Senior Housing Project shall at all times be in full conformity with the Senior Citizen Covenant and Density Bonus Agreement.

6.5 Duty to Prevent Contamination of Hazardous Materials.

During the course of the development, construction and operation of the Senior Citizen Housing Project, the Developer shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Senior Citizen Housing Project Property. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. The Developer shall notify the City, and provide to the City a copy or copies, of any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and the Developer shall report to the City, as soon as possible after each incident, any unusual, potentially important incidents in the event of a release of any Hazardous Materials into the environment. For purposes of this Section 6.5, "Governmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Senior Citizen Housing Project is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, the Developer or the Senior Citizen Housing Project. For purposes of this Section 6.5, "Hazardous Materials" means any substance, material, or waste which is or becomes, regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act),

(iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated byphenyls, (viii) methyl tertiary butyl ether, (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (x) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conversation and Recovery Act, 42 U.S.C. §§6901, et seq. (42 U.S.C. §6903) or (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental response, Compensation, and Liability Act, 42 U.S.C. §§9601, et seq. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities as are customarily used in the construction, maintenance, rehabilitation or management of residential development or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Senior Citizen Housing Project, including without limitation alcohol, aspirin, tobacco and saccharine.

6.6 Notice of Expiration of Term.

The Developer shall comply with the requirements set forth in Government Code Sections 65863.10 and 65863.11 with respect to the Senior Citizen Housing Project. Such notice requirements include: (i) a twelve (12) month notice to existing tenants, prospective tenants and "Affected Public Agencies" (as this term is defined in California Government Code Section 65863.10(a)) prior to the expiration of the Term, (ii) a six (6) month notice requirement to existing tenants, prospective tenants and Affected Public Agencies prior to the expiration of the Term; (iii) a notice of an offer to purchase the Senior Citizen Housing Project to "qualified entities" (as defined in Government Code Section 65863.11(d)), if the Senior Citizen Housing Project is to be sold within five (5) years of the end of the Term; (iv) a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Senior Citizen Housing Project.

6.7 Covenants to Run with the Land.

The City and the Developer hereby declare their express intent that the covenants and restrictions set forth in this Regulatory Agreement shall run with the land, and shall bind all successors in title to the Senior Citizen Housing Project Property; provided, however, that on the expiration of the Term of this Regulatory Agreement, said covenants and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Senior Citizen Housing Project Property or any portion thereof, shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Regulatory Agreement.

6.8 Enforcement by the City.

If the Developer fails to perform any obligation under this Regulatory Agreement, and fails to cure the default within thirty (30) days after the City has notified the Developer in writing of

the default or, if the default cannot be cured within thirty (30) days, failed to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within ninety (90) days, the City shall have the right to enforce this HOME Regulatory Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Action to Compel Performance or for Damages. The City may bring an action at law or in equity to compel the Developer's performance of its obligations under this Regulatory Agreement, and/or for damages.

(b) Remedies Provided Under the Development Agreement and Senior Citizen Occupancy Covenant and Density Bonus Agreement. Except as otherwise expressly stated in this Regulatory Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more rights or remedies arising under the Development Agreement, the Senior Citizen Occupancy Covenant and Density Bonus Agreement or any other agreement by and between the Developer and the City shall not preclude the exercise by such party at the same or different times of any other right or remedy for the same or other default by the other party. If a default has occurred and has not been cured by the Developer within such notice and cure periods available to the Developer under this Regulatory Agreement, the City shall deliver an additional notice to such other persons as designated by the Developer in writing to the City prior to the time of such default and such persons shall have an additional period of time to cure such default, as set forth herein. With respect to a monetary default, any such designated person shall have ninety (90) days to cure such default following receipt of the additional notice referenced above and with respect to a non-monetary default, such persons shall have thirty (30) days to cure such default following receipt of the additional notice referenced above. City agrees to accept such cure by any such person as though same was tendered by Developer.

6.9 Attorneys' Fees and Costs.

In any action brought to enforce this Regulatory Agreement, the prevailing party shall be entitled to all costs and expenses of suit, including reasonable attorneys' fees. This section shall be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

6.10 Recording and Filing.

The City and the Developer shall cause this Regulatory Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Los Angeles.

6.11 Governing Law.

This Regulatory Agreement shall be governed by the laws of the State of California.

6.12 Waiver of Requirements.

Any of the requirements of this Regulatory Agreement may be expressly waived by the City in writing, but no waiver by the City of any requirement of this Regulatory Agreement shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement.

6.13 Amendments.

This Regulatory Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles.

6.14 Notices.

Formal notices, demands, and communications between the parties shall be sufficiently given, if and shall not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express business delivery service, return receipt requested, or by email and confirmed by U.S. First Class Mail or delivered personally, to the principal office of the parties as follows:

City:

City of Cudahy
5220 Santa Ana Street
Cudahy, California 90201
Attn: City Manager

Developer:

_____
_____
_____
_____
_____

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

6.15 Severability.

If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Regulatory Agreement shall not in any way be affected or impaired thereby.

6.16 Multiple Originals; Counterparts.

This Regulatory Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

WHEREAS, this Regulatory Agreement has been entered into by the undersigned as of the date first written above.

DEVELOPER

Prima Development, Inc.,
a Californian non-profit public benefit corporation

Date:_____ By: _____

CITY

City of Cudahy, a municipal corporation

Date: _____ By: _____
City Manager
City of Cudahy

APPROVED AS TO FORM

_____
City Attorney

EXHIBIT “A”

LEGAL DESCRIPTION OF THE SENIOR CITIZEN HOUSING PROJECT PROPERTY

EXHIBIT B

DEVELOPER INSURANCE SPECIFICATIONS

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Item Number
15B

STAFF REPORT

Date: October 20, 2020

To: Honorable Mayor/Chair and City Council/Successor Agency Members

From: Henry Garcia, Interim City Manager/Executive Director
By: City Attorney's Office

Subject: **Consideration and Formation of a Transportation Ad Hoc Committee**

RECOMMENDATION

The City Council is recommended to form a transportation ad hoc committee.

BACKGROUND/JUSTIFICATION OF RECOMMENDED ACTION:

At the regular City Council meeting of October 6, 2020, the City Council approved a Proposition A Exchange Agreement and simultaneously expressed the desire to form an ad hoc committee to evaluate how Proposition A funds will be used in the future and explore future transportation projects in the City in general.

FISCAL IMPACT

There is currently no fiscal impact on the City's budget.

RECOMMENDATION

Accordingly, staff recommends that the City Council form a transportation ad hoc committee.