



CITY COUNCIL  
HOUSING AUTHORITY AND  
SUCCESSOR AGENCY TO THE EL CAJON  
REDEVELOPMENT AGENCY

Council Chamber  
200 Civic Center Way  
El Cajon, CA 92020

## Agenda

APRIL 14, 2020, 3:00 p.m.

**Please note that, pursuant to the State of California Governor's Executive Order N-29-20, and in the interest of the public health and safety, members of the City Council and Staff may attend the meeting telephonically.**

**Further, Orders from the San Diego County Health Officer prevent persons other than City officials and essential employees to be physically present.**

**In accordance with the Executive Order, and in compliance with the County Health Officer's Orders, the public may view the meeting on the City's website. Please visit <https://www.cityofelcajon.us/videostreaming> for more details.**

**To submit comments on an item on this agenda, or a Public Comment, please visit the City's website at <https://www.cityofelcajon.us/videostreaming>. Comments will be accepted up to the conclusion or the vote of each item. Comments will be limited to 300 words and will be entered into the official Council Meeting Record. The City Council will endeavor to include all comments prior to taking action.**

**If you find that you are unable to submit a comment through the website, please contact the City Clerk's Office at (619) 441-1763, not later than 2:30 p.m. prior to the start of the City Council Meeting.**

**Should technical difficulties arise, they will be resolved as soon as possible.**

Bill Wells, Mayor  
Phil Ortiz, Deputy Mayor  
Steve Goble, Councilmember  
Gary Kendrick, Councilmember  
Bob McClellan, Councilmember

Graham Mitchell, City Manager  
Vince DiMaggio, Assistant City Manager  
Morgan Foley, City Attorney  
Angela Cortez, City Clerk

**CALL TO ORDER: Mayor Bill Wells**

**ROLL CALL: City Clerk Angela Cortez**

**PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE**

**POSTINGS:** The City Clerk posted Orders of Adjournment of the March 24, 2020, Meeting and the Agenda of the April 14, 2020, Meeting in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

**PRESENTATIONS:**

**AGENDA CHANGES:**

**CONSENT ITEMS:**

Consent Items are routine matters enacted by one motion according to the RECOMMENDATION listed below. With the concurrence of the City Council, a Council Member or person in attendance may request discussion of a *Consent Item* at this time.

1. Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the March 24, 2020, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

RECOMMENDATION:

That the City Council approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title Only

RECOMMENDATION:

That the City Council approves the reading by title and waives the reading in full of all Ordinances on the Agenda.

4. Caltrans Active Transportation Program (ATP) Grant Funding

RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, authorizing the City Manager, or approved designee, to submit applications to receive Caltrans Active Transportation Program Grant Funding, and appropriate funding if received;
2. If not selected to receive grant funding, submits region-wide applications to receive San Diego Association of Governments (SANDAG) Active Transportation Grant Program Funds; and
3. If grant funding from either program is received, authorizes the City Manager, or approved designee, to execute agreements and such other documents necessary, with funding agency as required to accept grant awards.

5. Adoption of the Proposed List of Projects to be Funded from the Road Maintenance and Rehabilitation Account (RMRA) for Fiscal Year 2020-21

RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, to adopt the proposed List of Projects to be funded from the Road Maintenance and Rehabilitation Account (RMRA) Local Streets and Roads Funding Program for Fiscal Year 2020-21; and
2. Directs City staff to submit to the California Transportation Commission (CTC) a list of proposed projects to receive RMRA funding for Fiscal Year 2020-21.

6. 2019 State Homeland Security Grant – Urban Area Security Initiative (UASI) Grant Funding

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, authorizing the City Manager or designee to accept and appropriate the FY2019 Urban Area Security Initiative (UASI) Grant funding in the amount of \$419,830, and execute any grant documents and agreements necessary for the receipt and use of these funds.

7. 2019 General Plan Annual Report

RECOMMENDATION:

That the City Council:

1. Accepts the annual progress report required by the State of California; and
2. Directs staff to forward the report to the Governor's Office of Planning and Research (OPR), the State Department of Housing and Community Development (HCD), and the San Diego Association of Governments (SANDAG).

8. Agreement for Civil Engineering Services

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to enter into an Agreement for Professional Services with NV5, Inc., to perform professional civil engineering services for the City of El Cajon's Sanitary Sewer Management Plan Update for a one-year term in the not-to-exceed amount of \$99,964.

9. Termination of Emergency Storm Drain Repairs at Petree Street

RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, to establish a Declaration of Emergency, and determine that the public interest and necessity requires the immediate expenditure of public money to safeguard life, health, or property as required by Public Contract Code section 22050;
2. Adopts the next Resolution, in order, proclaiming the Termination of Emergency, for storm drain repairs in the City of El Cajon; and
3. Approves \$43,611.73 for repairs in Capital Improvement Program Project Sewer and Storm Drain Repair and Replacement 2015 (WW3519) to cover the cost of the emergency work.

**PUBLIC COMMENT:**

At this time, any person may address a matter within the jurisdiction of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency that is not on the Agenda. Comments relating to items on today's docket are to be taken at the time the item is heard. State law prohibits discussion or action on items not on the Agenda; however, Council, Authority and Agency Members may briefly respond to statements or questions. An item may be placed on a future Agenda.

**WRITTEN COMMUNICATIONS:**

**PUBLIC HEARINGS:**

10. Public Hearing for the Adoption of the Annual Adjustment to the SANDAG Regional Transportation Congestion Improvement Program (RTCIP) Development Impact Fee

RECOMMENDATION:

That the City Council:

1. Opens the Public Hearing and receives testimony;
2. Closes the Public Hearing; and
3. Adopts the next Resolution, in order, approving an adjustment to the Regional Transportation Congestion Improvement Program Fee to the new amount of \$2,583.82 for each newly-constructed residential unit.

## **ADMINISTRATIVE REPORTS:**

11. Fiscal Year 2019-20 Mid-Year Report and Five-Year Business Plan Update

### **RECOMMENDATION:**

That the City Council:

1. Receives and accepts the Fiscal Year 2019-20 Mid-Year Report and Five-Year Business Plan update;
2. Authorizes the proposed personnel changes detailed in this report;
3. Increases or modifies Fiscal Year 2019-20 appropriations, and authorizes related interfund transfers, in the net amount of \$1,415,000 for additional needs as detailed in this report; and
4. Authorizes the proposed capital expenditures detailed in this report.

12. Pension Obligation Bonds Validation Process

### **RECOMMENDATION:**

That the City Council:

1. Authorizes the sale of Pension Obligation Bonds (POBs), to refund CalPERS Unfunded Accrued Liability (UAL) in an amount not-to-exceed \$205 million;
2. Authorizes Stradling, Yocca, Carlson & Rauth to file and manage the Validation Proceedings, with the San Diego County Superior Court, related to the issuance of such POBs; and
3. Adopts the next Resolution, in order, Good Faith Estimate, and approves as to form, the attached Trust Agreement and Bond Purchase Agreement.

13. Response to COVID-19

### **RECOMMENDATION:**

That the City Council receives the report and provides feedback and direction on various recommendations related to COVID-19 responses.

## **COMMISSION REPORTS:**

### **ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:**

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee, San Diego Division; Heartland Fire Training JPA – Alternate; LAFCO.

14. Council Activity Report

15. LEGISLATIVE REPORT: None

## **ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:**

16. COUNCILMEMBER GARY KENDRICK  
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA; East County Advance Water Purification Joint Powers Authority Board.
17. COUNCILMEMBER BOB MCCLELLAN  
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.
18. COUNCILMEMBER STEVE GOBLE  
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate; East County Advance Water Purification Joint Powers Authority Board - Alternate.
19. DEPUTY MAYOR PHIL ORTIZ  
East County Economic Development Council; League of California Cities, San Diego Division.

## **JOINT COUNCILMEMBER REPORTS:**

## **GENERAL INFORMATION ITEMS FOR DISCUSSION:**

## **ORDINANCES: FIRST READING**

## **ORDINANCES: SECOND READING AND ADOPTION**

## **CLOSED SESSIONS:**

**ADJOURNMENT:** The Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 14th day of April 2020, is adjourned to Tuesday, April 28, 2020, at 3:00 p.m.



City Council  
Agenda Report

**Agenda Item 1.**

**DATE:** April 14, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Angela Cortez, City Clerk

**SUBJECT:** Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

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**RECOMMENDATION:**

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the March 24, 2020, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

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Attachments

03-24-20 DRAFT Minutes - 3PM

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# JOINT MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY



## MINUTES

### CITY OF EL CAJON EL CAJON, CALIFORNIA

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#### March 24, 2020

An Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, March 24, 2020, was called to order by Mayor/Chair Bill Wells at 3:00 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

#### ROLL CALL

Council/Agencymembers via virtual platforms: Goble, Kendrick, and McClellan  
Council/Agencymembers absent: None  
Deputy Mayor/Vice Chair present: Ortiz  
Mayor/Chair present: Wells  
Other Officers present: Mitchell, City Manager/Executive Director  
DiMaggio, Assistant City Manager  
Foley, City Attorney/General Counsel  
Cortez, City Clerk/Secretary

**Mayor Wells invited Eli Wells, to lead the PLEDGE OF ALLEGIANCE TO THE FLAG and MOMENT OF SILENCE.** (The Courts have concluded that sectarian prayer as part of City Council Meetings is not permitted under the Constitution).

**POSTINGS:** The City Clerk posted Orders of Adjournment of the March 10, 2020, Meeting and the Agenda of the March 24, 2020, Meeting in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.



**PRESENTATIONS:** None

**AGENDA CHANGES:** None

**CONSENT ITEMS: (1 – 5)**

**MOTION BY WELLS, SECOND BY ORTIZ, to APPROVE Consent Items 1 to 5.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

1. Minutes of El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy

Approves Minutes of the March 10, 2020 Meeting, and the Joint Special Meeting of March 16, 2020, of the El Cajon City Council/ Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

Approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title only

Approves the reading by title and waives the reading in full of all Ordinances on the Agenda.

4. Purchase of DANNAR Mobile Power Station Equipment

Adopts Resolution No. 024-20, to authorize the Purchasing Agent, in accordance with Municipal Code section 3.20.010(C)(5), to execute a purchase agreement with DD DANNAR, LLC for DANNAR 4.0 Mobile Power Stations in the amount of \$436,835.

5. Authorization to Enter into an Investment Advisory Agreement with Nationwide for Co-Fiduciary Relationship

Approves the Investment Advisory Agreement.

**PUBLIC COMMENT:** None

**WRITTEN COMMUNICATIONS:** None

**PUBLIC HEARINGS:** None

**ADMINISTRATIVE REPORTS:** None

**COMMISSION REPORTS:** None

**ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:** None

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; LAFCO.

6. Legislative Update: None

**ACTIVITIES REPORTS OF COUNCILMEMBERS:**

7. COUNCILMEMBER GARY KENDRICK: None  
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA; East County Advance Water Purification Joint Powers Authority Board.

8. COUNCILMEMBER BOB MCCLELLAN: None  
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.

9. COUNCILMEMBER STEVE GOBLE: None  
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate; East County Advance Water Purification Joint Powers Authority Board – Alternate.

**ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)**

10. DEPUTY MAYOR PHIL ORTIZ: None  
East County Economic Development Council; League of California Cities, San Diego Division.

**JOINT COUNCILMEMBER REPORTS:** None

**GENERAL INFORMATION ITEMS FOR DISCUSSION:** None

**ORDINANCES: FIRST READING –** None

**ORDINANCES: SECOND READING AND ADOPTION**

11. Amendment of Chapter 9.30 of the El Cajon Municipal Code - Social Host of Parties

**RECOMMENDATION:**

That Mayor Wells requests the City Clerk to recite the title.

An Ordinance Amending Chapter 9.30 of the El Cajon Municipal Code to include a prohibition of consumption of marijuana by minors at social gatherings.

**DISCUSSION**

No one came forward to speak.

Mayor Wells requested that the City Clerk recite.

The City Clerk recited the title of the ordinance for a second reading.

AN ORDINANCE AMENDING CHAPTER 9.30 OF THE EL CAJON  
MUNICIPAL CODE TO INCLUDE A PROHIBITION OF  
CONSUMPTION OF MARIJUANA BY MINORS AT SOCIAL  
GATHERINGS.

**MOTION BY WELLS, SECOND BY ORTIZ, to ADOPT Ordinance No. 5099,  
Amending Chapter 9.30 of the El Cajon Municipal Code to include a  
prohibition of consumption of marijuana by minors at social gatherings.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

**CLOSED SESSIONS:** None

Mayor Wells invited members of the public to participate in the Virtual Town Hall Meeting via the virtual platforms available on March 24, 2020, at 6:00 p.m.

**Adjournment:** Mayor Wells adjourned the Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 24<sup>th</sup> day of March, 2020, at 3:09 p.m., to Tuesday, April 14, 2020, at 3:00 p.m.

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ANGELA L. CORTEZ, CMC  
City Clerk/Secretary

D R A F T



## City Council Agenda Report

**Agenda Item 4.**

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Dirk Epperson, Director of Public Works  
**SUBJECT:** Caltrans Active Transportation Program (ATP) Grant Funding

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### RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, authorizing the City Manager, or approved designee, to submit applications to receive Caltrans Active Transportation Program Grant Funding, and appropriate funding if received;
2. If not selected to receive grant funding, submits region-wide applications to receive San Diego Association of Governments (SANDAG) Active Transportation Grant Program Funds; and
3. If grant funding from either program is received, authorizes the City Manager, or approved designee, to execute agreements and such other documents necessary, with funding agency as required to accept grant awards.

### BACKGROUND:

In 2013, the Governor signed legislation creating the Active Transportation Program (ATP) through Senate Bill 99, Chapter 359 and Assembly Bill 101, Chapter 354. The intent of the program is to encourage the use of active modes of transportation such as walking and bicycling.

The California Transportation Commission (CTC) released the Active Transportation Program Cycle 5 Call for Projects on March 26, 2020. The program stipulates that Senate Bill 1 will provide \$100,000,000 in revenue to the ATP annually from the Road Maintenance and Rehabilitation Account. The funding is provided statewide and includes funding for both capital and planning projects.

The Active Transportation Program (ATP) is a consolidated program of former federal and state transportation programs, including the Transportation Alternatives Program, the Bicycle Transportation Account, and the State Safe Routes to School (SR2S). The program is administered by the California Transportation Commission (CTC) and grant funding will be awarded in two stages, beginning with a statewide competition with awards announced in December 2020, followed by a regional competition through the San Diego Association of Governments (SANDAG) with awards announced in February 2021. If a project is not selected to receive funding through the statewide competition, the project will automatically be entered into the region-wide competition, which is administered by SANDAG. The intent of the provided resolution is to authorize application submittals for both stages of competition.

The City of El Cajon's bicycle and pedestrian infrastructure has benefited from state and federal grant programs on many occasions over the past decade. The project's purpose is to provide critical sidewalk and bicycle connections around existing schools and neighborhoods, as well as enhance safety for active modes of transportation. City Staff has identified the following capital projects, city-wide, that align with the goals of El Cajon's Bicycle Master Plan, General Plan, Complete Streets Policy, and Climate Action Plan.

*Main Street - Green Street Improvements Phase II- Project Value= \$1,900,000. Project Location Map shown on Attachment A.*

- Create more walkable corridors through wider sidewalks, use of bulb-outs where possible to shorten crossing distances, and mid-block crossings with rapid flashing lighting to better serve local transit facilities and businesses.
- Improve safety and connectivity of pedestrian network, including a new mid-block crossing to better serve active trips to businesses, schools and residential neighborhoods.
- Pedestrian ramp upgrades and sidewalk transitions to meet Americans with Disabilities Act (ADA) Standards.
- Develop a bike-friendly transit-oriented corridor along Main Street and a portion of Marshall Avenue complete with uninterrupted, dedicated bike lanes in both directions, green markings and modern alternative bike treatments to enhance safety.
- Develop bike friendly corridors to enhance the safety of El Cajon residents.

*Johnson Avenue Neighborhood Trail Project Value= \$4,000,000. Project Location Map shown on Attachment B.*

- Install traffic calming measures to reduce speeds and collision risks.
- Revamp pedestrian network, including intersection curb extensions to better serve active trips to businesses, schools and residential neighborhoods.
  - Pedestrian ramp upgrades and sidewalk transitions to meet Americans with Disabilities Act (ADA) Standards.
- Implement low impact development planting.
- Enhance pedestrian and bike mobility with a new fully protected multi-use pathway, bike boulevards and intersection safety treatments.

**FISCAL IMPACT:**

While there is no fiscal impact associated with submitting applications for the Active Transportation Program Grant Funding, acceptance of any grants, if awarded, will result in fiscal impact as follows. No general fund or local money will be used.

<b>Grant Application</b>	<b>Requested Grant Amount</b>	<b>Funding Match Required by City</b>	<b>Funding Source</b>
Main Street Green Street Improvements, Phase II	\$1,900,000	\$190,000	TransNet, RTCIP
Johnson Avenue Neighborhood Trail Project	\$4,000,000	\$400,000	TransNet

Prepared By: Dirk Epperson, Director of Public Works  
Reviewed By: Vince DiMaggio, Assistant City Manager  
Approved By: Graham Mitchell, City Manager

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#### Attachments

Resolution

Main Street Project Location Map

N Johnson Neighborhood Trail Project Location Map

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RESOLUTION NO. \_\_\_\_ -20

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF EL CAJON  
APPROVING APPLICATIONS FOR  
ACTIVE TRANSPORTATION PROGRAM  
GRANT FUNDING

WHEREAS, in 2013 the Legislature and Governor of the State of California provided funds for the Active Transportation Program ("ATP") under Senate Bill 99 and Assembly Bill 101 with the intent to encourage the use of active modes of transportation such as walking and bicycling; and

WHEREAS, the California Transportation Commission ("CTC") has statutory authority for the administration of the ATP and established necessary procedures; and

WHEREAS, the Active Transportation Program Cycle 5 Call for Projects, released by the CTC on March 26, 2020, stipulates that Senate Bill 1 ("SB1") will provide \$100,000,000 in revenue to ATP annually from the Road Maintenance and Rehabilitation Account for both capital and planning projects; and

WHEREAS, the bicycle and pedestrian infrastructure of the City of El Cajon (the "City") has benefited from state and federal grant programs on many occasions over the past decade, and ATP's purpose is to provide critical sidewalk and bicycle connections around existing schools and neighborhoods, as well as enhance safety for active modes of transportation; and

WHEREAS, City staff has identified the Main Street – Green Street Improvements Phase II and the Johnson Avenue Neighborhood Trail projects as possible capital projects that align with the goals of El Cajon's Bicycle Master Plan, General Plan, and Climate Action Plan and are eligible for consideration under the ATP at both the state (Caltrans) and regional (SANDAG) levels; and

WHEREAS, while there is no fiscal impact associated with submitting applications for the ATP Grant Funding, acceptance of any grants, if awarded, will result in matching funds of \$190,000 for the Main Street Green Street Improvements, Phase II project, and \$400,000 for the Johnson Avenue Neighborhood Trail project; however, no general fund or local money will be used.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The City Manager, or designee, is hereby authorized to submit applications to receive Caltrans ATP Grant Funding.
2. If not selected to receive the Caltrans ATP Grant Funding, City Council hereby authorizes the City Manager, or designee, to submit region-wide applications to receive SANDAG ATP Grant Funding.



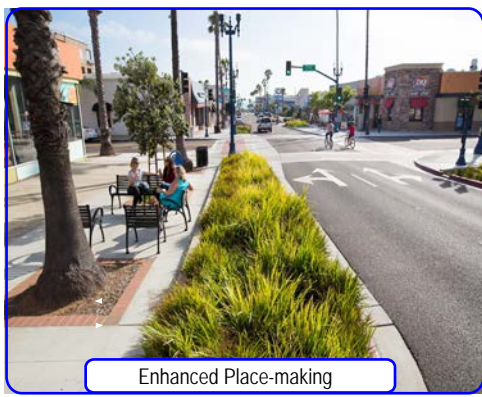
3. If funding from either program is received, the City Council hereby authorizes the acceptance of the ATP funds, including commitment of matching funds of \$190,000 for the Main Street Green Street Improvements, Phase II project, and \$400,000 for the Johnson Avenue Neighborhood Trail project, from sources other than the general fund or local money.

4. The City Manager, or such person as is designated by the City Manager, is hereby authorized and directed to execute ATP Grant Agreements and such other documents necessary, with such changes or amendments as maybe approved by the City Manager, on behalf of the City of El Cajon.

04/14/20 CC Agenda

Reso - Approve Applications for ATP Grant Funding 032720

# Attachment A - Main Street Green Street, Phase II



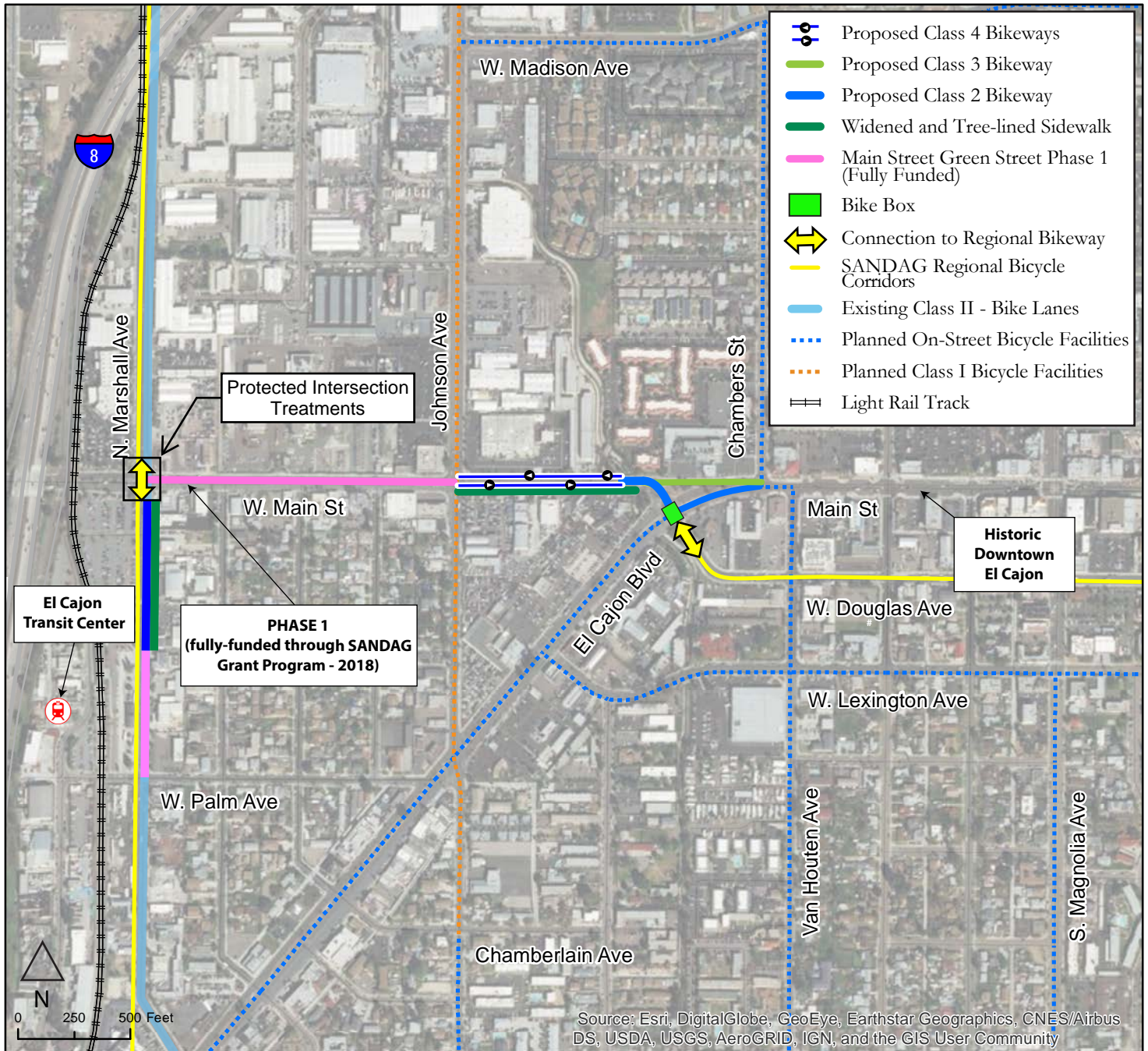
Enhanced Place-making



Bike Box



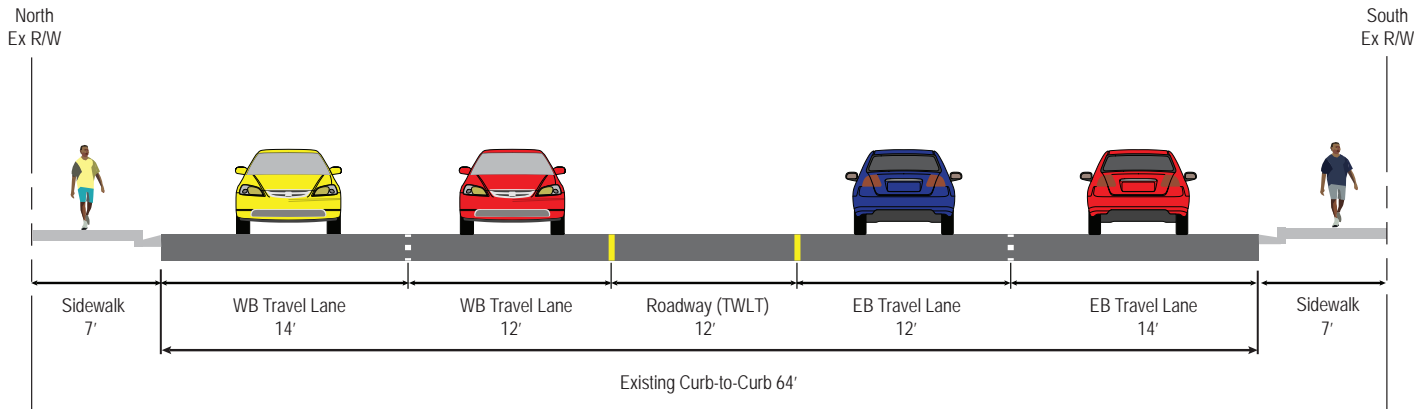
Class 4 Bikeways



# Attachment A - Main Street Green Street, Phase II

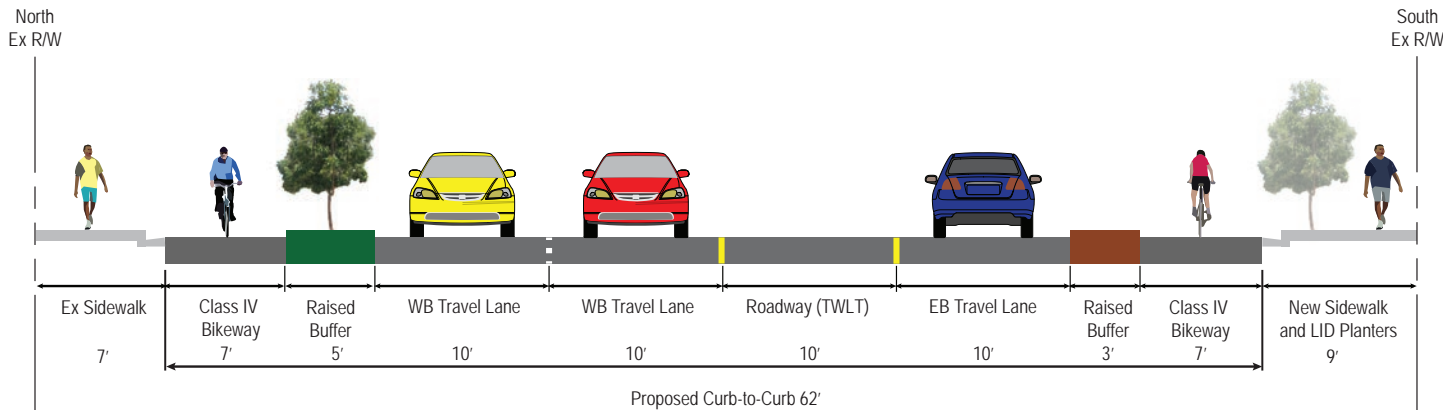
## Typical Cross Sections Main Street - Johnson Avenue to Chambers Street

### Existing Cross Section



Main St looking west at Johnson Ave

### Proposed Cross Section



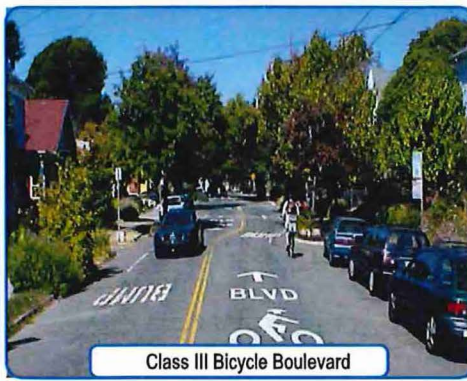
Main St looking west from El Cajon Blvd



# Attachment B - Johnson Avenue Neighborhood Trail Project



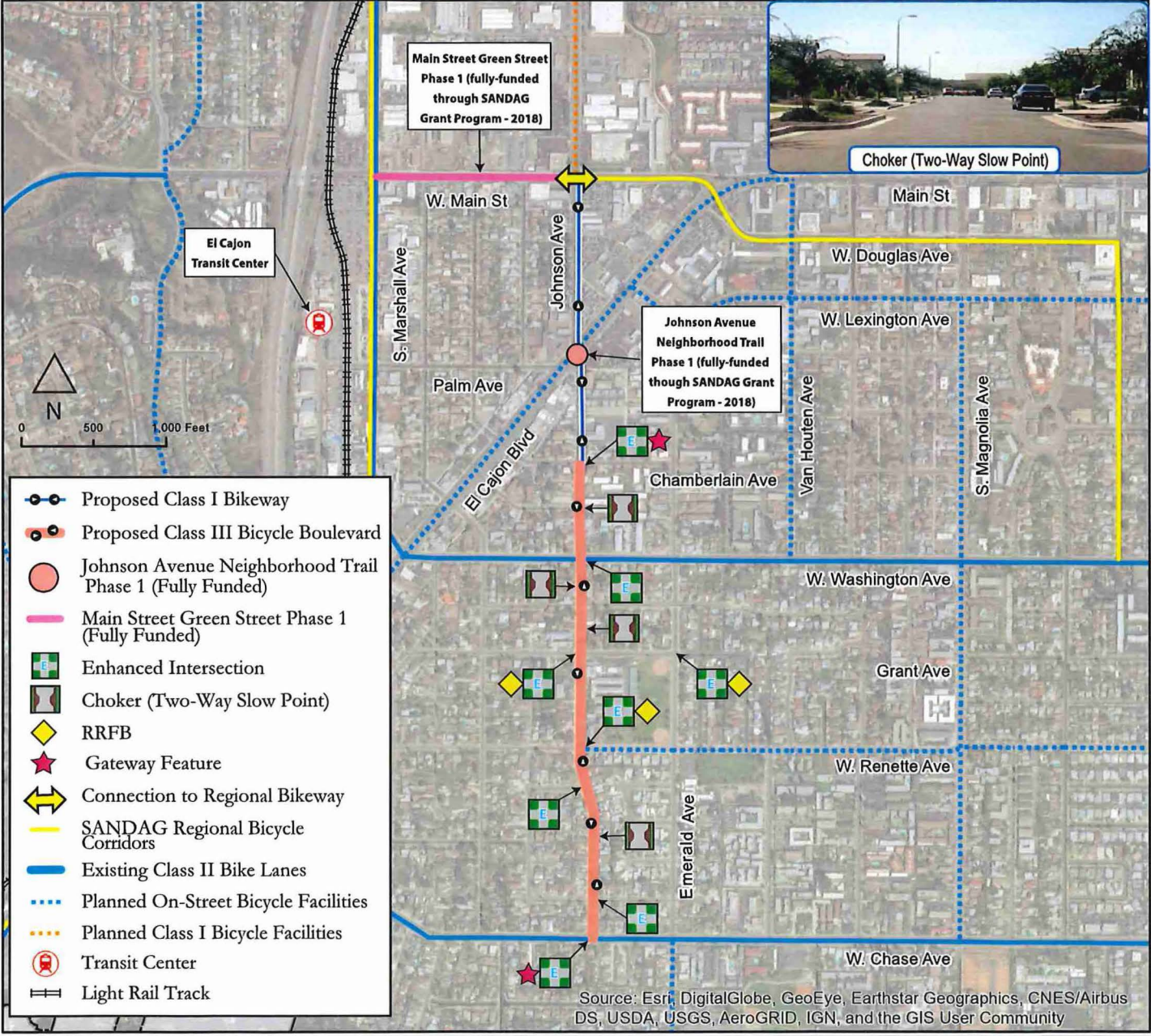
Class I Bikeway



Class III Bicycle Boulevard



Curb Extensions



Choker (Two-Way Slow Point)



Johnson Avenue Neighborhood Trail  
Active Transportation Program - Medium Infrastructure + NI

Project Plan View



## City Council Agenda Report

Agenda Item 5.

**DATE:** April 14, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Dirk Epperson, Director of Public Works

**SUBJECT:** Adoption of the Proposed List of Projects to be Funded from the Road Maintenance and Rehabilitation Account (RMRA) for Fiscal Year 2020-21

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### RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, to adopt the proposed List of Projects to be funded from the Road Maintenance and Rehabilitation Account (RMRA) Local Streets and Roads Funding Program for Fiscal Year 2020-21; and
2. Directs City staff to submit to the California Transportation Commission (CTC) a list of proposed projects to receive RMRA funding for Fiscal Year 2020-21.

### BACKGROUND:

In 2017, the Governor signed Senate Bill (SB) 1, also known as the Road Repair and Accountability Act of 2017, to provide additional funding for basic road maintenance, rehabilitation, and safety needs on state highways and local street systems. Funding received from SB 1 is generated from both gasoline and diesel fuel excise taxes, vehicle registration fees, and provides for inflationary adjustments to tax rates in future years. Revenue received is allocated to the Road Maintenance and Rehabilitation Account (RMRA), and available to agencies for use on street resurfacing projects through the Local Streets and Roads Funding Program. The projected revenue for Fiscal Year 2020-21 for the City of El Cajon is estimated to be \$1,993,676.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding the statute requires cities and counties to provide basic reporting annually to the California Transportation Commission (CTC). Further, all projects anticipated to receive funding through RMRA need to be identified in an approved List of Proposed Projects and submitted to the CTC by May 1st annually. Projects identified on the list are required to include a description, location, schedule for completion, and the estimated useful life of the improvement.

The current List of Proposed Projects is attached to this report as *Exhibit A - RMRA 2020-21 List of Proposed Projects*. All proposed streets included with this list, upon adoption, will be included in the City's Capital Improvement Program Budget. Also included for reference as *Exhibit B - Map of Proposed Overlay 2021 and Proposed Slurry Seal 2021 Projects*, showing the locations of the proposed streets.

**FISCAL IMPACT:**

Estimated revenues from RMRA to the City of El Cajon for Fiscal Year 2020-21 are estimated to be \$1,993,676.

Prepared By: Dirk Epperson, Director of Public Works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

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**Attachments**

Resolution

Exhibit A - List of Proposed Projects

Exhibit B - Map of Proposed Projects

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RESOLUTION NO. \_\_\_-20

RESOLUTION ADOPTING A LIST OF PROJECTS  
FOR FISCAL YEAR 2020-21 FUNDED BY  
SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 ("SB 1"), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of our City of El Cajon are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City of El Cajon must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account ("RMRA"), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City of El Cajon, will receive an estimated \$1,933,676.00 in RMRA funding in Fiscal Year 2020-21 from SB 1; and

WHEREAS, the funding from SB 1 will help the City of El Cajon maintain and rehabilitate major or arterial roads, install street preservation materials on local and collector streets, add active transportation infrastructure throughout the City of El Cajon this year and into the future.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. The following list of proposed projects will be funded in-part or solely with fiscal year 2019-20 Road Maintenance and Rehabilitation Account revenues:

<b>Project Location</b>	<b>Description</b>	<b>Estimated Completion</b>	<b>Useful Life</b>
Washington Ave-Johnson Ave to Jamacha Rd	Overlay	May 2021	13-20 Yrs.
Jamacha Rd-Washington Ave to City Limit/Grove Rd	Overlay	May 2021	13-20 Yrs.
Maintenance Zone 5	Slurry	April 2021	5-8 Yrs.

These projects are identified in Exhibit "A" and designated on the map attached hereto as Exhibit "B," both of which are incorporated in this Resolution by this reference.

Section 3. The following previously proposed and adopted projects may utilize fiscal year 2019-20 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City of El Cajon is reaffirming our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

<b>Project Location</b>	<b>Description</b>	<b>Estimated Completion</b>	<b>Useful Life</b>
Decker St-End to End	Overlay	Jun-20	13-20 Yrs.
Dominguez Way-S Anza St to Lexington Ave	Overlay	Jun-20	13-20 Yrs.
E Madison Ave-Mollison Ave to N 2nd St	Overlay	Jun-20	13-20 Yrs.
E Main St-Magnolia Ave to Jamacha Rd	Overlay	Jun-20	13-20 Yrs.
El Rancho Dr-E Madison Ave to City Limits	Overlay	Jun-20	13-20 Yrs.
Granite Hills Dr-Melody Ln to Cul De Sac	Overlay	Jun-20	13-20 Yrs.
Grape St-E Madison Ave to End	Overlay	Jun-20	13-20 Yrs.
Greenfield Dr-City Limits to N 3rd St	Overlay	Jun-20	13-20 Yrs.
Janich Ranch Ct-Granite Hills Dr to End	Overlay	Jun-20	13-20 Yrs.
Luke Ln-N 3rd St to End	Overlay	Jun-20	13-20 Yrs.
Oakdale Ave-N 2nd St to Durham St	Overlay	Jun-20	13-20 Yrs.
Oakdale Ln-Cul De Sac to N 2nd St	Overlay	Jun-20	13-20 Yrs.
S Anza St-E Main St to E Washington Ave	Overlay	Jun-20	13-20 Yrs.
Sterling Dr-Pepper Dr to City Limits	Overlay	Jun-20	13-20 Yrs.
Aladdin Ln-Granite Hills Dr to End	Slurry	Jun-20	5-8 Yrs.
Alveda Ave-Constancia Way to Lexington Ave	Slurry	Jun-20	5-8 Yrs.
Ballard St-Third St to Bearing Pl	Slurry	Jun-20	5-8 Yrs.
Balsam Ct-S Anza St to End	Slurry	Jun-20	5-8 Yrs.
Balsam Dr-Lexington Ave to Dumar Ave	Slurry	Jun-20	5-8 Yrs.
Bartram Way-Madison Ave to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Bearing Ln-Granite Hills Dr to End	Slurry	Jun-20	5-8 Yrs.
Brighthaven Ave-Lexington Ave to Skyview St	Slurry	Jun-20	5-8 Yrs.
Cloverleaf Dr-E Main St to Washington Ave	Slurry	Jun-20	5-8 Yrs.
Constancia Way-El Cajon Blvd to Chase Ave	Slurry	Jun-20	5-8 Yrs.
Cosmo Ave-Magnolia Ave to S Anza St	Slurry	Jun-20	5-8 Yrs.
Dehesa Rd-Mollison Ave to Second St	Slurry	Jun-20	5-8 Yrs.
Ditcher St-Third St to Dilman Ave	Slurry	Jun-20	5-8 Yrs.
Dilman St-S Anza St to City Limits	Slurry	Jun-20	5-8 Yrs.
Doncarol Ave-Washington Ave to Chase Ave	Slurry	Jun-20	5-8 Yrs.
Dumar Ave-Third St to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
E Lexington Ave-E Main St to Washington Ave	Slurry	Jun-20	5-8 Yrs.
Ellen Ln-Lexington Ave to Chase Ave	Slurry	Jun-20	5-8 Yrs.
Fernview St-Pepper Dr to City Limits	Slurry	Jun-20	5-8 Yrs.
Galt Dr-Washington Ave to Gustavo St	Slurry	Jun-20	5-8 Yrs.
Glenhill Rd-Dumar Ave to Granite Hills Dr	Slurry	Jun-20	5-8 Yrs.
Glenway Dr-Chase Ave to Fernview St	Slurry	Jun-20	5-8 Yrs.
Goldstone St-Cosmo Ave to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Gustavo St-Lostinda St to Cul De Sac	Slurry	Jun-20	5-8 Yrs.



Harry St-Merritt Dr to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Ivory Ct-Melody Ln to Lexington Ave	Slurry	Jun-20	5-8 Yrs.
Joliet Ct-Joliet St to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Joliet St-End to End	Slurry	Jun-20	5-8 Yrs.
Kristie Ln-S Ivory Ave to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Mahogany Dr-Spanish Oak Pl to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Markerry Ave-S 3rd St to Dilman St	Slurry	Jun-20	5-8 Yrs.
Mulgrew St-Norran Ave to Dumar Ave	Slurry	Jun-20	5-8 Yrs.
N 3rd St-Melody Ln to E Washington Ave	Slurry	Jun-20	5-8 Yrs.
N Gina Ave-Melody Ln to Lexington Ave	Slurry	Jun-20	5-8 Yrs.
N Ivory Ave-Melody Ln to Lexington Ave	Slurry	Jun-20	5-8 Yrs.
Norran Ave-Nothomb St to Dilman St	Slurry	Jun-20	5-8 Yrs.
Nothomb St-Markerry Av to Dilman St	Slurry	Jun-20	5-8 Yrs.
Pebble Pl-Granite Hills Dr to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Rancho Valle Ct-Chase Ave to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Raynell Way-Bartram Way to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Redwood Ave-S Anza St to S 1st St	Slurry	Jun-20	5-8 Yrs.
Richardave Ave-Ditcher St to Dilman St	Slurry	Jun-20	5-8 Yrs.
Robbiejean Pl-N 3rd St to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Ruth Ct-Joliet St to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
S 2nd St-E Lexington Ave to E Washington Ave	Slurry	Jun-20	5-8 Yrs.
S Anza St-E Washington Ave to City Limits	Slurry	Jun-20	5-8 Yrs.
S Stephanie Ln-Cul De Sac to Lexington Ave	Slurry	Jun-20	5-8 Yrs.
Sandos St-Cosmo Ave to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Spanish Oak Pl-Mahogany Dr to Cul De Sac	Slurry	Jun-20	5-8 Yrs.
Sunnyland Ave-Jamacha Rd to End	Slurry	Jun-20	5-8 Yrs.
Vallea St-Alveda Ave to Cosmo Ave	Slurry	Jun-20	5-8 Yrs.
Waterloo Ave-E Washington Ave to Gustavo St	Slurry	Jun-20	5-8 Yrs.
Wichita Ave-Dumar Ave to Granite Hills Dr	Slurry	Jun-20	5-8 Yrs.
Woodhill St-Brighthaven Ave to Cul De Sac	Slurry	Jun-20	5-8 Yrs.

Section 4. The list of projects proposed to be benefited by the RMRA funds, attached hereto as Exhibit "A" (the "RMRA 2020-2021 Overlay and Slurry Seal Streets List") is hereby approved.

Section 5. The Director of Public Works (the "Director"), or such person designated by the Director, is hereby authorized and directed to submit to the California Transportation Commission ("CTC") the RMRA 2020-2021 Project List and such other documents as may be required by the CTC.

Section 6. City of El Cajon does hereby certify that all applicable provisions of the RMRA Policy will be met.

**Exhibit "A"**

**RMRA 2020-2021 Overlay and Slurry Seal Streets List**

<b>No.</b>	<b>Overlay 2021 Street Name</b>	<b>Limits</b>	<b>Road Length</b>
1	Washington Ave	Johnson Ave to Jamacha Rd	2.5 mi
2	Jamacha Rd	Washington Ave to City Limit/ Grove Rd	0.7 mi
<b>No.</b>	<b>Slurry 2021 Street Name</b>	<b>Limits</b>	<b>Road Length</b>
3	Maintenance Zone 5	Zone 5	Approx. 17 mi



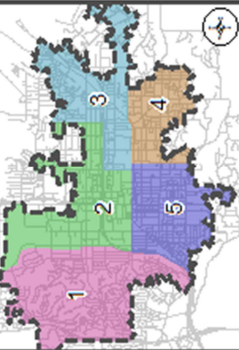
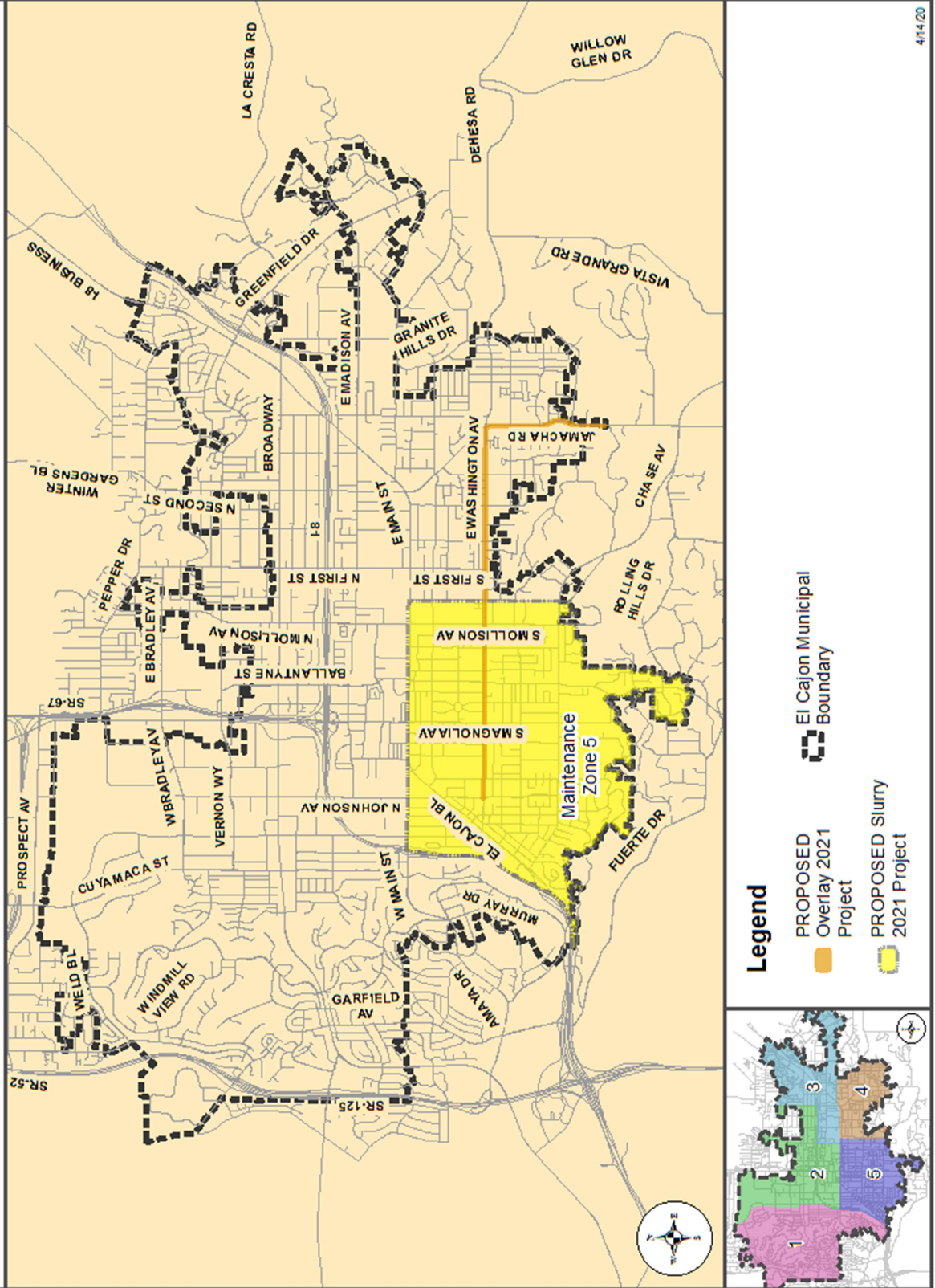
# Exhibit A

## RMRA 2020-21 List of Proposed Projects

No.	Street Name	Limits	Surface Treatment	Estimated Completion	Useful Life
1	Washington Ave	Johnson Ave to Jamacha Rd	Overlay	May 2021	20 Yrs
2	Jamacha Rd	Washington Ave to City Boundary	Overlay	May 2021	20 Yrs
No.	Street Name / Area	Limits	Surface Treatment	Estimated Completion	Useful Life
3	Maintenance Zone 5	Zone 5 Boundary	Slurry Seal	May 2021	20 Yrs

# Exhibit B

EXHIBIT B - Map of Proposed Overlay 2021 Project and Proposed Slurry 2021 Project



- Legend**
- PROPOSED Overlay 2021 Project
  - PROPOSED Slurry 2021 Project
  - El Cajon Municipal Boundary



City Council  
Agenda Report

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Mike Moulton, Chief of Police  
**SUBJECT:** 2019 State Homeland Security Grant – Urban Area Security Initiative (UASI) Grant Funding

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**RECOMMENDATION:**

That the City Council adopts the next Resolution, in order, authorizing the City Manager or designee to accept and appropriate the FY2019 Urban Area Security Initiative (UASI) Grant funding in the amount of \$419,830, and execute any grant documents and agreements necessary for the receipt and use of these funds.

**BACKGROUND:**

Since the terrorist attacks of September 11, 2001, there continues to be a heightened concern over the potential for an act of terrorism to occur again within the borders of the United States. The Federal Government, through the Department of Homeland Security, has provided communities throughout the country with hundreds of millions of dollars for the fight against terrorism. The FY2019 State Homeland Security Grant - Urban Area Security Initiative (UASI) Program Funding will be utilized by both the Police and Fire Departments. The Fire Department will receive \$21,959 for UASI sponsored Regional Training Participation and the Police Department will receive \$397,871 in funding to purchase a Lenco Bearcat Tactical Response Vehicle.

**FISCAL IMPACT:**

This grant will provide \$419,830 of funding to the Special Revenue Fund and will not impact the City's General Fund. No matching funds are required for this grant. These grant funds will be used solely by the Police and Fire Departments for the projects listed above or as modified in the approved grant workbook.

Prepared By: Julie Wiley, Sr. Management Analyst

Reviewed By: Mike Moulton, Police Chief

Approved By: Graham Mitchell, City Manager

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#### Attachments

Resolution

Award Letter

FY19 UASI MOU

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RESOLUTION NO. \_\_\_\_-20

RESOLUTION OF THE CITY OF EL CAJON  
AUTHORIZING THE ACCEPTANCE OF  
THE FY19 STATE HOMELAND SECURITY –  
URBAN AREA SECURITY INITIATIVE (UASI) GRANT  
IN THE AMOUNT OF \$419,830 TO FUND  
EQUIPMENT AND TRAINING FOR THE  
CITY'S POLICE AND FIRE DEPARTMENTS

WHEREAS, the City of El Cajon (the "City") has been awarded the FY19 Urban Area Security Initiative Grant (the "Grant") from the San Diego Office of Homeland Security; and

WHEREAS, the money from the Grant will be directed to fund equipment and training for terrorism preparedness of both the Police and Fire Departments for the City; and

WHEREAS, in accordance with the terms of the Grant agreement, the City will prepare and submit quarterly projections and milestone reports for the duration of the Grant period; and

WHEREAS, the City Council has determined that it is in the best interests of the City to be a recipient of the designated grant funds.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The City Council hereby authorizes the City Manager, or his designee, to take all actions and to execute all documents necessary or appropriate to accept the grant on behalf of the City of El Cajon Police and Fire Departments.
2. The City Council hereby further authorizes the City Clerk to attest to the signature of the City Manager, or his designee, in executing the Agreement and such documents as authorized in Section 1, above.



March 18, 2020

Graham Mitchell  
 City Manager  
 City of El Cajon  
 200 Civic Center Way  
 El Cajon, CA 92020

**SUBJECT: NOTIFICATION OF SUBRECIPIENT AWARD APPROVAL**  
 FY 2019 Homeland Security Grant Program  
 Grant# 2019-0035 Cal OES ID# 073-66000  
 Sub-recipient Performance Period: September 1, 2019 to December 31, 2021

Sub-recipient: City of El Cajon

The San Diego Office of Homeland Security (SD OHS) has approved your FY19 Urban Area Security Initiative (UASI) award.

Activities:	Amount:	Reimbursement Claim Due Date:
<b>All Projects</b>	<b>\$419,830</b>	
Project 013 – Lenco Bearcat Tactical Response Vehicle- El Cajon	\$397,871	September 15, 2021
Project 027 – Regional Training Participation*	\$21,959	September 15, 2021

\*Training Conduct and Participation funds are limited to approved courses (see Attachment A).

During the application process, the Regional Technology Partnership (RTP) vetted and the Urban Area Working Group (UAWG) approved your project(s). Throughout the grant cycle, SD OHS will use performance milestones identified in the HSGP application as indicators of performance and this information may be used in assessing future competitive grant applications. All activities funded with this award must be completed within the sub-recipient performance period.

You are required to comply with all applicable federal, state, and local environmental and historic preservation (EHP) requirements. Additionally, Aviation/Watercraft requests, projects requiring EHP review, federal schedule and sole source procurement requests, regardless of dollar amount, require prior approval from OHS and the California Governor’s Office of Emergency Services (Cal OES). Sub-recipients must obtain written approval for these activities prior to incurring any costs, in order to be reimbursed for any related costs under this grant. Sub-recipients are also required to obtain a performance bond prior to the purchase of any equipment item over \$250,000, including any aviation or watercraft financed with homeland security dollars. Performance bonds must be submitted to your UASI Program Representative no later than the time of reimbursement.

Following acceptance of this award, you must sign and return the SD OHS Memorandum of Understanding (MOU) as well as the Cal OES standard assurances. Once your completed MOU and standard assurances are signed and received by our office, you may request reimbursement of eligible grant expenditures.

Your agency must coordinate with SD OHS to prepare and submit quarterly projections and milestone reporting via email so that SD OHS can comply with the semi-annual BSIR reporting for the duration of the grant period or until you complete all activities and the grant is formally closed. Failure to submit required reports could result in grant reduction, suspension, or termination.

This grant is subject to all provisions of 2 CFR Part 200. Any funds received in excess of current needs, approved amounts, or those found owed as a result of a final review or audit, must be refunded to SD OHS within 30 days upon receipt of an invoice from SD OHS.

Your dated signature is required on this letter. Please sign and return the original to your UASI Program Representative at 9601 Ridgehaven Court, San Diego CA 92123 within 45 days of receipt and keep a copy for your files.

For further assistance, please feel free to contact your SD OHS UASI Program Representative at (619) 533-6758.

Sincerely,



Katherine Jackson  
Program Manager  
City of San Diego Office of Homeland Security

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Graham Mitchell  
City Manager, City of El Cajon

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Date

CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

EQUIPMENT

*Alterations to this document may result in delayed application approval, modification requests, or reimbursement requests. Subrecipients may be asked to revise and/or re-submit any altered Financial Management Forms Workbook.*  
**Warning! Decimal usage is not allowed. Attempts to use decimals will prompt error message.**

CFDA# #REF!

FY19 UASI  
 2019-0035  
 073-66000

7/20/2020

LEDGER TYPE: Initial Application  
 Today's Date: November 25, 2019

Subgrant Performance Period	Start Date:	#REF!
Approval: Cal OES ONLY	End Date:	#REF!
	Date & Initials (Prog. REP.):	

Project Number	Equipment Description & (Quantity)	AEL #	AEL Title	SAFECOM Consult	Funding Source	Discipline	Solution Area Sub-Category	Deployable / Shareable	Part of a Procurement over 250k	Sole Source Involved	Hold Trigger	Approval Date	Invoice Number	Vendor	ID Tag Number	Condition & Disposition	Deployed Location	Acquired Date	Budgeted Cost	Amount Approved Previous	Amount This Request	REIMB. Request #	Total Approved	Remaining Balance
																			397,871					397,871
013	Lenco Bearcat Tactical Response Vehicle (2)	12VE-00-MISS	Vehicle, Specialized Mission, CBRVE	No	HSGP-UASI	LE	CBRNE Incident Response Vehicle	Deployable	Yes	Yes	Controlled Equip-Tactical/Armored						El Cajon		397,871					397,871

**Attachment A**

<b>Participation Costs</b>	<b>Approved Feedback #</b>	<b>Approved Training</b>		<b>Participation Total:</b>	<b>Agency Total:</b>	
<b>EL CAJON - FIRE</b>	<b>19-03592</b>	Confined Space Rescue Tech	\$ 2,859.00	\$ 21,959	El Cajon	\$ 21,959
	<b>18-02898</b>	Rescue Systems 1	\$ 5,100.00			
	<b>18-02899</b>	Rescue Systems 2	\$ 8,000.00			
	<b>18-02901</b>	Rope Rescue Tech	\$ 6,000.00			

<b>Conduct Total:</b>	\$ -
<b>Participation Total:</b>	\$ 21,959
<b>Training Total:</b>	\$ 21,959

**AGREEMENT BETWEEN THE CITY OF  
SAN DIEGO OFFICE OF HOMELAND SECURITY AND THE  
CITY OF EL CAJON  
FOR THE DISTRIBUTION OF FY 2019 UASI GRANT FUNDS**

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THIS AGREEMENT is made this day of \_\_\_\_\_, 20\_\_ in the City and County of San Diego, State of California, by and between the \_\_\_\_\_ City of El Cajon \_\_\_\_\_ (“SUBRECIPIENT”) and the CITY OF SAN DIEGO, a municipal corporation (“San Diego” or “City”), in its capacity as fiscal agent for the Approval Authority, as defined below, acting by and through the San Diego Office of Homeland Security (“OHS”).

***RECITALS***

WHEREAS, The United States Department of Homeland Security (“DHS”) designated San Diego as an eligible high risk urban area through an analysis of relative risk of terrorism, the San Diego Urban Area (“SDUA”) was established for the purpose of application for and allocation and distribution of federal Urban Areas Security Initiative (“UASI”) program grant funds; and

WHEREAS, The Urban Area Working Group (“UAWG”), a collaborative subcommittee established by the San Diego County Unified Disaster Council, was established as the Approval Authority for the SDUA, to provide overall governance of the homeland security grant program across the SDUA, to coordinate development and implementation of all UASI program initiatives, and to ensure compliance with all UASI program requirements; and

WHEREAS, The City of San Diego Office of Homeland Security (“SD OHS”), as the “core city” for the SDUA, will serve as the chair and the UASI Grant Administrator, and SD OHS Program Manager is responsible for implementing and managing the policy and program decisions of the Approval Authority, directing the work of the UASI Management Team personnel, and performing other duties as determined and directed by the Approval Authority, and

WHEREAS, San Diego has been designated as the grantee for UASI funds granted by the DHS through the California Office of Emergency Services (“Cal OES”) to the SDUA, with responsibility to establish procedures and execute subgrant agreements for the distribution of UASI program grant funds to jurisdictions selected by the Approval Authority to receive grant funding; and

WHEREAS, San Diego has been designated to serve as the fiscal agent for the Approval Authority, and to establish procedures and provide all financial services for distribution of UASI program grant funds within the SDUA; and

WHEREAS, Pursuant to grant allocation decisions by the Approval Authority, the UASI Management Team has asked San Diego to distribute a portion of the regional UASI grant funds to SUBRECIPIENT on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

## ARTICLE 1 DEFINITIONS

1.1 **Specific Terms.** Unless the context requires otherwise, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:

(a) “**ADA**” shall mean the Americans with Disabilities Act (including all rules and regulations there under) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.

(b) “**Authorized Expenditures**” shall mean expenditures for those purposes identified and budgeted in the SUBRECIPIENT Award Letter (Appendix A) and/or approved modification.

(c) “**Event of Default**” shall have the meaning set forth in Section 7.1.

(d) “**Fiscal Quarter**” shall mean each period of three calendar months commencing on July 1, October 1, January 1, and April 1, respectively.

(e) “**Grant Funds**” shall mean any and all funds allocated or disbursed to SUBRECIPIENT (DUNS#: ) under this Agreement. This Agreement shall specifically cover funds allocated or disbursed from Cal OES Grant No. 2019-0035, Cal OES ID No. 073-66000, CFDA No. 97.067, per Cal OES award notice dated September 26, 2019.

(f) “**Grant Plan**” shall mean the plans, performances, events, exhibitions, acquisitions or other activities or matter, and the budget and requirements, described in the approved Financial Management Forms Workbook (FMFW). If SUBRECIPIENT requests any modification to the Grant Plan, SUBRECIPIENT shall submit a written request to the SD OHS Program Manager with the following information: Scope of change requested, reason for change, proposed plan for change, summary of approved and requested modifications to the Grant Plan, and any necessary approvals in support of change (e.g., EHP).

(g) “**Indemnified Parties**” shall mean: (i) San Diego, including all commissions, departments including OHS, agencies, and other subdivisions of San Diego; (ii) San Diego’s elected officials, directors, officers, employees, agents, successors, and assigns; and (iii) all persons or entities acting on behalf of the foregoing.

(h) “**Losses**” shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, judgments, fees, expenses and costs of whatsoever kind and nature (including legal fees and expenses and costs of investigation, of prosecuting or defending any Loss described above) whether or not such Loss be founded or unfounded, of whatsoever kind and nature.

(i) “**Reimbursement Request**” shall have the meaning set forth in Section 3.10(a).

(j) “**Simplified Acquisition Threshold**” means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods.

(k) “**UASI Management Team**” shall mean The City of San Diego Office of Homeland Security Program Manager, Program Coordinator, as well as project, grant, and administrative staff. The Program Manager appoints members to the Management Team to implement the policies of the UAWG.

(l) “**Pass-through entity**” shall mean a non-Federal entity that provides a sub award to a subrecipient to carry out part of a Federal Program.

1.2 **Additional Terms.** The terms “as directed,” “as required” or “as permitted” and similar terms shall refer to the direction, requirement, or permission of City. The terms “sufficient,” “necessary” or “proper” and similar terms shall mean sufficient, necessary or proper in the sole judgment of City. The terms “approval,” “acceptable” or “satisfactory” or similar terms shall mean approved by, or acceptable or satisfactory to, City. The terms “include,” “included” or “including” and similar terms shall be deemed to be followed by the words “without limitation.” The use of the term “subcontractor,” “successor” or “assign” herein refers only to a subcontractor, successor or assign expressly permitted under Article 8.

1.3 **References to this Agreement.** References to this Agreement include: (a) any and all appendices, exhibits, schedules, and attachments hereto; (b) any and all statutes, ordinances, regulations or other documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 10.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as “hereunder,” “herein” or “hereto” refer to this Agreement as a whole.

1.4 **Reference to laws.** Any reference in this Agreement to a federal or state statute, regulation, executive order, requirement, policy, guide, guideline, information bulletin, or instruction shall mean that statute, regulation, executive order, requirement, policy, guide, guideline, information bulletin, or instruction as is currently in effect and as may be amended, modified or supplemented from time to time.

## **ARTICLE 2 ALLOCATION AND CERTIFICATION OF GRANT FUNDS; LIMITATIONS ON SAN DIEGO’S OBLIGATIONS**

2.1 **Risk of Non-Allocation of Grant Funds.** This Agreement is subject to all federal and state grant requirements and guidelines, including DHS and Cal OES requirements, guidelines, information bulletins, and instructions, the decision-making of the Cal OES and the Approval Authority, the terms and conditions of the grant award; the approved application, and to the extent applicable the budget and fiscal provisions of the San Diego City Charter. The Approval Authority shall have no obligation to allocate or direct disbursement of funds for this Agreement in lieu of allocations for new or other agreements. SUBRECIPIENT acknowledges and agrees that grant decisions are subject to the discretion of the Cal OES and Approval Authority. Further, SUBRECIPIENT acknowledges and agrees that the City shall have no obligation to disburse grant funds to SUBRECIPIENT until City and SUBRECIPIENT have fully and finally executed this Agreement. SUBRECIPIENT acknowledges and agrees that if it takes any action, informal or formal, to appropriate, encumber or expend Grant Funds before final allocation decisions by Cal OES and the Approval Authority, and before this Agreement is fully and finally executed, it assumes all risk of possible non-allocation or non-reimbursement of funds, and such acknowledgement and agreement is part of the consideration of this Agreement.

2.2 **Certification of Controller; Guaranteed Maximum Costs.** No funds shall be available under this Agreement without prior written authorization certified by the San Diego Chief Financial Officer as set forth in Section 39 of the City of San Diego City Charter:

“No contract, agreement, or other obligation for the expenditure of public funds shall be entered into by any officer of the City and no such contract shall be valid unless the Chief Financial Officer shall certify in writing that there has been made an appropriation to cover the expenditure and that there remains a sufficient balance to meet the demand thereof.”

**ARTICLE 3**  
**PERFORMANCE OF THE AGREEMENT**

3.1 **Duration of Term.** The term of this Agreement shall commence on **SEPTEMBER 1, 2019** and shall end at 11:59 p.m. San Diego time on **APRIL 30, 2022**.

3.2 **Maximum Amount of Funds.** In no event shall the amount of Grant Funds disbursed hereunder exceed the amount awarded under the SUBRECIPIENT Award letter (Appendix A), Training and Exercise Participation Award Letter and/or approved modification. The City will not automatically transfer Grant Funds to SUBRECIPIENT upon execution of this Agreement. SUBRECIPIENT must submit a Reimbursement Request under Section 3.10 of this Agreement, approved by the UASI Management Team and City, before the City will disburse Grant Funds to SUBRECIPIENT.

3.3 **Use of Funds.**

(a) **General Requirements.** SUBRECIPIENT shall use the Grant Funds received under this Agreement for the purposes and in the amounts set forth in the Grant Plan. SUBRECIPIENT shall not use or expend Grant Funds for any other purpose, including but not limited to, for matching funds for other federal grants/cooperative agreements, lobbying or intervention in federal regulatory or adjudicatory proceedings, or to sue the federal government or any other government entity. SUBRECIPIENT shall not permit any federal employee to receive Grant Funds.

(b) **Modification of Grant Plan.** Under Sections 1.1(f) and 10.2 of this Agreement, SUBRECIPIENT may submit a written request to modify the Grant Plan. SUBRECIPIENT shall not appropriate, encumber or expend any additional or reallocated Grant Funds pursuant to such a request for modification until the SD OHS Program Manager or designee has provided written approval for the request. In addition, if the modification request requires approval from the Approval Authority and/or Cal OES, as determined by the SD OHS Program Manager, SUBRECIPIENT shall not appropriate, encumber or expend any additional or reallocated Grant Funds pursuant to the modification request without approval from the Approval Authority and/or Cal OES.

(c) **No Supplanting.** SUBRECIPIENT shall use Grant Funds to supplement existing funds, and not replace (supplant) funds that have been appropriated for the same purpose.

(d) **Obligations.** SUBRECIPIENT must expend Grant Funds in a timely manner consistent with the grant milestones, guidance and assurances; and make satisfactory progress toward the goals, objectives, milestones and deliverables in this Agreement.

(e) **Subawards.** SUBRECIPIENT is not an authorized pass-through entity and is not authorized to make any subawards of Grant Funds.

3.4 **Standard Assurances; Other Requirements; Cooperation with Monitoring.**

(a) SUBRECIPIENT shall comply with all Standard Assurances included in Appendix B, attached hereto and incorporated by reference as though fully set forth herein.

(b) In addition to complying with all Standard Assurances, SUBRECIPIENT shall comply with all applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; the approved application, and any conditions imposed by Cal OES or the Approval Authority. SUBRECIPIENT shall require and ensure that all contractors and other entities receiving Grant Funds from SUBRECIPIENT comply with all applicable statutes, regulations, executive orders,



requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; the approved application, and any conditions imposed by Cal OES or the Approval Authority.

(c) SUBRECIPIENT shall promptly comply with all standards, specifications and formats of San Diego and the UASI Management Team, as they may from time to time exist, related to evaluation, planning and monitoring of the Grant Plan and compliance with this Agreement. SUBRECIPIENT shall cooperate in good faith with San Diego and the UASI Management Team in any evaluation, inspection, planning or monitoring activities conducted or authorized by DHS, Cal OES, San Diego or the UASI Management Team. For ensuring compliance with non-supplanting requirements, upon request by City or the UASI Management Team, SUBRECIPIENT shall supply documentation certifying that a reduction of non-federal resources occurred for reasons other than the receipt or expected receipt of Grant Funds.

3.5 **Administrative, Programmatic and Financial Management Requirements.** SUBRECIPIENT shall establish and maintain administrative, programmatic and financial management systems and records in accordance with federal and State of California requirements. This provision requires, at a minimum, that SUBRECIPIENT comply with the following non-exclusive list of regulations commonly applicable to DHS grants, as applicable to this Agreement and the Grant Plan:

- (a) Administrative Requirements:
  - 1. 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (formerly 44 CFR Part 13, OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133).
- (b) Cost Principles:
  - 1. 2 CFR Part 200, Subpart E - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (formerly 44 CFR Part 13, OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133);
  - 2. Federal Acquisition Regulations (FAR), Part 31.2 *Contract Principles and Procedures, Contracts with Commercial Organizations*.
- (c) Audit Requirements:
  - 1. 2 CFR Part 200 Subpart F - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (formerly 44 CFR Part 13, OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133).

3.6 **Technology Requirements.**

(a) National Information Exchange Model ("NIEM"). SUBRECIPIENT shall use the latest NIEM specifications and guidelines regarding the use of Extensible Markup Language ("XML") for all awards of Grant Funds.

(b) Geospatial Guidance. SUBRECIPIENT is encouraged to use Geospatial technologies, which can capture, store, analyze, transmit and/or display location-based information (i.e., information linked to a latitude and longitude), and to align any geospatial activities with the guidance available on the Federal Emergency Management Agency ("FEMA") website.

(c) Criminal Intelligence Systems Operating Policies. Any information technology system funded or supported by Grant Funds shall comply with 28 CFR Part 23, *Criminal Intelligence Systems Operating Policies*, if applicable.

(d) SUBRECIPIENT is encouraged to use the DHS guidance in *Best Practices for Government Use of CCTV: Implementing the Fair Information Practice Principles*, if Grant Funds are used to purchase or install closed circuit television (CCTV) systems or to support operational CCTV systems.

### 3.7 **Procurement Requirements.**

(a) General Requirements. SUBRECIPIENT shall follow its own procurement requirements as long as those requirements comply with all applicable federal and State of California statutes, regulations, requirements, policies, guides, guidelines and instructions.

(b) Contract Provisions. All contracts made by the SUBRECIPIENT using Grant Funds must contain the applicable contract clauses described in Appendix II to the Uniform Rules (Contract Provisions for non-Federal Entity Contract Under Federal Awards). 2C.F.R. § 200.326.

(b) Specific Purchases. If SUBRECIPIENT is using Grant Funds to purchase interoperable communication equipment, SUBRECIPIENT shall consult DHS's SAFECOM's coordinated grant guidance, which outlines standards and equipment information to enhance interoperable communication. If SUBRECIPIENT is using Grant Funds to acquire critical emergency supplies, prior to expending any Grant Funds, SUBRECIPIENT shall submit to the UASI Management Team for approval by Cal OES a viable inventory management plan, an effective distribution strategy, sustainment costs for such an effort, and logistics expertise to avoid situations where funds are wasted because supplies are rendered ineffective due to lack of planning.

(c) Bond Requirement. SUBRECIPIENT shall obtain a performance bond for any equipment items over the simplified acquisition threshold (2C.F.R. § 200.88) or any vehicle, aircraft or watercraft financed with Grant Funds.

(d) Non-Competitive Procurement Requirements. UASI Management Team prior approval is required for any procurement made without advertisement or a competitive process or single response to a request for proposal/bid, regardless of dollar amount, this includes sole source procurements. SUBRECIPIENT shall submit a Non-Competitive Procurement Authorization request to the UASI Management Team for approval prior to expending any grant funds. Additionally, SUBRECIPIENT shall submit a Non-Competitive Procurement Request to the UASI Management Team for CalOES approval for any non-competitive procurement over the simplified acquisition threshold (2C.F.R. § 200.88).

(e) Federal Schedules. SUBRECIPIENT shall submit a Federal Schedule Procurement Authorization request to the UASI Management Team for approval to procure using the Federal supply schedule, prior to expending any grant funds.

### 3.8 **Contractor Requirements.**

(a) SUBRECIPIENT shall ensure and independently verify that any contractor or other entity receiving Grant Funds from SUBRECIPIENT is not debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs, under Executive Orders 12549 and 12689, as implemented at 2 CFR Part 3000. SUBRECIPIENT shall obtain documentation of eligibility before disbursing Grant Funds to any contractor or other entity. SUBRECIPIENT shall maintain documentary proof of this verification in its files. SUBRECIPIENT shall establish procedures for the effective use of the "Excluded Parties List System," to assure that it does not provide Grant Funds to excluded parties. SUBRECIPIENT shall also establish procedures to provide for effective use and/or dissemination of the list to assure that its contractors, at any tier do not make awards in violation of the non-procurement debarment and suspension common rule.

(b) SUBRECIPIENT shall ensure that any contractor or other entity receiving Grant Funds from SUBRECIPIENT complies with the requirements of 44 CFR Part 18, *New Restrictions on Lobbying*; and

(c) SUBRECIPIENT shall ensure that any contractor or other entity receiving Grant Funds from SUBRECIPIENT complies with the requirements of 2 CFR Part 3001, *Requirements for Drug-Free Workplace (Financial Assistance)*.

### 3.9 **Monitoring Grant Performance.**

(a) City and the UASI Management Team are both authorized to perform periodic monitoring reviews of SUBRECIPIENT's performance under this Agreement, to ensure that the Grant Plan goals, objectives, performance requirements, timelines, milestone completion, budgets and other criteria are being met. Programmatic monitoring may include the Regional Federal Preparedness Coordinators, or other federal or state personnel, when appropriate. Monitoring may involve a combination of desk-based reviews and on-site monitoring visits, inspection of records, and verifications of grant activities. These reviews will involve a review and analysis of the financial, programmatic, performance and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed. The reviews may include, but are not limited to:

1. Evaluating eligibility of expenditures;
2. Comparing actual grant activities to those approved by the Approval Authority and specified in the Grant Plan;
3. Ensuring that any advances have been deposited in an interest bearing account and disbursed in accordance with applicable guidelines; and
4. Confirming compliance with: Standard Assurances; information provided on performance reports and payment requests; and needs and threat assessments and strategies.

(b) SUBRECIPIENT is responsible for monitoring and auditing the grant activities of any contractor or other entity receiving Grant Funds through or from SUBRECIPIENT. This requirement includes but is not limited to mandatory on-site verification visits.

(c) If after any monitoring review, the DHS or Cal OES makes findings that require a Corrective Action Plan by SUBRECIPIENT, the City shall place a hold on all Reimbursement Requests from SUBRECIPIENT until the findings are resolved.

3.10 **Disbursement Procedures.** San Diego shall disburse Grant Funds to SUBRECIPIENT as follows:

(a) SUBRECIPIENT shall submit to the UASI Management Team, in the manner specified for notices pursuant to Article 9, a document ("Reimbursement Request") substantially in the form attached as Appendix C, attached hereto and incorporated by reference as though fully set forth herein. The UASI Management Team shall serve as the primary contact for SUBRECIPIENT regarding any Reimbursement Request.

(b) The UASI Management Team will review all Reimbursement Requests for compliance with this Agreement and all applicable guidelines and requirements. The UASI Management Team will return to SUBRECIPIENT any Reimbursement Request that is submitted and not approved by the UASI Management Team, with a brief statement of the reason for the rejection of the Reimbursement Request.

(d) If a rejection relates only to a portion of the expenditures itemized in any Reimbursement Request, City shall have no obligation to disburse any Grant Funds for any other expenditures itemized in such Reimbursement Request unless and until SUBRECIPIENT submits a Reimbursement Request that is in all respects acceptable to the UASI Management Team.

(e) If SUBRECIPIENT is not in compliance with any provision of this Agreement, City may withhold disbursement of Grant Funds until SUBRECIPIENT has taken corrective action and currently complies with all terms and conditions of the Agreement.

3.11 **Disallowance.** SUBRECIPIENT agrees that if it claims or receives reimbursement from City for an expenditure that is later disallowed by the State of California or the federal government, SUBRECIPIENT shall promptly refund the disallowed amount to City upon City's written request. At its option, City may offset all or any portion of the disallowed amount against any other payment due to SUBRECIPIENT hereunder or under any other Agreement with SUBRECIPIENT. Any such offset with respect to a portion of the disallowed amount shall not release SUBRECIPIENT from SUBRECIPIENT's obligation hereunder to refund the remainder of the disallowed amount.

3.12 **Sustainability.** Grant Funded programs that contain continuing personnel and operating expenses, over and above planning and implementation costs, must be sustained once the Grant Funding ends. If Equipment is purchased with grant funds the equipment must be sustained through the useful life of equipment. By executing this Agreement, SUBRECIPIENT acknowledges its responsibility and agrees to sustain continuing programs beyond the Grant Funding period. SUBRECIPIENT acknowledges and agrees that this sustainability requirement is a material term of the Agreement.

### 3.13 **EHP Requirements.**

(a) Grant Funded projects must comply with the federal Environmental and Historic Preservation ("EHP") program. SUBRECIPIENT shall not initiate any project with the potential to impact environmental or historic properties or resources until Cal OES and FEMA have completed EHP reviews and approved the project. Examples of projects that may impact EHP resources include: communications towers, physical security enhancements, new construction, and modifications to buildings, structures and objects that are 50 years old or greater. SUBRECIPIENT shall notify the UASI Management Team of any project that may require an EHP review. SUBRECIPIENT agrees to provide detailed project information to FEMA, Cal OES and/or the UASI Management Team, to cooperate fully in the review, and to prepare any documents requested for the review. SUBRECIPIENT shall comply with all conditions placed on the project as the result of the EHP review, and implement any treatment or mitigation measures deemed necessary to address potential adverse impacts. With prior approval of the UASI Management Team, SUBRECIPIENT may use Grant Funds toward the costs of preparing documents and/or implementing treatment or mitigation measures. Any change to the approved project scope of work will require re-evaluation for compliance with EHP requirements. If ground disturbing activities occur during project implementation, SUBRECIPIENT shall notify the UASI Management Team and ensure monitoring of ground disturbance. If any potential archeological resources are discovered, SUBRECIPIENT shall immediately cease construction in that area and notify the UASI Management Team, which will notify the appropriate State Historic Preservation Office. If SUBRECIPIENT is using Grant Funds for a communication tower project, SUBRECIPIENT shall complete its Federal Communication Commission ("FCC") EHP process before preparing its Cal OES/FEMA EHP materials, and shall include the FCC EHP materials in the Cal OES/FEMA submission.

(b) Any construction or other project that SUBRECIPIENT initiates without the necessary EHP review and approval will not be eligible for reimbursement. Failure of SUBRECIPIENT to meet federal, State, and local EHP requirements, obtain applicable permits, or comply with any conditions that

may be placed on the project as the result of FEMA's and/or Cal OES's EHP review will result in the denial of Reimbursement Requests.

3.14 **National Energy Conservation Policy and Energy Policy Acts.** SUBRECIPIENT shall comply with the following requirements:

(a) Grant Funds may not be used in contravention of the Federal buildings performance and reporting requirements of Executive Order 13123, part 3 of Title V of the National Energy Conservation Policy Act (42 USC §8251 et seq.), or Subtitle A of Title I of the Energy Policy Act of 2005; and

(b) Grant Funds may not be used in contravention of Section 303 of the Energy Policy Act of 1992 (42 USC §13212).

3.15 **Royalty-Free License.** SUBRECIPIENT understands and agrees that FEMA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and authorize others to use, for federal government purposes: (a) the copyright in any work developed using Grant Funds; and (b) any rights of copyright that SUBRECIPIENT purchases or acquires using Grant Funds. SUBRECIPIENT shall consult with the UASI Management Team and FEMA regarding the allocation of any patent rights that arise from, or are purchased with, Grant Funds.

3.16 **Publication Statements.** SUBRECIPIENT shall ensure that all publications created or developed under this Agreement prominently contain the following statement: "This document was prepared under a grant from the Federal Emergency Management Agencies Grant Programs Directorate (FEMA/GPD) within the US Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA/GPD or the US Department of Homeland Security."

3.17 **Performance Period.** SUBRECIPIENT shall ensure that hard copies of all reimbursement requests and supporting documentation will be submitted to the UASI Management Team postmarked no later than the Reimbursement Claim Due Date identified in the Subrecipient Award Letter (Attachment A). Extension requests may be granted based on extenuating circumstances beyond the control of the subrecipient and must be made via the Performance Period Extension Request Form (Appendix D). Requests must contain specific and compelling justifications as to why an extension is required and must be submitted 30 days prior to the current deadline.

#### **ARTICLE 4 REPORTING REQUIREMENTS; AUDITS**

4.1 **Regular Reports.** SUBRECIPIENT shall provide, in a prompt and timely manner, financial, operational and other reports, as requested by the UASI Management Team, in form and substance satisfactory to the UASI Management Team. Such reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages, to the maximum extent possible.

4.2 **Notification of Defaults or Changes in Circumstances.** SUBRECIPIENT shall notify the UASI Management Team and City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; (b) any change of circumstances that would cause any of the representations or warranties contained in Article 5 to be false or misleading at any time during the term of this Agreement; and (c) any change of circumstances or events that would cause SUBRECIPIENT to be out of compliance with the Standard Assurances in Appendix B.

4.3 **Books and Records.** SUBRECIPIENT shall establish and maintain accurate files and records of all aspects of the Grant Plan and the matters funded in whole or in part with Grant Funds. Without

limiting the scope of the foregoing, SUBRECIPIENT shall establish and maintain accurate financial books and accounting records relating to Authorized Expenditures and to Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. SUBRECIPIENT shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than three (3) years after expiration of this Agreement or until any final audit by Cal OES has been fully completed, whichever is later.

4.4 **Inspection and Audit.** SUBRECIPIENT shall make available to the UASI Management Team, and to UASI Management Team and City employees and authorized representatives, during regular business hours, all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by SUBRECIPIENT under Section 4.3, and allow access and the right to examine those items. SUBRECIPIENT shall permit the UASI Management Team and City, and UASI Management Team and City employees and authorized representatives, to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of the UASI Management Team and City pursuant to this Section shall remain in effect so long as SUBRECIPIENT has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 4. The DHS, the Comptroller General of the United States or designee, and Cal OES shall have the same inspection and audit rights as the City and UASI Management Team. SUBRECIPIENT shall cooperate with any federal or state audit.

4.5 **Audit Report.** If the amount specified in Section 3.2 of this agreement is \$750,000 or more, SUBRECIPIENT shall submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with GAO's *Government Auditing Standards*, and 2 CFR Part 200 Subpart F - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. SUBRECIPIENT shall submit its audit report to the UASI Management Team no later than six months after the end of SUBRECIPIENT's fiscal year.

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

SUBRECIPIENT represents and warrants each of the following as of the date of this Agreement and at all times throughout the term of this Agreement:

5.1 **No Misstatements.** No document furnished or to be furnished by SUBRECIPIENT to the UASI Management Team in connection with this Agreement, any Reimbursement Request or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

5.2 **Eligibility to Receive Federal Funds.** By executing this Agreement, SUBRECIPIENT certifies that it is eligible to receive federal funds, and specifically certifies as follows:

(a) SUBRECIPIENT is not suspended, debarred or otherwise excluded from participation in federal assistance programs, as required by Executive Order 12549 and 12689, "Debarment and Suspension" and implemented at 2 CFR Part 3000.

(b) SUBRECIPIENT complies with 31 U.S.C. §1352, *Limitation on use of appropriated funds to influence federal contracting and financial transactions*, as implemented at 44 CFR Part 18 and 6 CFR Part 9.

(c) SUBRECIPIENT complies with the Drug-Free Workplace Act of 1988, as amended, 41 U.S.C. §701 et seq., as implemented in 2 CFR Part 3001, and will continue to provide a drug-free workplace as required under that Act and implementing regulations.

(d) SUBRECIPIENT is not delinquent in the repayment of any federal debt. See OMB Circular A-129.

SUBRECIPIENT acknowledges that these certifications of eligibility to receive federal funds are material terms of the Agreement.

5.3 **NIMS Compliance.** To be eligible to receive Grant Funds, SUBRECIPIENT must meet National Incident Management System ("NIMS") compliance requirements. By executing this Agreement, SUBRECIPIENT certifies that it is in full NIMS compliance. SUBRECIPIENT acknowledges that this certification is a material term of the Agreement.

## **ARTICLE 6 INDEMNIFICATION AND GENERAL LIABILITY**

6.1 **Indemnification.** SUBRECIPIENT shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by SUBRECIPIENT's performance of this Agreement, including, but not limited to, the following: (a) a material breach of this Agreement by SUBRECIPIENT; (b) a material breach of any representation or warranty of SUBRECIPIENT contained in this Agreement; (c) any personal injury or death caused, directly or indirectly, by any act or omission of SUBRECIPIENT or its employees or agents; (d) any loss of or damage to property caused, directly or indirectly, by any act or omission of SUBRECIPIENT or its employees or agents; (e) the use, misuse or failure of any equipment or facility used by SUBRECIPIENT, or by any of its employees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to SUBRECIPIENT by an Indemnified Party; (f) any tax, fee, assessment or other charge for which SUBRECIPIENT is responsible under Section 10.4; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished by SUBRECIPIENT or its employees or agents to such Indemnified Party in connection with this Agreement. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and San Diego's costs of investigating any claims against San Diego.

6.2 **Duty to Defend; Notice of Loss.** SUBRECIPIENT acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 6.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 6.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to SUBRECIPIENT by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give SUBRECIPIENT prompt notice of any Loss under Section 6.1 and SUBRECIPIENT shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of SUBRECIPIENT if representation of such Indemnified Party by the counsel retained by SUBRECIPIENT would be inappropriate due to conflicts of interest between such Indemnified Party and SUBRECIPIENT. An Indemnified Party's failure to notify SUBRECIPIENT promptly of any Loss shall not relieve SUBRECIPIENT of any liability to such Indemnified Party pursuant to Section 6.1, unless such failure materially impairs SUBRECIPIENT's ability to defend such Loss. SUBRECIPIENT shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if SUBRECIPIENT contends that such Indemnified Party shares in liability with respect thereto.

6.3 **Incidental and Consequential Damages.** Losses covered under this Article 6 shall include any and all incidental and consequential damages resulting in whole or in part from SUBRECIPIENT's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

6.4 **LIMITATION ON LIABILITY OF SAN DIEGO.** CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS, THE GRANT PLAN OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

## ARTICLE 7

### EVENTS OF DEFAULT AND REMEDIES; TERMINATION FOR CONVENIENCE

7.1 **Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **False Statement.** Any statement, representation, certification or warranty contained in this Agreement, in any Reimbursement Request, or in any other document submitted to the UASI Management Team or to City under this Agreement is found by the UASI Management Team or by City to be false or misleading.

(b) **Failure to Perform Other Covenants.** SUBRECIPIENT fails to perform or breaches any provision or covenant of this Agreement to be performed or observed by SUBRECIPIENT as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due.

(c) **Failure to Comply with Applicable Laws.** SUBRECIPIENT fails to perform or breaches any of the terms or provisions of Article 12.

(d) **Voluntary Insolvency.** SUBRECIPIENT(i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of SUBRECIPIENT or of any substantial part of SUBRECIPIENT's property or (v) takes action for the purpose of any of the foregoing.

(e) **Involuntary Insolvency.** Without consent by SUBRECIPIENT, a court or government authority enters an order, and such order is not vacated within ten (10) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to SUBRECIPIENT or with respect to any substantial part of SUBRECIPIENT's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of SUBRECIPIENT.



7.2 **Remedies upon Event of Default.** Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

(a) **Termination.** City may terminate this Agreement by giving a written termination notice to SUBRECIPIENT and, on the date specified in such notice, this Agreement shall terminate and all rights of SUBRECIPIENT hereunder shall be extinguished. In the event of such termination, City will pay SUBRECIPIENT for Authorized Expenditures in any Reimbursement Request that was submitted and approved by the UASI Management Team and by City prior to the date of termination specified in such notice.

(b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder, regardless of whether SUBRECIPIENT has previously submitted a Reimbursement Request or whether the UASI Management Team and/or City has approved the disbursement of the Grant Funds requested in any Reimbursement Request. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to SUBRECIPIENT after cure of applicable Events of Default shall be disbursed without interest.

(c) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by SUBRECIPIENT in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

7.3 **Termination for Convenience.**

(a) City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving SUBRECIPIENT written notice of termination. The notice shall specify the date on which termination shall become effective.

(b) Upon receipt of the notice, SUBRECIPIENT shall commence and perform, with diligence, all actions necessary on the part of SUBRECIPIENT to effect the termination of this Agreement on the date specified by City and to minimize the liability of SUBRECIPIENT and City to third parties as a result of termination. All such actions shall be subject to the prior approval of the UASI Management Team.

(c) Within 30 days after the specified termination date, SUBRECIPIENT shall submit to the UASI Management Team an invoice for all Authorized Expenses incurred through the termination date. For Authorized Expenses incurred after receipt of the notice of termination, City will only reimburse SUBRECIPIENT if the Authorized Expenses received prior approval from the UASI Management Team as specified in subparagraph (b).

(d) In no event shall City be liable for costs incurred by SUBRECIPIENT or any of its contractors after the termination date specified by City.

(e) City's payment obligation under this Section shall survive termination of this Agreement.

7.4 **Remedies Nonexclusive.** Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

**ARTICLE 8  
ASSIGNMENTS**

8.1 **No Assignment by SUBRECIPIENT.** SUBRECIPIENT shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of SUBRECIPIENT hereunder without the prior written consent of the UASI Management Team. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of SUBRECIPIENT involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of SUBRECIPIENT or a sale or transfer of substantially all of the assets of SUBRECIPIENT shall be deemed an assignment for purposes of this Agreement.

8.2 **Agreement Made in Violation of this Article.** Any agreement made in violation of Section 8.1 shall confer no rights on any person or entity and shall automatically be null and void.

8.3 **SUBRECIPIENT Retains Responsibility.** SUBRECIPIENT shall in all events remain liable for the performance by any contractor, or assignee of all of the covenants, terms and conditions in this Agreement.

**ARTICLE 9  
NOTICES AND OTHER COMMUNICATIONS**

9.1 **Requirements.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered or (c) sent via facsimile (if a facsimile number is provided below):

If to City of San Diego Office of Homeland Security UASI Management Team:

San Diego Office of Homeland Security  
9601 Ridgeway Court, MS 1101C  
San Diego, CA 92123  
Attn: Katherine Jackson, Program Manager  
Facsimile No.: (619) 533-6786

If to SUBRECIPIENT:

OFFICE  
ADDRESS  
CITY, STATE, ZIP  
ATTN  
FACSIMILE

9.2 **Effective Date.** All communications sent in accordance with Section 9.1 shall become effective on the date of receipt. Such date of receipt shall be determined by: (a) if mailed, the return receipt, completed by the U.S. postal service; (b) if sent via hand delivery, a receipt executed by a duly authorized agent of the party to whom the notice was sent; or (c) if sent via facsimile, the date of telephonic confirmation of receipt by a duly authorized agent of the party to whom the notice was sent or, if such confirmation is not reasonably practicable, the date indicated in the facsimile machine transmission report of the party giving such notice.

9.3 **Change of Address.** From time to time any party hereto may designate a new address or recipient for notice for purposes of this Article 9 by written notice to the other party and the UASI Management Team.

## **ARTICLE 10 MISCELLANEOUS**

10.1 **No Waiver.** No waiver by San Diego of any default or breach of this Agreement shall be implied from any failure by the UASI Management Team or San Diego to take action on account of such default if such default persists or is repeated. No express waiver by San Diego shall affect any default other than the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by San Diego of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the UASI Management Team of any action requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

10.2 **Modification.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement; provided, however, that the Program Manager or designee may establish alternate procedures for modification of the Grant Plan.

10.3 **Governing Law; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Diego.

10.4 **SUBRECIPIENT to Pay All Taxes.** SUBRECIPIENT shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Plan, the Grant Funds or any of the activities contemplated by this Agreement.

10.5 **Headings.** All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.

10.6 **Entire Agreement.** This Agreement sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. The following Appendices are attached to and a part of this Agreement:

- Appendix A, SUBRECIPIENT Award Letter
- Appendix B, Standard Assurances
- Appendix C, Form of Reimbursement Request
- Appendix D, Performance Period Extension Request

10.7 **Certified Resolution of Signatory Authority.** Upon request of San Diego, SUBRECIPIENT shall deliver to San Diego a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the appropriate authorized representative of SUBRECIPIENT.

10.8 **Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the

validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

10.9 **Successors; No Third-Party Beneficiaries.** Subject to the terms of Article 8, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns and, in the case of Article 6, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

10.10 **Survival of Terms.** The obligations of SUBRECIPIENT and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement: Sections 4.3 and 4.4, Article 6, this Article 10, and the Standard Assurances of Appendix B.

10.11 **Further Assurances.** From and after the date of this Agreement, SUBRECIPIENT agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

10.12 **Disclosure of Subawards and Executive Compensation.** Pursuant to the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282) as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (P.L. 110-252), full disclosure to the public of entities or organizations receiving federal funds is now required. As defined by the Office of Management and Budget (OMB), all new Federal awards of \$25,000 or more as of October 1, 2010, are subject to FFATA reporting requirements. The Transparency Act definition of "Federal awards" includes not only prime awards for grantees, cooperators, and contractors, but also awards to sub-recipients. If applicable, SUBRECIPIENT must provide the following information on SUBRECIPIENT letterhead within 30 days of receipt of this Agreement.

1. The Total compensation and names of the top five executives if:
  - a) 80% or more of annual gross revenues are from Federal awards (contracts, sub-contracts and Federal financial assistance), and \$25,000,000 or more in annual gross revenues from Federal awards; and,
  - b) Compensation information is not already available through reporting to the Securities and Exchange Commission.

10.13 **Cooperation with UASI Programs and Activities.**

(a) Subject to reasonable terms and conditions, SUBRECIPIENT agrees to participate in UASI-sponsored exercises, and to make available equipment acquired with Grant Funds for use as part of such exercises.

(b) To the extent permitted by law, SUBRECIPIENT agrees to share with the Approval Authority informational work products (such as plans, reports, data, etc.) created or acquired using Grant Funds.

(c) To appropriately recognize the regional collaborative nature of grant funded planning projects, all groups, individuals and jurisdictions who contributed to and/or participated in the planning process shall be properly and clearly acknowledged in the final deliverable.

## **ARTICLE 11 INSURANCE**

11.1 **Types and Amounts of Coverage.** Without limiting SUBRECIPIENT's liability pursuant to Article 6 of this Agreement, SUBRECIPIENT shall maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(b) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(c) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

11.2 **Additional Requirements for General and Automobile Coverage.** Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(a) Name as Additional Insured the City and County of San Diego, its Officers, Agents, and Employees.

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

11.3 **Additional Requirements Regarding Workers' Compensation.** Regarding Workers' Compensation, SUBRECIPIENT hereby agrees to waive subrogation which any insurer of SUBRECIPIENT may acquire from SUBRECIPIENT by virtue of the payment of any loss. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the SUBRECIPIENT, its employees, agents and subcontractors.

11.4 **Additional Requirements for All Policies.** All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in Article 9, Notices and Other Communications.

11.5 **Required Post-Expiration Coverage.** Should any of the required insurance be provided under a claims-made form, SUBRECIPIENT shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

11.6 **General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs.** Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

11.7 **Lapse in Insurance.** Should any required insurance lapse during the term of this Agreement, requests for reimbursement originating after such lapse may not be processed, in the City's sole discretion, until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

11.8 **Evidence of Insurance.** Before commencing any operations or expending any Grant Funds under this Agreement, SUBRECIPIENT shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

11.9 **Effect of Approval.** Approval of the insurance by City shall not relieve or decrease the liability of SUBRECIPIENT hereunder.

11.10 **Insurance for Subcontractors and Evidence of this Insurance.** If a subcontractor will be used to complete any portion of this Agreement, SUBRECIPIENT shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Diego, its officers, agents and employees and the SUBRECIPIENT as additional insureds.

11.11 **Authority to Self-Insure.** Nothing in this Agreement shall preclude SUBRECIPIENT from self-insuring all or part of the insurance requirement in this Article. However, SUBRECIPIENT shall provide proof of self-insurance, in a form acceptable to San Diego, in the amounts of each line of self-insurance.

## **ARTICLE 12 COMPLIANCE**

12.1 **Nondiscrimination.** In the performance of this Agreement, SUBRECIPIENT agrees not to discriminate against any employee, San Diego employee working with SUBRECIPIENT, applicant for employment with SUBRECIPIENT, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

12.2 **Conflict of Interest.** Through its execution of this Agreement, SUBRECIPIENT acknowledges that it is familiar with the provisions of Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify City if it becomes aware of any such fact during the term of this Agreement. SUBRECIPIENT agrees that it will promptly notify City in writing of all violations of State or Federal criminal law involving fraud, bribery, or gratuities affecting or involving the use of Grant Funds.

12.3 **Compliance with ADA.** SUBRECIPIENT acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. SUBRECIPIENT shall not discriminate against any person protected under the ADA in connection with all or any portion of the Grant Plan and shall comply at all times with the provisions of the ADA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

CITY OF SAN DIEGO:

SUBRECIPIENT:

By:

By:

\_\_\_\_\_  
KATHERINE JACKSON  
PROGRAM MANAGER  
OFFICE OF HOMELAND SECURITY

\_\_\_\_\_  
SUBRECIPIENT

**Federal Tax ID #:**

**Approved as to Form:**

Mara W. Elliott  
City Attorney

By: \_\_\_\_\_  
Deputy City Attorney



**Appendix A — SUBRECIPIENT Award Letter**

## Appendix B—HSGP Standard Assurances

Name of Jurisdiction: \_\_\_\_\_  
Name of Authorized Agent: \_\_\_\_\_ Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: California Zip Code: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

**As the duly authorized representative of the Applicant, I hereby certify** that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

**I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:**

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) Federal Preparedness Grants Manual;
- (d) California Supplement to the NOFO; and
- (e) Federal and State Grant Program Guidelines.

### **Federal Regulations**

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the [Office of Management and Budget \(OMB\)](http://www.whitehouse.gov/omb/) and can be found at <http://www.whitehouse.gov/omb/>.

**Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:**

#### **1. Proof of Authority**

The Applicant will obtain written authorization from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body; and
- (d) The official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon request.

#### **2. Period of Performance**

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

### **3. Lobbying and Political Activities**

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501- 1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

### **4. Debarment and Suspension**

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.213 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarment or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, recipients, or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

### **5. Non-Discrimination and Equal Employment Opportunity**

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs (42 U.S.C. §§ 12101- 12213);
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;
- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (m) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (m), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation,

marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

## **6. Drug-Free Workplace**

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

## **7. Environmental Standards**

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000-21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000-15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;
- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

## **8. Audits**

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

## **9. Access to Records**

In accordance with 2 C.F.R. § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

## **10. Conflict of Interest**

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

## **11. Financial Management**

False Claims for Payment - The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subrecipient, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

## **12. Reporting - Accountability**

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

## **13. Whistleblower Protections**

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.

## **14. Human Trafficking**

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

## **15. Labor Standards**

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and

- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

#### **16. Worker's Compensation**

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

#### **17. Property-Related**

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;
- (c)
- (d) Assist the awarding agency in assuring compliance with Section 106 of the
- (e) National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (f) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

#### **18. Certifications Applicable Only to Federally-Funded Construction Projects**

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

#### **19. Use of Cellular Device While Driving is Prohibited**

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.

**20. California Public Records Act and Freedom of Information Act**

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity’s grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

**HOMELAND SECURITY GRANT PROGRAM (HSGP) – PROGRAM SPECIFIC  
ASSURANCES / CERTIFICATIONS**

**21. Reporting Accusations and Findings of Discrimination**

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS Financial Assistance Office and the DHS Office for Civil Rights and Civil Liberties (CRCL) by e-mail at [CRCL@hq.dhs.gov](mailto:CRCL@hq.dhs.gov) or by mail at U.S. Department of Homeland Security, Office for Civil Rights and Civil Liberties, Building 410, Mail Stop #0190, Washington, D.C. 20528.

In the courts or administrative agencies make a finding of discrimination on grounds of race, color, national origin (including LEP), sex, age, disability, religion, or familial status against the recipient, or the recipients settle a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Financial Assistance Office and the CRCL by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

**22. Acknowledgment of Federal Funding from DHS**

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

**23. Activities Conducted Abroad**

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

**24. Best Practices for Collection and Use of Personally Identifiable Information (PII)**

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

**25. Copyright**

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.



**26. Duplication of Benefits**

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

**27. Energy Policy and Conservation Act**

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

**28. Federal Debt Status**

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

**29. Fly America Act of 1974**

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C.

§ 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B- 138942.

**30. Hotel and Motel Fire Safety Act of 1990**

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

**31. Non-supplanting Requirement**

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non- federal sources.

**32. Patents and Intellectual Property Rights**

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

**33. SAFECOM**

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

**34. Terrorist Financing**

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

**35. Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

**36. USA Patriot Act of 2001**

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

**37. Use of DHS Seal, Logo, and Flags**

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

**IMPORTANT**

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the [Department of Homeland Security Standard Terms and Conditions 2018, Version 8 .1](https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions), hereby incorporated by reference, which can be found at: <https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

**The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.**

Subrecipient: \_\_\_\_\_

Signature of Authorized Agent: \_\_\_\_\_

Printed Name of Authorized Agent: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**City of San Diego Office of Homeland Security  
FY19 Urban Area Security Initiative Grant**

**Grant: FY19 UASI Grant #2019-0035  
CalOES #073-66000 CFDA #97.067**

**Supporting Information for Cash Request**

<b>Cash Request #</b>	_____	<b>through</b>	_____
	(Performance Period Start Date)		(Performance Period End Date)
<b>Cash Request Amount</b>	_____	<b>DUNS #</b>	_____

Under Penalty of Perjury I certify that:

- The total amount of funds requested pursuant to this Reimbursement Request will be used to reimburse SUBRECIPIENT for Authorized Expenditures, which expenditures are set forth on the attached Cover Sheet, to which are attached true and correct copies of all required documentation of such expenditures.
- After giving effect to the disbursement requested pursuant to this Reimbursement Request, the Funds disbursed as of the date of this disbursement will not exceed the maximum amount set forth in Appendix A of this agreement for specific projects and programs.
- The representations, warranties and certifications made in the Agreement are true and correct in all material respects as if made on the date hereof, and SUBRECIPIENT is in compliance with all Grant Assurances in Appendix B of the Agreement. Furthermore, by signing this report, SUBRECIPIENT certifies to the best of their knowledge and belief that the report is true, complete and accurate and expenditures, disbursements, and cash receipts are for the purpose and objectives set forth in the terms and conditions of the federal award. SUBRECIPIENT is aware that any false, fictitious or fraudulent information or the omission of any material fact, may subject SUBRECIPIENT to criminal civil or administrative penalties for fraud, false statements, false claims or otherwise.
- No Event or Default has occurred and is continuing.
- The undersigned is an officer of SUBRECIPIENT authorized to execute this Reimbursement Request on behalf of SUBRECIPIENT.

**Printed Name:** \_\_\_\_\_ **Phone Number:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **Email Address:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**Remittance Address:** \_\_\_\_\_

**Signature** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Mail Reimbursement Request To:**

City of San Diego Office of Homeland Security  
Grants Management Section  
9601 Ridgehaven Ct, MS 1101C  
San Diego, CA 92123

**Cover Sheet (Invoice)**  
**Office of Homeland Security**  
**FY19 Urban Area Security Initiative Grant Program**  
**Award #2019-0035**  
**CalOES ID #073-66000 CFDA #97.067**

**Reimbursement Request (Invoice)#** \_\_\_\_\_

**Mail Reimbursement Request To:**

**Date:** \_\_\_\_\_

City of San Diego  
Office of Homeland Security  
Attn: Grants Management Section  
9601 Ridgehaven Ct, MS 1101C  
San Diego, CA 92123

**Agency:** \_\_\_\_\_

**DUNS Number:** \_\_\_\_\_

**Expenditure Period:** \_\_\_\_\_

Type of Expenditure	Project #	Reimbursement Requested
Equipment		
Training		
Planning		
Organization		
Exercise		
<b>Total</b>		\$ -

**For questions regarding this reimbursement request contact**

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Phone**

\_\_\_\_\_  
**Email**

\_\_\_\_\_  
**Remittance Address (Address check will be mailed to)**

Office of Homeland Security  
FY19 Urban Area Security Initiative Grant Program  
Training/Exercise Costs Detail Worksheet

Jurisdiction: \_\_\_\_\_

Expenditure Period: \_\_\_\_\_

Date: \_\_\_\_\_

Grant: FY19 UASI Grant #2019-0035  
CalOES #073-66000 CFDA #97.067

Course	Delivery (Tuition / Registration / Materials)	Overtime & Backfill	Travel (Minus Tuition / Registration / Materials)	Total
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>Total</b>	\$ -	\$ -	\$ -	\$ -

Attendee Breakdown by Discipline									
EMA	EMS	FS	GA	HZ	LE	PH	PSC	PW	Total
									0
									0
									0
									0
									0
									0
									0
									0
									0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*NOTE: O.T. fringe benefits are limited to FICA, Worker's Compensation and Unemployment Compensation. Each jurisdiction must ensure that reimbursement requests do not include any other O.T. fringe benefit expenditures. Other fringe benefit costs must be absorbed by the jurisdiction.*







Appendix C -- Form of Reimbursement Request  
REIMBURSEMENT REQUEST

**Per Diem Expenses for (Employee Name) (Name of Event)**

Date															Total
Breakfast															-
Lunch															-
Dinner															-
Snack															-
Tips															-
Total Meals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GSA Per Diem Meals & Inc Exp. Max															-
<b>Reimbursable Meal Amount</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lodging Paid including taxes and fees															-
GSA Per Diem Lodging (excluding taxes & fee)															-
<b>Reimbursable Lodging w taxes and fees</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mileage															-
Airfare															-
Registration															-
Parking															-
Taxi															-
<b>Total Reimbursable for</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Reimbursable for</b>														-	
<b>Total Reimbursable for Claim</b>														-	

Appendix C -- Form of Reimbursement Request  
REIMBURSEMENT REQUEST

CASH REQUEST INVOICE DETAIL BREAKDOWN

GRANT: \_\_\_\_\_  
 JURISDICTION: \_\_\_\_\_

CASH REQUEST # \_\_\_\_\_

Proj	Vendor	Invoice #	Invoice Date	AEL#	Cost	Freight	Tax Rate	Tax Amt	Total Cost	Disallowed	Claim Amount	Comment
								-	-		-	
								-	-		-	
								-	-		-	
								-	-		-	
								-	-		-	
		TOTAL AEL			-	-		-	-	-	-	
								-	-		-	
								-	-		-	
		TOTAL AEL			-	-		-	-	-	-	
								-	-		-	
								-	-		-	
								-	-		-	
		TOTAL AEL			-	-		-	-	-	-	
								-	-		-	
								-	-		-	
		TOTAL AEL			-	-		-	-	-	-	
								-	-		-	
								-	-		-	
		TOTAL AEL			-	-		-	-	-	-	
								-	-		-	
		TOTAL			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
									TOTAL CLAIM		\$ -	

INVOICE #	TOTAL

\_\_\_\_\_

**APPENDIX D – PERFORMANCE PERIOD EXTENSION REQUEST**

**City of San Diego Office of Homeland Security**

**PERFORMANCE PERIOD EXTENSION REQUEST**

Subrecipient Name: \_\_\_\_\_

UASI FY: \_\_\_\_\_

Project:

Project Title:

Total Amount Allocated:

Amount Expended:

Original Performance Period Deadline:

Requested New Performance Period Deadline (final reimbursement claim due on this date):

1. Describe the details of the project:
2. What is the current status of the project?
3. Please provide a timeline as to how you will meet the new requested date:
4. How have you analyzed your errors in the initial timeline? What are the reasons why the project is late?
5. How have you improved your planning and project management process to avoid future delays if this request is granted? What plans and documentation do you have in place to guarantee the requested deadline will be met?
6. List and describe all equipment with costs and AEL #s:

Equipment & Description	Cost	AEL number
<b>PROJECT A:</b>		
<b>TOTAL</b>		
<b>PROJECT B:</b>		
<b>TOTAL</b>		

**APPENDIX D – PERFORMANCE PERIOD EXTENSION REQUEST**

<b>PROJECT D:</b>		
<b>TOTAL</b>		
<b>PROJECT E:</b>		
<b>TOTAL</b>		
<b>PROJECT G:</b>		
<b>TOTAL</b>		
<b>All Investments TOTAL</b>		



Office of Homeland Security
Signature Authorization Form
FY 2019 Homeland Security Grant Programs

Jurisdiction: \_\_\_\_\_

Date Signed: \_\_\_\_\_

The below named personnel are authorized to sign for the following Homeland Security Grant Programs: Urban Area Security Initiative (UASI).

Table with 4 columns: NAME (TYPED/PRINTED), SIGNATURE, TELEPHONE NUMBER, E-MAIL ADDRESS. The table contains 7 empty rows for data entry.

This form supersedes all others for above indicated jurisdiction. Requests for reimbursement signed by staff not identified in this form will not be processed.

Authorized Agent Printed Name and Signature

Phone No.

Mail form to City of San Diego, Office of Homeland Security, 9601 Ridgehaven Ct, MS 1101C, San Diego, CA 92123



City Council  
Agenda Report

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Anthony Shute, Director of Community Development  
**SUBJECT:** 2019 General Plan Annual Report

---

RECOMMENDATION:

That the City Council:

1. Accepts the annual progress report required by the State of California; and
2. Directs staff to forward the report to the Governor's Office of Planning and Research (OPR), the State Department of Housing and Community Development (HCD), and the San Diego Association of Governments (SANDAG).

BACKGROUND:

State Government Code Section 65400 requires planning agencies to provide an annual report to their legislative body, the Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) by April 1st of each year on the status of their General Plan and their progress in its implementation through the previous calendar year. The report must also detail the progress in meeting the City's share of regional housing and address efforts toward removing governmental constraints to the maintenance, improvement, and development of housing. Furthermore, in accordance with SANDAG Board Policy No. 033, local jurisdictions are requested to submit the same Housing Element annual report information to SANDAG. Policy No. 033 defines the basis for awarding discretionary grants from SANDAG.

State law requires local governments to keep their General Plans current and internally consistent. There is no specific requirement that a local government update its General Plan on a particular timeline, with the exception of the Housing Element.

The attached report fulfills the City's reporting requirements under Government Code Section 65400(b). The report reflects the City's cumulative progress in implementing the General Plan since its adoption of the respective elements and is organized to correspond with its Objectives and Policies.

The Housing Element annual report component is formatted differently than the report for the rest of the General Plan because HCD has specific form requirements used for reporting progress in implementing Housing Element programs. Only applicable report data in the form of tables are attached to this report. The status of implementation of each General Plan Policy is generally identified as 1) Implemented, 2) Ongoing, or 3) Not implemented. Staff has also included a highlights introduction to the annual report that emphasizes activities accomplished in 2019 with respect to General Plan implementation.

Prepared By: Spencer Hayes, Assistant Planner

Reviewed By: Anthony Shute, Director of Community Development

Approved By: Graham Mitchell, City Manager

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### Attachments

2019 General Plan Highlights

2019 General Plan Annual Report

2019 Housing Element Annual Progress Report

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## **Highlights of Implementing the General Plan**

### **1. LAND USE ELEMENT**

#### **Current Projects**

- Construction is underway for a new PACE Center located at 875 El Cajon Boulevard. The 40,000 square foot facility will provide comprehensive healthcare services for elderly populations in the region.
- A new Mazda dealership was permitted in 2019. The 18,000 square foot development is located at 572 North Johnson Avenue.

#### **New Projects Completed**

- With the goal of providing a more efficient level of service, the Community Development Department – Project Assistance Center implemented a new permitting system, EnerGov, which integrates Building, Planning, and Engineering permitting.
- Construction of a Hampton Inn Hotel is nearing completion at the former Police station site. The retail commercial component of the development including two commercial buildings for California Fish and Grill and Urban Café and an In-N-Out drive-through, started operations in 2019.
- Renovations for The Magnolia (formerly the Performing Arts Center) were completed and the facility re-opened in 2019, with operations managed by Live Nation.

### **2. HOUSING ELEMENT**

#### **Housing Development**

- 109 market-rate units were completed in 2019. Habitat for Humanity completed seven new affordable single-family homeowner units. A nine-unit multi-family development which includes one affordable housing unit (intended for very low income households) was approved with the affordable housing density bonus. A new 70-unit multi-family affordable housing development for veterans and families, was completed and fully leased by year-end.

#### **Housing Programs**

- The City has adopted a series of programs and practices designed to assist in removing governmental constraints to the production of housing for all income levels and persons with disabilities. Programs include a first time home buyers program and single-family and mobile home rehabilitation programs.



- One mobile home rehabilitation loan, one single-family rehabilitation loan, and eleven new first-time homebuyer loans were issued in 2019.
- The City provides affordable housing assistance through the Housing Choice Voucher Program operated by the Housing Authority of the County of San Diego. There are approximately 2,791 low income households participating in the program and there are approximately 15,110 households on a waiting list.
- Lastly, 321 persons were assisted with Fair Housing Services by CSA San Diego County (formerly Center for Social Advocacy) and 5,478 persons were assisted with services for homelessness prevention, emergency shelter, and rapid rehousing assistance by Crisis House, East County Transitional Living Center and Interfaith Shelter Network.
- The Housing Inspector completed inspection of 159 apartment complexes and 2,977 units. The apartment inspection program ensures minimum housing standards are met.

### **3 . C I R C U L A T I O N   E L E M E N T**

#### Roadways and Circulation

- Traffic signal upgrades were completed at 26 intersections on Chase Avenue, El Cajon Boulevard, West Main Street, and Washington Avenue, and installation of over eight miles of fiber-optic traffic signal communications cable; installation of 17 new street lights; installation of a traffic signal and intersection improvements at the Madison Avenue/June Way intersection adjacent to El Cajon Valley High School; installation of six new street lights on Marshall Avenue adjacent to the El Cajon Transit Center; and traffic calming improvements on Swallow Drive.
- The City completed the Washington Avenue Complete Streets project between Third Street and Dehesa Road. The project involved re-striping the roadway from four travel lanes to three travel lanes with a center two-way left-turn lane, new bicycle lanes, and parking lanes. Two marked crosswalks with a push button activated rapid flashing beacons were added as well as the installation of 21 new LED street lights to improve night-time visibility of bicyclists, pedestrians, and motor vehicles. This work was funded from a Caltrans Highway Safety Improvement Program grant in the amount of \$627,500.

#### Safe Routes to School

- The City commenced on a second Caltrans Active Transportation Program/Safe Routes to School project to implement a pedestrian safety campaign at six additional schools in the Cajon Valley School

District to encourage, educate, and enforce pedestrian safety with school-age children and parents.

- The street light LED retro-fit program project replaced over 350 High Pressure Sodium fixtures with energy efficient LED fixtures.

#### **4. OPEN SPACE AND PARKS ELEMENT**

##### Parks

- The City maintains 18 parks and seven recreational facilities on 120 acres. Facilities include five lighted ball fields, three adult fitness areas and six playgrounds. Participants and park users averaged 105,000 per month throughout the City. Over 160 community groups utilize centers and parks on a monthly basis for meetings and functions. The Recreation Department coordinates several large signature events including America on Main Street which has an attendance of 25,000 people, HauntFest which has an attendance of 35,000 people and the 4<sup>th</sup> of July which has an attendance of 10,000 people. Movies in the park were shown in various parks throughout the community attracting over 2,500 people.

#### **5. PUBLIC SAFETY ELEMENT**

##### Fire Safety

- Heartland Fire and Rescue is in its eleventh year of the cooperative service agreement between the Cities of El Cajon, La Mesa and Lemon Grove for shared Fire Service Management.
- Heartland maintains its Insurance Service Office Class 1 status for its emergency response and suppression capabilities. The best utilization and allocation of resources between the three cities of Heartland Fire & Rescue continues to be a primary focus of the Fire Department.

##### Fire Prevention

- The Fire Prevention Division has worked with homeowner associations and individual property owners providing fire wise assessments and fuel modification reviews to ensure properties maintain defensible space within the fire hazard severity zones.
- Routine Fire and Life Safety inspections are conducted in businesses and residences throughout the City verifying compliance with the City adopted codes, standards, and State mandates. Notices of Violations are provided and tracked to ensure compliance is achieved.
- Heartland Fire and Rescue Community Risk Reduction Division provides various public education events throughout the year providing citizens with information on life and fire safety education,

trip and fall prevention, overall safety and fire extinguisher use for businesses.

#### Emergency Preparedness

- Community involvement and emergency preparedness, is a message delivered to residents at every opportunity including at large community events.
- “Hands Only CPR” training was again taught at this year’s Fire Department Open House event.
- The East County Community Emergency Response Team (CERT) includes the cities of El Cajon, La Mesa, Lemon Grove and Santee, and is a long standing emergency preparedness program. Each year CERT members are trained in emergency preparedness, search and rescue, medical triage, disaster psychology, and others areas of disaster response.

#### Public Safety

- The Police Department Communications Center processed over 192,000 calls. Officers responded to over 69,000 calls for service. In an effort to better connect with the community, Police have launched a more substantial social media presence on Twitter and Instagram.
- To help reduce homelessness, the Police Department continues working in partnership with other East County agencies in a homeless outreach program. The East Region Homeless Outreach Team consists of the El Cajon Police Department, the San Diego County Sheriff’s Department in Santee, the County of San Diego’s Health and Human Services Agency, and the Psychiatric Emergency Response Team. These public safety agencies have adopted a regional approach in the East County to better address and serve the homeless population.
- The department continues to host the Citizen’s Academy and the Teen Academy. These are well-received outreach programs that allow participants to experience the daily functions of law enforcement and allows for law enforcement to make meaningful community connections.
- The Police Department continues, since 1997, to service approximately 160 Crime Free Multi-Housing Program (CFMH) complexes. This year, El Cajon Police Department added the Crime Free Hotel / Motel program, a state-of-the-art crime prevention program designed to reduce crime, drugs, and gangs in hotels and motels. The Police Department, through contract with Parkway

Plaza staffs a Mall Enforcement Team (MET). This team consists of two uniformed officers that are assigned full time at the mall to provide police services.

- The Police Department converted two existing civilian positions to hire two Police Service Officer II's (Park Rangers). After completing a rigorous training phase, the Rangers began patrolling a majority of the 18 parks in El Cajon which has contributed to a significant reduction in calls for service at Wells Park.

#### Animal Care Facility

- The El Cajon Animal Care Facility is currently operating various animal care services from sheltering animals to pet adoption services.

#### Flood Hazards

- In an effort to ensure the safety of the residents, the City continues to apply the development standards set forth in the City's Flood Damage Prevention Ordinance.
- The Drainage Master Plan was completed in 2015 and is used to identify areas that may need infrastructure improvements to reduce flood hazards.

### **6 . C O N S E R V A T I O N   E L E M E N T**

- The City continues to require that all development proposals receive proper environmental review under the California Environmental Quality Act.
- The City implements the California Green Standards Building Code for new construction; enforces the California Energy Efficiency Standards and expedites photovoltaic submittals through the building permit process.
- The City continues the implementation of its Storm Water Best Management Practices (BMP) Design Manual. The BMP Manual provides procedures for the planning, preliminary design, selection and final design of permanent storm water best management practices.
- The annual report for the San Diego River Watershed Water Quality Improvement Plan (WQIP) was submitted by the watershed jurisdictions in January 2020. The goal of the WQIP is to identify the high priority pollutants impacting the San Diego River and develop short and long term strategies to reduce or eliminate those pollutants.

## **7. NOISE ELEMENT**

- The City continually implements the noise standards and criteria stated in the El Cajon Municipal Code for every commercial, industrial and residential development.
- Noise attenuating measures such as building setbacks, walls, increased landscaping, and special building insulation are required for residential land uses proposed in noise-sensitive areas.
- The City routinely applies the compatibility policies contained in the Montgomery and Gillespie Field Airport Land Use Comprehensive Plan for new developments to avoid the establishment of new incompatible land uses and minimize the public's exposure to airport noise.

## GENERAL PLAN ANNUAL REPORT – 2019 REPORTING PERIOD

	Objective/Policy	Status	Comment
O 1-1.	Ordinance requirements for landscaping of commercial areas will be reviewed, upgraded and enforced.	Ongoing	Implemented by the Planning Group through the Water Efficient Landscaping Ordinance in the Zoning Code that addresses landscaping for industrial, residential and commercial projects regardless of whether modifying existing or proposing new
P 1-1.1.	Adequate landscaped off-street parking areas shall be provided for all commercial areas and they shall be properly maintained.	Ongoing	Implemented by the Planning Group through the discretionary permit conditions of approval
P 1-1.2.	Numerous trees and ample landscaping shall be used around and within commercial areas to break up the monotonous and barren look of parking areas.	Ongoing	Implemented by the Planning Group through the discretionary permit conditions of approval
O 1-2.	Old, nonconforming signs, derelict signs and abandoned signs will be made to conform to the sign ordinance.	Ongoing	Implemented through Code Compliance efforts throughout the course of the year that ensure unpermitted signs are removed
P 1-2.1.	The City shall continue the practice of conducting an annual public hearing to eliminate derelict and abandoned signs.	Ongoing	Implemented by the Planning Group
P 1-2.2.	The City shall keep an inventory of nonconforming, derelict and abandoned signs by property.	Ongoing	Implemented through Code Compliance

	Objective/Policy	Status	Comment
P 1-2.3.	The development or redevelopment of a property shall be used as a means of bringing the nonconforming signs on said property into conformance with the sign ordinance.	Ongoing	Implemented by the Planning Group
P 1-2.4.	The City shall continue the vigorous enforcement of sign regulations, including the adoption of new penalties for repeated sign violations.	Ongoing	Implemented through Code Compliance
O 1-3.	Signs which must be viewed from the public street (street name signs, addresses, traffic signs, etc.) shall be visible, attractive and well maintained.	Ongoing	Implemented through the Sign Ordinance in the Zoning Code
P 1-3.1.	The City shall conduct periodic assessments of street name signs, street address numbers and traffic signs to see that they are clearly visible and well-maintained.	Ongoing	Implemented through regular maintenance by the Traffic Group
P 1-3.2.	The City shall coordinate the requirements for street addresses between the various codes and if necessary draft an ordinance setting the City requirements for street addresses.	Ongoing	Implemented through the Building and Fire Safety Groups
P 1-3.3.	The City shall conduct periodic work programs designed to bring street addresses into compliance with required ordinances.	Implemented	
P 1-3.4.	The City shall establish ongoing work programs for the maintenance and replacement of street and traffic signs.	Ongoing	Implemented through the Traffic Group

	Objective/Policy	Status	Comment
O 1-4.	The City will establish minimum, objective, design criteria to improve the appearance of future development.	Ongoing	Implemented by the Planning Group through the Architectural Guidelines Ordinance in the Zoning Code
P 1-4.1.	The City's design criteria will be set forth as a policy which shall be adopted by the City Council.	Ongoing	Implemented by the Planning Group through the Architectural Guidelines Ordinance in the Zoning Code
P 1-4.2.	The City shall adopt a permanent ordinance setting forth requirements for design criteria and review procedures for all development proposals in the City. This ordinance shall include specific procedures for design review within the City's expanded redevelopment district, and shall adopt by reference the design criteria adopted by City Council policy.	Ongoing	Implemented by the Planning Group through the following mechanisms: 1) Specific Plan (SP) No. 182 adopted for downtown area 2) Design criteria for whole city adopted in El Cajon Municipal Code (ECMC) Chapter 17.180 Architectural Guidelines 3) Guide to Discretionary Project Reviews for applicants, staff and decision-makers in 2011
O 1-5.	A concept of urban design will be established, particularly for major thoroughfares and entrance points to the City.	Ongoing	Implemented by the Planning Group through SP No. 182 adopted for downtown area



	Objective/Policy	Status	Comment
1-5.1.	The City shall adopt a series of design plans for the treatment of major thoroughfares within the City, starting first with those major streets within the expanded redevelopment district. These plans may take into account all visual aspects of the streets, including paving, sidewalks, signage, landscaping, street lights, undergrounding of utilities, street furniture, bus stop shelters, and landscaping and setback areas on the adjacent private property. These shall be adopted as specific plans and shall serve to enhance and unify the appearance of such streets. Where practical, these plans shall include noteworthy entrance points to the City and shall include a “Community Sign” program.	Ongoing	Implemented via the yearly Overlay Thoroughfares, Street Resurfacing, Pavement Preservation, ADA Pedestrian Curb Ramps and Sidewalk Repair.  The Transit District Specific Plan adopted in 2018 provides design plans for portions of Johnson Avenue, West Main, El Cajon Boulevard, and Palm Avenue.
P 1-5.2.	The City shall retain a street tree program defined by City Council Policy.	Ongoing	Implemented by two mechanisms: 1) ECMC Chapter 9.56 2) City Council Policy D-4
P 1-5.3.	The use of public art will be encouraged in all public projects and in major private redevelopment projects.	Not implemented	
O 1-6.	The undergrounding of utility lines on a systematic basis will be continued.	Ongoing	Implemented by the Building and Public Works Group on a case by case basis
P 1-6.1.	The utilities for all new development and all major redevelopment in the City shall be undergrounded.	Ongoing	Implemented by the by the Building and Public Works Group in new subdivision projects

	Objective/Policy	Status	Comment
P 1-6.2.	The utilities for all expansion projects in the City shall be undergrounded whenever and wherever practical.	Ongoing	Implemented by the Building and Public Works Group on a case by case basis
P 1-6.3.	The City shall continue to coordinate its underground policies and underground projects with the public utilities.	Ongoing	Implemented by the Building and Public Works Group
P 1-6.4.	The City shall continue to coordinate the undergrounding of utilities with street improvement projects.	Ongoing	Implemented by the Public Works Group on a case by case basis
P 1-6.5.	Redevelopment funds may be used to achieve the undergrounding of public facilities where other reasonable alternatives cannot be found.	Not implemented	Redevelopment Agency abolished February 1, 2012
O 1-7.	The maintenance of required landscaping for commercial, industrial and multiple family developments will be thoroughly enforced.		
P 1-7.1.	The City shall periodically review and, if necessary, strengthen its ordinances by which landscaping is required to be maintained.	Ongoing	Implemented through the adoption of new Water Efficient Landscape Ordinance and Standard Conditions of Development
P 1-7.2.	The City shall systematically and vigorously enforce landscaping requirements through the complete array of enforcement legislation available to it.	Ongoing	Implemented through the Water Efficient Landscaping Ordinance in the Zoning Code that addresses landscaping for industrial, residential and commercial projects regardless of whether modifying existing or proposing new.

	Objective/Policy	Status	Comment
P 1-7.3.	The City shall strengthen its enforcement and proactively pursue violations of landscape maintenance.	Ongoing	Implemented through the Water Efficient Landscaping Ordinance in the Zoning Code that addresses landscaping for industrial, residential and commercial projects regardless of whether modifying existing or proposing new.
P 1-7.4.	Required landscaping which has been allowed to die shall be replaced either by the property owner or by the City, which will then charge the property owner.	Ongoing	Implemented through the Water Efficient Landscaping Ordinance in the Zoning Code that addresses landscaping for industrial, residential and commercial projects regardless of whether modifying existing or proposing new.
P 1-7.5.	The City shall strengthen efforts at encouraging low water use landscaping in terms of plant materials and landscaping design.	Ongoing	Implemented by the Water Efficient Landscape Ordinance in 2010
O 1-8.	The completion of public facilities such as streets, curbs, gutters, sidewalks and drainage facilities will be sought not only for the improvement of public safety and to assist the movement of people and goods but also as a means to improve the appearance of the community.		
P 1-8.1.	The City shall continue to use reasonable means within the Streets and Highways Code to complete necessary public improvements in the community.	Ongoing	Implemented through the Public Works and Traffic Groups

	Objective/Policy	Status	Comment
P 1-8.2.	As a policy consideration, the City shall regard public facilities as one of the means at its disposal to improve the appearance of an area.	Ongoing	Redeveloped the original civic plaza with a sustainable public space designed for community use
P 1-8.3.	The City shall consider the use of funds which may be available from Redevelopment to complete public improvements within the expanded Redevelopment district.	Not implemented	Redevelopment Agency abolished February 1, 2012
P 1-8.4.	The City shall use expanded developer responsibilities to complete public improvements.	Ongoing	New developments required to complete frontage improvements as a condition of project approval and all projects that exceed the building valuation threshold
P 1-8.5.	In order to preserve the semi-rural quality of certain neighborhoods, the City shall recognize reduced street standards.	Implemented	Adopted street improvement standards manual
O 2-1.	New public administration activities, cultural activities and high rise office activities will be concentrated in the downtown area.		
P 2-1.1.	Through provisions of both ordinance and policy decisions, the City shall provide incentives for the location of new public administration activities, new cultural activities, high rise office activities, residential development and supportive commercial uses in the Redevelopment Project Area, especially that area known as the old downtown area of the City.	Ongoing	Implemented by the Planning Group through SP No. 182, TDSP, and Mixed-use Overlay Zones which provide the framework for an urban environment

	Objective/Policy	Status	Comment
P 2-1.2.	The City shall become active in soliciting public administration activities, cultural activities, high rise office activities and support commercial uses in the old downtown area.	Ongoing	Implemented by the Planning Group through SP No. 182 that provides the framework for an urban environment
P 2-1.3.	The City shall implement the “Urban Village” concept recommended by the Stanford Research Institute Report of 1983 within the Redevelopment Project Area, especially that area known as the old downtown area of the City.	Ongoing	Implemented by the Planning Group through two mechanisms: 1) SP No. 182 2) Downtown Master Design Plan
O 2-2.	The physical form and the street system of the downtown area will be reshaped if necessary		
P 2-2.1.	The primary function of the street system developed in the downtown area shall be to move traffic safely and efficiently.	Ongoing	
P 2-2.2.	Where it is possible to eliminate portions of a street or alley or portions of a public right-of-way, the vacated property may be used for development.	Ongoing	
P 2-2.3.	The City shall by 1991 completely review traffic circulation in the downtown area and establish priorities for the provision of improvements.	Implemented	A review of the traffic circulation was completed for the Downtown Specific Plan Study  The Bicycle Master Plan indicates new facilities in the downtown area that connects the surrounding neighborhoods with commercial districts

	Objective/Policy	Status	Comment
P 2-2.4.	The secondary function of the street system in the downtown area shall be to enhance the area through its design and appearance.	Ongoing	The Bicycle Master Plan indicates new facilities in the downtown area that connects the surrounding neighborhoods with commercial districts
O 2-3.	Blighted areas shall be considered for redevelopment.		
P 2-3.1.	The City shall become active in the solicitation of new uses in the downtown area.	Ongoing	Implemented by the Planning Group through SP No. 182 and the Zoning Code that allows a mixed-use area for existing properties and proposed development
P 2-3.2.	The City may assist developers in the assemblage of land, in the provision of public improvements, and/or in the clearance of property to help provide redevelopment in blighted areas	Implemented by Redevelopment Agency through 2011	Redevelopment Agency abolished February 1, 2012
P 2-3.3.	Quality standards of development shall be used in the replacement of blighted areas.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.180, applicable specific plans and discretionary review process
O 3-1.	The City shall assume a proactive role in matters of redevelopment.		

	Objective/Policy	Status	Comment
P 3-1.1.	Even though the City already has greatly expanded the City's original Redevelopment district into the City of El Cajon Redevelopment Project Area, the City should remain alert to the possibilities of further expansion should the unique opportunities offered by redevelopment be appropriate for other areas of the community.	Implemented	Redevelopment Agency abolished February 1, 2012
P 3-1.2.	The City shall have sufficient staff for the specific purpose of advancing the timing of redevelopment activity.	Implemented	Redevelopment Agency abolished February 1, 2012
P 3-1.3.	The City shall assist in the timely acquisition of property which shows genuine promise of being a part of a redevelopment project.	Implemented	Redevelopment Agency abolished February 1, 2012
O 3-2.	The City shall establish redevelopment goals, set schedules, create deadlines and set aside funds for achieving those goals.		
P 3-2.1.	The City shall, with all reasonable speed, accomplish the budgeting requirements for the redevelopment district.	Implemented through 2011	Redevelopment Agency abolished February 1, 2012
P 3-2.2.	The City shall, with all reasonable speed, initiate a significant redevelopment project within the expanded redevelopment district.	Not implemented	Redevelopment Agency abolished February 1, 2012
P 3-2.3.	The City shall create one or more Special Development Areas (SDAs) for the expanded redevelopment district, adopt specific plans containing special development standards, special use provisions, and special procedures regulating development.	Implemented	Implemented by the Planning Group through the creation of SDAs

	Objective/Policy	Status	Comment
P 3-2.4.	The City shall introduce and use the concept of developer's agreements.	Ongoing	Implemented by the City Manager's office in cooperation with the Planning Group for Economic Development purposes.
O 4-1.	The area around Gillespie Field will be maintained as the City's prime industrial area.		
P 4-1.1.	The City shall continue its excellent cooperation with the County of San Diego in the joint development of a quality industrial area with Gillespie Field as its focus.	Ongoing	The City cooperates with County Airports redevelopment efforts of former speedway site, the Weld project site, and the North Marshall Avenue site
P 4-1.2.	The City shall review and improve the circulation patterns in and around Gillespie Field.	Partially implemented	
P 4-1.3.	A diversity of industrial uses shall be encouraged to locate in the El Cajon area; however, heavy industrial uses or industries creating noxious or nuisance conditions shall be restricted.	Ongoing	Implemented by the Planning Group through reviewing uses in the Manufacturing (M) zone by discretionary action
P 4-1.4.	The City shall solicit industrial opportunities, cooperating especially with the East County Economic Development Council and the El Cajon Chamber of Commerce.	Ongoing	Implemented by the City Manager's office
O 4-2.	The Gillespie Field Industrial Area will be used exclusively for industrial and industrially related purposes.		
P 4-2.1.	Uses which are incompatible with quality industrial development shall be excluded from the City's Industrial Park category as shown on the General Plan.	Ongoing	Implemented by the Planning Group through development proposals and business license reviews



	Objective/Policy	Status	Comment
P 4-2.2.	The Zoning Code and City policies shall be so structured as to prohibit commercial or other intrusion into the Gillespie Field Industrial Area, with one exception as listed below.	Implemented	
P 4-2.3.	That portion of the Gillespie Field Area which is indicated as Special Development Area No. 1 near the intersection of Weld Blvd. and Cuyamaca Street shall be permitted to develop with commercial uses which are complementary to and supportive of industrial uses.	Implemented	SP No. 291 adopted
O 4-3.	The Main-Marshall-Johnson Industrial Area will be maintained as the City's secondary industrial area.		
P 4-3.1.	The City recognizes that the Main-Marshall Industrial Area is subject to development influences such as the new trolley/transit center that will modify its role as an exclusive industrial area.	Ongoing	
P 4-3.2.	Well established industrial and light industrial uses will be permitted to remain.	Implemented	Updated ECMC Chapter 17.120
P 4-3.3.	New directions in land use will be accepted provided they remain basically compatible with industrial uses.	Ongoing	
P 4-3.4.	A SDA will be located on and around the transit center which will permit the establishment of uses capitalizing on this facility.	Implemented	SDA No. 1 in place and the Transit District Specific Plan was approved in 2018.

	Objective/Policy	Status	Comment
P 4-3.5.	Smaller and older industrial lots will be encouraged to consolidate and redevelop with contemporary uses providing up-to-date standards.	Ongoing	Implemented by the Planning Group through development proposals
O 4-4.	The City, through ordinance, policy and practice, will strive to improve the quality of industrial development.		
P 4-4.1.	The City shall develop and use performance standards based on changing technologies.	Ongoing	Implemented by the Planning Group through development proposal reviews and annual zoning code updates
P 4-4.2.	Undergrounding of distribution utility lines shall be accomplished where economically and technically feasible.	Ongoing	Implemented by the Public Works Group
P 4-4.3.	Older industrial areas shall be upgraded through both on-site and off-site improvements. Public facilities, such as curbs, gutters, sidewalks, street lighting and fire protection facilities, shall be provided. Blighted and deteriorated buildings shall be removed. Smaller properties shall be combined and outmoded uses replaced with contemporary uses.	Ongoing	Implemented through new development proposals
P 4-4.4.	Judicious landscaping of developed properties and parking areas shall be required in industrial areas. Loading, storage and other unsightly areas shall be screened from residential and commercial areas. Vacant properties shall be maintained to keep them from becoming unsightly.	Ongoing	Implemented by the Planning Group through new development proposals and enforcement through Code Compliance

	Objective/Policy	Status	Comment
P 4-4.5.	Adequate off-street parking facilities shall be provided for industrial development, as shall space for maneuvering, loading, docking and storage.	Ongoing	Implemented by the Planning Group through entitlement process
P 4-4.6.	The City shall require that all industrial operations excepting storage, loading and unloading shall be done inside buildings except as permitted under special circumstances.	Ongoing	Implemented by the Planning Group through entitlement process, Zoning Code exceptions and Code Compliance
O 5-1.	Maintain and enhance the quality of residential neighborhoods in El Cajon.		
P 5-1.1.	The City shall advocate the rehabilitation of substandard residential properties by homeowners and landlords.	Ongoing	Implemented through the Housing Group rehabilitation programs and Code Compliance
P 5-1.2.	The City shall continue to utilize its code enforcement program to bring substandard units into compliance with City codes and to improve overall housing quality and conditions in El Cajon.	Ongoing	Implemented through Code Compliance
P 5-1.3.	City shall promote increased awareness among property owners and residents of the importance of property maintenance to long-term housing quality.	Ongoing	Implemented through the Housing Group
P 5-1.4.	The City shall preserve affordable housing stock.	Ongoing	Implemented through Housing Element programs, residential rehabilitation and Section 8
O 5-2.	Encourage the adequate provision of housing by location, type of unit, and price to meet the existing and future needs of El Cajon residents.		

	Objective/Policy	Status	Comment
P 5-2.1.	The City will provide a variety of residential development opportunities in the City to fulfill regional housing needs.	Ongoing	Implemented through the Planning and Housing Groups by administering programs
P 5-2.2.	The City will facilitate the production of housing for all segments of the population, including those with special needs.	Ongoing	Housing Group encourages and participates as funds allow
P 5-2.3.	The City will require that housing constructed expressly for low income households not be concentrated in any single portion of the City.	Ongoing	
P 5-2.4.	The City will implement the Downtown Specific Plan and facilitate the development of higher density housing in and around downtown.	Ongoing	Implemented by the Planning Group through the adoption of SP No. 182 which allows for flexibility in development standards of underlying zone, such as density increase
P 5-2.5.	The City will encourage the development of new housing units designated for the elderly and disabled persons to be in close proximity to public transportation and community services.	Ongoing	1) Lexington Senior Apartments 2) El Cajon Senior Towers 3) Solterra Senior Residences 4) Cornerstone Place
P 5-2.6.	The City will pursue State and Federal funding sources to maintain the supply of affordable housing in El Cajon.	Ongoing	Sources include: CDBG, HOME, and others
P 5-2.7.	The City will continue to use the San Diego County Housing Authority to provide rental assistance to lower income households with special needs who are overpaying for housing.	Ongoing	The County of San Diego subsidizes rent through the Section 8 program
O 5-3.	Provide increased opportunities for home ownership.		

	Objective/Policy	Status	Comment
P 5-3.1.	The City will assist in the development of affordable ownership housing for low income residents	Ongoing	HOME and CDBG funds
P 5-3.2.	The City will provide favorable home purchasing options to low and moderate income households, such as through interest rate write-downs, down payment assistance, mortgage revenue bond financing and Mortgage Credit Certificates.	Ongoing	Implemented through Housing Group administered programs
P 5-3.3.	The City will facilitate the purchase of units converted to condominium ownership by existing tenants through use of ownership subsidies.	Ongoing	First Time Home Buyers Program
O 5-4.	Remove governmental constraints on housing development.		
P 5-4.1.	The City will continue to allow second units, condominium conversions, and residential units in office/commercial zones as specified in the City's Zoning Code.	Ongoing	Implemented by the Planning Group as allowed by the Zoning Code and State Law
P 5-4.2.	The City will encourage the use of density bonuses and provide other regulatory concessions to facilitate affordable housing development.	Ongoing	Implemented by the Planning Group as allowed by the Zoning Code and State Law
P 5-4.3.	The City will allow manufactured housing in all residential zones.	Ongoing	Implemented by the Planning Group as allowed by the Zoning Code
P 5-4.4.	The City will facilitate building permit and development plan processing for residential construction. The City will expedite project review of residential developments with an affordable housing component.	Ongoing	Implemented by the Planning, Building and Engineering Groups

	Objective/Policy	Status	Comment
O 5-5.	Promote equal opportunity for all residents to reside in housing of their choice.		
P 5-5.1.	The City will prohibit discrimination in the sale or rental of housing with regard to race, ethnic background, religion, handicap, income, sex, age, and housing composition.	Ongoing	
P 5-5.2.	The City will provide fair housing services to El Cajon residents.	Ongoing	Implemented by the Housing Group with Federal CDBG and HOME Grant Funds
P 5-5.2.	The City will encourage the dispersion of affordable housing to avoid the overconcentration of such units in any geographic areas.	Ongoing	Implemented by the Planning Group through the dissemination of zoning information for proposed developments and through the discretionary permit review process
O 5-6.	Ensure that new housing is compatible with existing development and sensitive to environmental needs.		
P 5-6.1.	The City will continue to maintain and develop a set of strong local ordinances intended to benefit the quality of living in residential areas and to promote high standards of aesthetics.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.180 Architectural Guidelines

	Objective/Policy	Status	Comment
P 5-6.2.	The City will prohibit or restrict, as appropriate, residential development within or in close proximity to airport flight patterns, freeways, railroads, industrial areas, areas subject to flooding or geologic hazards or any other areas determined to be incompatible or inharmonious.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.115.040 referencing Gillespie Field Airport Land Use Compatibility Plan that identifies allowable uses, height limitations and other standards due to a development's close proximity to the airport
P 5-6.3.	The City will encourage the design of residential developments which are buffered from nearby commercial and industrial area, freeways and railroads and avoid fronting on major (primary and secondary) streets.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.140 Residential Zone development standards but not applicable for mixed-use areas such as the downtown
P 5-6.4.	The City will require residential developments to respect the natural topography by avoiding excessive grading and promoting planned or clustered developments in hillside and other areas containing sensitive physical and biological features and open spaces worthy of preservation.	Ongoing	Implemented by the Planning Group through ECMC Chapters 17.60 Planned Unit Developments, 17.165 Planned Residential Developments, and 17.170 Hillside Overlay Zone
P 5-6.2.	The City will encourage residential developments which form neighborhood units with both natural (streams, ridgelines, etc.) and man-made (major streets, etc.) boundaries and which focus on schools, parks and other activity centers in order to create neighborhood focal points to foster social interaction within the neighborhood.	Ongoing	Implemented by the Planning Group through ECMC Chapters 17.60 Planned Unit Developments, 17.65 Site Development Plans, and 17.165 Planned Residential Developments

	Objective/Policy	Status	Comment
O 5-7.	Ensure that homeless individuals and families move from homelessness to self-sufficiency, permanent housing and independent living.		
P 5-7.1.	The City will seek to address the needs of the homeless and those threatened with homelessness using a continuum of care model.	Ongoing	Implemented by the Planning Group through the Zoning Code that permits a homeless shelter by right in CM- and M-zone; Implemented by the Housing Group through CDBG Funds used to support shelter for the homeless;
P 5-7.2.	The City will evaluate support facilities and service needs of the homeless and near homeless and identify appropriate agencies and resources.	Ongoing	Collaboration efforts with: 1) Crisis House 2) East County Transitional Living Center 3) Center for Social Advocacy 4) Volunteers of America 5) Salvation Army
P 5-7.3.	The City will coordinate with the San Diego County Regional Task Force for the Homeless for needs assessment and resource allocation.	Ongoing	Implemented by Police Department and Housing Group
P 5-7.4.	The City will seek to provide adequate sites for homeless shelters and transitional housing facilities to accommodate the City's homeless population.	Partially implemented	East County Transitional Living Center, Crisis House, Interfaith Shelter Network, and Volunteers of America provide transitional shelter facilities and hotel vouchers to El Cajon's homeless
O 5-8.	Provide supportive services for non-homeless persons with special needs.		



	Objective/Policy	Status	Comment
P 5-8.1.	The City will seek to provide supportive services and facilities for persons with special needs, including the elderly, disabled, at-risk youth, people with substance abuse, and people living with AIDS/HIV.	Ongoing	Implemented by the Housing Group's administering CDBG and HOME
O 5-9.	Improve public safety for all residents.		
P 5-9.1.	The City will strive to improve public safety through increased community policing and crime prevention activities.	Ongoing	Implemented by Police Department with funding from CDBG program for Crime Free Multi-Family Housing Program  Police Department's Sector Community Forums
O 5-10.	Provide for the economic development needs of lower and moderate income target areas.		
P 5-10.1.	The City will support the expansion of employment opportunities for residents through job creation and retention efforts.	Ongoing	
P 5-10.2.	The City will seek to revitalize economically blighted areas through property rehabilitation and public improvement activities.	Ongoing	Implemented by the Housing Group's administering of CDBG and HOME funds
P 5-10.3.	The City will support the provision of job training and placement services for the unemployed and underemployed.	Ongoing	Implemented through Housing Group's administering of CDBG funds
O 5-11.	Provide for needed infrastructure improvements in lower and moderate income target areas.		

	Objective/Policy	Status	Comment
P 5-11.1.	The City will coordinate the needed infrastructure improvements through the City's capital improvement planning process.	Ongoing	Implemented by various Groups in the annual Capital Improvement Planning process
P 5-11.2.	The City will seek to provide for the access needs of the physically disabled.	Ongoing	Implemented through the Housing and Building & Fire Safety Groups. The Building & Fire Safety Group continually applies disabled access standards to new and existing development
O 5-12.	Provide for the needed public and community services and facilities to serve those of lower and moderate income.		
P 5-12.1.	The City will support the provision of new public and community facilities and improve the quality of existing public and community facilities to serve those of lower and moderate income.	Ongoing	Implemented through the Housing Group's administering of the CDBG program. Completed miscellaneous improvements to several parks and recreation facilities, ball fields and community centers. A number of improvements have been completed at Wells Park including decorative security fencing.
P 5-12.2.	The City will continue to support public and social service agencies that serve the lower and moderate income population through direct funding and/or reduced rents for City-owned buildings.	Ongoing	Implemented through the Housing Group's administration of the CDBG program. Crisis House occupies a building purchased with CDBG funds and pays on \$1/year for rent.

	Objective/Policy	Status	Comment
O 6-1.	Innovative solutions to traffic problems should receive serious consideration.		
P 6-1.1.	The City should explore a direct physical connection between the redeveloping Civic Center area and the Parkway Plaza area.	Not Implemented	
P 6-1.2.	The City should explore additional freeway access points to and from Interstate 8 and Route 67 to help reduce congestion in the Parkway Plaza area.	Explored	
O 6-2.	State Route 52 should be constructed as soon as is practical.		
P 6-2.1.	The City shall exercise all aspects of its authority to gain the early construction of State Route 52.	Implemented	State Route 52 has been completed
P 6-2.2.	The City shall be prepared to modify its local streets and highway system to handle the shifts in traffic which are anticipated and which will occur with the construction of State Route 52.	Implemented	State Route 52 has been completed
O 6-3.	Public facilities such as streets, curbs, gutters, sidewalks and drainage channels shall be completed to facilitate traffic needs.		
P 6-3.1.	The City shall use reasonable methods to accomplish the installation of public facilities.	Ongoing	Implemented through discretionary and ministerial permits and conditions required by the Public Works Group
P 6-3.2.	The City shall require private properties to bear a reasonable and fair burden in the provision of public rights-of-way and public facilities.	Ongoing	Implemented through discretionary and ministerial permits and conditions required by the Public Works Group

	Objective/Policy	Status	Comment
P 6-3.3.	The City shall use all possible funding sources in its efforts to complete and maintain public facilities.	Ongoing	The City completed the following projects: Fire Station No. 6 Renovation, City Hall Modernization, Fletcher Hills Pool Renovation, new Animal Care facility and East County Performing Arts Center Renovation.
O 6-4.	A loop transportation system, preferably within its own right-of-way, shall be established between the El Cajon Transit Center, Parkway Plaza and the old downtown area.		
O 6-5.	Motor vehicle circulation problems shall be identified and solved with solutions explored and implemented as funds are available.		
P 6-5.1.	Streets should be designed with primary emphasis on traffic movement.	Ongoing	Implemented by the Traffic Group through traffic monitoring systems that have been installed and are monitored throughout the City
P 6-5.2.	Rights of way adequate to meet anticipated traffic volumes shall be designated and reserved as far in advance of need as is possible.	Ongoing	Right-of-way is continually acquired through the entitlement process
P 6-5.3.	Sound design practices should be used to minimize traffic conflicts along primary and secondary streets.	Ongoing	Implemented by the Traffic Group through pedestrian safety enhancements such as those installed pedestrian safety enhancements through the Safe Routes to School

	Objective/Policy	Status	Comment
O 6-6.	State Route 54 should be preserved as a freeway route.		
P 6-6.1.	State Route 54 shall remain designated as a freeway on the City's General Plan.	Not implemented	CALTRANS has indicated removal of State Route 54 from the State Highway System
P 6-6.2.	The City shall influence, persuade and lobby other jurisdictions and agencies to plan for and then provide for State Route 54 as a freeway.	Not implemented	Caltrans has indicated removal of State Route 54 from the State Highway System
P 6-6.3.	The City shall not intensify proposed land uses within the potential construction corridor of State Route 54.	Not Implemented	Caltrans has indicated removal of State Route 54 from the State Highway System
P 6-6.4.	The City shall encourage CALTRANS to provide for mass transit rights-of-way within freeway design whenever feasible.	Ongoing	<p>2050 Regional Transportation Plan is complete</p> <p>No mass transit rights-of-way planned on I-8, SR-67, &amp; HWY-125</p> <p>Peak Bus Rapid Transit from El Cajon Transit Center to University Town Center via SR-52 and to Downtown via HWY-94 in 2020</p> <p>Bus Rapid Transit from El Cajon Transit Center to Sorrento Mesa via SR-52 in 2030</p>
O 6-7.	All facilities for transportation should be interrelated to one another and to the land uses.		

	Objective/Policy	Status	Comment
P 6-7.1.	The planning, development and operation of the various elements in the transportation system (road, rail, mass transit, bicycle facilities, etc.) shall be coordinated to recognize interrelationships both between one element and another, and between each element and land uses they serve or affect.	Ongoing	Implemented as private and public projects are brought forward and evaluated on a case-by-case basis. The City received grant funding to begin preparing an Active Transportation Plan.
P 6-7.2.	Residential development standards should include provisions for bikeways as separate from sidewalks and vehicular traffic and they should be provided in conjunction with the construction of such residential development.	Not implemented	
P 6-7.3.	Pedestrian and bicycle routes separated from auto traffic should be provided wherever possible. It is particularly desirable that adequate provision be made for pedestrian or bicycle movement at freeway grade separations and interchanges affecting the local street system. Bicycle and pedestrian facilities should be considered as alternative modes of transportation, not just recreational features. The City should take positive action in this area	Ongoing	Implemented by the Bicycle Master Plan
P 6-7.4.	The City should adopt CALTRANS' standards of development for bicycle routes, lanes and paths.	Implemented	Included in the Bicycle Master Plan

	Objective/Policy	Status	Comment
P 6-7.5.	The City should support efforts to provide for a regional transportation system in the county. Also, El Cajon should work toward being served by that regional system and should continue efforts to provide supplemental transportation facilities.	Ongoing	2050 Regional Transportation Plan
P 6-7.6.	Trolley stations and transit lines shall be so located as to gain the maximum benefit for the largest number of users.	Implemented	
P 6-7.7.	The City shall continue to recognize Gillespie Field as an area-wide asset; it should make every effort to preserve the field and cooperate in its continued development.	Ongoing	
P 6-7.8.	In very low traffic areas such as hillside areas or very low density areas, the City may establish adjusted access standards.	Not implemented	
O 6-8.	The development of public transportation systems shall be encouraged.		
P 6-8.1.	Efforts to encourage the use of public transit should be implemented such as cross-town transit, use of shuttle buses, carpooling, Transportation Demand Management Systems and other methods to reduce auto traffic.	Ongoing	The City Public Works and Planning Groups collaborate to secure grants to promote alternative sustainable and safe transportation options
O 7-1.	The City will consider annexations of those areas currently outside the City limits but within the City's Sphere of Influence (SOI) when feasible and when sewer allocations and street improvement can be negotiated.		

	Objective/Policy	Status	Comment
P 7-1.1.	The City shall revise its General Plan boundaries to coincide generally with its adopted SOI.	Ongoing	LAFCO designated the SOI conterminous with the City boundaries in 2008
P 7-1.2.	The City shall require the preparation of a fiscal impact study for all annexation proposals where it is unclear if there will be a positive fiscal impact for the City.	Ongoing	This is done on a case by case basis
P 7-1.3.	The City should inventory all unincorporated areas within the City's SOI to ascertain the presence of zoning and building code violations, the level and quality of street improvements and drainage facilities and the existence of fire hydrants or adequate water pressure.	Not implemented	LAFCO designated the SOI conterminous with the City boundaries in 2008  There are no unincorporated areas within the City's SOI
P 7-1.4.	The City should survey the residents in adjacent unincorporated areas within the City's SOI to determine the level of interest in annexation.	Not implemented	LAFCO designated the SOI conterminous with the City boundaries in 2008  There are no unincorporated areas within the City's SOI
P 7-1.5.	The City shall reserve the right to require that the full costs of annexation such as installing or upgrading public improvements, obtaining additional sewer capacity, funding the need for additional City employees, buildings and equipment (for example, fire stations or street sweepers) are borne by the annexation proponents.	Ongoing	This will be done when applicable



	Objective/Policy	Status	Comment
P 7-1.6.	The City shall apply current General Plan land use designations for those areas within the adopted SOI, but not yet within the City limits.	Implemented	
P 7-1.7.	The City shall require that any annexation involving property which is largely developed must include the transfer of sewer capacity rights to the City of El Cajon equivalent to the sewer usage of the area being annexed.	Ongoing	This will be done when applicable
P 7-1.8.	The City may require existing uses in areas proposed for annexation which would become nonconforming uses upon annexation to either eliminate the nonconformity or terminate the uses as a condition of annexation.	Ongoing	This will be done when applicable
P 7-1.9.	It shall be the general philosophy of the City of El Cajon that consideration of use designations in the areas outside the City, but in the SOI, will not include future uses at any higher density than that which is already designated on the General Plan.	Ongoing	LAFCO designated the SOI conterminous with the City boundaries in 2008  There are no unincorporated areas within the City's SOI
O 8-1.	The development of property shall be coordinated with efforts at conservation of natural resources.		
P 8-1.1.	All development proposals shall receive the judicious and rational use of environmental review procedures.	Ongoing	Implemented by the Planning Group through the permit review process
P 8-1.2.	The City shall support and cooperate with the ongoing conservation work of other governmental jurisdictions and other governmental agencies.	Ongoing	

	Objective/Policy	Status	Comment
O 8-2.	Ensure that the physical environment of the El Cajon area is protected from adverse impact.		
P 8-2.1.	The retention of the unique natural features of a development site such as rock outcroppings, native vegetation and trees shall be encouraged.	Ongoing	Implemented by the Planning Group through the permit review process
P 8-2.2.	The flat, valley portions of El Cajon shall receive the most intensive development. Hillside areas shall receive less intensive development. Steep hillside areas (slopes more than 25%) shall be placed in the open space land use category.	Ongoing	Implemented by the Planning Group through the ECMC Chapter 17.170 Hillside Overlay Zone
P 8-2.3.	All graded slopes shall be adequately planted for erosion control.	Ongoing	Implemented by the Private Development and Planning Group through ECMC Chapters 13.10 Waters and Sewers, 17.170 Hillside Overlay Zone and 17.195 Water Efficient Landscaping
P 8-2.4.	Special design standards shall be considered for local residential service roads in hillside areas.	Ongoing	Implemented by the Planning Group through the ECMC Chapter 17.170 Hillside Overlay Zone
O 8-3.	Reduce levels of noise so they do not adversely affect the physiological, psychological or sociological well-being of the citizens of El Cajon.		
P 8-3.1.	The City shall develop a new and updated noise contour map using the 65 decibel, day-night average contour as the maximum acceptable standard.	Not Implemented	Addressed on individual projects that are subject to CEQA

	Objective/Policy	Status	Comment
P 8-3.2.	Noise-attenuating measures such as special building insulation, increased setbacks, walls, landscaping, etc., shall be required whenever any residential noise-sensitive land uses are proposed in the noise impact area of a major transportation facility as indicated on the noise contour map on file in the office of the Department of Community Development.	Ongoing	Implemented by Planning Group through permit reviews and the Building Group under the California Building Code
P 8-3.3.	In future transportation planning, the noise impact of all proposed transportation facilities shall be adequately assessed with the purpose of subjecting as few people as possible to a noise level equal to or exceeding 65 decibels, day-night average sound level.	Ongoing	Implemented by the various disciplines involved in a particular project
P 8-3.4.	The City shall waive, modify, or make exceptions to the above standards only where it can be demonstrated that such waiver, modification or exception is for a short, definite duration or prompted by substantial public interest.	Not implemented	
P 8-3.5.	The City shall require that notice be given to all prospective purchasers of new dwelling units constructed in noise impact areas.	Ongoing	Implemented by the Planning Group for new housing within the Gillespie Field Airport Influence Area and areas that could be exposed to noise impacts

	Objective/Policy	Status	Comment
P 8-3.6.	The Airport Land Use Commission (SANDAG) shall be supported in its efforts to reduce the adverse effects of noise on land uses around Gillespie Field. To this end, the land use element of the El Cajon General Plan shall be reviewed for conformance with the comprehensive land use plan adopted by the Airport Land Use Commission and all discrepancies shall be resolved. If necessary, those properties around Gillespie Field which are zoned inconsistent with the Comprehensive Land Use Plan shall be rezoned.	Ongoing	The San Diego Regional Airport Authority's Airport Land Use Commission is responsible for the development of the regions airport compatibility plans. Zoning code changes to achieve consistency with the Gillespie and Montgomery Field ALUCPs were adopted in December 2014.
P 8-3.7.	Require strict enforcement of the City's noise ordinance.	Ongoing	Implemented by the Planning, Building and Code Compliance Groups through ECMC Section 17.115.130 Performance Standards
P 8-3.8.	In order to minimize noise impacts from noise sources, the City may require site design considerations such as increased setbacks, sound attenuating walls and landscaping, and may also require building design considerations such as type of construction, insulation and orientation of building openings.	Ongoing	Implemented by the Planning Group through project review of development proposals
O 8-4.	Encourage future land use planning and development which take into consideration the effects of noise upon the environment.		

	Objective/Policy	Status	Comment
P 8-4.1.	In future land use planning, the placement of noise sensitive land uses in existing or projected noise impact areas shall be considered if additional noise-attenuating measures or plans are adopted. The table entitled "Land Use Compatibility in Noise Impact Areas" on file in the Department of Community Development shall be utilized in determining the acceptability of specific land uses in noise impact areas.	Ongoing	Implemented by the Planning Group through the discretionary permit review process
P 8-4.2.	A City-wide noise control ordinance shall be adopted in order to prohibit excessive noise within the City boundaries.	Ongoing	Implemented by the Planning Group through ECMC Section 17.115.130 Performance Standards
P 8-4.3.	Quiet zones shall be established around certain noise-sensitive land uses; i.e., hospitals, where maximum noise generation standards are more restrictive than elsewhere in the City.	Not implemented	
P 8-4.4.	Where necessary, truck routes shall be established so as to reduce their effect on noise-sensitive land uses.	Implemented	
O 8-5.	Achieve an urban form which respects the natural land forms of the area and preserves the unique contrast between the valley's level floor and the surrounding hills.		
P 8-5.1.	Planned Residential Developments shall be recommended for proposed projects on hillside property.	Ongoing	

	Objective/Policy	Status	Comment
P 8-5.2.	Excessive amounts of grading with enormous and unsightly banks shall be controlled by application of the Hillside Overlay zone to hillside property.	Implemented	Implemented by the Planning Group through ECMC 17.170 Hillside Overlay Zone
P 8-5.3.	Hillside property retained in its natural state and used for passive public recreational purposes (hiking, picnicking, etc.) shall be considered for public acquisition.	Ongoing	Considered on a case by case basis
P 8-5.4.	The Hillside Overlay zone shall be reviewed regarding its standards.	Ongoing	Implemented by the Planning Group through ECMC 17.170 Hillside Overlay Zone
O 8-6.	Promote urban development characterized by the balanced coexistence of people, wildlife and vegetation.		
P 8-6.1.	The City shall conduct research for purposes of developing a wildlife/vegetative inventory for the Planning Area with special emphasis on preserving any unique habitats of any rare, endangered or declining species.	Not implemented	Implemented by the Planning Group as applied through individual consultations for specific projects as needed

	Objective/Policy	Status	Comment
8-6.2.	The City of El Cajon shall develop an Urban Forestation policy the goal of which would be to provide increased vegetation mass for enhanced wildlife value. A tree planting program shall be considered for zones within the urban and rural areas of El Cajon, including but not limited to, street trees, parking lots, municipal projects, private projects, parks and open space. The development of this program shall include an analysis of significant factors which affect the selection of trees. Of particular importance is an analysis of the wildlife habitat we wish to encourage, the amount of water necessary for the plant to survive, and other considerations such as fire susceptibility, type and quality of pests, tree litter and life span.	Implemented	Implemented by: 1) Urban Forestry Policy A-21 2) Street Tree Program Policy D-4
O 8-7.	Protect rare, endangered or declining species of animal or plant life.		
P 8-7.1.	Appropriate measures shall be required for the protection of any rare or endangered animal or plant species located in an area to be developed. Methods of compensation to the property owners should be explored to assist in the preservation of such species.	Ongoing	Implemented by the Planning Group through project reviews

	Objective/Policy	Status	Comment
P 8-7.2.	The City shall consider imaginative and effective measures to preserve unique species and habitats, including, but not limited to, relocation of the species, creation of open space preserves and transfer of development rights.	Ongoing	Implemented by the Planning Group through project reviews
O 8-8.	Use existing water supplies wisely and adhere to water quality control standards.		
P 8-8.1.	Water conservation and reclamation programs shall be supported.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.195 Water Efficient Landscape Ordinance; by the Building Group through the California Green Building Standards Code; and by the Storm Water Group through implementation of Best Management Practices and development standards.
P 8-8.2.	The City shall upgrade and improve its landscaping policy which encourages use of vegetation which has low water requirements.	Ongoing	Implemented by the Planning Group by ECMC Chapter 17.195 Water Efficient Landscape Ordinance
P 8-8.3.	The San Diego Regional Water Quality Control Board shall be supported in the implementation of its policies relative to water pollution control.	Ongoing	Implemented by the Storm Water Group through ECMC Chapters 13.10 Storm Water Management and Discharge and 16.60 Standard Urban Water Mitigation Plan



	Objective/Policy	Status	Comment
P 8-8.4.	The City shall support and participate in efforts aimed at water conservation. A reduced level of per capita consumption of water and energy shall be achieved locally through public education, policy actions and code changes.	Ongoing	Water conservation is implemented through Padre Dam and Helix Water District conservation programs and mailings, Council Policy F-6, ECMC Chapter 17.195 Water Efficient Landscape Ordinance, and California Green Building Standards Code  The City has an adopted Climate Action Plan which addresses water and energy conservation.
P 8-8.5.	The City shall support regional and statewide efforts to increase water supplies.	Ongoing	Implemented by the Planning Group through the ECMC Chapter 17.195 Water Efficient Landscape Ordinance and Storm Water Group through the ECMC Chapters 13.10 Storm Water Management and Discharge and 16.60 Standard Urban Water Mitigation Plan
O 8-9.	Achieve and maintain a level of air quality which has no significant adverse effects on human physical health, plant and animal life, material objects, weather or visibility.		
P 8-9.1.	The Air Pollution Control District (APCD) shall be supported in its efforts to meet state and federal air quality standards.	Ongoing	Implemented by the Planning Group through applicable project referral to APCD

	Objective/Policy	Status	Comment
P 8-9.2.	The City shall discourage drive-up or drive-through developments which are exclusively automobile-oriented or automobile-dependent in the transaction of business.	Ongoing	Implemented by the Planning Group through Zoning Code Land Use Tables and prohibited in the downtown through Downtown SP No. 182
O 8-10.	Achieve and maintain a level of water quality which protects affected watersheds by minimizing runoff which may cause erosion and pollution.		
P 8-10.1.	The City shall minimize the amount of impervious surfaces and directly connected impervious surfaces in areas of new development and redevelopment. Where feasible, the City will insure that new development or redevelopment slows runoff and maximizes on-site infiltration of runoff.	Ongoing	Implemented by the Storm Water Group through ECMC Chapters 13.10 Storm Water Management and Discharge and 16.60 Standard Urban Water Mitigation Plan through project review
P 8-10.2.	The City shall implement pollution prevention methods supplemented by pollutant source controls and treatment. The City will use small collection strategies located at, or as close as possible to, the source (i.e., the point where water initially meets the ground) to minimize the transport of urban runoff and pollutants off site and into a municipal separate storm sewer system. (MS4)	Ongoing	Implemented by the Storm Water Group through Standard Urban Storm Water Mitigation Plan Ordinance 4707 adopted 2002 Amended in 2007 by Ordinance 4907 Amended in 2010 by Ordinance 4939 Amended in 2015 by Ordinance 5034

	Objective/Policy	Status	Comment
P 8-10.3.	The City shall preserve, and where possible, create or restore areas that provide important water quality benefits, such as riparian corridors, wetlands, and buffer zones. The City will encourage land acquisition of such areas.	Not implemented	Identification of these potential sites is included in the current Drainage Master Plan study and Water Quality Improvement Plan
P 8-10.4.	The City shall limit disturbances of natural water bodies and natural drainage systems caused by development including roads, highways, and bridges.	Ongoing	Implemented by the Storm Water Group through project reviews
P 8-10.5.	Prior to making land use decisions, the City will utilize methods available to estimate increases in pollutant loads and flows resulting from projected future development. The City shall require incorporation of structural and non-structural best management practices to mitigate the projected increases in pollutant loads and flows.	Ongoing	Implemented by the Storm Water Group through ECMC Chapters 13.10 Storm Water Management and Discharge and 16.60 Standard Urban Water Mitigation Plan through project review
P 8-10.6.	The City will avoid development of areas that are particularly susceptible to erosion and sediment loss; or establish development guidance that identifies these areas and protects them from erosion and sediment loss.	Ongoing	Implemented by the Storm Water Group through ECMC Chapters 13.10 Storm Water Management and Discharge and 16.60 Standard Urban Water Mitigation Plan through each project review
P 8-10.7.	The City will reduce pollutants associated with vehicles and increasing traffic resulting from development. The City will coordinate local traffic management reduction efforts with the San Diego County Congestion Management Plan	Ongoing	Implemented through Storm Water and Traffic Groups

	Objective/Policy	Status	Comment
P 8-10.8.	The City will implement the San Diego Association of Government's (SANDAG's) recommendations as found in the Water Quality Element of its Regional Growth Management Strategy.	Ongoing	Implemented by the Storm Water Group through the ongoing application of Regional and State Water Quality Regulations via SUSMP
P 8-10.9.	Post-development runoff from a site shall not contain pollutant loads which cause or contribute to an exceedance of receiving water quality objectives or which have not been reduced to the maximum extent practicable.	Ongoing	Implemented by the Storm Water Group through the ongoing application of storm water regulations to project reviews
O 9-1.	Parkway Plaza and its immediate vicinity will be maintained as the City's regional shopping center.		
P 9-1.1.	Parkway Plaza shall be expanded from its original size and the number of major tenants and stores shall be increased.	Implemented	
P 9-1.2.	The City shall continue to improve traffic circulation in the vicinity of Parkway Plaza.	Ongoing	Implemented by the Traffic Group
P 9-1.3.	The City shall cooperate with Parkway Plaza in the provision of parking facilities and may develop special parking requirements for regional shopping facilities.	Implemented	
P 9-1.4.	Prior to approving any new commercial developments which could compound traffic problems in the vicinity of Parkway Plaza, traffic impact studies will be required and mitigation measures or a statement of overriding considerations may also be necessary.	Ongoing	Implemented by the Traffic Group and evaluated when appropriate as new development comes to the area surrounding the shopping center

	Objective/Policy	Status	Comment
P 9-1.5.	New commercial areas around Parkway Plaza shall be limited to only those properties already designated for commercial development or to those other areas where it can be clearly shown to cause no adverse effects to the existing commercial areas.	Ongoing	Implemented by the Planning Group through the ECMC Chapter 17.145 Commercial Zones land use table that establishes allowable uses
O 9-2.	A well-defined automotive sales and service area will be established.		
P 9-2.1.	The City shall use the opportunities presented by the expansion of the Redevelopment District to create a quality automotive sales and service area.	Implemented	Implemented by the Planning Group through SDA No. 10 and as implemented by SP No. 462 for El Cajon Blvd. and North Johnson Ave.  Redevelopment funds are no longer available
P 9-2.2.	Special legislation shall be adopted and special incentives shall be employed to enhance the attractiveness of an automotive sales and service area to potential users.	Implemented	Previously implemented with redevelopment funds which are no longer available
P 9-2.3.	The City shall be proactive in soliciting potential users to locate in the automotive sales and service area.	Ongoing	Implemented by the Planning Group through SDA No.10 by SP No. 462
P 9-2.4.	The City will make every effort to concentrate automotive dealerships in the new El Cajon Blvd.-Johnson Avenue Special Development Area.	Ongoing	Implemented by the Planning Group through SDA No.10 by SP No. 462

	Objective/Policy	Status	Comment
O 9-3.	The City will capitalize on commercial redevelopment opportunities, especially those related to an expanded redevelopment district.		
P 9-3.1.	The City shall target those areas for commercial redevelopment where the need for redevelopment and the opportunities for redevelopment come together.	Implemented	Redevelopment Agencies abolished February 1, 2012
P 9-3-2.	Whenever possible, the City shall assist potential developers in the assemblage of land for especially promising projects.	Implemented	Implemented by Redevelopment Agency through 2011. Will be more difficult in future without Redevelopment Agency, but Housing Authority is a potential tool for affordable housing development
P 9-3.3.	The City shall be proactive in soliciting commercial opportunities, cooperating especially with other organizations such as the East County Chamber of Commerce.	Ongoing	
P 9-3.4.	The City shall assist in the relocation or expansion of successful local businesses so they may be retained locally.	Ongoing	Implemented previously with funds by the Redevelopment Agency  Limited assistance without funding sources
O 9-4.	All commercial development shall be subject to sound design requirements and strict standards of performance.		

	Objective/Policy	Status	Comment
P 9-4.1.	Commercial areas shall be designed as a comprehensive unit subject to strict standards governing building arrangement, appearance, street access, through access, parking signs and landscaping.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.180 Architectural Guidelines, Chapter 17.145 Commercial Zones development standards and through the discretionary review process
P 9-4.2.	The City should create a design review process intended to improve aesthetic standards in all commercial areas of the City.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.180 Architectural Guidelines and through the discretionary review process
P 9-4.3.	Commercial establishments shall be carefully integrated with the surrounding area. Conflicts with residential or other sensitive land uses should be minimized.	Ongoing	Implemented by the Planning Group through the permit review process
P 9-4.4.	All commercial activities shall be located and designed so as to benefit from the access afforded by major streets without impairing the efficiency or operation of these streets. Major streets are provided primarily for the movement of people and goods and not for the convenience of adjacent businesses.	Ongoing	Implemented by the Planning, Engineering and Traffic Groups through the project review process
P 9-4.5.	Points of access shall not be allowed too near intersections, but shall be located at an appropriate distance from intersections and shall be adequately spaced to avoid traffic friction and conflict.	Ongoing	Substandard access points are closed and new ones are reviewed for compliance with our standards as part of discretionary review process

	Objective/Policy	Status	Comment
P 9-4.6.	Access to commercial areas shall be controlled by use of median strips, frontage roads, and through other means to assure safety and to minimize traffic conflicts.	Ongoing	Implemented by the Planning, Engineering and Traffic Groups through the discretionary review process
P 9-4.7.	Loading docks, trash collection areas, equipment storage including roof equipment and other unsightly areas shall be concealed from sight. Older, nonconforming commercial areas shall be required to construct trash enclosures and all commercial areas shall be required to utilize trash enclosures.	Ongoing	Implemented by the Planning Group through ECMC Chapter 17.180 Architectural Guidelines and discretionary project reviews as well as Storm Water Group administering the storm water requirements for trash enclosures
P 9-4.8.	Provision of landscaping shall be encouraged to help beautify older commercial areas.	Ongoing	Implemented by the Planning Group when appropriate during entitlement review process
P 9-4.9.	Commercial uses shall be buffered from surrounding streets and uses by means of curbs, islands, landscaping, fencing and/or back-up development.	Ongoing	Implemented by the Planning Group through adherence to ECMC Chapter 17.145 Commercial Zones development standards such as exterior setback requirements
P 9-4.10.	Retail commercial uses shall be encouraged to locate within retail commercial areas as designated by the General Plan.	Ongoing	Implemented by the Planning Group through adherence to ECMC Chapter 17.145 Commercial Zones land use regulations



	Objective/Policy	Status	Comment
P 9-4.11.	Removal of outdated, nuisance, or incompatible buildings shall be encouraged to provide parking areas and open space, to enhance remaining uses, or to make room for new uses compatible with the General Plan.	Ongoing	Implemented by the Planning Group through the project review process
P 9-4.12.	Periodic inspection of buildings and properties shall be made to assure compliance with regulatory and development codes and standards	Ongoing	Implemented by the Building and Fire Safety Group through conducting inspections
P 9-4.13.	Commercial areas shall be integrated with well-designed interconnecting access between adjacent commercial developments.	Ongoing	Implemented by the Planning Group through the project review process
P 9-4.14.	Commercial areas shall be encouraged to develop in depth to provide adequate room for beneficial design. To that end, the assemblage of properties into one legal lot or one completely integrated development having frontage upon a primary thoroughfare can be considered for commercial zoning to a depth beyond the commercial designation on the General Plan Map, provided that said expansion will not adversely impact other noncommercial areas and that development is approved through the specific plan process. Improvements or requirements exceeding those of the zoning ordinance can be required to ensure that the extended commercial depth does not adversely impact surrounding areas.	Ongoing	Implemented by the Planning Group when applicable through the project review process

	Objective/Policy	Status	Comment
O 10	The City will manage growth through strict standards of land use, design, construction and aesthetics.		
P 10-1.1.	The City shall periodically revise its regulatory codes, ordinances and policies so that they may reflect current, upgraded standards of development and performance.	Ongoing	The Zoning Code was updated and adopted in 2010, 2011, 2012, 2013, 2014, 2015 and 2017  The Zoning Code updates are part of an annual work program goal
P 10-1.2.	The City shall develop and maintain systematic programs aimed at creating and keeping a quality community. These shall include, but not necessarily be limited to, vigorous code enforcement, undergrounding of utilities, street cleaning and maintenance, land use, design review of development projects, continued implementation of the sign ordinance, creation of an attractive streetscape, and participation in regional growth management efforts.	Ongoing	Implemented through all disciplines in the Community Development Department
O 11	A broad, stable financial base will be established to provide a high level of services and facilities.		
P 11-1.1.	The City shall continue the implementation of the recommendations contained in the Stanford Research Institute 1983 Report Urban Economic Development Framework Study for El Cajon, California.	Not applicable	This policy is out of date

	Objective/Policy	Status	Comment
P 11-1.2.	The City shall continue to strive for quality development of all kinds: residential, commercial, office, industrial or governmental.	Ongoing	Implemented by the Planning, Engineering and Building Group through permit processing.
P 11-1.3.	The City shall protect the existing investment in the community through vigorous enforcement of codes and ordinances.	Ongoing	Implemented by Code Compliance.
P 11-1.4.	The financial and fiscal implications of new development or the annexation of existing development shall be evaluated when such implications are unclear.	Ongoing	This will be applied when applicable
O 12	An aggressive, balanced work program will be established to implement the goals, objectives and policies of the General Plan.		
P 12-1.1.	The Planning Commission shall establish an annual work program related directly to the implementation of the General Plan.	Not implemented	
P 12-1.2.	Following adoption of the General Plan, the City shall immediately begin a systematic review of its development ordinances (zoning code, zoning districts and special development ordinances) for compliance with the revised General Plan.	Ongoing	Implemented by the Planning Group, the Zoning Code is updated continuously
O 13-1.	El Cajon will solicit and encourage land uses and facilities which provide services on a region-wide basis.		
P 13-1.1.	The City shall remain proactive in its efforts to attract regional uses into the El Cajon area.	Ongoing	

	Objective/Policy	Status	Comment
P 13-1.2.	The City shall judiciously use the expanded redevelopment district to encourage and assist the location of regional facilities such as additional court facilities, school district headquarters, a county main branch library, or major commercial or industrial developments.	Partially implemented	Redevelopment Agencies abolished February 1, 2012
P 13-1.3.	The City shall capitalize on the excellent nucleus of regional facilities already present (the County's Regional Facility, the Performing Arts Center and the City's Administration Building) to entice additional regional facilities to locate nearby.	Ongoing	
O 14-1.	El Cajon will develop a Historical Element to its General Plan which shall propose certain policies for the preservation of historically significant buildings.		
P 14-1.1.	All applications for discretionary permits shall be checked against the City's historic resources inventory.	Ongoing	Implemented by the Planning Group through project reviews  Historic Preservation Ordinance adopted in 2006
P 14-1.2.	A portion of the City's set-aside funds within the redevelopment project area may be utilized for residential rehabilitation of historic structures if permitted by redevelopment law.	Not implemented	Redevelopment Agencies abolished February 1, 2012
P 14-1.3.	Demolition or removal of an historic structure will require review under the California Environmental Quality Act.	Ongoing	Implemented by the Planning Group through project reviews

	Objective/Policy	Status	Comment
O 14-2.	El Cajon will develop special legislation to assist in the preservation of historically significant buildings.		
P 14-2.1.	The Zoning Code shall be reviewed to permit the adaptive reuse of historic structures by allowing low impact commercial uses by conditional use permit in residential zones.	Implemented	Amended Zoning Code to allow bed and breakfast establishments in buildings of historic interest
P 14-2.2.	The City shall consider using the transfer of density or development rights as a means to help preserve historic structures.	Not implemented	No applications have been received for this consideration
O 15-1.	Continue the cooperative programs with the school districts on the joint development and use of parks and playfields.		
O 15-2.	To acquire and develop park and open space lands by all reasonable means.		
P 15-2.1.	The City should use all available means to acquire parks and open space such as the budget process, developer fees, the design process, gifts, grants, bond issues, etc.	Ongoing	Implemented by various disciplines such as the Planning Group, Public Works and Recreation Department
P 15-2.2.	Property which has the Open Space designation shown on the General Plan shall first be considered for public use prior to approval of development for private use.	Ongoing	Implemented by the Planning Group and applied when applicable
P 15-2.3.	Areas in the Open Space designation which the City has not established for public use shall be developed with very low density or cluster-type residential development, resulting in large areas of open space in and around the development.	Ongoing	Implemented by the Planning Group and applied when applicable

	Objective/Policy	Status	Comment
P 15-2.4.	The City shall use the specific plan process for the following open space purposes: a. To pool private open space into contiguous areas. b.To link continuous trail systems. c.To create open space areas as a feature of project design.	Ongoing	Implemented by the Planning Group and applied when applicable
P 15-2.5.	The City should encourage the private development of open space areas with recreational uses which are compatible with the surrounding area.	Ongoing	Implemented by the Planning Group during the discretionary permit review process
P 15-2.6.	Unusual physical features such as knolls and groupings of large trees and boulders should be incorporated into the park and open space system of the community.	Ongoing	Implemented by the Recreation Department
P 15-2.7.	Common open spaces created through specific plan, subgroup or cluster-type development, together with parks and schools, shall be linked, where possible, to form a network of green open space throughout urban areas.	Ongoing	Implemented by the Planning Group as new development projects are proposed
P 15-2.8.	All publicly owned lands shall be examined for their potential park or open space use before their disposal.	Ongoing	Implemented by the Recreation Department
P 15-2.9.	The Parks and Recreation Commission shall be encouraged to take a stronger role in influencing park and recreation planning.	Terminated	The commission was dissolved

	Objective/Policy	Status	Comment
P 15-2.10.	<p>The City recognizes that religious facilities and activities are a significant, integral part of the community. As a result, the City will consider religious land uses anywhere in the City, subject to the granting of a conditional use permit to establish the compatibility between the religious use and surrounding uses.</p>	Ongoing	<p>Implemented by the Planning Group through the ECMC Zoning Code. Religious facilities are permitted with approval of a CUP in the industrial zones, residential zones; and with CUP approval in the other commercial zones (O-P and C-M). However, they are permitted by right in some of the commercial zones (C-N, C-R, and C-G) as long as required parking is available.</p>

	Objective/Policy	Status	Comment
O 16	El Cajon shall take positive steps to minimize risks to life and property resulting from disasters.	Ongoing	



	Objective/Policy	Status	Comment
P 16-1.1.	The City should continue to cooperate with the San Diego Unified Emergency Service Organization and update emergency operations as new technology and more detailed hazard situations become known.	Ongoing	The City has a new emergency operations center in the Public Safety Center, regularly trains City staff and participates with the County of San Diego Office of Emergency Services
P 16-1.2.	The City should establish a Structural Hazards Abatement Program on a comprehensive basis to ensure compliance with the Uniform Building and Fire Codes and adopted City ordinances, giving priority to those structures which represent the greatest potential risk.	Ongoing	Implemented by the Building Group, the program was adopted in late 2010 and implementation began in 2011

	Objective/Policy	Status	Comment
P 16-1.3.	The City shall maintain a mapping system for areas of known seismic or geologic hazard. Whenever proposed development is to take place in an area of documented or suspected seismic or geological hazards, the Environmental Impact Report procedure should establish the degree of risk which the site presents and should recommend mitigating measures to eliminate these risks. Said investigations must be conducted by a duly licensed soils engineer and engineering geologist who certifies to the accuracy of the investigations and to the completion of all mitigating requirements.	Partially implemented	The City uses the State of California, Department of Conservation, Probabilistic Seismic Hazards Mapping Ground Motion Page when applicable; for projects within known hazard areas that require an EIR, a licensed civil engineer and engineering geologist prepare and certify the degree of risk and mitigating measures
P 16-1.4.	Environmental Impact Reports or Mitigated Negative Declarations which address seismic risks should be required for all major developments in: a. Emergency services and public utilities. b. Involuntary occupancies, such as hospitals, jails, etc. c. High rise and high occupancy structures.	Ongoing	Implemented by the Planning Group through the permit review process
P 16-1.5.	The City should adopt and continue to update the various Uniform Codes which pertain to earthquake regulations.	Ongoing	Implemented by the Building Group which implements the 2016 California Codes
P 16-1.6.	Soils reports shall be required for all new construction.	Ongoing	Implemented by the Building Group
P 16-1.7.	The City shall continue proven safety related programs; e.g., weed abatement.	Ongoing	Implemented by the Building Group and Fire Department

	Objective/Policy	Status	Comment
P 16-1.8.	The City shall approve only those land uses which are consistent with the Gillespie Field Land Use Plan developed by SANDAG.	Ongoing	San Diego Regional Airport Authority is now the administering agency and has adopted the Gillespie Field Airport Land Use Compatibility Plan, which the City implements
P 16-1.9.	The City shall complete or assist in completing the flood-control system in and around El Cajon.	Not complete	Work continues on a Drainage Master Plan that will address the flood-control system in El Cajon
P 16-1.10.	The City shall adopt its own Hazardous Waste Management Plan (HWMP) or, in the alternative, approve the HWMP prepared by the County of San Diego for application in the City of El Cajon.	Implemented	Adopted County of San Diego HWMP by reference

Jurisdiction	El Cajon	
Reporting Year	2019	(Jan. 1 - Dec. 31)

**ANNUAL ELEMENT PROGRESS REPORT  
Housing Element Implementation**

(CCR Title 25 §6202)

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

**Table A  
Housing Development Applications Submitted**

Project Identifier				Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes									Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes	
1				2	3	4	5									6	7	8	9	10
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA, SFD, 2 to 4, 5+, ADU, M/H)	Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project (Auto-calculated Can Be Overwritten)	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes*	
Summary Row: Start Data Entry Below							0	1	0	196	0	0	60	257	226	0	0			
	488-010-23-00	166 Wells Avenue	Vista Oaks SRO	SDP 1519	2 to 4	R	10/7/2019							2	2	2	0	No	Approved	
	507-310-38-00	1556 E Main Street		CUP 2256	5+	R	7/22/2019				84				1	85	85	0	No	Approved
	481-222-02-00	1171 Rippey Street		BP 2019-122	ADU	R	2/26/2019							1	1	1	0	No	Issued	
	514-012-40-00	1367 E Washington Street		BP 2019-304	SFD	R	5/28/2019							1	1	0	0	No	In Review	
	486-150-16-00	1945 Wedgamere Road, Unit 2		BP 2019-195	ADU	R	4/4/2019							1	1	0	0	No	In Review	
	511-421-06-00	1470 Woodhill Street, Unit 2		BP 2019-121	ADU	R	2/26/2019							1	1	0	0	No	Approved	
	484-262-05-00	1325 Peach Avenue		BP 2019-331	SFD	R	6/4/2019							1	1	0	0	No	In Review	
	489-410-12-00	520 Ballard Street, Unit 2		BP 2019-11	ADU	R	1/10/2019							1	1	1	0	No	Issued	
	508-290-17-00	702 Camelot Parkway		BP 2019-10	ADU	R	1/10/2019							1	1	1	0	No	Issued	
	507-310-30-00	811 N 3rd Street		BP 2019-119	ADU	R	2/25/2019							1	1	1	0	No	Issued	
	507-190-17-00	1559 Greenfield Drive		BP 2019-128	ADU	R	2/28/2019							1	1	1	0	No	Issued	
	488-371-09-00	628 S Melissa Avenue		BP 2019-165	2 to 4	R	3/25/2019							2	2	2	0	No	Issued	
	511-330-64-00	1736 Dehesa Road, Unit 2		BP 2019-72	ADU	R	1/31/2019							1	1	1	0	No	Issued	
	489-140-08-00	395 N 1st Street		BP 2019-75	5+	R	2/4/2019		1					8	9	0	0	No	In Review	
	487-531-12-00	636 S Johnson Avenue		BP 2019-61, -62, & -63	SFA	R	1/30/2019							3	3	3	0	No	In Review (no Final Map)	
	511-330-64-00	1736 Dehesa Road		BP 2019-71	SFD	O	1/31/2019							1	1	1	0	No	Issued	
	492-014-25-00	820 Lemon Avenue, Unit 2		BP 2019-89	ADU	R	2/11/2019							1	1	1	0	No	Final	
	492-222-01-00	903 Grossmont Avenue, Unit 2		BP 2019-165	ADU	R	1/15/2019							1	1	0	0	No	In Review	
	386-562-03-00	2169 Estela Drive		BP 2019-299	ADU	R	5/28/2019							1	1	1	0	No	Issued	
	514-012-40-00	1363 E Washington Avenue		BP 2019-303	SFD	R	5/28/2019							1	1	0	0	No	In Review	
	492-171-03-00	825 S Sunshine Avenue, Unit 2		BP 2019-139	ADU	R	3/7/2019							1	1	1	0	No	Issued	
	489-410-20-00	406 Ballard Street, Unit 2		BP 2019-565	ADU	R	7/25/2019							1	1	1	0	No	Issued	
	514-014-19-00	859 S 2nd Street, Unit 2		BP 2019-564	ADU	R	7/24/2019							1	1	0	0	No	In Review	
	512-051-62-00	144 Shadow Glenn Court		BP 2019-517	SFD	O	6/26/2019							1	1	0	0	No	In Review	
	514-012-13-00	769 Dorothy Street		BP 2019-695	SFD	R	9/10/2019							1	1	0	0	No	In Review	
	492-041-01-00	698 Patricia Lane, Unit 2		BP 2019-715	ADU	R	9/18/2019							1	1	0	0	No	In Review	
	483-181-28-00	1160 N Melissa Avenue, Unit 2		BP 2019-525	ADU	R	7/2/2019							1	1	1	0	No	Final	
	492-350-09-00	1062 Leslie Road, Unit 2		BP 2019-371	ADU	R	6/11/2019							1	1	1	0	No	Issued	
	511-273-12-00	516 Brighthaven Avenue, Unit 2		BP 2019-597	ADU	R	8/6/2019							1	1	1	0	No	Issued	
	493-311-24-00	846 Ladysmith Drive, Unit 2		BP 2019-707	ADU	R	9/16/2019							1	1	1	0	No	Issued	
	484-262-04-00	1321 Peach Avenue		BP 2019-396	SFD	R	6/18/2019							1	1	0	0	No	In Review	
	492-580-66-00	560 Tilling Way		BP 2019-620	SFD	O	8/27/2019							1	1	0	0	No	In Review	
	481-081-04-00	697 Medford Street		BP 2019-604	SFD	O	8/13/2019							1	1	0	0	No	In Review	
	481-051-20-00	823 Bellaire Court, Unit 2		BP 2019-590	ADU	R	8/6/2019							1	1	0	0	No	In Review	
	492-580-67-00	556 Tilling Way, Unit 2		BP 2019-1091	ADU	R	11/18/2019							1	1	0	0	No	In Review	
	488-333-07-00	564 Taft Avenue, Unit 2		BP 2019-1106	ADU	R	11/22/2019							1	1	0	0	No	In Review	
	493-450-54-00	1058 Rancho Valle Court, Unit 2		BP 2019-1017	ADU	R	10/17/2019							1	1	1	0	No	Issued	
	482-212-02-00	765 El Monte Road, Unit 2		BP 2019-1100	ADU	R	11/20/2019							1	1	0	0	No	In Review	
	492-580-68-00	584 Tilling Way, Unit 2		BP 2019-1180	ADU	R	12/23/2019							1	1	0	0	No	In Review	

497-250-08-00	1784 Avenida Cheryllita, Unit 2		BP 2019-1107	ADU	R	11/22/2019							1	1	1	0	No	Issued
492-580-67-00	556 Tilling Way		BP 2019-1090	SFD	O	11/18/2019							1	1		0	No	In Review
512-210-04-00	460 Vista Del Escuela, Unit 2		BP 2019-1115	ADU	R	11/27/2019							1	1	1	0	No	Issued
492-580-68-00	584 Tilling Way		BP 2019-1110	SFD	O	12/23/2019							1	1		0	No	In Review
484-263-97-00	1489 Namaca Avenue		BP 2019-1110	SFD	R	12/5/2019							1	1		0	No	In Review
487-130-03-00	298 Chambers Street		BP 2019-310	ADU	R	5/30/2019							1	1	1	0	No	Issued
488-020-15-00	224 Wells Avenue		BP 2019-224	ADU	R	4/15/2019							1	1		0	No	In Review
514-252-04-00	895 Alveda Avenue, Unit 2		BP 2019-360	ADU	R	6/6/2019							1	1	1	0	No	Issued
514-181-19-00	1143 Cloverleaf Drive, Unit 2		BP 2019-359	ADU	R	6/6/2019							1	1	1	0	No	Issued
487-770-06-00	1250 El Cajon Boulevard	Vista Palms SRO	CUP 2258	5+	R	9/23/2019						112	1	113	113	0	No	Approved





Jurisdiction	El Cajon	
Reporting Year	2019	(Jan. 1 - Dec. 31)

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.  
 Please contact HCD if your data is different than the material supplied here

Table B													
Regional Housing Needs Allocation Progress													
Permitted Units Issued by Affordability													
		1	2								3	4	
Income Level		RHNA Allocation by Income Level	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	1448	48									48	1400
	Non-Deed Restricted												
Low	Deed Restricted	1101	2		1	6		74	1			168	933
	Non-Deed Restricted								84				
Moderate	Deed Restricted	1019										34	985
	Non-Deed Restricted		24	8	2								
Above Moderate		2237	12	24	23	78	51	94	147			429	1808
Total RHNA		5805											
Total Units			86	32	26	84	51	168	232			679	5126

Note: units serving extremely low-income households are included in the very low-income permitted units totals  
 Cells in grey contain auto-calculation formulas





# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202)

<b>Jurisdiction</b>	El Cajon	
<b>Reporting Year</b>	2019	(Jan. 1 - Dec. 31)

**Table D**

### Program Implementation Status pursuant to GC Section 65583

#### Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Residential Rehabilitation	Conserve and improve existing affordable housing for very low and low income	None	Ongoing - Issued 1 Mobile Home Rehabilitation Loans
Lead-Based Paint Hazard Reduction	Improve the health and safety of the residents	None	Ongoing - Abatement/reduction included in all City-funded rehabilitation activities and continued education/training efforts with landlords and tenants
Mobile Home Park Program	Preserve affordable housing but also allow the conversion of those parks for more economic uses	None	Ongoing - Mobile Home Overlay Zone continues to exist in the Zoning Ordinance establishing standards and criteria for new and procedures for closure of existing
Section 8 Housing Choice Voucher	Maintain and improve housing stock	None	Ongoing - <span style="color: red;">2,791 participants</span>
Home Sharing	Insurance affordable housing sharing	None	Eliminated due to lack of owner participation
Preservation of Assisted Housing at Risk of Converting to Market Rate	Preserve affordable housing	None	Ongoing - All of the affordable housing projects in the city are considered at-risk of converting to market-rate housing but city will continue educating tenants of their rights and conversion procedures.

Land Use Element/Zoning	Provide adequate sites	None	Ongoing - Continued efforts to meet RHNA obligation by continuing to amend the zoning ordinance and work with developers on creating more housing
Target Housing Sites	Provide adequate sites	None	Ongoing - Areas in Downtown and near Transit Center continued to be the target for future high-density residential development
Downtown Specific Plan	Provide mixed-use development to facilitate housing opportunities	None	Ongoing - Proposed projects are given flexibility in development standards to provide higher density. Recently, City adopted lower-level review processes to expedite permitting process.
Adequate Sites for Homeless Shelters and Transitional Housing	Emergency Housing Services	None	Ongoing - Emergency centers permitted by right in the C-M and M zone
Density Bonus	Encourage affordable housing development	None	Ongoing - Used as a tool that encourages affordable housing development
First-Time Homebuyer Assistance	Promote homeownership	None	Ongoing - There were five First-time homebuyer loans completed this year it is an ongoing program for the City
Mortgage Credit Certificate	Leverage homeownership assistance	None	Ongoing - Continue to participate in the program and assist the County of San Diego to promote it
Non-Profit Housing Development Corporations	Development of affordable housing	None	Ongoing - Continue to work with qualified non-profit developers such as Affirmed Housing and Habitat for Humanity to provide more affordable housing
Land Assemblage and Write-Down	Reduce land cost for affordable housing development	None	Ongoing - Continue to facilitate land assemblage for affordable housing
Pursue Affordable Housing Funding Sources	Secure funds for affordable housing	None	Ongoing - Continued efforts to seek additional funding sources and partner with developers for affordable housing funds

Zoning Ordinance	Facilitate the development and conversion of affordable housing	None	Ongoing - Monitored Zoning Code to facilitate mixed-use and residential development
Second Units	Provide additional low cost housing	None	Ongoing - Utilizing Zoning Code and State requirements for streamlined permitting of Accessory and Junior Accessory Dwelling Units. Zoning code updates are forthcoming in implementing updated State requirements
Condominium Conversions	Provide homeownership	None	Ongoing - Allowed to convert apartments to condominium ownership while providing rights to existing tenants
Development Fees	Offset affordable housing cost	None	Ongoing - Fees continue to be the lowest in San Diego County
Reasonable Accommodation	Granting reasonable accommodations for persons with disabilities	None	Ongoing
Expedited Project Review	Reduce holding cost	None	Ongoing - This is an option that can be used as needed
Fair Housing	Provide Fair Housing Services	None	Ongoing - 321 persons were assisted with these services

Jurisdiction	El Cajon	
Reporting Period	2019	(Jan. 1 - Dec. 31)

# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

Table E									
Commercial Development Bonus Approved pursuant to GC Section 65915.7									
Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name <sup>+</sup>	Local Jurisdiction Tracking ID <sup>+</sup>	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

Jurisdiction	El Cajon	
Reporting Period	2019	(Jan. 1 - Dec. 31)

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202)

Note: "+" indicates an optional field  
 Cells in grey contain auto-calculation formulas

**Table F**

**Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)**

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

Activity Type	Units that Do Not Count Towards RHNA <sup>+</sup> Listed for Informational Purposes Only				Units that Count Towards RHNA <sup>+</sup> Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 <sup>+</sup>
	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	
Rehabilitation Activity	2			2					
Preservation of Units At-Risk									
Acquisition of Units									
Total Units by Income	2			2					





City Council  
Agenda Report

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Dirk Epperson, Director of Public Works  
**SUBJECT:** Agreement for Civil Engineering Services

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**RECOMMENDATION:**

That the City Council adopts the next Resolution, in order, to enter into an Agreement for Professional Services with NV5, Inc., to perform professional civil engineering services for the City of El Cajon's Sanitary Sewer Management Plan Update for a one-year term in the not-to-exceed amount of \$99,964.

**BACKGROUND:**

On October 22, 2019, the City Council approved SOQ No. 004-20 - On-Call Professional Services. The Statement of Qualifications (SOQ) resulted in a prequalified list of firms for on-call professional services covering multiple disciplines such as architectural, building/fire plan check, civil engineering, construction management, electrical/mechanical engineering, geotechnical, land surveying, and storm water management. The resulting list of qualified firms intends to provide professional firms on an "as needed" basis when projects or services cannot be completed by City staff. Pre-qualified firms will normally be selected on a rotating basis for individual tasks within each discipline. However, the City, at its sole discretion, reserves the right to select firms out of rotation when deemed to be in the best interest of the City.

In order to meet State Water Resources Control Board (SWRCB) requirements in a timely manner, the services of a pre-qualified firm from the approved on-call list will be required. On May 2, 2006 the SWRCB adopted Statewide General Waste Discharge Requirements (WDRs) for Sanitary Sewer Systems. An important element of this regulation is the requirement that each agency produce a Sewer System Management Plan (SSMP), a document that describes the agency's program to properly operate and maintain its sanitary sewer system. The goal of the SSMP is to provide a plan and schedule to properly manage, operate, and maintain all parts of the sanitary sewer system. This will assist the City in reducing and preventing Sanitary Sewer Overflows (SSOs) as well as mitigating any SSOs that do occur.



The SSMP is directed to address the following elements: Goals; Organization; Legal Authority; Operation and Maintenance Program; Design and Performance Provisions; Overflow Emergency Response Plan; Fats, Oils, and Grease Control Program; System Evaluation and Capacity Assurance Plan; Monitoring, Measurement, and Program Modifications; and Communication Program. The SSMP must be self-audited every two (2) years and updated every five (5) years from the adoption date. The five-year SSMP update must also be approved and certified by the agency's governing board as do all significant updates to the SSMP.

The last formal update to the City's SSMP was completed in 2015, with two self audits conducted in 2017 and 2019. Given the length of time since the last update, it is necessary to prepare a new update. Staff reviewed the pre-qualified firms and determined NV5, Inc. is the most qualified and greatest value for civil engineering services needed to complete the SSMP update due to the firm's unique subset of skills and familiarity with the City's existing system. The attached memorandum dated March 18, 2020 details staff's selection.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT:**

Action required to comply with Statewide General Waste Discharge Requirements (WDRs) for Sanitary Sewer Systems, Water Quality Order No. 2006-0003 and Revised Monitoring and Reporting Program, WQ 2013-0058-EXEC.

**FISCAL IMPACT:**

The fiscal impact of this project is \$99,964. Sufficient funds are available in FY 2019-2020 Budget, Account No. 650720-8395.

Prepared By: Dirk Epperson, Director of Public Works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

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Attachments

Resolution

Memorandum

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RESOLUTION NO. \_\_-20

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF EL CAJON APPROVING AN AGREEMENT  
FOR PROFESSIONAL SERVICES WITH NV5, INC. FOR  
UPDATE OF THE SANITARY SEWER MANAGEMENT PROGRAM

WHEREAS, on October 22, 2019, the City Council of the City of El Cajon (the "City") approved Statement of Qualifications No. 004-20 (the "SOQ") for On-Call Professional Services, which resulted in a pre-qualified list of firms for on-call professional services covering multiple disciplines such as architectural, building/fire plan check, civil engineering, construction management, electrical/mechanical engineering, geotechnical, land surveying, and storm water management; and

WHEREAS, on May 2, 2006, the State Water Resources Control Board (State Water Board) adopted Statewide General Waste Discharge Requirements ("WDRs") for Sanitary Sewer Systems, Water Quality Order No. 2006-0003 ("Sanitary Sewer Systems WDR"), which was subsequently updated by the revised Monitoring and Reporting Program, WQ 2013-0058-EXEC; and

WHEREAS, the Sanitary Sewer Systems WDRs require public agencies that own or operate sanitary sewer systems to develop and implement a Sewer System Management Plans ("SSMP") and report all sanitary sewer overflows ("SSOs") to the State Water Board's online SSO database; and

WHEREAS, SSMP Program Self-Audits must be conducted every two (2) years, and the SSMP must be updated every five (5) years, and must include any significant program changes; and

WHEREAS, the last formal update to the City's SSMP was completed in 2015, and self-audits were conducted in 2017 and 2019; and

WHEREAS, staff reviewed the pre-qualified firms and determined that NV5, Inc. ("NV5") is most qualified to complete the evaluation, update, and re-certification process since the firm has specific experience in such updates; and

WHEREAS, the City staff recommends that the City enter into an Agreement for Professional Services (the "Agreement"), with NV5 for update of the sanitary sewer management program, in the not-to-exceed amount of \$99,964.00 for a one-year term; and

WHEREAS, the City Council believes it to be in the City's best interests to enter the Agreement with NV5 for update of the sanitary sewer management program in the not-to-exceed amount of \$99,964.00 for a one-year term, as recommended by staff.

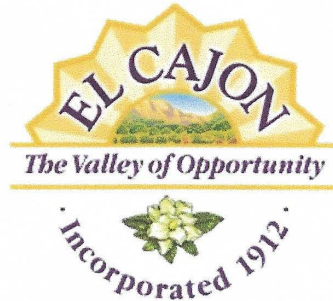
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby approves the execution of the Agreement, with such changes as may be approved by the City Manager, in the not-to-exceed amount of \$99,964.00 for a one-year term.
3. The City Manager and the City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of El Cajon.
4. The City Manager is hereby further authorized to execute, and the City Clerk is hereby authorized to attest the City Manager's signature, such amendments to the Agreement as may be necessary to approve any renewal terms of the Agreement as contemplated therein, and to make such other changes as may be necessary, in the determination of the City Manager, to implement the Agreement in the best interests of the City.

04/14/20 CC Agenda

Reso - Approve Agmt w-NV5 for Update of Sanitary Sewer Mgmt Program 032520

# CITY OF EL CAJON



## MEMORANDUM

**DATE:** March 18, 2020  
**TO:** Nahid Razi, Purchasing Agent  
**FROM:** Blake Behringer, Associate Engineer  
**VIA:** Yazmin Arellano, Deputy Director of Public Works / City Engineer  
**SUBJECT:** Recommendation of Award of Professional Services Firm  
Reference: On-Call Professional Services (SOQ No. 004-20)

On October 22, 2019, the City Council awarded a pre-qualified list of firms for on-call professional services, which will be utilized by staff over a two year term with renewal options of up to three (3) years. The firms selected are intended to augment the work of both the Public Works and Community Development Departments when projects or services are unable to be performed by City Staff. Firms will typically be selected on a rotating basis for individual tasks within each professional service group; however, staff reserves the right to select firms out of rotation when deemed to be in the best interest of the City.

A purchase requisition has been submitted by the Public Works Department recommending the award of a professional services contract from the on-call professional services list for the Sanitary Sewer Master Plan in an amount of \$99,964. After review of the firms from the on-call list, NV5, Inc. listed under the Civil Engineering Services Discipline, has been selected out of rotation for the following basis:

- Other firms from the discipline did not respond to City's request in a timely manner
- Specializes in the specific scope (other firms not specialized)
- Familiarity with the complexity of scope / tasks solicited
- Inability to comply with City requirements
- Other: \_\_\_\_\_

Please proceed with the procurement of NV5, Inc. for the Sanitary Sewer Master Plan. Should there be any additional information required, please let me know.

Submitted by,

jm

  
Blake Behringer  
Associate Engineer

APPROVED BY:



\_\_\_\_\_  
Yazmin Arellano  
Deputy Director of Public Works / City Engineer



## City Council Agenda Report

**Agenda Item 9.**

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Dirk Epperson, Director of Public Works  
**SUBJECT:** Termination of Emergency Storm Drain Repairs at Petree Street

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### RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, to establish a Declaration of Emergency, and determine that the public interest and necessity requires the immediate expenditure of public money to safeguard life, health, or property as required by Public Contract Code section 22050;
2. Adopts the next Resolution, in order, proclaiming the Termination of Emergency, for storm drain repairs in the City of El Cajon; and
3. Approves \$43,611.73 for repairs in Capital Improvement Program Project Sewer and Storm Drain Repair and Replacement 2015 (WW3519) to cover the cost of the emergency work.

### BACKGROUND:

The City maintains a vast network of reliable underground pipes and underground box culverts to control flooding and convey storm water. Much of the infrastructure was constructed in the early 1960s and 1970s, with a large portion of underground storm drain pipes being constructed with corrugated metal pipe (CMP), which has a 25-year life expectancy. The City has an established annual Capital Improvement Program (CIP) to prioritize, repair and replace remaining CMP segments and systems.

With the most recent storms starting in early to mid-March, a sinkhole developed on Petree Street, between North Marshall Avenue and North Pierce Street. As such, the conditions required immediate repairs to protect adjacent public improvements, maintain critical street thoroughfares, and preserve life and safety. The cause of the sinkhole was water running through gaps in the existing CMP pipe, which eroded soil away. The sinkhole was discovered the evening of March 19, 2020, and immediate measures were taken by staff to prevent further damage. Traffic control was set up to provide safety for vehicles, as well. Further investigation was performed to determine the repair method. With the risk that existing utilities, street, and sidewalk infrastructure could potentially collapse, the City Manager declared an emergency on March 20, 2020 and a contractor (SC Valley Engineering) was procured to repair the storm drain system. Subsequently, on March 23, 2020 a memorandum was provided to the City Council declaring the situation an emergency. This action will memorialize the emergency declaration and provide an official resolution.

Since the issuance of the memorandum to City Council, staff has repaired the damaged storm drain and restored surface improvements. The work consisted of replacing the damaged storm drain pipe, backfilling voids, and replacing asphalt and road base that was damaged during the storms. All contract work, including general cleanup, has been completed to the City's satisfaction and Petree Street was reopened to traffic on Friday, March 27th. The total cost of the repairs was \$43,611.73.

**FISCAL IMPACT:**

Funding in the amount of \$43,611.73 is available through Account #650900, CIP Project No. WW3519.

Prepared By: Dirk Epperson, Director of Public works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

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Attachments

Reso - Proclaiming Emergency Declaration

Reso - Proclaiming Emergency Termination

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RESOLUTION NO. \_\_-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CAJON  
PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY

WHEREAS, the El Cajon City Council ("City Council") is authorized under section 8630 of the California Government Code to proclaim the existence of a local emergency when conditions exist within the jurisdiction of the City of El Cajon (the "City"), which pose an extreme peril to public health and life; and

WHEREAS, section 8.08.060 of the El Cajon Municipal Code empowers the City Council to proclaim a local emergency when the City is affected or likely to be affected by a public calamity; and

WHEREAS, the City maintains a vast network of reliable underground pipes and underground box culverts to control flooding and convey storm water; and

WHEREAS, much of the infrastructure was constructed in the early 1960s and 1970s, with a large portion of underground storm drain pipes being constructed with corrugated metal pipe ("CMP"), which has a 25-year life expectancy; and

WHEREAS, due to the recent storms in mid-March 2020, a sinkhole developed mid-block on Petree Street, between North Marshall Avenue and North Pierce Street, caused by water running through gaps in existing pipes, which eroded soil away; and

WHEREAS, upon discovery of the sinkhole the evening of March 19, 2020, immediate measures were taken to prevent further damage, including traffic control to provide safety for vehicles as well; and

WHEREAS, on March 20, 2020, the City Manager declared an emergency and authorized expenditures to make the needed repairs, determining that the time needed to publicly bid and contract out the work would unnecessarily delay repair efforts and place the City and private property at further risk, and therefore, that repairs should be performed immediately using the City's emergency powers; and

WHEREAS, S. C. Valley Engineering, Inc. ("SC Valley") was contacted and available to commence immediately on the repairs of the storm drain system, which will include replacing damaged storm drain pipes, backfilling voids, and restoring surface improvements, for a total estimated cost of \$40,000.00; and

WHEREAS, the City Manager is authorized to (1) enter into any emergency contract(s) to repair storm drain facilities as provided in El Cajon Municipal Code section 2.04.145, and to (2) waive the bidding requirement in accordance with El Cajon Municipal Code section 3.20.010 (C)(6); and

WHEREAS, the City Council has been requested by the City Manager, as the Director of Emergency Services of the City, to ratify his actions and proclaim the existence of a local emergency; and

WHEREAS, such conditions of extreme peril warranted and necessitated the proclamation of the existence of a local emergency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Cajon that the foregoing Recitals are true and correct and, based upon such recitals, it hereby proclaims that a local emergency now exists within the City.

BE IT FURTHER RESOLVED that during the existence of said local emergency, the powers, functions, and duties of the Director of Emergency Services and the Disaster Council of this City shall be those prescribed by state law, ordinances, and resolutions of this City and by the City of El Cajon Emergency Plan.

BE IT FURTHER RESOLVED that annual CIP funds are available to prioritize, repair and replace remaining CMP segments and systems, and are hereby designated for any necessary emergency repairs as determined by the City Manager to address the local emergency.

BE IT FURTHER RESOLVED that the local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of El Cajon.

04/14/20 CC Agenda

Reso - Proclaiming Emergency for Storm Damage Repairs (Petree Sinkhole) 041020



RESOLUTION NO. \_\_-20

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF EL CAJON PROCLAIMING THE  
TERMINATION OF A LOCAL EMERGENCY

WHEREAS, on the evening of March 19, 2020, City of El Cajon ("City") staff discovered a sink hole and soil erosion due to surface water running through gaps in existing storm drain pipes on Petree Street, between North Marshall Avenue and North Pierce Street, caused by heavy storms in March 2020; and

WHEREAS, on March 20, 2020, the City Manager declared an emergency and authorized expenditures to make the needed repairs in order to take immediate measures to prevent further damage and to provide adequate traffic control measures to provide safety for vehicles traveling on Petree Street; and

WHEREAS, the City Council has ratified the actions of the City Manager and proclaimed the local emergency by Resolution No. \_\_-20, approved on April 14, 2020; and

WHEREAS, all necessary work on the storm drain system, including replacement of the damaged storm drain pipe, backfilling voids, and replacement of asphalt and road base, and cleanup, has now been completed to the City's satisfaction and Petree Street was reopened to traffic on March 27, 2020; and

WHEREAS, Capital Improvement Project ("CIP") funds are available appropriation to cover the cost of the repairs in the sum of \$43,611.73.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.
2. That the City Council hereby proclaims the termination of the local emergency.
3. That the City Council hereby authorizes appropriation of funds from Account No. 650900, CIP Project No. WW3519 to cover the total cost of the emergency repairs.



## City Council Agenda Report

**Agenda Item 10.**

**DATE:** April 14, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Dirk Epperson, Director of Public Works

**SUBJECT:** Public Hearing for the Adoption of the Annual Adjustment to the SANDAG Regional Transportation Congestion Improvement Program (RTCIP) Development Impact Fee

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### RECOMMENDATION:

That the City Council:

1. Opens the Public Hearing and receives testimony;
2. Closes the Public Hearing; and
3. Adopts the next Resolution, in order, approving an adjustment to the Regional Transportation Congestion Improvement Program Fee to the new amount of \$2,583.82 for each newly-constructed residential unit.

### BACKGROUND:

The Regional Transportation Congestion Improvement Program (RTCIP), an element of the TransNet Extension Ordinance, requires the eighteen member cities and the County of San Diego to collect an exaction fee from the private sector for each new housing unit constructed in each jurisdiction. New dwelling units that are constructed for low- and moderate-income and senior housing are exempted from this fee. The RTCIP has been implemented since July 1, 2008. The intent of the program is to provide a local funding source for improving major arterial streets on the Regional Arterial System (RAS) to help alleviate traffic congestion.

Cities are required to comply with the TransNet ordinance in order to receive TransNet funds annually for local streets and roads that are not on the Regional Arterial System. The RTCIP fee is collected by the City at the time of building permit issuance and can only be used for future projects on El Cajon's major streets that are part of the Regional Arterial System (RAS). The RAS in El Cajon consists of major streets including Avocado Boulevard, Ballantyne Street, Fletcher Parkway, Navajo Road, North Second Street, and Washington Avenue.

The TransNet ordinance requires the exaction fee to be annually adjusted by the current Engineering Construction Cost Index (CCI) published by the Engineering News Record (ENR). The index is based on prevailing costs in the construction industry and the annual adjustment shall be no less than two (2) percent.

On February 28, 2020, the SANDAG Board of Directors approved a two (2) percent fee increase that would raise the RTCIP fee to \$2,583.82 from the current fee of \$2,533.15 per dwelling unit. The new fee amount will take effect on July 1, 2020.

Staff recommends that the City Council adopts the new fee established by SANDAG by adopting the attached resolution.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT:**

The RTCIP fee is not subject to CEQA review.

**FISCAL IMPACT:**

The RTCIP fee is required to comply with the TransNet extension ordinance and will fund future transportation improvements on the RAS within the City.

Prepared By: Dirk Epperson, Director of Public Works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

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Attachments

Resolution

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RESOLUTION NO. \_\_\_\_-20

RESOLUTION APPROVING AN ADJUSTMENT TO THE  
REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM  
(RTCIP) FEE FOR NEWLY-CONSTRUCTED RESIDENTIAL UNITS  
ON THE SAN DIEGO REGIONAL TRANSPORTATION ARTERIAL SYSTEM

WHEREAS, the city is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the city, the county of San Diego, and the seventeen other cities situated in San Diego County; and

WHEREAS, in November 2004, voters approved Proposition A (TransNet Ordinance) to extend the TransNet half-cent sales tax for transportation projects through 2048, and passage of Prop A resulted in the establishment of the Regional Transportation Congestion Improvement Program (the "RTCIP"), which created a development impact fee for new residential units, to pay for transportation improvements on the Regional Arterial System (the "RAS"); and

WHEREAS, cities are required to comply with the ordinance in order to receive TransNet sales tax funding for local streets and roads, and this fee is collected by the City at the time of Building Permit issuance; and

WHEREAS, all funds collected can only be used for future projects on El Cajon's major streets that are part of the RAS, and the intent of the program is to provide a local funding source for improving major arterials that will help alleviate traffic congestion; and

WHEREAS, on February 28, 2020, the SANDAG Board of Directors approved a two percent (2.0%) fee adjustment to the RTCIP fee; and

WHEREAS, it is recommended the current fee of \$2,533.15 should be adjusted by 2.0% and be set at \$2,583.82 per dwelling unit in order to comply with the TransNet Ordinance; and

WHEREAS, this fee is required to comply with the RTCIP and will fund future transportation improvements on the RAS, which in El Cajon consists of major streets including Avocado Boulevard, Ballantyne Street, Fletcher Parkway, Navajo Road, North Second Street, and Washington Avenue.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

Section 1. *Findings.* The City Council hereby refers to and incorporates herein by this reference those findings set forth in section 2 of the Ordinance (section 15.13.020 of the El Cajon Municipal Code) as if set forth in full herein.

Section 2. *Schedule of Fees.* For the purpose of funding those certain improvements to the regional arterial system, and in accordance with the Ordinance, the

following schedule of fees shall be applicable to each and every non-exempt and newly constructed residential unit in the City of El Cajon:

Regional Transportation Congestion Improvement Program fee = \$2,583.82

Section 3. *Effective Date.* This new fee amount of \$2,583.82 for each newly-constructed residential unit is approved and shall become effective on the July 1, 2020 (the “Effective Date”).

03/24/20 CC Agenda

Reso - RTCIP Fee Adjustment eff 07-01-20 031620



## City Council Agenda Report

**Agenda Item 11.**

**DATE:** April 14, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Clay Schoen, Director of Finance

**SUBJECT:** Fiscal Year 2019-20 Mid-Year Report and Five-Year Business Plan Update

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### RECOMMENDATION:

That the City Council:

1. Receives and accepts the Fiscal Year 2019-20 Mid-Year Report and Five-Year Business Plan update;
2. Authorizes the proposed personnel changes detailed in this report;
3. Increases or modifies Fiscal Year 2019-20 appropriations, and authorizes related interfund transfers, in the net amount of \$1,415,000 for additional needs as detailed in this report; and
4. Authorizes the proposed capital expenditures detailed in this report.

### BACKGROUND:

The City of El Cajon prepares the Mid-Year Report and Five-Year Business Plan Update as part of an overall financial planning and monitoring program. Other major components of the program include the Annual Budget and the Comprehensive Annual Financial Report. When viewed as a cycle, they represent long-term planning, the implementation of that plan, and the execution and measurement of that plan. In this year's presentation, some discussion about the budgetary impacts of the COVID-19 crisis will be discussed.

Included with this agenda report are two documents (the Mid-Year Report and the Five-Year Business Plan). The Mid-Year Report provides an opportunity to measure financial performance at the midpoint of the fiscal year. Mid-year results are compared to both budgeted amounts and previous year's results. This is also the basis for projecting year-end results, as well as longer-term projections. The Five-Year Business Plan is a long range financial plan intended to clarify City goals and objectives. By forecasting five years, City decision makers can easily see the long term impacts of their decisions, as well as provide time to prepare for future challenges.

As part of this process, it is not uncommon to identify City Council actions, including budget adjustments, which are needed for financial and/or operational circumstances that have arisen since the Fiscal Year 2019-20 budget was developed last year. A brief description of each such circumstance follows.

## **Personnel Adjustments**

The following employee classification changes are proposed in order to properly categorize and compensate City staff for changes in work assignment since the adoption of the annual budget in June 2019. The cumulative effect is a citywide reduction of one position. None of the proposed changes require changes to the associated appropriation. Table 1 in Attachment 1 to this agenda report summarizes the proposed changes. The following sub-sections describe the proposed changes.

### *Fleet Services*

For the Fleet Services Division of the Public Works Department, a reduction of two Equipment Mechanics and an increase of one Lead Equipment Mechanic is proposed to reflect a decrease in overall work volume offset by increases in the complexity and technological requirements of fleet maintenance.

### *Information Technology*

In order to better categorize the services performed by Information Technology staff, this report proposes reclassifying four Information Technology Technician positions to the new Information Technology Specialist position. This change is driven by the evolving technical demands and responsibilities of the position.

## **Appropriation Adjustments / Authorizations**

Each of the following items require an appropriation increase or modification and/or a Capital Outlay authorization. Table 2, included with Attachment 1, summarizes the proposed budget adjustments.

### *Gas Tax / Wastewater Enterprise Fund*

A data collector is an essential piece of equipment that is needed to support the City's land surveying operations. Without a data collector, other survey equipment is not usable. The City's current data collector is in need of replacement. The new equipment purchase, as proposed, is from the same manufacturer (Trimble) and therefore fully compatible with all existing equipment. This equipment is shared between the Gas Tax Fund and the Wastewater Enterprise Fund and is equally funded by both. While both funds have sufficient appropriations available for the approximately \$10,000 purchase, City Council approval is required for the capital acquisition.

### *General Fund - Other Financing Uses*

The Magnolia operations have been suspended during the current public health crisis. The extent of this impact is uncertain, but it is anticipated that revenues may fall short of expenses by fiscal year end. This report proposes an appropriation from General Fund reserves of \$750,000 to make a transfer of funding available to support The Magnolia operations if needed. Unspent appropriations will return to General Fund reserves at fiscal year end.

### *City Capital Improvement Program Fund*

As part of the Fiscal Year 2018-19 Annual Budget, it was anticipated that the City would incur costs associated with the development of the former Police station property at 100 Fletcher Parkway. This funding was expressed as the Property Development Improvements project (IFM3662) and estimated at \$1.0 million. However, this activity once completed, was significantly less (\$553,508) with the majority of the activity occurring in Fiscal Year 2018-19, with approximately \$100,000 anticipated to occur in Fiscal Year 2019-20. However, while total expenditures did not change, the timing of these expenditures were different than anticipated. This action adjusts appropriations by approximately \$250,000 to reflect the change in timing. Total project costs, between both fiscal years, totals \$553,508.

*Public Safety Facilities Projects Fund*

The Public Safety Center was originally designed to accommodate both of the City's public safety departments. However, the necessary infrastructure was never completed to allow Heartland Fire and Rescue to move its offices into the building. This action proposes the creation of the Fire Administrative Offices project (PS0012) funded by \$300,000 of Proposition "O" funds. It is proposed that this project be funded first by any unappropriated amounts, with the remainder being made available by de-appropriating the necessary amount from the Public Safety Energy Efficiency Improvements project (PS0071).

*Parks & Recreation Improvement Program Fund*

During regularly scheduled playground inspections and maintenance, staff made several attempts to repair and replace failed portions of an approximately ten year old playground surface at Kennedy Park. The playground surface has reached a point that repairs are no longer possible and presented an imminent danger to playground users. The playground was closed, its surfacing removed, and now needs to be replaced in order for the playground to be reopened. This report proposes the creation of a Kennedy Park Playground Resurfacing (PK3711) project in the amount of \$115,000 funded by City Capital Improvement Program Fund balance.

FISCAL IMPACT:

The Fiscal Year 2019-20 Mid-Year Report and Five-Year Business Plan are critical for informed financial decision making and the on-going implementation of City goals. As part of the analysis performed in preparing the Report and Plan, a number of items require Council Action, some of which will result in appropriation increases and/or modifications in the total amount of \$1,415,000.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

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Attachments

Attachment 1

Fiscal Year 2019-20 Mid-Year Report and Five-Year Business Plan

Addendum to FY20 Mid-Year and Five-Year Report

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**ATTACHMENT 1**  
**MID-YEAR BUDGET AMENDMENTS FOR FISCAL YEAR 2019-20**

**TABLE 1: PERSONNEL ADJUSTMENTS**

<b>Classification</b>	<b>Department/Fund</b>	<b>Action (FTE)</b>
Equipment Mechanic	Vehicle/Equipment Maintenance Fund	Reduce Two
Lead Equipment Mechanic	Vehicle/Equipment Maintenance Fund	Add One
IT Technicians	IT Services Fund	Reduce Four
IT Specialist	IT Services Fund	Add Four

**TABLE 2: MISCELLANEOUS ADJUSTMENTS**

<b>Description</b>	<b>Department/Fund</b>	<b>Type of Adjustment</b>	<b>Amount</b>
Data Collector Replacement	Gas Tax / Wastewater Enterprise Fund	Capital Authorization	\$ 10,000
Magnolia Operations (If needed)	Other Financing Uses / General Fund	Appropriation Increase	750,000
Property Development Improvements (IFM3662)	City Capital Improvement Program Fund	Appropriation Increase	250,000
Fire Administrative Offices (PS0012)	Public Safety Facilities Projects Fund	Appropriation Increase	300,000
Kennedy Park Playground Resurfacing (PK3711)	Parks & Recreation Improvement Program Fund	Appropriation Increase	115,000

# CITY OF EL CAJON MID-YEAR REPORT FISCAL YEAR 2019-20

This report is intended to evaluate the status of revenues and expenditures at the halfway point of the fiscal year, as well as communicate anticipated year-end results. In evaluating mid-year performance, current year activity is compared to that of previous years and budgeted expectations. This analysis has been conducted for the City of El Cajon’s major funds: the General Fund, the Low-Moderate Income Housing Asset Fund special revenue fund, the Wastewater enterprise fund, the HOME special revenue fund, and the City Capital Improvement Program fund. This report is useful for both managing operations for the remainder of this fiscal year, as well as contributing information necessary for the Five-Year Business Plan and developing the Fiscal Year 2020-21 Annual Budget.

*Note: The following analysis was prepared solely for the purpose of determining how revenues and expenditures are performing as related to the budget. Consequently, the information contained herein may not be presented in accordance with generally accepted accounting principles.*

## GENERAL FUND

### Overview

As of December 31, 2019, General Fund Revenues and Sources of Funds totaled \$24.3 million, a decrease of 2.4% (\$590,331) from the same point last year. Expenditures and Uses of Funds totaled \$38.2 million, which is up approximately 13.1% (\$4.4 million) from last year’s midway point.

For this period, July through December 2019, Expenditures and Uses of Funds exceeded Revenues and Sources of Funds by approximately \$13.9 million. Several of the General Fund’s larger revenue streams, such as Property Taxes, are received in the latter half of the fiscal year. During the first six months of the fiscal year, the General Fund cash flow needs are reliant upon the City’s 20% Operating Reserve which prevents the City from having to borrow funds (i.e. issue tax and revenue anticipation notes), thereby avoiding additional interest and issuance expenses.

The table below summarizes this activity for the current year, as well as the two previous years.

	FY19-20 Budget*	FY19-20 Mid-Year	% of Budget	FY18-19 Mid-Year	FY17-18 Mid-Year
Revenues and Sources of Funds	\$77,209,960	\$24,324,932	31.5	\$24,915,262	\$26,173,956
Expenditures and Uses of Funds	78,143,274	38,209,136	48.9	33,772,231	32,083,154

By fiscal year end, Revenues and Sources of Funds are projected to total \$77.4 million, which is \$236,324 above budget and represents a 0.9% decrease from last year. This decrease is the net effect of insignificant variability across all revenue categories. Expenditures and Uses of Funds are estimated to be \$77.8 million at fiscal year-end. This

is 0.6% lower than last year, and is \$291,307 under budget. Included in last year’s totals is the transfer to the City CIP Program Fund (\$4.9 million) for improvements to the Magnolia. When last year’s balances are adjusted for this activity, year to year growth is 6.0% and is attributable to increases in salary and benefit expenditures, as well as increased CalPERS contributions. Further analysis of selected revenues and expenditures follows.

**Revenue and Sources of Funds**

While the General Fund has many sources of revenue, three major categories account for 83.2% of total budgeted revenue. These categories are: Sales Taxes, Property Taxes, and Franchise Fees. Each of these will be discussed separate of all remaining sources.

**Sales Taxes-** Sales tax revenue is comprised of two components: the City’s share of the State sales tax rate and a voter approved 0.5% general sales tax (Proposition J). At the mid-year point of the fiscal year, sales tax receipts are down \$565,710 (4.1%) from the same point last year. The table below summarizes these balances, as well as those of the two previous years.

	FY19-20 Budget	FY19-20 Mid-Year	% of Budget	FY18-19 Mid-Year	FY17-18 Mid-Year
Sales Taxes	\$28,419,892	\$9,577,179	36.0	\$10,066,555	\$11,789,725
Sales Taxes (Proposition J)	10,313,308	3,576,535	35.1	3,652,870	4,414,801

Sales Taxes are expected to be below budgeted amounts by approximately \$1.4 million by fiscal year end. This decline is reflective of a general softening of the economy.

**Property Taxes-** Property tax revenue is comprised of three major components: regular property taxes, property tax received in lieu of Vehicle License Fees, and the residual distribution from the Redevelopment Property Tax Trust Fund. Property taxes, in total, are down approximately 5.5% (\$214,206) from this point last year. The majority of this decrease is attributable to the timing of receipt of Redevelopment Property Tax Trust Fund distributions. Regular property tax, the key source in this revenue category, is up 4.7% (\$167,090) from the same point last year.

	FY19-20 Budget	FY19-20 Mid-Year	% of Budget	FY18-19 Mid-Year	FY17-18 Mid-Year
Property Taxes (PT)	\$9,084,217	\$3,697,592	40.7	\$3,530,502	\$3,356,157
PT – In Lieu VLF	9,763,367	-	-	-	-
PT – RPTTF Residual Distribution	1,281,163	-	-	381,296	-

The majority of this revenue is received in the second half of the fiscal year, and projections indicate that year-end results will meet budgetary expectations for this category.

**Franchise Fees-** Franchise fees are collected from San Diego Gas & Electric, Waste Management, Cox Communications, and Pacific Bell. At the midpoint of the fiscal year, current year Franchise Fees are up 7.7% (\$82,597) from last year. The table below illustrates Franchise Fees for the current year, as well as the two previous years.

	FY19-20 <u>Budget</u>	FY19-20 <u>Mid-Year</u>	% of <u>Budget</u>	FY18-19 <u>Mid-Year</u>	FY17-18 <u>Mid-Year</u>
Franchise Fees	\$5,371,717	\$1,151,313	21.4	\$1,068,716	\$1,054,148

**Other Revenue Categories-** The remaining revenue categories represent 16.8% of total General Fund Revenues and Sources of Funds. The following table details the mid-year performance of each category for the current year, as well as the two most recent years.

	FY19-20 <u>Budget</u>	FY19-20 <u>Mid-Year</u>	% of <u>Budget</u>	FY18-19 <u>Mid-Year</u>	FY17-18 <u>Mid-Year</u>
Transient Occupancy Tax	\$2,148,547	\$625,921	29.1	\$634,768	\$453,873
Business Licenses	959,924	525,708	54.8	550,616	490,407
Real Property Transfer Tax	348,021	241,243	69.3	119,903	130,170
Ambulance/Paramedic Tax	350,000	64,677	18.5	97,812	53,139
Licenses and Permits	1,482,200	1,181,573	79.7	1,153,526	645,092
Intergovernmental Revenues	938,600	291,760	31.1	315,782	495,069
Charges for Services	2,997,517	1,635,519	54.6	1,622,938	1,585,879
Investment Earnings	400,000	247,064	61.8	206,267	153,895
Fines and Forfeitures	563,000	277,713	49.3	250,942	348,254
Other Revenue & Reimbursement	2,577,380	1,205,811	46.8	1,252,461	1,177,890
Other Financing Sources	211,107	25,323	12.0	10,308	25,458

By year end, these categories in total are projected to exceed budgeted amounts. Projected results for each major revenue category is shown in the following table.

	FY19-20 <u>Budget</u>	FY19-20 <u>Projected</u>	% of <u>Budget</u>
Sales Taxes	\$38,733,200	37,608,521	97.1
Property Taxes	20,128,747	20,371,195	101.2
Franchise Fees	5,371,717	5,588,340	104.0
All Other Categories	<u>12,976,296</u>	<u>13,878,228</u>	107.0
Total General Fund Revenue	<u>\$77,209,960</u>	<u>\$77,446,284</u>	100.3

### **Expenditures and Uses of Funds**

Expenditures and Uses of Funds are \$38.2 million or 48.9% of budget at mid-year. This represents a 13.1% (\$4.4 million) increase from the same point last year. The following table shows mid-year expenditures organized by function for the current year, as well as the two preceding years.

	FY19-20 <u>Budget</u>	FY19-20 <u>Mid-Year</u>	% of <u>Budget</u>	FY18-19 <u>Mid-Year</u>	FY17-18 <u>Mid-Year</u>
General Government	\$7,618,938	\$3,382,339	44.4	\$2,589,330	\$2,768,310
Public Safety- Police	37,304,619	19,010,683	51.0	16,813,815	15,540,276
Public Safety- Fire	16,831,076	8,289,657	49.3	7,537,743	7,169,174
Public Works	9,701,729	4,344,300	44.8	3,939,516	3,886,426
Recreation	3,411,698	1,600,543	46.9	1,499,496	1,321,217
Community Development	3,275,214	1,581,614	48.3	1,392,331	1,397,751
Other Financing Uses	-	-	-	-	-
Total General Fund Expenditures	<u>\$78,143,274</u>	<u>\$38,209,136</u>	48.9	<u>\$33,772,231</u>	<u>\$32,083,154</u>

General Fund expenditures are also shown by category in the following table.

	FY19-20 <u>Budget</u>	FY19-20 <u>Mid-Year</u>	% of <u>Budget</u>	FY18-19 <u>Mid-Year</u>	FY17-18 <u>Mid-Year</u>
Salaries and Benefits	\$59,719,337	\$30,534,117	51.1	\$26,207,160	\$25,027,433
Materials, Services, and Supplies	18,402,187	7,669,479	41.7	7,515,208	6,996,845
Capital Outlay	21,750	5,540	25.5	28,473	58,876
Other Financing Uses	-	-	-	21,390	-
Total General Fund Expenditures	<u>\$78,143,274</u>	<u>\$38,209,136</u>	48.9	<u>\$33,772,231</u>	<u>\$32,083,154</u>

By year end, these categories in total are projected to total less than budgeted amounts. Projected results for each expenditure category is shown in the following table.

	FY19-20 <u>Budget</u>	FY19-20 <u>Projected</u>	% of <u>Budget</u>
Salaries and Benefits	\$59,719,335	61,134,178	102.4%
Materials, Services, and Supplies	18,356,187	16,653,097	90.7%
Capital Outlay	21,750	18,690	85.9%
Other Financing Uses	-	-	-
Total General Fund Expenditures	<u>\$78,097,272</u>	<u>\$77,805,965</u>	99.6%

**Fund Balance**

Fund balance is comprised of reserves and designations for specific operating needs or purposes. The 20% Operating Reserve is used to provide sufficient cash flow during the first half of the fiscal year, primarily resulting from the timing differences between expenditures and revenues. The Economic Uncertainty Reserve is established for the purpose of stabilizing delivery of City services during periods of budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures. The Reserve for Unfunded Retirement Obligation was established to address increasing unfunded liabilities and higher employer contribution rates. Any remaining fund balance creates a Carryover Reserve.

The fund balance at the start of the fiscal year was \$48.7 million. Taking into consideration projected revenues and expenditures at fiscal year-end, fund balance is expected to total approximately \$48.3 million. The following table illustrates projected reserve balances at year-end.

**Projected General Fund Balance**

	07/01/19 <u>Fund Balance</u>	06/30/20 Estimated <u>Fund Balance</u>
20% Operating Reserve	\$15,939,481	\$15,939,481
Economic Uncertainty Reserve	6,500,000	6,500,000
Reserve for Unfunded Retirement Obligation	8,000,000	8,000,000
Carryover Reserve **	<u>18,226,607</u>	<u>17,866,926</u>
Total Fund Balance	<u>\$48,666,088</u>	<u>\$48,306,407</u>

\*\* Carryover Reserve is available to bridge any imbalance of expenditures exceeding revenues.

**LOW-MODERATE INCOME HOUSING ASSET FUND**

The Low-Moderate Income Housing Asset Fund (LMIHAF) is a special revenue fund used to manage the housing programs and projects to increase affordable housing opportunities for the City’s lower income households. The fund is administered by the City’s Community Development Department, and is funded primarily by revenues generated from the housing assets transferred from the former redevelopment agency.

	FY19-20 <u>Budget</u>	FY19-20 <u>Mid-Year</u>	% of <u>Budget</u>	FY18-19 <u>Mid-Year</u>	FY17-18 <u>Mid-Year</u>
Expenditures	\$3,170,917	\$98,371	3.1	\$393,336	\$37,339
Revenues	487,421	226,128	46.4	103,960	303,313

The activity in this fund is largely project based, and therefore highly impacted by timing differences. However, it is anticipated that year-end results will be within budget.

## WASTEWATER ENTERPRISE FUND

Revenues at the midpoint of the fiscal year total \$8.4 million, which is down 16.1% from the same point last year. The chart below illustrates mid-year performance for the current year, as well as the two preceding years.

<u>Wastewater Revenues</u>	FY19-20 Budget	FY19-20 Mid-Year	% of Budget	FY18-19 Mid-Year	FY17-18 Mid-Year
Sewer Service Fee	\$18,000,000	\$7,434,279	41.3	\$7,687,100	\$9,620,690
Septic Tank Disposal Fee	1,800,000	212,570	11.8	666,818	1,286,907
All Other Revenue	<u>652,500</u>	<u>768,802</u>	117.8	<u>1,678,547</u>	<u>391,060</u>
Total Revenue	<u>\$20,452,500</u>	<u>\$8,415,650</u>	41.15	<u>\$10,032,465</u>	<u>\$11,298,657</u>

Expenditures of \$10.0 million are 1.1% lower than the same period last year. It is anticipated that the Wastewater Fund expenditures will be within budget at year end.

<u>Wastewater Expenditures</u>	FY19-20 Budget	FY19-20 Mid-Year	% of Budget	FY18-19 Mid-Year	FY17-18 Mid-Year
Salaries & Benefits	\$3,925,317	\$1,753,119	44.7	\$1,593,229	\$1,485,443
Materials, Services, and Supplies	19,988,891	7,434,614	37.2	7,037,003	6,807,514
Debt Service	592,204	469,546	79.3	47,456	36,559
Capital Outlay and Projects	4,691,000	329,884	7.0	1,424,811	2,891,900
Other Financing Uses	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$29,197,412</u>	<u>\$9,987,164</u>	34.2	<u>\$10,102,499</u>	<u>\$11,221,416</u>

## HOME INVESTMENT PARTNERSHIPS (HOME) FUND

The Home Investment Partnerships (HOME) Fund is a special revenue fund used to manage various housing related programs such as the First Time Homebuyer and Rehabilitation Loan Programs. The fund is administered by the City's Community Development Department, and is funded primarily by revenues generated from federal grants and its programs.

	FY19-20 Budget	FY19-20 Mid-Year	% of Budget	FY18-19 Mid-Year	FY17-18 Mid-Year
Expenditures	\$579,460	\$23,790	4.1	\$343,545	\$264,457
Revenues	579,460	2,652	0.5	98,079	126,871

The activity in this fund is largely project based, and therefore highly impacted by timing differences. However, it is anticipated that year-end results will be within budget.

## CITY CAPITAL IMPROVEMENT PROGRAM FUND

This capital fund includes capital projects primarily funded by general tax revenues. However, some projects include additional funding sources. While many projects are multi-year in nature, each project has an annual budget for anticipated activity in the current fiscal year. The following table illustrates the annual budget and expenditures through the half-way point in the year for each capital project in this fund.

PROJECT DESCRIPTION	PROJECT NUMBER	FY19-20 BUDGET	FY19-20 YTD EXPENDITURE	% of BUDGET
ECPAC Improvements	IFM3471	3,269,578	870,996	26.6%
Property Development Improvements	IFM3662	100,000	347,572	347.6%
City Hall HVAC	IFM3389	5,000	4,934	98.7%
Wells Park Improvements	PK3610	-	86	-
Recreation Center HVAC Improvements	IFM3679	330,000	1,437	0.4%
City Monument Sign - El Cajon Boulevard	IFM3644	52,000	38,103	73.3%
Fletcher Hills Recreation Center Sliding Glass Doors	IFM3641	46,200	111	0.2%
Transfer out to other capital project funds		386,000	88,985	23.1%
<b>TOTAL</b>		<b>4,188,778</b>	<b>1,352,224</b>	32.3%



**CITY OF EL CAJON  
MID-YEAR REVENUE AND SOURCES OF FUNDS COMPARISON REPORT**

FUND	CURRENT YEAR / FY2019-20				PRIOR YEAR / FY2018-19			
	BUDGET	REVENUE	BALANCE	%	BUDGET	REVENUE	BALANCE	%
101	GENERAL FUND							
103000	84,000.00	25,980.00	58,020.00	30.93	82,000.00	4,664.40	77,335.60	5.69
106000	-	-	-	-	-	4,362.16	(4,362.16)	-
107000	25,000.00	9,200.00	15,800.00	36.80	340.00	3,280.00	(2,940.00)	964.71
110000	85,000.00	16,329.98	68,670.02	19.21	60,000.00	26,283.17	33,716.83	43.81
114000	70,867,503.00	21,021,891.49	49,845,611.51	29.66	69,077,825.00	21,852,036.35	47,225,788.65	31.63
123000	46,800.00	23,230.83	23,569.17	49.64	56,727.00	13,201.93	43,525.07	23.27
130110	1,682,707.00	466,939.19	1,215,767.81	27.75	1,621,365.00	445,453.53	1,175,911.47	27.47
130230	-	-	-	-	150.00	-	150.00	-
135000	223,100.00	124,784.43	98,315.57	55.93	178,018.00	105,027.00	72,991.00	59.00
140000	50,200.00	105,359.52	(55,159.52)	209.88	120,200.00	253,936.57	(133,736.57)	211.26
141000	200,000.00	50,174.18	149,825.82	25.09	-	8,749.92	(8,749.92)	-
145000	50,000.00	35,399.25	14,600.75	70.80	-	5,411.27	(5,411.27)	-
146000	796,000.00	389,125.40	406,874.60	48.89	901,000.00	368,042.99	532,957.01	40.85
151330	250,000.00	158,911.51	91,088.49	63.56	250,000.00	133,171.03	116,828.97	53.27
151900	700,000.00	400,115.88	299,884.12	57.16	750,000.00	352,681.22	397,318.78	47.02
152310	19,000.00	12,686.00	6,314.00	66.77	21,000.00	7,503.00	13,497.00	35.73
152320	-	-	-	-	-	224.78	(224.78)	-
160000	10,000.00	1,112.41	8,887.59	11.12	10,000.00	6,526.69	3,473.31	65.27
165000	172,750.00	78,661.38	94,088.62	45.53	156,280.00	75,116.24	81,163.76	48.07
170110	363,900.00	92,937.07	270,962.93	25.54	250,500.00	49,550.42	200,949.58	19.78
170510	315,000.00	315,083.48	(83.48)	100.03	243,000.00	242,301.57	698.43	99.71
171000	1,269,000.00	997,009.60	271,990.40	78.57	1,069,000.00	957,738.05	111,261.95	89.59
<b>TOTAL GENERAL FUND</b>	<b>77,209,960.00</b>	<b>24,324,931.60</b>	<b>52,885,028.40</b>	<b>31.50</b>	<b>74,847,405.00</b>	<b>24,915,262.29</b>	<b>49,932,142.71</b>	<b>33.29</b>
209	26,000.00	(715.87)	26,715.87	(2.75)	-	855.74	(855.74)	-
211	2,658,894.00	1,328,313.70	1,330,580.30	49.96	2,508,711.00	911,451.06	1,597,259.94	36.33
213	94,555.00	100,744.77	(6,189.77)	106.55	92,701.00	97,537.86	(4,836.86)	105.22
215	222,500.00	149,143.35	73,356.65	67.03	157,000.00	132,903.07	24,096.93	84.65
221	77,588.00	(54,843.18)	132,431.18	(70.69)	78,392.00	(64,792.00)	143,184.00	(82.65)
222	16,000.00	12,072.72	3,927.28	75.45	15,000.00	9,868.75	5,131.25	65.79
223	-	9,860.58	(9,860.58)	-	-	5,674.91	(5,674.91)	-
224	485,100.00	203,667.78	281,432.22	41.98	420,000.00	156,772.46	263,227.54	37.33
225	298,078.00	88,615.82	209,462.18	29.73	286,655.00	34,667.47	251,987.53	12.09
240	625,600.00	351,783.64	273,816.36	56.23	598,280.00	342,065.53	256,214.47	57.17
241	651,434.00	-	651,434.00	-	1,643,434.00	-	1,643,434.00	-
253	62,940.00	(51,680.00)	114,620.00	(82.11)	98,902.00	(389,915.81)	488,817.81	(394.24)
254	-	154.56	(154.56)	-	-	107.67	(107.67)	-
265	-	-	-	-	190,000.00	-	190,000.00	-
266	28,000.00	17,100.00	10,900.00	61.07	57,000.00	23,158.06	33,841.94	40.63
270	1,327,381.00	259,038.88	1,068,342.12	19.52	1,508,227.00	102,682.29	1,405,544.71	6.81
275	579,460.00	2,652.26	576,807.74	0.46	602,319.00	98,078.56	504,240.44	16.28
280	-	-	-	-	275,750.00	-	275,750.00	-
298	487,421.00	226,128.06	261,292.94	46.39	1,227,421.00	103,960.44	1,123,460.56	8.47
299	-	2,072.96	(2,072.96)	-	-	1,444.15	(1,444.15)	-
501	156,500.00	33,336.16	123,163.84	21.30	6,457,507.00	551,430.85	5,906,076.15	8.54
502	-	25,547.94	(25,547.94)	-	20,000.00	19,859.14	140.86	99.30
503	7,355,446.00	321,041.78	7,034,404.22	4.36	5,716,706.00	352,900.51	5,363,805.49	6.17
505	1,539,393.00	120,292.15	1,419,100.85	7.81	1,187,799.00	167,434.02	1,020,364.98	14.10
506	-	1,664.21	(1,664.21)	-	-	578.69	(578.69)	-
515	10,000.00	32,213.48	(22,213.48)	322.13	5,000.00	24,166.74	(19,166.74)	483.33
550	22,772,152.00	888,843.05	21,883,308.95	3.90	10,354,911.00	1,258,968.96	9,095,942.04	12.16
552	11,010,993.00	(1,296.19)	11,012,289.19	(0.01)	2,347,397.00	742,139.13	1,605,257.87	31.62
553	75,000.00	274,813.42	(199,813.42)	366.42	75,000.00	203,930.17	(128,930.17)	271.91
554	1,747,141.00	693,035.89	1,054,105.11	39.67	1,707,152.00	652,793.39	1,054,358.61	38.24
601	1,485,159.00	855,647.25	629,511.75	57.61	1,250,471.00	600,234.00	650,237.00	48.00
605	400,000.00	199,992.00	200,008.00	50.00	750,000.00	380,406.00	369,594.00	50.72
610	2,576,000.00	1,248,302.49	1,327,697.51	48.46	2,200,000.00	1,285,214.32	914,785.68	58.42
611	2,392,879.00	1,227,735.51	1,165,143.49	51.31	-	-	-	-
615	3,905,798.00	1,952,892.00	1,952,906.00	50.00	4,042,248.00	2,021,142.00	2,021,106.00	50.00
620	1,050,000.00	525,024.60	524,975.40	50.00	1,600,000.00	800,010.00	799,990.00	50.00
650	20,452,500.00	8,415,650.43	12,036,849.57	41.15	23,806,500.00	10,032,465.27	13,774,034.73	42.14

**CITY OF EL CAJON  
MID-YEAR EXPENDITURE AND USES OF FUNDS COMPARISON REPORT**

FUND		CURRENT YEAR / FY2019-20				PRIOR YEAR / FY2018-19			
		BUDGET	EXPENDITURE	BALANCE	%	BUDGET	EXPENDITURE	BALANCE	%
101	GENERAL FUND								
101000	CITY COUNCIL	461,733.00	284,899.54	176,833.46	61.70	490,078.00	181,554.27	308,523.73	37.05
103000	COMMUNITY SVCS & E	257,450.00	111,300.34	146,149.66	43.23	249,300.00	94,994.77	154,305.23	38.10
103100	CENTENNIAL CELEBRA	100,000.00	25,000.00	75,000.00	25.00	100,000.00	42,950.00	57,050.00	42.95
104000	CONTINGENCY	1,100,000.00	156,846.00	943,154.00	14.26	-	-	-	-
106000	CITY ATTORNEY	857,646.00	301,781.23	555,864.77	35.19	830,753.00	251,796.10	578,956.90	30.31
107000	CITY CLERK AND ELE	495,267.00	229,782.70	265,484.30	46.40	528,676.00	193,713.09	334,962.91	36.64
110000	CITY MANAGER	1,542,159.00	828,129.48	714,029.52	53.70	1,551,576.00	612,760.68	938,815.32	39.49
114000	FINANCE	2,064,681.00	1,124,702.08	939,978.92	54.47	1,932,329.00	830,794.39	1,101,534.61	42.99
118000	HUMAN RESOURCES	933,516.00	393,273.78	540,242.22	42.13	911,335.00	320,739.79	590,595.21	35.19
122000	ADMINISTRATIVE SER	63,936.00	37,924.06	26,011.94	59.32	342,620.00	154,813.77	187,806.23	45.19
123000	FACILITIES MAINTEN	2,196,483.00	942,936.17	1,253,546.83	42.93	2,639,514.00	797,588.22	1,841,925.78	30.22
130110	POLICE ADMINSTRAT	3,388,132.00	1,766,026.43	1,622,105.57	52.12	3,299,282.00	1,620,451.37	1,678,830.63	49.12
130120	INSPECTION & TRAIN	2,081,178.00	1,050,409.04	1,030,768.96	50.47	2,050,621.00	1,013,421.85	1,037,199.15	49.42
130130	RECORDS	1,178,861.00	557,307.09	621,553.91	47.28	1,310,520.00	484,758.27	825,761.73	36.99
130150	COMMUNICATIONS	2,681,135.00	1,212,867.75	1,468,267.25	45.24	2,576,147.00	1,050,756.19	1,525,390.81	40.79
130160	PATROL	14,825,189.00	8,325,995.81	6,499,193.19	56.16	14,745,216.00	7,400,732.21	7,344,483.79	50.19
130170	SPECIAL OPERATIONS	2,805,350.00	1,623,181.90	1,182,168.10	57.86	2,785,523.00	1,338,929.26	1,446,593.74	48.07
130190	TRAFFIC ENFORCEMEN	2,073,683.00	857,048.72	1,216,634.28	41.33	1,938,644.00	785,148.22	1,153,495.78	40.50
130210	INVESTIGATION	6,101,271.00	2,627,582.16	3,473,688.84	43.07	4,776,483.00	2,160,986.01	2,615,496.99	45.24
130220	LABORATORY	947,089.00	486,115.38	460,973.62	51.33	950,627.00	448,318.31	502,308.69	47.16
130230	AUXILIARY	171,570.00	56,596.10	114,973.90	32.99	181,780.00	41,805.47	139,974.53	23.00
135000	ANIMAL CONTROL	1,051,161.00	447,552.58	603,608.42	42.58	1,010,627.00	468,507.58	542,119.42	46.36
140000	FIRE ADMINISTRATIO	1,995,144.00	1,103,063.98	892,080.02	55.29	1,980,458.00	1,041,405.58	939,052.42	52.58
141000	SUPPRESSION	12,435,334.00	6,221,725.05	6,213,608.95	50.03	11,347,821.00	5,668,545.73	5,679,275.27	49.95
145000	HEARTLAND FIRE & R	2,132,375.00	914,802.21	1,217,572.79	42.90	2,037,245.00	768,194.10	1,269,050.90	37.71
146000	FIRE EMERGENCY MED	268,223.00	50,065.96	218,157.04	18.67	322,468.00	59,597.90	262,870.10	18.48
150000	PW ADMINISTRATION	671,086.00	308,472.92	362,613.08	45.97	585,781.00	249,539.52	336,241.48	42.60
151310	ENG - OTHER	25,506.00	25,127.69	378.31	98.52	24,774.00	66,259.55	(41,485.55)	267.46
151330	ENG - PRIVATE DEVE	594,588.00	269,184.87	325,403.13	45.27	619,780.00	249,668.62	370,111.38	40.28
151900	ENG - CIP PROJECTS	1,090,582.00	546,339.30	544,242.70	50.10	1,047,199.00	483,184.85	564,014.15	46.14
152310	TRAFFIC ENGINEERIN	1,132,037.00	553,855.15	578,181.85	48.93	1,076,487.00	530,579.16	545,907.84	49.29
152320	TRAFFIC MAINTENANC	859,038.00	292,979.13	566,058.87	34.11	757,433.00	184,294.55	573,138.45	24.33
160000	PARKS	2,237,154.00	952,077.63	1,285,076.37	42.56	2,092,408.00	887,850.07	1,204,557.93	42.43
161000	ST MEDIAN MAINT &	895,255.00	453,327.02	441,927.98	50.64	1,098,996.00	490,551.93	608,444.07	44.64
165000	RECREATION	3,154,248.00	1,489,242.91	1,665,005.09	47.21	3,041,357.00	1,404,501.14	1,636,855.86	46.18
170110	HOUSING & SA ADMIN	600,613.00	273,358.23	327,254.77	45.51	401,075.00	237,389.11	163,685.89	59.19
170510	PLANNING DIVISION	1,355,988.00	650,513.68	705,474.32	47.97	1,214,483.00	541,361.99	673,121.01	44.58
171000	BUILDING AND FIRE	1,318,613.00	657,741.60	660,871.40	49.88	1,438,239.00	613,579.76	824,659.24	42.66
190000	OTHER FINANCING US	-	-	-	-	5,850,000.00	-	5,850,000.00	-
<b>TOTAL GENERAL FUND</b>		<b>78,143,274.00</b>	<b>38,209,135.67</b>	<b>39,934,138.33</b>	<b>48.90</b>	<b>80,137,655.00</b>	<b>33,772,023.38</b>	<b>46,365,631.62</b>	<b>42.14</b>
209	CA BEVERAGE GRANT	26,286.00	9,807.03	16,478.97	37.31	171,742.00	-	171,742.00	-
211	GAS TAX	3,249,387.00	1,090,058.74	2,159,328.26	33.55	3,202,135.00	1,066,302.30	2,135,832.70	33.30
213	TRANSIT	360,173.00	97,820.84	262,352.16	27.16	352,987.00	165,105.48	187,881.52	46.77
215	STATE COPS GRANT-B	315,403.00	134,410.69	180,992.31	42.62	289,458.00	140,956.07	148,501.93	48.70
221	ST HOMELAND SEC GR	77,588.00	12,792.22	64,795.78	16.49	78,392.00	7,359.02	71,032.98	9.39
222	ASSET FORFEITURE	67,709.00	4,849.04	62,859.96	7.16	67,709.00	25,047.33	42,661.67	36.99
223	STATE ASSET FORFEI	13,000.00	5,630.00	7,370.00	43.31	19,000.00	7,633.78	11,366.22	40.18
224	LOCAL PUB SAFETY P	479,207.00	266,770.70	212,436.30	55.67	502,007.00	287,104.16	214,902.84	57.19
225	POLICE MISC GRANTS	365,658.00	130,310.47	262,347.53	28.25	347,791.00	81,467.50	266,323.50	23.42
240	RECREATION PROGRAM	708,932.00	255,573.43	453,358.57	36.05	606,015.00	278,708.12	327,306.88	45.99
241	ECPAC FUND	651,434.00	296,755.69	354,678.31	45.55	643,434.00	19,315.66	624,118.34	3.00
253	UASI GRANTS	62,940.00	47,260.16	15,679.84	75.09	98,902.00	47,846.70	51,055.30	48.38
265	COMM DEV MISC GRAN	-	-	-	-	190,000.00	15,044.50	174,955.50	7.92
266	STATE CASP (AB1379)	28,740.00	949.50	27,790.50	3.30	31,000.00	1,355.56	29,644.44	4.37
270	CDBG	1,327,381.00	379,294.15	948,086.85	28.57	1,508,227.00	340,070.84	1,168,156.16	22.55
275	HOME	579,460.00	23,790.16	555,669.84	4.11	602,319.00	343,545.30	258,773.70	57.04
280	CAL HOME GRANT	64,588.00	-	64,588.00	-	275,750.00	-	275,750.00	-
298	LOW/MOD HOUSING AS	3,170,917.00	98,370.62	3,072,546.38	3.10	4,091,005.00	393,336.19	3,697,668.81	9.61
299	HOUSING IN LIEU FE	287,000.00	-	287,000.00	-	287,000.00	-	287,000.00	-
501	CITY CAPITAL IMPRO	4,188,778.00	1,352,223.21	2,836,554.79	32.28	9,565,613.00	1,557,543.22	8,008,069.78	16.28
502	PUBLIC SFTY FACILI	3,840,800.00	112,056.25	3,728,743.75	2.92	209,900.00	11,108.44	198,791.56	5.29
503	TRANSNET	7,355,446.00	262,742.38	7,092,703.62	3.57	5,374,709.00	317,488.53	5,057,220.47	5.91
505	PARKS & REC IMPROV	1,539,393.00	130,061.92	1,409,331.08	8.45	1,206,286.00	175,936.22	1,030,349.78	14.58
515	PARKS IMPACT FEES	90,000.00	-	90,000.00	-	-	-	-	-
550	PW TRANSPORTATION	22,772,152.00	895,252.52	21,876,899.48	3.93	10,354,911.00	1,258,968.96	9,095,942.04	12.16
552	TRANSPORTATION GRA	11,010,993.00	64,279.27	10,946,713.73	0.58	2,347,397.00	927,063.81	1,420,333.19	39.49
553	REG TRANS CONGSTIO	500,000.00	342,616.41	157,383.59	68.52	-	-	-	-
554	ROAD MAINT & REHAB	3,352,152.00	98,377.91	3,253,774.09	2.93	2,293,457.00	43,741.62	2,249,715.38	1.91
601	VEHICLE/EQUIP MAIN	2,367,875.00	1,159,435.20	1,208,439.80	48.97	2,786,598.00	1,036,029.15	1,750,568.85	37.18
605	VEHICLE/EQUIP REPL	860,800.00	229,198.15	631,601.85	26.63	1,492,742.00	199,845.58	1,292,896.42	13.39
610	SELF-INSURANCE	2,103,259.00	1,293,650.99	809,608.01	61.51	1,904,018.00	938,496.90	965,521.10	49.29
611	WORKERS COMP SELF-	2,392,879.00	895,462.00	1,497,417.00	37.42	-	-	-	-
615	IT SERVICES FUND	3,986,487.00	1,952,513.83	2,033,973.17	48.98	4,263,279.00	1,966,982.91	2,296,296.09	46.14
620	OTHER POST-EMP BEN	1,250,000.00	163,957.84	1,086,042.16	13.12	1,632,400.00	932,223.11	700,176.89	57.11
650	WASTEWATER	29,197,412.00	9,987,163.73	19,210,248.27	34.21	32,654,952.00	10,102,498.80	22,552,453.20	30.94

## CITY OF EL CAJON FIVE-YEAR BUSINESS PLAN FISCAL YEAR 2020-21 UPDATE

The Five-Year Business Plan is used to evaluate and update revenue and expenditure assumptions for the General Fund and other funds based on current economic conditions. Long-range forecasting can reveal imbalances not apparent today, providing time to take corrective action in a proactive way. Accordingly, financial planning is central to how the City is governed and managed. This long-range financial forecast is not intended as a budget, but as a decision-making tool.

The purpose of the plan is to assist City staff in making better business decisions by assessing mid-term and long-term financial implications of current economic conditions and proposed obligations, policies, programs, and assumptions. As such, the Five-Year Business Plan is an important tool in preparation of the upcoming budget. The plan represents the opportunity to take a broad view of the City's operating finances before considering the details of the Annual Budget.

### **Economic Outlook**

The economic outlook for the county, state, and nation are taken into consideration when updating the Five-Year Business Plan. The economy continued to grow in 2019, but has experienced significant uncertainty so far in 2020.

In a March 15, 2020 press release, the Federal Open Market Committee made the following comments.

The coronavirus outbreak has harmed communities and disrupted economic activity in many countries, including the United States. Global financial conditions have also been significantly affected. Available economic data show that the U.S. economy came into this challenging period on a strong footing. Information received since the Federal Open Market Committee met in January indicates that the labor market remained strong through February and economic activity rose at a moderate rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low. Although household spending rose at a moderate pace, business fixed investment and exports remained weak. More recently, the energy sector has come under stress. On a 12-month basis, overall inflation for items other than food and energy are running below 2 percent. Market-based measures of inflation compensation have declined; survey-based measures of longer-term inflation expectations are little changed.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The effects of the coronavirus will weigh on economic activity in the near term and pose risks to the economic outlook. In light of these developments, the Committee decided to lower the target range for the federal funds rate to 0 to ¼ percent. The Committee expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.

UCLA Anderson Forecast economist David Shulman stated in a March 2020 report titled Coronavirus: Supply Shock and Demand Shock "The realization that the coronavirus

known as COVID-19 has the potential to wreak havoc with the global economy hit the securities markets like a shockwave in the last week of February.” He continued with the following comments.

As a result, we are assuming a two quarter hit to real GDP growth in the second and third quarters of this year with very modest increases of 1.3% and 0.6% respectively compared to the 2% plus growth we previously forecast. That would put 2020 growth on a fourth-quarter to fourth-quarter basis to a low 1.5%. You can view our forecast as the midpoint between the coronavirus having a minimal effect to it causing a full-blown recession.

It is clear to most observers that significant events impacting the economy are occurring. While there seems to be few pundits signaling optimism at this time, most seem guarded to pessimistic. With events unfolding as rapidly as they are, and with little economic data available this early, it is certainly a time to exercise caution. The City will monitor events closely, and continue to make sound decisions based on data, rather than speculation.

### **Employee Retirement – CalPERS**

The City is a member of the California Public Employees’ Retirement System (CalPERS). All City employees who work at least 1,000 hours per fiscal year are eligible to participate in CalPERS. Participants in the plan vest after five years of employment.

Over the past few years the CalPERS Board approved significant changes to actuarial policies and assumptions to enhance the long-term stability of the fund. As a result of these changes, along with investment performance, employer retirement contribution rates have increased, and are expected to continue to grow. The largest portion of this rate increase is attributed to the unfunded liability of the miscellaneous and safety plans. The following table shows the actual employer contributions over a five-year period.

#### **CALPERS EMPLOYER CONTRIBUTION RATES**

<b>Miscellaneous Members</b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>FY 2019-20</u></b>
Normal Cost	10.012%	10.575%	10.512%	11.002%	12.044%
Unfunded Rate	<u>23.749%</u>	<u>27.185%</u>	<u>30.285%</u>	<u>35.200%</u>	<u>40.974%</u>
<b>Total Miscellaneous Rate</b>	<b><u>33.761%</u></b>	<b><u>37.760%</u></b>	<b><u>40.797%</u></b>	<b><u>46.202%</u></b>	<b><u>53.018%</u></b>
<b>Safety Members</b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>FY 2019-20</u></b>
Normal Cost	18.188%	18.933%	18.687%	19.627%	20.445%
Unfunded Rate	<u>29.271%</u>	<u>30.878%</u>	<u>39.038%</u>	<u>44.000%</u>	<u>47.295%</u>
<b>Total Safety Rate</b>	<b><u>47.459%</u></b>	<b><u>49.811%</u></b>	<b><u>57.725%</u></b>	<b><u>63.627%</u></b>	<b><u>67.740%</u></b>

\*The rates stated above are employer rates only; employee rates apply in addition to the above rates.

As of the most recent actuarial valuation date, June 30, 2018, the City’s combined plans cover 1,608 current and former employees, of which 797 are retired. Safety plan retirees receive an average annual benefit of \$56,968, while miscellaneous plan members receive an average annual benefit of \$25,671. The combined unfunded retirement liability was \$204.1 million, and the combined plans were funded to 63.8%.

CalPERS has significantly underperformed (on average) its annual investment goal over the past several years. The result of these poor returns has been an annual underfunding of most CalPERS plans by greatly reducing the plans' primary funding mechanism: investment returns. After several years of underperformance, the unfunded retirement liability and contribution rate have grown, and the plans' funded status have shrunk.

Presented below are projected employer contributions rates.

**CALPERS PROJECTED TOTAL EMPLOYER CONTRIBUTION RATES**

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>
<b>Miscellaneous Plan</b>	55.6%	58.5%	60.7%	61.6%	52.4%
<b>Safety Plan</b>	75.5%	79.7%	82.8%	84.2%	85.5%

\*The rates stated above are employer rates only; employee rates apply in addition to the above rates.

In Fiscal Year 2019-20, total citywide CalPERS employer contributions for both plans is expected to total \$19.2 million. The following table details projected CalPERS employer combined safety and miscellaneous plan contributions.

**CALPERS PROJECTED TOTAL EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year</u>	<u>Projected Contributions</u>
<b>FY 2020-21</b>	<b>21,111,727</b>
<b>FY 2021-22</b>	<b>22,900,516</b>
<b>FY 2022-23</b>	<b>24,471,023</b>
<b>FY 2023-24</b>	<b>25,606,602</b>
<b>FY 2024-25</b>	<b>24,919,953</b>

CalPERS employer contributions, and the City's unfunded pension liability, continue to represent one of the most significant challenges for the foreseeable future. Pension cost increases will result in millions of dollars in additional costs for the City each year, which will significantly offset anticipated revenue growth.

**Assumptions Utilized in the Five-Year Business Plan**

The Five-Year Business Plan is based on the following assumptions regarding the future.

**General Fund Revenue Assumptions**

1. Revenue projections are based on anticipated Fiscal Year 2019-20 revenues as determined by mid-year analysis, as well as the most recent data available.
2. Sales tax revenue projections are based on estimates provided by the City's sales tax consultant/analyst.
3. Property tax revenues are projected to grow by 4.0% annually.

- 4. Franchise fees from SDG&E, Waste Management, Cox Communication, and AT&T are projected to increase 2.0% annually.
- 5. Ongoing residual revenue distribution resulting from the dissolution of the redevelopment agency, net of expenses, is conservatively projected based on experience.
- 6. Assumes most other revenues to grow 2.0% annually.
- 7. Anticipates no revenue reductions to aid in balancing the State’s budget.

**General Fund Expenditure Assumptions**

- 1. Salary and wages are projected using negotiated rates where available, and assumes 2.0% growth where applicable.
- 2. Pension related costs are projected based on information provided by CalPERS as part of the actuarial valuations.
- 3. Assumes no new General Fund funding of the City’s capital improvement program.
- 4. Materials and Supplies expenditure growth is projected at 2.0% annually.

**Projection Limitations**

Projections are designed to anticipate future performance based on past results, but unforeseen events can dramatically impact anticipated results. Projections should therefore be used as a planning tool and to identify structural flaws. The mitigation of these unforeseen events takes place during the annual budget process and the daily operation of the organization.

**General Fund Projection Results**

Once the assumptions identified above are taken into account, and weighed alongside objective information, a picture of anticipated results emerges. The overall conclusion is that revenue growth is anticipated to be slow, and offset by expenditure growth primarily in pension and salary costs. The impact of unforeseen events may have much bigger impacts than what is anticipated here. The information presented below indicates the starting point from which adjustments can be made during the annual budget process to ensure balanced budgets going forward.

**Summary of Projected General Fund Activity**

<b>Fiscal Year</b>	<b>Projected Inflows</b>	<b>Projected Outflows</b>	<b>Change in Fund Balance</b>
FY 2019-20	77,446,284	77,805,965	(359,681)
FY 2020-21	79,214,576	80,652,783	(1,438,207)
FY 2021-22	81,254,097	84,306,393	(3,052,296)
FY 2022-23	83,306,109	87,812,684	(4,506,575)
FY 2023-24	85,373,008	90,977,005	(5,603,997)
FY 2024-25	87,482,818	92,263,849	(4,781,031)

## **Fund Balance**

City Council Policy B-12, Fund Balance, establishes a policy that ensures the City maintains adequate fund balance and reserves to provide sufficient cash flow for daily needs, secure and maintain investment grade bond ratings, offset significant economic downturns and revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.

In accordance with the Policy, the General Fund, Fund Balance is currently segregated into an operating reserve, an economic uncertainty reserve, an unfunded pension obligation reserve, and a carryover reserve. The purpose for each of these reserves is discussed more fully below.

Operating Reserve – The Operating Reserve is recomputed annually at 20% of expenditures and is maintained each year. The Operating Reserve serves the following essential purposes:

1. Provides cash flow to avoid borrowing (tax and revenue anticipation notes) during low cash periods (typically the first six-months of the fiscal year).
2. Provides interest-earning revenues to benefit the General Fund.
3. Serves as the single most important practice evaluated by credit rating agencies when rating a municipality.
4. Protects the City from unforeseeable circumstances such as:
  - Unexpected costs resulting from a national or local disaster.
  - A sudden worsening in the economy.
  - Unanticipated external factors, such as litigation or negative actions of other governments.

Economic Uncertainty Reserve – This reserve is established for the purpose of stabilizing delivery of City services during periods of structural budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures.

Unfunded Retirement Obligation Reserve - This reserve was established to address the increasing unfunded liability and higher employer contribution rates. CalPERS conducts periodic evaluations of the actuarial assumptions and, after due consideration by its Board, modifies the assumptions based on actual experience.

Carryover Reserve – The Carryover Reserve is available for the following purposes, and, without mitigation, is expected to be significantly reduced over the course of the Five-Year Business Plan:

1. Allocating additional contributions to vehicle/equipment replacement, information technology replacement, and capital improvement projects for long-term fiscal sustainability.
2. Stabilizing delivery of City services during periods of operational budget deficits.

3. Mitigating the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures.

Based on projections, and without mitigation, the table below summarizes the impact on fund balance of anticipated activity over the next five years.

GENERAL FUND	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Projected Total Ending Fund Balance	\$48,248,556	\$46,810,349	\$43,758,052	\$39,251,478	\$33,647,480	\$28,866,449

### **Guidelines for Fiscal Year 2020-21 Budget Development**

Personnel changes (additions and/or reclassifications), if needed, must be offset by cost reductions or revenue enhancements.

Overtime must be limited to only covering vacancies and other staffing shortfalls.

Contain material, supplies, and services growth allowing for only inflation/cost increases where applicable.

Non-General Fund resources should be utilized as a first priority for capital needs.



# CITY OF EL CAJON ADDENDUM TO MID-YEAR REPORT / FIVE-YEAR BUSINESS PLAN

Significant events related to the Covid19 Virus were unfolding at the time of producing the Mid-Year Report and Five-Year Business Plan update. Due to the rapidly changing environment and the uncertainty of impacts, it was not possible to include this as a factor in projected results. As the City moves further along in the preparation of the Fiscal Year 2020-21 Annual Budget, we hope to have enough quality information available to make informed decisions.

However, in order to demonstrate the effects of revenue shortfalls on the General Fund’s operating budget and fund balance two scenarios are presented here. This addendum is in no way a suggestion of what may occur, but simply two hypothetical scenarios to facilitate informed awareness.

### Scenario #1

In this scenario, revenues projected as part of the Five-Year Business Plan are modified from “normal” conditions. For this analysis, projected total revenues for the current fiscal year (FY2019-20) are reduced by 2.0%, and that amount was reduced by another 2.0% in Fiscal Year 2020-21. In subsequent year, growth is assumed to return to the same rates as the “normal” projection, although applied to the totals in this projection. A summary of the impacts of these assumptions is summarized below.

### Summary of Projected General Fund Activity

Fiscal Year	Projected Inflows	Projected Outflows	Change in Fund Balance
FY 2019-20	75,897,358	77,805,965	(1,908,607)
FY 2020-21	74,379,411	80,652,783	(6,273,372)
FY 2021-22	76,294,442	84,306,393	(8,011,951)
FY 2022-23	78,221,202	87,812,684	(9,591,482)
FY 2023-24	80,161,939	90,977,005	(10,815,066)
FY 2024-25	82,142,970	92,263,849	(10,120,879)

Based on this projection, and without mitigation, the table below summarizes the hypothetical impact on fund balance of this scenario over the next five years.

GENERAL FUND	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Projected Total Ending Fund Balance	\$46,699,630	\$40,426,258	\$32,414,307	\$22,822,825	\$12,007,759	\$1,886,880

**Scenario #2**

In this scenario, revenues projected as part of the Five-Year Business Plan are modified from “normal” conditions. For this analysis, projected total revenues for the current fiscal year (FY2019-20) are reduced by 2.0%, and that amount was reduced by 5.0% in Fiscal Year 2020-21. In subsequent year, growth is assumed to return to the same rates as the “normal” projection, although applied to the totals in this projection. A summary of the impacts of these assumptions is summarized below.

**Summary of Projected General Fund Activity**

<b>Fiscal Year</b>	<b>Projected Inflows</b>	<b>Projected Outflows</b>	<b>Change in Fund Balance</b>
FY 2019-20	75,897,358	77,805,965	(1,908,607)
FY 2020-21	72,102,490	80,652,783	(8,550,293)
FY 2021-22	73,958,898	84,306,393	(10,347,495)
FY 2022-23	75,826,675	87,812,684	(11,986,009)
FY 2023-24	77,708,002	90,977,005	(13,269,003)
FY 2024-25	79,628,389	92,263,849	(12,635,460)

Based on this projection, and without mitigation, the table below summarizes the hypothetical impact on fund balance of this scenario over the next five years.

<b>GENERAL FUND</b>	<b>FY2019-20</b>	<b>FY2020-21</b>	<b>FY2021-22</b>	<b>FY2022-23</b>	<b>FY2023-24</b>	<b>FY2024-25</b>
Projected Total Ending Fund Balance	\$46,699,630	\$38,149,337	\$27,801,842	\$15,815,833	\$2,546,830	\$-10,088,630



City Council  
Agenda Report

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Clay Schoen, Director of Finance  
**SUBJECT:** Pension Obligation Bonds Validation Process

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**RECOMMENDATION:**

That the City Council:

1. Authorizes the sale of Pension Obligation Bonds (POBs), to refund CalPERS Unfunded Accrued Liability (UAL) in an amount not-to-exceed \$205 million;
2. Authorizes Stradling, Yocca, Carlson & Rauth to file and manage the Validation Proceedings, with the San Diego County Superior Court, related to the issuance of such POBs; and
3. Adopts the next Resolution, in order, Good Faith Estimate, and approves as to form, the attached Trust Agreement and Bond Purchase Agreement.

**BACKGROUND:**

The City's unfunded accrued liabilities ("UAL") with the California Public Employees' Retirement System ("CalPERS") total \$204 million as of the most recent actuarial valuation. The UAL represents the difference between the value of pension benefits earned by current and retired employees and the market value of assets held with CalPERS. The City is required to make fixed dollar payments toward its UAL, which effectively constitute 7.0% annual loan payments. The annual UAL payments are expected to increase over the next 12 years, from \$15 million in the current fiscal year and peaking at \$21 million in 2031.

In addition, the City is required to make annual payments for benefits earned by current employees in the current year. These Normal Cost payments are based on a percentage of payroll, which are equal to approximately \$4.7 million for Fiscal Year 2020-21.

On January 14, 2020, the City Council approved a contract with Urban Futures, Inc. ("UFI") to provide pension advisory services to assist the City with developing recommendations to address the City's rising pension costs. UFI presented solutions for addressing unfunded pension liabilities. The City is considering and evaluating all available options. However, POBs provide a compelling option because they do not require the City to allocate its limited resources (i.e., reserves or annual revenues) to reduce its UAL payments.

On February 25, 2020, the City Council provided staff with directions to proceed on the following items:

1. Direct staff to commence Judicial Validation Proceedings in order to obtain authority to issue Pension Obligation Bonds;
2. Direct the City Manager to hire Stradling, Yocca, Carlson & Rauth under a professional services agreement to file the judicial validation proceedings;
3. Establish a 115 Trust with Public Agency Retirement Services (PARS) to pre-fund retiree obligations and serve as a pension stabilization fund;
4. Draft Pension Funding Policies to document a long-term financing plan to address unfunded retirement costs.

Given that a judicial validation proceeding takes 90 to 120 days and is required in order to issue POBs, we have commenced with this step first. We anticipate returning to City Council for approval of other pension-related items during the validation waiting period.

### Validation Proceedings

The California Constitution requires cities to obtain a two-third approval of the electorate in order to issue debt obligations payable from general fund revenues of the entity in future years. However, an exception exists to finance or refinance “obligations imposed by law.” The City’s obligation to fund its UAL under its CalPERS contract is an obligation imposed by law. In order to issue bonds, the City must first obtain a formal judgment declaring that the City’s obligations to CalPERS is an obligation imposed by law and as such, may be refunded. These judicial proceedings are largely an administrative matter, which is usually handled by bond counsel (Stadling, Yocca, Carlson & Rauth).

By simply entering the process, the City is not committed to issuing POBs; rather, it will provide the legal authority to issue POBs sometime in the future – similar to a “building permit.”

The validation proceedings require a sequential process, which can take approximately 90 days or more in San Diego County.

The process and estimated timeline are outlined below:

1. City Council passes a resolution authorizing the sale of POBs
2. File Validation Action with San Diego County Superior Court
3. Receive Order for Publication of Summons from the Court - 1-2 weeks
4. Publication in Local Periodical of General Circulation for 21 consecutive days
5. Waiting period to file petition – minimum of 10 days, typically 2-3 weeks
6. Clerk enters hearing for a default judgement, schedules a hearing - 15 days
7. Hearing for default judgement
8. 30-day Appeal Period

## Approval of Documents

The first step required in the issuance of the Bonds is to adopt a resolution authorizing the issuance of the Bonds, approving various documents, and the filing of a judicial validation action. The bonds will be sold by the City to one or more investment banks as underwriters of the Bonds, pursuant to a Bond Purchase Agreement in substantially the form submitted to the City Council. Adoption of the Resolution authorizes City staff to select one or more Underwriters for the Bonds. Upon the pricing of the Bonds, the Bond Purchase Agreement will be finalized to reflect the terms and conditions upon which the Bonds will be sold. The Bonds will be issued pursuant to a Trust Agreement to be entered into between the City and a trustee to be selected by Staff, in substantially the form submitted to the City Council. The Trust Agreement will be finalized following the pricing of the bonds and execution of the Bond Purchase Agreement, to reflect the final terms of the bonds. In accordance with California Government Code Section 5852.1, good faith estimates with respect to the bonds are also attached to this report.

An underwriting firm, who will help the City sell the POBs, will be selected via competitive RFP process during the 90-day validation filing period.

Bonds can be sold after the 30-day Appeal Period has ended. City staff must return to the City Council to obtain approval to issue the bonds – at this point the final term, structure, and amount will be determined.

### FISCAL IMPACT:

Fees for legal services performed by Stradling, Yocca, Carlson & Rauth are not-to-exceed \$25,000, plus court filing fees and publication fees (additional \$3,000 to \$5,000). These are proposed fees, which anticipate that we do not receive a response to our validation action in court. These fees must be paid regardless of whether the City issues pension bonds. Sufficient funds are available in the Fiscal Year 2019-20 City Manager (110000) Annual Budget.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

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### Attachments

Attachment A- Resolution

Attachment B - Trust Agreement

Attachment C - Bond Purchase Agreement

Attachment D- Good Faith Estimate

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RESOLUTION NO. \_\_-20

RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF EL CAJON AUTHORIZING THE ISSUANCE OF BONDS  
TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY,  
APPROVING THE FORM AND AUTHORIZING THE EXECUTION  
OF A TRUST AGREEMENT AND PURCHASE CONTRACT,  
AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS  
RELATING TO THE ISSUANCE OF SUCH BONDS AND  
APPROVING ADDITIONAL ACTIONS RELATED THERETO

WHEREAS, the City of El Cajon (the "City") has previously adopted a retirement plan pursuant to the Public Employees' Retirement Law, commencing with section 20000 of the Government Code of the State of California, as amended (the "Retirement Law") and elected to become a contracting member of the California Public Employees' Retirement System ("PERS"); and

WHEREAS, the Retirement Law and the contract (the "PERS Contract") effective July 1, 1948, between the Board of Administration of PERS and the City Council of the City (the "City Council") obligate the City to (i) make contributions to PERS to fund pension benefits for certain City employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes; and

WHEREAS, the City desires to authorize the issuance of its City of El Cajon 2020 Taxable Pension Obligation Bonds (the "Bonds") pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the "Bond Law"), in a maximum principal amount not to exceed that required for the purpose of refunding all or a portion of the City's current obligation to PERS for fiscal year 2020-21, pursuant to the PERS Contract, to pay all or a portion of the unfunded accrued actuarial liability of the City (the "Unfunded Liability") with respect to pension benefits under the Public Employees' Retirement Law and the PERS Contract, to pay capitalized interest on the Bonds and to pay the costs of issuance of such Bonds, including the underwriter's discount and any original issue discount on such Bonds; and

WHEREAS, the City expects that the need may arise in the future to issue additional refunding bonds (the "Additional Bonds") pursuant to the Bond Law to amortize the accrued and Unfunded Liability of the City to PERS as required by the Retirement Law and the PERS Contract and to fund all or a portion of the normal contributions required by the PERS Contract; and

WHEREAS, the Bonds will be issued under and secured by a Trust Agreement (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Trust Agreement") by and between the City and a trustee to be selected by the City (the "Trustee"); and

WHEREAS, the City has determined the advisability of filing an action to determine the validity of the Bonds, the Additional Bonds and the Trust Agreement, and the actions proposed to be taken in connection therewith; and

WHEREAS, in compliance with SB 450, the City has obtained from its Municipal Advisor the required good faith estimates and such estimates are disclosed and set forth in an attachment to the staff report submitted herewith; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The City Council does hereby find and declare that the above recitals are true and correct.

2. The issuance of the Bonds on the terms and conditions set forth in, and subject to the limitations specified in, the Trust Agreement, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form and shall have terms as provided in the Trust Agreement, as the same shall be completed in accordance with this Resolution. The title of the Bonds may be changed to reflect the year in which the Bonds are issued, and to reflect the appropriate series designation, as directed by the City Manager of the City.

3. The Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Mayor of the City, or the Mayor Pro Tempore of the City, the City Manager of the City, the Assistant City Manager of the City, the Director of Finance of the City, and their authorized designees (the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the Trust Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer. The City Clerk of the City is hereby authorized and directed to attest the Trust Agreement for and in the name and on behalf of the City. The City Manager of the City, the Assistant City Manager of the City and the Director of Finance of the City are each hereby authorized to work with the Municipal Advisor (as identified in Section 8 hereof) to select the Trustee for the Bonds.

4. The City hereby authorizes and approves the issuance of Additional Bonds pursuant to the Bond Law, as authorized by the Trust Agreement, from time to time, to refund all or a portion of the Unfunded Liability and the City's obligation to PERS pursuant to the PERS Contract for the then-current fiscal year, provided that the City Manager, or such person designated by the City Manager, first certifies to the Council in writing that such actions will result in cost savings to the City. The City authorizes any one of the Authorized Officers, or their designees, to execute and deliver one or more other trust agreements and/or one or more supplemental agreements supplementing or amending the Trust Agreement and providing for the issuance of Additional Bonds (each an "Additional Trust Agreement"); provided, however, that (i) each series of Additional Bonds shall be in a principal amount not to exceed the sum of the Unfunded Liability of the City to PERS under the PERS Contract and the Retirement Law remaining unpaid on the date of issuance of such Additional Bonds, the obligation to PERS for the current fiscal year pursuant to the PERS Contract, and the costs of issuing the Additional Bonds, (ii) the stated interest rate on the Additional Bonds shall not exceed the discount rate assumed by PERS with respect to the amortization of the Unfunded Liability at the time such Additional Bonds are issued, and (iii) the Additional Bonds issued pursuant to such Additional Trust Agreement shall mature not later than 30 years from the date of their issuance.

Each Unfunded Liability refunded by the Bonds and each series of Additional Bonds pursuant to the Trust Agreement and each Additional Trust Agreement constitutes an obligation imposed by law, pursuant to the Constitution and laws of the State of California and an obligation of the City not limited as to payment from any special source of funds. The Unfunded Liability refunded by the Bonds pursuant to the Trust Agreement and each series of Additional Bonds pursuant to an Additional Trust Agreement shall not, however, constitute an obligation of the City for which the City is obligated or permitted to levy or pledge any form of taxation or for which the City has levied or pledged or will levy or pledge any form of taxation.

5. The form of the Bond Purchase Agreement (the "Purchase Contract") by and among the City and an underwriter or underwriters to be selected by the City (the "Underwriter") presented to this meeting and on file with the Clerk and the sale of the Bonds to the Underwriter pursuant thereto upon the terms and conditions set forth therein is hereby approved, and subject to such approval and subject to the provisions hereof, the Authorized Officers are each hereby authorized and directed to evidence the City's acceptance of the offers made by the Purchase Contract by executing and delivering the Purchase Contract in said form with such changes therein as the Authorized Officer or Authorized Officers executing the same may approve and such matters as are authorized by this Resolution, such approval to be conclusively evidenced by the execution and delivery thereof by any one of the Authorized Officers. The City Manager of the City and the Director of the Finance of the City are each hereby authorized to work with the Municipal Advisor to select the Underwriter for the Bonds.

6. The Mayor of the City, the City Manager of the City, the Director of Finance of the City, the Treasurer of the City, and their designees, are each authorized, on behalf of the City, to establish and determine (i) the final principal amount of the Bonds, provided



the aggregate initial principal amount of the Bonds shall not be greater than the lesser of (a) \$206 million or (b) sum of the City's obligation to PERS for the remainder of fiscal year 2020-21 or 2021-22, as applicable, as evidenced by the PERS Contract, and the Unfunded Liability as calculated by PERS or other actuary selected by the Authorized Officer, together with the costs of issuing the Bonds as approved by such Authorized Officer, (ii) the final interest rates on various maturities of the Bonds, provided that the net present value savings achieved through refunding the Unfunded Liability by issuing the Bonds shall be at least 3% (or such higher amount required by the City's Debt Management Policy) of the Unfunded Liability and that the maturity date of the Bonds shall not be later than the last date through which PERS has determined for the amortization of the Unfunded Liability of the City in accordance with its current procedures; and (iii) the Underwriter's discount for the purchase of the Bonds, excluding original issue discount, which does not constitute compensation to the Underwriter, does not to exceed 0.600% of the principal amount of the Bonds. The net present value savings shall be calculated by comparing present value of the payments required to amortize the Unfunded Liability at the discount rate assumed by PERS to the present value of the principal and interest payments on the Bonds.

7. The Mayor of the City, the City Manager of the City, the Assistant City Manager of the City, the Director of Finance of the City, the Treasurer of the City, and their respective designees are hereby authorized to negotiate and execute an insurance policy and debt service reserve fund insurance policy for the Bonds (and such other agreements that may be required by the insurer in connection therewith) if it is determined that the policies will result in interest rate savings for the City, and to pay the insurance premium of such policies from the proceeds of the issuance and sale of the Bonds.

8. Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby retained to act as Bond Counsel and Disclosure Counsel to the City, and Urban Futures, Inc., is hereby retained to serve as Municipal Advisor to the City. The Authorized Officers are, and each of them is, hereby authorized to execute a contract with Stradling Yocca Carlson & Rauth in substantially the form on file with the Clerk, together with such changes as may be approved by the City Manager, the City Attorney, or their designee, which changes shall be deemed approved by the execution and delivery of such contract by the City Manager.

9. In order to determine the validity of the Bonds, the Additional Bonds, the Trust Agreement and the Additional Trust Agreements, and the actions authorized hereby to be taken in connection therewith, the City Council hereby authorizes the City Attorney, in concert with Stradling Yocca Carlson & Rauth, Bond Counsel, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds, the Additional Bonds, the Trust Agreement and the Additional Trust Agreements in the Superior Court of San Diego County, under and pursuant to the provisions of Sections 860 *et seq.* of the California Code of Civil Procedure. The City Council further authorizes the Authorized Officers and all other officers, employees and agents of the City to take any and all actions, including the execution and delivery or appropriate documentation, as may be required to conclude such judicial validation proceedings.

10. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby, including, but not limited to, the preparation of an Official Statement (and a Preliminary Official Statement) for use in connection with the offering and sale of the Bonds, the execution and delivery of a continuing disclosure undertaking and the execution and delivery of any documents required by PERS in order to complete the issuance of the Bonds and the refunding of the Unfunded Liability.

11. All actions heretofore taken by the Authorized Officers and by any other officers, employees or agents of the City with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

12. This Resolution shall take effect from and after the date of approval and adoption hereof.

04/14/20 CC Agenda

Reso – Authorizing Issuance of Pension Obligation Bonds 040820

**TRUST AGREEMENT**

**by and between**

**CITY OF EL CAJON**

**and**

\_\_\_\_\_,  
**as Trustee**

**Dated as of \_\_\_\_\_ 1, 2020**

**Relating to**

**\$ \_\_\_\_\_  
CITY OF EL CAJON  
2020 TAXABLE PENSION OBLIGATION BONDS**

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## TRUST AGREEMENT

This **TRUST AGREEMENT** is dated as of \_\_\_\_\_ 1, 2020, and is made by and between the **CITY OF EL CAJON**, a charter city and municipal corporation duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California and its charter (the “**City**”), and \_\_\_\_\_, a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”).

### *RECITALS*

**WHEREAS**, the City is a member of the California Public Employees’ Retirement System (“**PERS**”) and, as such, is obligated by the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “**Retirement Law**”), and the contract between the Board of Administration of PERS and the City Council of the City, effective July 1, 1948 (as amended, the “**PERS Contract**”), to make contributions to PERS to (a) fund pension benefits for its employees who are members of PERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b); and

**WHEREAS**, the City is authorized pursuant to Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”) to issue bonds for the purpose of refunding certain obligations of the City, including the obligations set forth in the PERS Contract; and

**WHEREAS**, for the purpose of refunding the City’s unamortized, unfunded accrued actuarial liability with respect to pension benefits under the Retirement Law (the “**Unfunded Liability**”), and to pay the costs of issuance, including underwriter’s discount and any original issue discount, the City has determined to issue its \$\_\_\_\_\_ City of El Cajon 2020 Taxable Pension Obligation Bonds (the “**Bonds**”), all pursuant to and secured by this Trust Agreement providing for the issuance of the Bonds, all in the manner provided herein;

**NOW THEREFORE**, the City and the Trustee agree as follows, each for the benefit of the other and the benefit of holders of the Bonds (as defined below) issued in accordance with this Trust Agreement.

### ARTICLE I

#### DEFINITIONS; INTERPRETATION

**Section 1.01 Certain Defined Terms.** The terms defined in this Article I shall, for all purposes of this Trust Agreement, have the meanings specified unless the context clearly requires otherwise.

“**Account**” means any account established pursuant to this Trust Agreement.

“**Additional Bonds**” means bonds issued in accordance with Section 2.06 hereof.

“**Annual Debt Service**” means, for any Bond Year, the sum of the aggregate amount of principal required to be paid on Bonds during such Bond Year either at maturity or pursuant to a

mandatory sinking fund payment and the interest due on the Bonds on each Interest Payment Date during such Bond Year.

**“Authorized City Representative”** means the City Manager, the Assistant City Manager, the Director of Finance, or any officer authorized to act on their respective behalves.

**“Authorized Denominations”** means \$5,000 and any integral multiple thereof (except that while Bonds are registered in book-entry form, they may be held in amounts other than an integral multiple so long as the amount exceeds \$5,000).

**“Beneficial Owner”** means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant or such person’s subrogee.

**“Bond”** or **“Bonds”** means the bonds issued under this Trust Agreement and designated as “City of El Cajon 2020 Taxable Pension Obligation Bonds.”

**“Bond Counsel”** means (a) Stradling Yocca Carlson & Rauth, a Professional Corporation, or (b) a firm of attorneys nationally recognized as experts in the area of municipal finance who are familiar with the transactions contemplated under this Trust Agreement and acceptable to the City.

**“Bond Interest Account”** means the Account of that name established within the Revenue Fund pursuant to Section 6.02(a) hereof.

**“Bond Principal Account”** means the Account of that name established within the Revenue Fund pursuant to Section 6.02(a) hereof.

**“Bond Year”** means the twelve-month period commencing on each June 2 and ending on the next succeeding July 1, except that the first Bond Year shall commence on the Closing Date and end on [July 1, 2020].

**“Book-Entry Bonds”** means the Bonds held by DTC (or its nominee) as the registered owner thereof pursuant to the terms and provisions of Section 3.03 hereof.

**“Business Day”** means a day (a) other than a day on which banks located in the City of New York, New York or the cities in which the respective principal offices of the Trustee or any Paying Agent are located, are required or authorized by law or executive order to close, and (b) on which the New York Stock Exchange is open.

**“Closing Date”** means \_\_\_\_\_, 2020.

**“Consultant”** means the accountant, attorney, consultant, municipal finance consultant or investment banker, or firm thereof, retained by the City to perform acts and carry out the duties provided for such Consultant in this Trust Agreement. Such accountant, attorney, consultant, municipal finance consultant or investment banker, or firm thereof, shall be nationally recognized within its profession for work of the character required.

**“Continuing Disclosure Certificate”** means that certain Continuing Disclosure Certificate executed and delivered by the City and acknowledged and accepted by the dissemination agent listed



therein, dated \_\_\_\_\_ 1, 2020, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Costs of Issuance”** means all costs and expenses incurred by the City in connection with the issuance of the Bonds and the refunding of the Unfunded Liability, including, but not limited to, out-of-pocket expenses of the City, costs and expenses of printing and copying documents and the Bonds and the fees, costs and expenses of Rating Agencies, credit providers or enhancers, the Trustee, counsel to the Trustee, Bond Counsel, the verification agent, accountants, municipal finance consultant, disclosure counsel and other consultants and the premium for any municipal bond insurance and surety bond insurance.

**“Defeasance Securities”** means any of the following: (a) non-callable direct obligations of the United States of America (“Treasuries”), (b) evidence of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, and (c) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively (or any combination thereof), which shall be authorized to be used to effect defeasance of the Bonds.

**“DTC”** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

**“Event of Default”** means any occurrence or event specified in Section 11.01 hereof.

**“Fiduciary or Fiduciaries”** means the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

**“Fiscal Year”** means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other period as the City designates as its fiscal year.

**“Fund”** means any fund established pursuant to this Trust Agreement.

**“Holder,”** or **“Bondholder,”** **“owner”** or **“registered owner”** means the registered owner of any Bonds, including DTC or its nominee as the sole registered owner of Book-Entry Bonds.

**“Information Services”** means any one or more of the national information services that Trustee determines are in the business of disseminating notices of redemption of obligations such as the Bonds.

**“Interest Payment Date”** means July 1 and January 1 of each year commencing \_\_\_\_\_ 1, [2020].

**“Mail”** means by first-class United States mail, postage prepaid.

**“Moody’s”** means Moody’s Investors Service, Inc., New York, New York, and its successors, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

**“Opinion of Bond Counsel”** means a written opinion of Bond Counsel.

**“Outstanding,”** with respect to the Bonds, means all Bonds which have been authenticated and delivered under this Trust Agreement, except:

(a) Bonds canceled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby.

(b) Bonds deemed to be paid in accordance with Section 10.02 hereof.

(c) Bonds in lieu of which other Bonds have been authenticated under Sections 3.02 and 3.04 hereof.

(d) Bonds that have become due (at maturity, on redemption, or otherwise) and for the payment of which sufficient moneys, including interest accreted or accrued to the due date, are held by the Trustee or a Paying Agent.

(e) For purposes of any consent or other action to be taken by the Holders of a specified percentage of Bonds Outstanding under this Trust Agreement, Bonds held by or for the account of the City or by any person controlling, controlled by or under common control with the City, unless such Bonds are pledged to secure a debt to an unrelated party, in which case such Bonds shall, for purposes of consents and other Bondholder action, be deemed to be Outstanding and owned by the party to which such Bonds are pledged. Nothing herein shall be deemed to prevent the City from purchasing Bonds from any party out of any funds available to the City.

**“Participant”** means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

**“Paying Agent”** means any paying agent for the Bonds, or successor thereto, appointed by the City pursuant to Sections 7.01 or 7.02 hereof, and any successor appointed pursuant to Section 7.04 hereof.

**“Permitted Investments”** means the following:

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America (“U.S. Government Securities”).

(2) Direct obligations\* of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

a. Export-Import Bank of the United States – Direct obligations and fully guaranteed certificates of beneficial interest

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\* The following are explicitly excluded from the securities enumerated in 2 and 3:

- (i) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (ii) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (iii) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and

- b. Federal Housing Administration – debentures
- c. General Services Administration – participation certificates
- d. Government National Mortgage Association (“GNMAs”) – guaranteed mortgage-backed securities and guaranteed participation certificates
- e. Small Business Administration – guaranteed participation certificates and guaranteed pool certificates
- f. U.S. Department of Housing & Urban Development – local authority bonds
- g. U.S. Maritime Administration – guaranteed Title XI financings
- h. Washington Metropolitan Area Transit Authority – guaranteed transit bonds

(3) Direct obligations\* of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

- a. Federal National Mortgage Association (“FNMA”) – senior debt obligations rated Aaa by Moody’s Investors Service (“Moody’s”) and AAA by Standard & Poor’s Ratings Services (“S&P”)
- b. Federal Home Loan Mortgage Corporation (“FHLMCs”) – participation certificates and senior debt obligations rated Aaa by Moody’s and AAA by S&P
- c. Federal Home Loan Banks – consolidated debt obligations
- d. Student Loan Marketing Association – debt obligations
- e. Resolution Funding Corporation – debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P.

(5) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody’s and A-1 or better by S&P.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation (“FDIC”), including the Bank Insurance Fund and the Savings Association Insurance Fund, and including funds for which the Trustee or its affiliates provide investment advisory or other management services.

(7) Certificates of deposit, deposit accounts, federal funds or bankers’ acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank, provided that such bank’s short-term certificates of deposit are rated P-1 by Moody’s and A-1 or better by S&P (not considering holding company ratings).

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(iv) Collateralized Mortgage-Backed Obligations (“CMOs”).

(8) Investments in money-market funds rated AAAm or AAAm-G by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services.

(9) Repurchase agreements that meet the following criteria:

- a. A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.
- b. Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies rated Aaa by Moody's and AAA by S&P.
- c. The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn or fall below A3 or P-1 from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.
- d. The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA or FHLMC described in 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMA's, FNMA's or FHLMC's. The repurchase agreement shall require (i) the Trustee or the Agent to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) business days of such valuation.
- e. The repurchase securities shall be delivered free and clear of any lien to the Trustee or to an independent third party acting solely as agent ("Agent") for the Trustee, and such Agent is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits or, if appropriate, a net worth, of not less than \$50 million, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.

- f. A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the issuer and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.
- g. The repurchase agreement shall have a term of one year or less, or shall be due on demand.
- h. The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities:
  - (i) insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;
  - (ii) failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under item 9(d) above; or
  - (iii) failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(10) Investment agreements, collateralized at 102%, (also referred to as guaranteed investment contracts) that meet the following criteria:

- a. A master agreement or specific investment agreement governs the transaction.
- b. Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (iii) domestic structured investment companies rated Aaa by Moody's and AAA by S&P.
- c. Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an unsecured, unsecured and unguaranteed rating of A1 or better by Moody's and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least A1 by Moody's and A+ by S&P; (iii) domestic insurance companies rated at least A1 by Moody's and A+ by S&P; and (iv) domestic structured investment companies rated Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in 10(f) below.
- d. The investment agreement shall provide that if the provider's ratings fall below Aa3 by Moody's or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and

interest on the investment; or (ii) deliver Permitted Collateral as provided below.

- e. The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty to the City.
- f. The investment agreement shall provide for the delivery of collateral described in (i) or (ii) below ("Permitted Collateral") which shall be maintained at the following collateralization levels at each valuation date:
  - (i) U.S. Government Securities at 104% of principal plus accrued interest; or
  - (ii) Obligations of GNMA, FNMA or FHLMC (described in 2(d), 3(a) and 3(b) above) at 105% of principal and accrued interest.
- g. The investment agreement shall require the Trustee to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:
  - (i) the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal or Reuters;
  - (ii) valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or
  - (iii) the lower of two bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.
- h. Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account and registered in the name of the Trustee or the Agent.
- i. The provider shall grant the Trustee a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under 10(f) above, the Trustee shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

- j. The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee or other penalty, upon not more than two (2) business days' notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:
- (i) In the event of a deficiency in the debt service account;
  - (ii) Upon acceleration after an event of default;
  - (iii) Upon refunding of the Bonds in whole or in part;
  - (iv) Reduction of any debt service reserve requirement for the Bonds; or
  - (v) If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the City's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Bonds and to make deposits to any debt service reserve fund established for the Bonds.

- (k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities:
- (i) Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times or in the amounts described above;
  - (ii) Insolvency of the provider or the guarantor (if any) under the investment agreement;
  - (iii) Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;
  - (iv) Failure by the provider to make a payment or observe any covenant under the agreement;
  - (v) The guaranty (if any) is terminated, repudiated or challenged; or
  - (vi) Any representation of warranty furnished to the Trustee or the issuer in connection with the agreement is false or misleading.

- (l) The investment agreement must incorporate the following general criteria:
- (i) "Cure periods" for payment default shall not exceed two (2) business days;

- (ii) The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee;
- (iii) Neither the agreement nor guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines);
- (iv) If the investment agreement is for a debt service reserve fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate.
- (v) The provider shall be required to immediately notify the Trustee of any event of default or any suspension, withdrawal or downgrade of the provider's ratings; and
- (vi) The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim.

(11) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

- (a) A specific written investment agreement governs the transaction.
- (b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; and (iii) domestic structured investment companies rated Aaa by Moody's and AAA by S&P.
- (c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider's ratings are suspended, withdrawn or fall below A3 or P-1 from Moody's or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.
- (d) Permitted securities shall include the investments listed in 1, 2 and 3 above.
- (e) The forward delivery agreement shall include the following provisions:
  - (i) The permitted securities must mature at least one (1) business day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or



exceed the amount required to be in the applicable fund on the applicable valuation date.

- (ii) The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.
- (iii) Any breakage fees shall be payable only on debt service payment dates and shall be subordinated to the payment of debt service and debt service reserve fund replenishments.
- (iv) The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency or receivership of the provider, the securities will not be considered to be a part of the provider's estate.
- (v) The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines).

(12) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the City or the Trustee to put the securities back to the provider under a put, guaranty or other hedging arrangement.

(13) Maturity of investments shall be governed by the following:

- a. Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.
- b. Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.
- c. Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five years or less.

(14) Any other investment which the City is permitted by law to make, including without limitation investment in the Local Agency Investment Fund of the State of California (LAIF), provided that any investment of the type authorized pursuant to paragraphs (d), (f), (h) and (i) of section 53601 of the California Government Code are additionally restricted as provided in the appropriate paragraph or paragraphs above applicable to such type of investment and provided further that investments authorized pursuant to paragraphs (k) and (m) of section 53601 are not permitted.

To the extent that any of the requirements concerning Permitted Investments embodies a legal conclusion, the Trustee shall be entitled to conclusively rely upon a certificate from the appropriate party or an opinion from counsel to such party, that such requirement has been met.

**"PERS"** means the California Public Employees' Retirement System.

**"PERS Contract"** has the meaning assigned that term in the Recitals to this Trust Agreement.

**“Principal Office of the Trustee”** means the office of the Trustee at the address set forth in Section 14.06 of this Trust Agreement, provided for transfer, exchange, registration, surrender and payment of Bonds means care of the corporate trust office of \_\_\_\_\_ in \_\_\_\_\_, \_\_\_\_\_ or such other office designated by the Trustee.

**“Rating Agencies”** means Moody's and S&P.

**“Rating Category”** means (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**“Record Date”** means the fifteenth day of each calendar month preceding any Interest Payment Date, regardless of whether such day is a Business Day.

**“Redemption Fund”** means the Fund of that name established pursuant to Section 6.03 hereof.

**“Refunding Law”** has the meaning assigned that term in the Recitals to this Trust Agreement.

**“Registrar”** means, for purposes of this Trust Agreement, the Trustee or its successor or assignee.

**“Representation Letter”** means the Letter of Representations from the City and the Trustee to DTC with respect to the Bonds.

**“Requisition”** or **“Written Requisition”** means a Requisition or Written Requisition, substantially in the form of Exhibit B hereto.

**“Responsible Officer”** means an officer of the Trustee assigned by the Trustee to administer this Trust Agreement.

**“Retirement Law”** has the meaning assigned that term in the Recitals to this Trust Agreement.

**“Revenue Fund”** means the Fund of that name established pursuant to Section 6.02(a) hereof.

**“S&P”** means S&P Global Ratings, LLC, a Standard & Poor's Financial Services LLC business, and its successors, and, if such company shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

**“Securities Depositories”** means any of The Depository Trust Company or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or if no such depositories, as the City may indicate in a certificate of the City delivered to the Trustee.

**“State”** means the State of California.

**“Total Bond Obligation”** means, as of any date of calculation, the aggregate principal amount of the Bonds then Outstanding.

“**Trust Agreement**” means this Trust Agreement dated as of \_\_\_\_\_ 1, 2020 between the City and the Trustee, as it may be amended, supplemented or otherwise modified from time to time.

“**Trustee**” means the entity named as such in the heading of this Trust Agreement until a successor replaces it, and thereafter means such successor.

“**Unfunded Liability**” has the meaning assigned that term in the Recitals to this Trust Agreement.

**Section 1.02 Other Definitional Provisions.** Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Trust Agreement. Any of the terms defined in Section 1.01 may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

## ARTICLE II

### THE BONDS

**Section 2.01 Issuance of Bonds; Form; Dating.** Bonds may be issued by the City under the terms of this Trust Agreement only to refund the City’s Unfunded Liability under the PERS Contract and the Retirement Law and to pay the Costs of Issuance in connection with the issuance of the Bonds. The Bonds shall be designated “City of El Cajon 2020 Taxable Pension Obligation Bonds” and shall be issued in Authorized Denominations. The Bonds shall be issued hereunder in the aggregate principal amount of \$\_\_\_\_\_. Interest on the Bonds shall be payable on each July 1 and January 1, commencing \_\_\_\_\_ 1, [2020].

**Section 2.02 Description of the Bonds.** Each Bond shall be issued in fully registered form and shall be numbered as determined by the Trustee. The Bonds shall be dated the Closing Date. The Bonds shall be issued in Authorized Denominations; provided, however, that the Bonds shall initially be Book-Entry Bonds.

The Bonds shall mature on the dates, in the principal amounts, and interest thereon shall be computed at the rates, as shown below:

*Maturity Date*  
*(July 1)*

*Principal Amount*

*Interest Rate*

**Section 2.03 Interest on the Bonds.** Interest on each Bond of each maturity shall be payable at the respective per annum rates set forth in Section 2.02 hereof and shall be payable on each Interest Payment Date until maturity or earlier redemption, computed using a year of 360 days comprised of twelve 30-day months. Interest on each Bond shall accrue from the Interest Payment Date for the Bonds next preceding the date of authentication and delivery thereof, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication; (ii) it is authenticated after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such Interest Payment Date; or (iii) it is authenticated prior to the close of business on the first Record Date, in which event interest thereon shall be payable from the Closing Date; provided, however, that if at the time of authentication of any Bond interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment or, if no interest has been paid or made available for payment, from the Closing Date.

**Section 2.04 Medium of Payment.** Principal, premium, if any, and interest on the Bonds shall be payable in currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Payments of interest on any of the Bonds will be made on each Interest Payment Date by check of the Trustee sent by Mail, or by wire transfer to any Holder of \$1,000,000 or more of Bonds, to the account specified by such Holder in a written request delivered to the Trustee on or prior to the Record Date for such Interest Payment Date, to the Holder thereof on the Record Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Trustee which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest. Payment of the principal of the Bonds upon redemption or maturity will be made upon presentation and surrender of each such Bond, at the Principal Office of the Trustee.

**Section 2.05 Form.** The Bonds shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein. The Bonds may be printed, lithographed, photocopied or typewritten and shall be in such Authorized Denominations as may be determined by the City.

**Section 2.06 Additional Bonds.** From time to time, the City may enter into (i) one or more other trust agreements or indentures and/or (ii) one or more agreements supplementing and/or amending this Trust Agreement, for the purpose of providing for the issuance of Additional Bonds to refund the Bonds or to refund all or any portion of any Unfunded Liability under the PERS Contract arising subsequent to the issuance of the Bonds or any other obligations due to PERS. Such Additional Bonds may be issued on a parity with the Bonds.

### ARTICLE III

#### EXECUTION, AUTHENTICATION AND EXCHANGE OF BONDS; BOOK ENTRY BONDS

##### **Section 3.01 Execution and Authentication; Registration.**

(a) The Bonds will be signed for the City with the manual or facsimile signature of the Mayor of the City Council of the City. The City may deliver to the Trustee or its agent duly executed Bonds for authentication from time to time by the Trustee or its agent as such Bonds may be required. Bonds executed and so delivered and authenticated will be valid. In case any officer of the City whose signature or whose facsimile signature shall appear on any Bonds shall cease to be such officer before the authentication of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Bond is the proper officer on the actual date of execution, the Bond will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Trust Agreement, such person was not such officer.

(b) A Bond will not be valid until the Trustee or its agent executes the certificate of authentication on such Bond by manual signature. Such signature will be conclusive evidence that such Bond has been authenticated under this Trust Agreement. The Trustee may appoint an authenticating agent acceptable to the City to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Trustee may do so. Each reference in this Trust Agreement to authentication by the Trustee includes authentication by such agent.

(c) Bonds may be presented at the Principal Office of the Trustee, unless a different office has been designated for such purpose, for registration, transfer and exchange. The Registrar will keep a register of such Bonds and of their transfer and exchange.

##### **Section 3.02 Transfer or Exchange of Bonds.** Subject to Section 3.03:

(a) All Bonds shall be issued in fully registered form. Upon surrender for transfer of any Bond at the Principal Office of the Trustee, the Trustee shall deliver in the name of the transferee or transferees a new fully authenticated and registered Bond or Bonds of Authorized Denominations of the same maturity for the aggregate principal amount which the Bondholder is entitled to receive.

(b) All Bonds presented for transfer, redemption or payment shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the City, duly executed by the Bondholder or by his duly authorized attorney. The Trustee also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered.

(c) Bonds delivered upon any transfer as provided herein, or as provided in Section 3.04, shall be valid obligations of the City, evidencing the same debt as the Bond surrendered, shall be secured by this Trust Agreement and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

(d) The City, the Trustee and the Paying Agent shall treat the Bondholder, as shown on the registration books kept by the Trustee, as the person exclusively entitled to payment of principal, premium, if any, and interest with respect to such Bond and to the exercise of all other rights and powers of the Bondholder, except that all interest payments will be made to the party who, as of the Record Date, is the Bondholder.

### **Section 3.03 Book-Entry Bonds.**

(a) Except as provided in paragraph (c) of this Section 3.03, the registered owner of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Except as provided in paragraph (d) of this Section 3.03, payment of principal, interest and premium, if any, for any Bonds registered in the name of Cede & Co. shall be made as provided in the Representation Letter.

(b) The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for each separate stated maturity of the Bonds. The Trustee, the Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of, or interest on, the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Trust Agreement, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the City shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant or any other person which is not shown on the registration books as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders under this Trust Agreement, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as a Bondholder. The Trustee shall pay, from funds held under the terms of this Trust Agreement or otherwise provided by the City, all principal or redemption price of and interest on the Bonds only to DTC as provided in the Representation Letter and all such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to the principal or redemption price of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive authenticated Bonds evidencing the obligation of the City, to make payments of principal or redemption price and interest pursuant to this Trust Agreement. Upon delivery by DTC to the Trustee

of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the name “Cede & Co.” in this Trust Agreement shall refer to such new nominee of DTC.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Bonds certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City and the Trustee shall be obligated to deliver Bond certificates as described in this Trust Agreement. In the event Bond certificates are issued, the provisions of this Trust Agreement shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the Trustee to do so, the Trustee and the City will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or redemption price of and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Trust Agreement by the City or the Trustee with respect to any consent or other action to be taken by Bondholders, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

(f) If the City purchases, or causes the Trustee to purchase, any of the Bonds, such purchase of Bonds shall be deemed to have occurred upon the purchase of beneficial ownership interests in the Bonds from a Participant. Upon receipt by DTC of notice from the City and a Participant that a purchase of beneficial ownership interests in the Bonds has been made by the City from such Participant, DTC shall surrender to the Trustee the Bonds referenced in such notice and, if the principal amount referenced in said notice is less than the principal amount of the Bonds so surrendered, the Trustee shall authenticate and deliver to DTC, in exchange for the Bonds so surrendered, a new Bond or Bonds, as the case may be, in Authorized Denominations and in a principal amount equal to the difference between (i) the principal amount of the Bonds so surrendered and (ii) the principal amount referenced in said notice.

(g) Notwithstanding any provision herein to the contrary, the City and the Trustee may agree to allow DTC, or its nominee, Cede & Co., to make a notation on any Bond redeemed in part to reflect, for informational purposes only, the principal amount and date of any such redemption.

(h) In the event that DTC notifies the City that it is discontinuing the book-entry system for the Bonds, the City may either appoint another entity to hold the Bonds in book-entry form or deliver Bond certificates to the beneficial owners or Participants, as directed by DTC.

### **Section 3.04 Mutilated, Lost, Stolen or Destroyed Bonds.**

(a) In the event any Bond is mutilated or defaced but identifiable by number and description, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like date, maturity and denomination as such Bond, upon surrender thereof to the Trustee; provided that there shall first be furnished to the City and the Trustee proof satisfactory to the Trustee that the Bond is mutilated or defaced. The Bondholder shall accompany the above with a deposit of money required by the City for the cost of preparing the substitute Bond and all other expenses connected with the issuance of such substitute. The City shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Bond is lost, stolen or destroyed, the City may execute and the Trustee may authenticate and deliver a new Bond of like date, maturity and denomination as that Bond lost, stolen or destroyed; provided that there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it.

(c) The City and the Trustee shall charge the Holder of such Bond all transfer taxes, if any, and their reasonable fees and expenses in this connection. All substitute Bonds issued and authenticated pursuant to this Section shall be issued as a substitute and numbered, if numbering is provided for by the Trustee, as determined by the Trustee. In the event any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee.

**Section 3.05 Destruction of Bonds.** Whenever any Outstanding Bonds shall be delivered to the Trustee for cancellation pursuant to this Trust Agreement, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 3.04 or transfer pursuant to Section 3.02, such Bond shall be canceled and destroyed by the Trustee and counterparts of a certificate of destruction evidencing such destruction shall, upon the City's request, be furnished by the Trustee to the City.

### **Section 3.06 Temporary Bonds.**

(a) Pending preparation of definitive Bonds, the City may execute and the Trustee shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitation and conditions, interim receipts, certificates or temporary bonds which shall be exchanged for the Bonds.

(b) If temporary Bonds shall be issued, the City shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond, shall cancel the same and deliver in exchange therefor at the place designated by the Bondholder, without charge to the Bondholder thereof, definitive Bonds of an equal aggregate principal amount, of the same series, maturity and bearing interest at the same rate or rates as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Trust Agreement as the definitive Bonds to be issued and authenticated hereunder.



## ARTICLE IV

### REDEMPTION OF BONDS

#### **Section 4.01 Notices to Trustee; Notices to Bondholders; Notices to DTC.**

(a) Notice of redemption shall be given by the Trustee, not less than 30 nor more than 60 days prior to the redemption date: (i) in the case of Bonds not registered in the name of a Securities Depository or its nominee, to the respective Holders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee; (ii) in the case of Bonds registered in the name of a Securities Depository or its nominee, to such Securities Depository for such Bonds; and (iii) to the Information Services. Notice of redemption to the Holders pursuant to (i) above shall be given by mail at their addresses appearing on the registration books of the Trustee, or any other method agreed upon by such Holder and the Trustee. Notice of redemption to the Securities Depositories pursuant to (ii) above and the Information Services pursuant to (iii) above shall be given by electronically secure means, or any other method agreed upon by such entities and the Trustee.

(b) Each notice of redemption shall state the Bonds or designated portions thereof to be redeemed, the date of redemption, the place of redemption, the redemption price, the CUSIP number (if any) of the Bonds to be redeemed, the distinctive numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or part. Each such notice shall also state that on said date there will become due and payable on each of the Bonds to be redeemed the redemption price, and redemption premium, if any, thereof, and that from and after such redemption date interest thereon shall cease to accrue.

(c) Failure to give the notices described in this Section 4.01 or any defect therein shall not in any manner affect the redemption of any Bonds. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee.

(d) The City shall have the right to rescind any notice of optional redemption previously sent pursuant to this Section 4.01. Any such notice of rescission shall be sent in the same manner as the notice of redemption. Neither the City nor the Trustee shall incur any liability, to Bond Owners, DTC, or otherwise, as a result of a rescission of a notice of redemption.

**Section 4.02 Optional Redemption of Bonds.** The Bonds maturing on or after July 1, 20\_\_ may be redeemed at the option of the City from any source of funds on any date on or after July 1, 20\_\_ in whole or in part from such maturities as are selected by the City and by lot within a maturity at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

**Section 4.03 Mandatory Sinking Fund Redemption of Bonds.** The Bonds maturing July 1, 20\_\_ (the “20\_\_ Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20\_\_ Term Bonds shall be so redeemed on the following dates and in the following amounts:

*Redemption Date  
(July 1)*

*Principal  
Amount*

\*

---

\* Final maturity.

The Bonds maturing July 1, 20\_\_ (the “**20\_\_ Term Bonds**”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20\_\_ Term Bonds shall be so redeemed on the following dates and in the following amounts:

*Redemption Date  
(July 1)*

*Principal  
Amount*

\*

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\* Final maturity.

On or before each June 15 next preceding any mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption pro-rata from all Term Bonds subject to mandatory sinking fund redemption at that time, an aggregate principal amount of such Term Bonds equal to the amount for such year as set forth in the table above and shall call such Term Bonds or portions thereof for redemption and give notice of such redemption in accordance with the terms of Section 4.01. At the option of the City, to be exercised by delivery of a written certificate to the Trustee on or before June 1 next preceding any mandatory sinking fund redemption date, it may (a) deliver to the Trustee for cancellation Term Bonds or portions thereof (in the amount of an Authorized Denomination) of the stated maturity subject to such redemption or (b) specify a principal amount of such Term Bonds or portions thereof (in the amount of an Authorized Denomination) which prior to said date have been purchased or redeemed (otherwise than under the provisions of this Section 4.03) and canceled by the Trustee at the request of the City and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Term Bonds or portion thereof so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount of the Term Bonds so delivered to the Trustee by the City against the obligation of the City on such mandatory sinking fund redemption date.

**Section 4.04 Payment of Bonds Called for Redemption; Effect of Redemption Call.**

(a) Upon surrender to the Trustee or the Trustee’s agent, Bonds called for redemption shall be paid at the redemption price stated in the notice, plus interest accrued to the redemption date.

(b) On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein relating to such Bonds as are to be redeemed and moneys for payment of the redemption price being held in trust to pay the redemption price, the Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Bonds shall cease to accrue, such Bonds shall cease to be entitled to any lien, benefit or security under this Trust Agreement and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price and accrued interest to the redemption date.

(c) Bonds which have been duly called for redemption under the provisions of this Article IV and for the payment of the redemption price of which moneys shall be deposited in the Redemption Fund or otherwise held in trust for the Holders of the Bonds to be redeemed, all as provided in this Trust Agreement, shall not be deemed to be Outstanding under the provisions of this Trust Agreement.

**Section 4.05 Selection of Bonds for Redemption; Bonds Redeemed in Part.** Bonds are subject to redemption pro rata within a maturity. Upon surrender of a Bond to be redeemed in part, the Trustee will authenticate for the registered owner a new Bond or Bonds of the same maturity and tenor equal in principal amount to the unredeemed portion of the Bond surrendered.

## ARTICLE V

### APPLICATION OF PROCEEDS; SOURCE OF PAYMENT OF BONDS

**Section 5.01 Application of Proceeds and City Contribution.** The net proceeds of the sale of the Bonds received by the Trustee, \$\_\_\_\_\_ (\$\_\_\_\_\_ principal amount, less \$\_\_\_\_\_ underwriter's discount), shall be deposited by the Trustee as follows:

(i) the sum of \$\_\_\_\_\_ shall be deposited into the Costs of Issuance Fund;

(ii) the sum of \$\_\_\_\_\_ representing capitalized interest on the Bonds through the first \_\_\_ Bond Years shall be deposited into the Bond Interest Account of the Revenue Fund;

(iii) the sum of \$\_\_\_\_\_, together with \$\_\_\_\_\_ transferred by the City to the Trustee, shall be transferred to PERS and used to pay the Unfunded Liability relating the Fire Safety Plan;

(iv) [the sum of \$\_\_\_\_\_, together with \$\_\_\_\_\_ transferred by the City to the Trustee, shall be transferred to PERS and used to pay the Unfunded Liability]; and

(v) the sum of \$\_\_\_\_\_, together with \$\_\_\_\_\_ transferred by the City to the Trustee, shall be transferred to PERS and used to pay the Unfunded Liability relating to the Miscellaneous Plan.

### **Section 5.02 Sources of Payment of Bonds; Semi-Annual Payments by the City.**

(a) The City shall provide for payment of principal or redemption price of and interest on the Bonds from any source of legally available funds of the City. If any Bonds are

Outstanding, the City shall, no later than three Business Days preceding each Interest Payment Date beginning \_\_\_\_ 1, [2020], deliver funds to the Trustee for deposit to the Revenue Fund in an aggregate amount equal to the portion of the Annual Debt Service coming due on such Interest Payment Date (less amounts on deposit in the Revenue Fund).

(b) The Bonds shall be obligations of the City payable from any lawfully available funds, shall not be limited as to payment to any special source of funds of the City, and shall be subject to appropriation in accordance with Section 8.01 hereof. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

## ARTICLE VI

### CREATION OF CERTAIN FUNDS AND ACCOUNTS

**Section 6.01 Creation of Costs of Issuance Fund.** There is hereby created a Fund to be held by the Trustee designated “City of El Cajon 2020 Taxable Pension Obligation Bonds Costs of Issuance Fund” (the “**Costs of Issuance Fund**”). Funds on deposit in the Costs of Issuance Fund shall be used to pay or to reimburse the City for the payment of Costs of Issuance. Amounts in the Costs of Issuance Fund shall be disbursed by the Trustee upon Written Requisition in the form of Exhibit B executed by an Authorized City Representative.

At such time as the City delivers to the Trustee written notice that all Costs of Issuance have been paid or otherwise notifies the Trustee in writing that no additional amounts from the Costs of Issuance Fund will be needed to pay Costs of Issuance, the Trustee shall transfer all amounts then remaining in the Costs of Issuance Fund to the Bond Interest Account of the City unless otherwise directed by the City. At such time as no amounts remain in the Costs of Issuance Fund, such Fund shall be closed.

**Section 6.02 Creation of Revenue Fund and Certain Accounts.** There is hereby created a Fund to be held by the Trustee designated “City of El Cajon 2020 Taxable Pension Obligation Bonds Revenue Fund” (the “**Revenue Fund**”). There are hereby created in the Revenue Fund two separate Accounts designated “**Bond Interest Account**” and “**Bond Principal Account**”.

(a) All amounts received by the Trustee from the City in respect of interest payments on the Bonds shall be deposited in the Bond Interest Account and shall be disbursed to the applicable Bondholders to pay interest on the Bonds. All amounts held at any time in the Bond Interest Account (including amounts deposited pursuant to Section 6.03) shall be held for the security and payment of interest on the Bonds pursuant to this Trust Agreement. If at any time funds on deposit in the Bond Interest Account are insufficient to provide for the payment of such interest, the City shall promptly deposit funds to such Account to cure such deficiency. On June 2 of each year beginning in [2020], so long as no Event of Default has occurred and is continuing, the Trustee shall transfer all amounts on deposit in the Bond Interest Account to the Revenue Fund to be used for any lawful purpose.

(b) All amounts received by the Trustee from the City in respect of principal payments on the Bonds shall be deposited in the Bond Principal Account and all amounts in the Bond Principal Account will be disbursed to pay principal on the Bonds pursuant to this Trust Agreement. If at any time funds on deposit in the Bond Principal Account are insufficient to provide for the

payment of such principal, the City shall promptly deposit funds to such Account to cure such deficiency.

(c) The moneys in such Funds and Accounts shall be held by the Trustee in trust and applied as herein provided and, pending such application, shall be subject to a lien and charge in favor of the holders of the Bonds issued and Outstanding under this Trust Agreement and for the further security of such holders until paid out or transferred as hereinafter provided.

**Section 6.03 Creation of Redemption Fund.** A Fund to be held by the Trustee is hereby created and designated the “City of El Cajon 2020 Taxable Pension Obligation Bonds Redemption Fund” (the “**Redemption Fund**”). All moneys deposited by the City with the Trustee for the purpose of redeeming Bonds shall be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds in the manner, at the times and upon the terms and conditions specified in this Trust Agreement; provided that, at any time prior to giving such notice of redemption, the Trustee shall, upon receipt of written instructions from an Authorized City Representative, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges) as directed by the City.

**Section 6.04 Moneys Held in Redemption Fund.** All moneys which shall have been withdrawn from the Revenue Fund and deposited in the Redemption Fund for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective Holders of such Bonds.

**Section 6.05 Unclaimed Moneys.** Any moneys which shall be set aside or deposited in the Redemption Fund, the Bond Principal Account, the Bond Interest Account or any other Fund or Account for the benefit of Holders of Bonds and which shall remain unclaimed by the Holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable (or such longer period as shall be required by State law) shall be paid to the City, and thereafter the Holders of such Bonds shall look only to the City for payment and the City shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and the Trustee and any Paying Agent shall have no responsibility with respect to any of such moneys.

## ARTICLE VII

### CONCERNING PAYING AGENT

**Section 7.01 Paying Agent; Appointment and Acceptance of Duties.** The City hereby appoints the Trustee as the Paying Agent for the Bonds.

**Section 7.02 Paying Agent - General Responsibilities.**

(a) The City may at any time or from time to time appoint a different Paying Agent or Paying Agents for the Bonds, and each Paying Agent, if other than the Trustee, shall be a commercial bank with trust powers and shall designate to the City and the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City under which each such Paying Agent will agree, particularly:

(i) to hold all sums held by it for the payment of the principal of, and premium or interest on, Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;

(ii) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the City and the Trustee at all reasonable times upon reasonable prior notice; and

(iii) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

(b) The Paying Agent shall perform the duties and obligations set forth in this Trust Agreement, and in particular shall hold all sums delivered to it by the Trustee for the payment of principal or premium of and interest on the Bonds for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided.

(c) In performing its duties hereunder, the Paying Agent shall be entitled to all of the rights, protections and immunities accorded to the Trustee under the terms of this Trust Agreement.

**Section 7.03 Certain Permitted Acts.** Any Fiduciary may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Trust Agreement, whether or not any such committee shall represent the owners of a majority in Total Bond Obligation of the Bonds then Outstanding.

**Section 7.04 Resignation or Removal of Paying Agent and Appointment of Successor.**

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Trust Agreement in accordance with the provisions set forth in this Trust Agreement for the removal of the Trustee by giving at least 60 days' written notice to the City and the other Fiduciaries. Any Paying Agent may be removed at any time upon 30 days prior written notice by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized City Representative. Any successor Paying Agent shall be appointed by the City with the approval of the Trustee and shall be a commercial bank with trust powers or trust company organized under the laws of any state of the United States, having capital stock and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall assign and deliver any moneys and Bonds, including authenticated Bonds, held by it to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

## ARTICLE VIII

### COVENANTS OF THE CITY

**Section 8.01 Payment of Principal and Interest.** The City covenants and agrees that it will duly and punctually pay or cause to be paid the principal, premium, if any, and interest on every Bond at the place and on the dates and in the manner specified herein and in the Bonds, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements contained herein and in the Bonds and the City agrees that time is of the essence of this Trust Agreement. The obligations of the City under the Bonds, including the obligation to make all payments of principal, premium, if any, and interest when due, are absolute and unconditional, without any right of set-off or counter claim.

The City shall in each Fiscal Year include in its budget a provision to provide funds in an amount sufficient to pay the principal, premium, if any, and interest on the Bonds coming due in such Fiscal Year, but only to the extent that such amounts exceed the amount of available funds then on deposit in the Revenue Fund, and shall make annual appropriations for all such amounts. If such principal, premium, if any, and interest on the Bonds coming due in any Fiscal Year exceeds the sum of amounts budgeted in respect thereof together with amounts then on deposit in the Revenue Fund, then the City shall amend or supplement the budget to provide for such excess amounts. The covenants contained in this Section shall be deemed to be and shall be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Trust Agreement agreed to be carried out and performed by the City.

**Section 8.02 Performance of Covenants by City; Authority; Due Execution.** The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Trust Agreement, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The City covenants that it is duly authorized under the Constitution and laws of the State to issue the Bonds.

**Section 8.03 Instruments of Further Assurance.** The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as the Trustee may reasonably request for the better assuring and confirming to the Trustee all the rights and obligations of the City under and pursuant to this Trust Agreement. The City shall, upon the reasonable request of the Trustee, from time to time execute and deliver such further instructions and take such further action as may be reasonable and as may be required to effectuate the purposes of this Trust Agreement or any provisions hereof; provided, however, that no such instruments or actions shall pledge the full faith and credit or the taxing powers of the State.

**Section 8.04 No Inconsistent Action.** The City covenants that no contract or contracts will be entered into or any action taken by the City which shall be inconsistent with the provisions of this Trust Agreement.

**Section 8.05 No Adverse Action.** The City covenants that it will not take any action which will have a material adverse effect upon the rights of the Holders of the Bonds.

**Section 8.06 Maintenance of Powers.** The City covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to applicable law and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the performance or observance of any of the covenants herein contained.

**Section 8.07 Covenants of City Binding on Successors.**

(a) All covenants, stipulations, obligations and agreements of the City contained in this Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law. If the powers or duties of the City shall hereafter be transferred by amendment of any provision of the Constitution or any other law of the State or in any other manner there shall be a successor to the City, and if such transfer shall relate to any matter or thing permitted or required to be done under this Trust Agreement by the City, then the entity that shall succeed to such powers or duties of the City shall act and be obligated in the place and stead of the City as provided in this Trust Agreement, and all such covenants, stipulations, obligations and agreements herein shall be binding upon such successor or successors thereof from time to time and upon any officer, board, body, district, authority or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

(b) Except as otherwise provided in this Trust Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the City by the provisions of this Trust Agreement shall be exercised or performed by the City or by such officers, board, body, district, authority or commission as may be required by law to exercise such powers or to perform such duties.

**Section 8.08 Trust Agreement to Constitute a Contract.** This Trust Agreement is executed by the City for the benefit of the Bondholders and constitutes a contract with the Bondholders.

**Section 8.09 City to Perform Pursuant to Continuing Disclosure Certificate.** The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default under this Trust Agreement; provided, however, the obligations of the City to comply with the provisions of the Continuing Disclosure Certificate shall be enforceable by any Participating Underwriter or any Holder of Outstanding Bonds, or by the Trustee on behalf of the Holders of Outstanding Bonds; provided, further, that the Trustee shall not be required to take any enforcement action whatsoever except at the written direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with security and indemnity to its satisfaction, including without limitation, attorney's fees and expenses. The Participating Underwriters', Holders' and Trustee's rights to enforce the provisions of the Continuing Disclosure Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under the Continuing Disclosure Certificate. Notwithstanding the foregoing, the City shall be entitled to amend or rescind the Continuing Disclosure Certificate to the extent permitted by law.



## ARTICLE IX

### INVESTMENTS

**Section 9.01 Investments Authorized.** Money held by the Trustee in any fund or account hereunder shall be invested by the Trustee in Permitted Investments pending application as provided herein solely at the prior written direction of an Authorized City Representative, shall be registered in the name of the Trustee where applicable, as Trustee, and shall be held by the Trustee. The City shall direct the Trustee prior to 12:00 p.m. Pacific time on the last Business Day before the date on which a Permitted Investment matures or is redeemed as to the reinvestment of the proceeds thereof. In the absence of such direction, the Trustee shall invest in investments authorized under clause (8) contained in the definition of “Permitted Investments.” The Trustee may rely on the City’s certification in such investment instructions that such investments are permitted by law and by any policy guidelines promulgated by the City. Money held in any fund or account hereunder may be commingled for purposes of investment only.

The Trustee may, with the prior written approval of an Authorized City Representative, purchase from or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 9.01. Any investments and reinvestments shall be made after giving full consideration to the time at which funds are required to be available hereunder and to the highest yield practicably obtainable giving due regard to the safety of such funds and the date upon which such funds will be required for the uses and purposes required by this Trust Agreement. The Trustee or any of its affiliates may act as agent in the making or disposing of any investment and may act as sponsor or advisor with respect to any Permitted Investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

**Section 9.02 Reports.** The Trustee shall furnish monthly to the City a report of all investments made by the Trustee and of all amounts on deposit in each fund and account maintained hereunder.

**Section 9.03 Valuation and Disposition of Investments.** For the purpose of determining the amount in any fund or account hereunder, all Permitted Investments shall be valued at the market value thereof not later than July 1 of each year. With the prior written approval of an Authorized City Representative, the Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide money to meet any required payment, transfer, withdrawal or disbursement from any fund or account hereunder, and the Trustee shall not be liable or responsible for any loss resulting from such investment or sale, except any loss resulting from its own negligence or willful misconduct.

**Section 9.04 Application of Investment Earnings.** Investments in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and any profit realized from such investment shall be credited to such Fund or Account and any loss resulting from such investment shall be charged to such Fund or Account. Interest earnings on investments in any Fund or Account shall be deposited in the Bond Interest Account of the Revenue Fund.

## ARTICLE X

### DEFEASANCE

**Section 10.01 Discharge of Bonds; Release of Trust Agreement.** Bonds or portions thereof (such portions to be in an Authorized Denomination) which have been paid in full or which are deemed to have been paid in full shall no longer be entitled to the benefits of this Trust Agreement except for the purposes of payment from moneys and Defeasance Securities. When all Bonds which have been issued under this Trust Agreement have been paid in full or are deemed to have been paid in full, and all other sums payable hereunder by the City, including all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agents, have been paid or are duly provided for, then the Trustee shall cancel, discharge and release this Trust Agreement, shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and such satisfaction and discharge and shall assign and deliver to the City any amounts at the time subject to this Trust Agreement which may then be in the Trustee's possession, except funds or securities in which such funds are invested and held by the Trustee or the Paying Agents for the payment of the principal, premium, if any, and interest on the Bonds.

#### **Section 10.02 Bonds Deemed Paid.**

(a) A Bond shall be deemed to be paid within the meaning of this Article X and for all purposes of this Trust Agreement when (i) payment with respect thereto of the principal, interest and premium, if any, either (1) shall have been made or caused to be made in accordance with the terms of the Bonds and this Trust Agreement or (2) shall have been provided for, as certified to the Trustee by a Consultant who is a certified public accountant, by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment: (x) moneys sufficient to make such payment, and/or (y) Defeasance Securities maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (ii) all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or provision made for the payment thereof. At such times as Bonds shall be deemed to be paid hereunder, such Bonds shall no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of payment from such moneys and Defeasance Securities.

(b) Notwithstanding the foregoing paragraph, no deposit under clause (i)(2) of the immediately preceding paragraph shall be deemed a payment of such Bonds until (i) proper notice of redemption of such Bonds shall have been given in accordance with Section 4.01, or in the event such Bonds are not to be redeemed within the next succeeding 60 days, until the City shall have given the Trustee irrevocable instructions to notify, as soon as practicable, the holders of the Bonds in accordance with Section 4.01, that the deposit required by clause (i)(2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article X and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and unpaid interest on such Bonds; or (ii) the maturity of such Bonds.

## ARTICLE XI

### DEFAULTS AND REMEDIES

**Section 11.01 Events of Default.** Each of the following events shall constitute and is referred to in this Trust Agreement as an “**Event of Default**”:

(a) a failure to pay the principal or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) a failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a) and (b) of this Section 11.01) contained in the Bonds or in this Trust Agreement on the part of the City to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the City by the Trustee; provided, however, that the Trustee shall be deemed to have agreed to an extension of such period if corrective action is initiated by the City within such period and is being diligently pursued; or

(d) if the City files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself.

Upon its actual knowledge of the occurrence of any Event of Default, the Trustee shall immediately give written notice thereof to the City.

### **Section 11.02 Remedies.**

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and shall upon the written direction of the holders of a majority of the Total Bond Obligation of the Bonds then Outstanding and, in each case, receipt of indemnity to its satisfaction, in its own name and as the Trustee of an express trust:

(1) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders hereunder, as the case may be, and require the City to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Refunding Law or any other law to which it is subject and this Trust Agreement; provided that any such remedy may be taken only to the extent permitted under the applicable provisions of this Trust Agreement;

(2) bring suit upon the defaulted Bonds;

(3) commence an action or suit in equity to require the City to account as if it were the trustee of an express trust for the Bondholders; or

(4) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders hereunder.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

**Section 11.03 Restoration to Former Position.** In the event that any proceeding taken by the Trustee to enforce any right under this Trust Agreement shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**Section 11.04 Bondholders' Right to Direct Proceedings on their Behalf.** Anything in this Trust Agreement to the contrary notwithstanding, Holders of a majority in Total Bond Obligation shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings on their behalf available to the Trustee under this Trust Agreement to be taken in connection with the enforcement of the terms of this Trust Agreement or exercising any trust or power conferred on the Trustee by this Trust Agreement; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Trust Agreement and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee; provided further that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

**Section 11.05 Limitation on Bondholders' Rights to Institute Proceedings.** No owner of any Bond shall have the right to institute any suit, action or proceeding at law in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, or applicable law with respect to such Bond, unless (a) such owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the owners of not less than a majority in Total Bond Obligation shall have made written request upon the Trustee to exercise the powers heretofore granted or to institute such suit, action or proceeding in its own name; (c) such owner or said owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or failed to comply with such request for a period of 60 days after such written request shall have been received by and said tender of indemnity shall have been made to, the Trustee and (e) the Trustee shall not have received contrary directions from the owners of a majority in aggregate principal amount of the Total Bonds Obligation.

**Section 11.06 No Impairment of Right to Enforce Payment.** Notwithstanding any other provision in this Trust Agreement, the right of any Bondholder to receive payment of the principal of and interest on such Holder's Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

**Section 11.07 Proceedings by Trustee Without Possession of Bonds.** All rights of action under this Trust Agreement or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, as the case may be, subject to the provisions of this Trust Agreement.

**Section 11.08 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Trust Agreement or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 11.08.

**Section 11.09 No Waiver of Remedies.** No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein and every power and remedy given by this Article XI to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

**Section 11.10 Application of Moneys.**

(a) Any moneys received by the Trustee for the benefit of Bondholders, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article XI, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee (including without limitation reasonable fees and reasonable expenses of its attorneys), shall be deposited in the Revenue Fund and all moneys so deposited in the Revenue Fund during the continuance of an Event of Default shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum borne by the Bonds, as the case may be, in the order of maturity of the installments of such interest (if the amount available for such interest installments shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment), and if the amount available for such interest shall not be sufficient to make payment thereof, then to the payment thereof ratably according to the respective aggregate amounts due and (ii) second, to the payment to the persons entitled thereto of the unpaid principal, as applicable, of any of the Bonds which shall have become due with interest on such Bonds at their respective rate from the respective dates upon which they became due (if the amount available for such unpaid principal and interest shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege among Holders of Bonds), and, if the amount available for such principal and interest shall not be sufficient to make full payment thereof, then to the payment thereof ratably according to the respective aggregate amounts due.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section 11.10, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Section 11.11 Severability of Remedies.** It is the purpose and intention of this Article XII to provide rights and remedies to the Trustee and the Bondholders which may be lawfully granted under the provisions of applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Trust Agreement and by applicable law.

**Section 11.12 Additional Events of Default and Remedies.** So long as any Bonds are Outstanding, the Events of Default and remedies as set forth in this Article XII may be supplemented with additional Events of Default and remedies as set forth from time to time in a supplemental agreement.

## **ARTICLE XII**

### **TRUSTEE; REGISTRAR**

**Section 12.01 Acceptance of Trusts.** The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Trust Agreement, but only upon the additional terms set forth in this Article XII, to all of which the City agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds.

#### **Section 12.02 Duties of Trustee.**

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent trustee would exercise or use under the circumstances in the conduct of such person's own affairs as a trustee.

(b) Except during the continuance of an Event of Default:

(i) the Trustee need perform only those duties that are specifically set forth in this Trust Agreement and no others; and

(ii) in the absence of negligence on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Trust Agreement.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 12.02;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action it takes or fails to take in good faith in accordance with a direction received by it from Bondholders or the City in the manner provided in this Trust Agreement; and

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Every provision of this Trust Agreement that in any way relates to the Trustee is subject to all the paragraphs of this Section 12.02.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity reasonably satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any cash held by it except as the Trustee may agree with the City.

### **Section 12.03 Rights of Trustee.**

(a) The recitals of facts contained herein and in the Bonds shall be taken as statements of the City, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond), and makes no representations as to the validity or sufficiency of this Trust Agreement or of the Bonds or of any Permitted Investment and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly assigned to or imposed upon it herein or in the Bonds. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Holder of a Bond may be entitled to take, with like effect as if the Trustee was not the Trustee under this Trust Agreement.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the opinion of such counsel shall be authorization for any action taken or not taken in reliance on such opinion, but the Trustee shall be answerable for the negligence or misconduct of any such attorney, agent or receiver selected by it.

(c) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the City, personally or by agent or attorney.

(e) The Trustee shall not be responsible for the application or handling by the City of any moneys transferred to or pursuant to any requisition or request of the City in accordance with the terms and conditions hereof.

(f) Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article XII.

(g) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(h) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(i) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Trust Agreement provided, however, that: (x) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (y) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (z) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

**Section 12.04 Individual Rights of Trustee.** The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the City with the same rights it would have if it were not Trustee. Any Paying Agent or other agent may do the same with like rights.

**Section 12.05 Trustee's Disclaimer.** The Trustee makes no representations as to the validity or adequacy of this Trust Agreement or the Bonds, it shall not be accountable for the City's use of the proceeds from the Bonds paid to the City and it shall not be responsible for any statement in any official statement or other disclosure document or in the Bonds other than its certificate of authentication.

**Section 12.06 Notice of Defaults.** If an event occurs which with the giving of notice or lapse of time or both would be an Event of Default, and if the event is continuing and if it is actually known to the Trustee, the Trustee shall mail to each Bondholder notice of the event within 90 days after it occurs. Except in the case of a default in payment or purchase on any Bonds, the Trustee may withhold the notice to Bondholders if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Bondholders.

**Section 12.07 Compensation of Trustee.** The City shall from time to time, but only in accordance with a written agreement in effect with the Trustee, pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its reasonable advances and



expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. The Trustee shall not otherwise have any claims or lien for payment of compensation for its services against any other moneys held by it in the funds or accounts established hereunder, except as provided in Section 11.10, but may take whatever legal actions are lawfully available to it directly against the City. To the extent permitted by applicable law, the City agrees to indemnify and save the Trustee, its officers, employees, directors and agents, harmless against any costs, expenses, claims or liabilities whatsoever, including, without limitation, fees and expenses of its attorneys, that it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The agreement contained in this Section shall survive the payment of the Bonds, the discharge of this Trust Agreement and the appointment of a successor trustee.

**Section 12.08 Eligibility of Trustee.** This Trust Agreement shall always have a Trustee that is a trust company, a bank or association having trust powers and is organized and doing business under the laws of the United States or any state or the District of Columbia, is subject to supervision or examination by United States, state or District of Columbia authority and has a combined capital and surplus of at least \$100,000,000 as set forth in its most recent published annual report of condition.

**Section 12.09 Replacement of Trustee.**

(a) The Trustee may resign as trustee hereunder by notifying the City in writing prior to the proposed effective date of the resignation. The Holders of a majority in Total Bond Obligation of the Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the City's consent. The City may remove the Trustee, by notice in writing delivered to the Trustee 30 days prior to the proposed removal date; provided, however, that the City shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing unless (i) the Trustee fails to comply with the foregoing Section, (ii) the Trustee is adjudged a bankrupt or an insolvent, (iii) the Trustee otherwise becomes incapable of acting or (iv) the City determines that the Trustee's services are no longer satisfactory to the City. No resignation or removal of the Trustee under this Section shall be effective until a new Trustee has taken office. If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Trust Agreement, the City shall promptly appoint a successor Trustee.

(b) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Trust Agreement. If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within 60 days after the retiring Trustee delivers notice of resignation or the City delivers notice of removal, the retiring Trustee, the City or the Holders of a majority in Total Bond Obligation of the Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

**Section 12.10 Successor Trustee or Agent by Merger.** If the Trustee, any Paying Agent or Registrar consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust business) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, Paying Agent or Registrar.

**Section 12.11 Registrar.** The City shall appoint the Registrar for the Bonds and may from time to time remove a Registrar and name a replacement upon notice to the Trustee. The City hereby appoints the Trustee as Registrar. Each Registrar, if other than the Trustee, shall designate to the Trustee, the Paying Agent, and the City its principal office and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the City and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Trustee, and the Paying Agent at all reasonable times.

**Section 12.12 Other Agents.** The City or the Trustee may from time to time appoint other agents to perform duties and obligations under this Trust Agreement which agents may include, but not be limited to, authenticating agents all as provided by resolution of the City.

**Section 12.13 Several Capacities.** Anything in this Trust Agreement to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, Registrar and any other agent as appointed to perform duties or obligations under this Trust Agreement or an escrow agreement, or in any combination of such capacities, to the extent permitted by law.

**Section 12.14 Accounting Records and Reports of Trustee.**

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all Funds and Accounts established pursuant to this Trust Agreement and held by the Trustee. Such books of record and account shall be available for inspection by the City and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish to the City and to each Bondholder who shall have filed his name and address with the Trustee for such purpose (at such Bondholder's cost), on an annual basis (or, with respect to the City, such other interval that the City may request), a complete financial statement (which may be its regular account statements and which need not be audited) covering receipts, disbursements, allocation and application of moneys in any of the funds and accounts established pursuant to this Trust Agreement for the preceding year.

**Section 12.15 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

**ARTICLE XIII**

**MODIFICATION OF THIS TRUST AGREEMENT**

**Section 13.01 Limitations.** This Trust Agreement shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Bonds except as provided in and in accordance with and subject to the provisions of this Article XIII.

### **Section 13.02 Supplemental Agreements Not Requiring Consent of Bondholders.**

(a) The City may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver supplemental agreements supplementing and/or amending this Trust Agreement as follows:

(i) to cure any defect, omission, inconsistency or ambiguity in this Trust Agreement;

(ii) to add to the covenants and agreements of the City in this Trust Agreement other covenants and agreements, or to surrender any right or power reserved or conferred upon the City, and which shall not adversely affect the interests of the Bondholders;

(iii) to confirm, as further assurance, any interest of the Trustee in and to the Funds and Accounts held by the Trustee or in and to any other moneys, securities or funds of the City provided pursuant to this Trust Agreement or to otherwise add security for the Bondholders;

(iv) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(v) to modify, alter, amend or supplement this Trust Agreement in any other respect which, in the judgment of the City, is not materially adverse to the Bondholders;

(vi) to qualify the Bonds for a rating or ratings by any Rating Agency; and

(vii) to authorize the issuance of Additional Bonds in accordance with this Trust Agreement.

(b) Before the City shall, pursuant to this Section 13.02, execute any supplemental agreement there shall have been delivered to the City an opinion of Bond Counsel to the effect that such supplemental agreement (i) is authorized or permitted by this Trust Agreement and the Refunding Law, and (ii) will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms, subject to the typical exceptions.

### **Section 13.03 Supplemental Agreement Requiring Consent of Bondholders.**

(a) Except for any supplemental agreement entered into pursuant to Section 13.02, the Holders of not less than a majority in Total Bond Obligation shall have the right from time to time to consent to and approve the execution by the City of any supplemental agreement deemed necessary or desirable by the City for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in a supplemental agreement; provided, however, that, unless approved in writing by the Holders of all the Bonds then Outstanding, nothing contained herein shall permit or be construed as permitting (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing contained herein, including the provisions of Section 13.03(b) below, shall, unless approved in writing by the Holders of all the Bonds then Outstanding, permit or be construed as permitting (1) a preference or priority of any Bond or Bonds over any other Bond or Bonds or (2) a reduction in the aggregate principal amount of Bonds the consent of the Holders of which is required for any such supplemental agreement. Nothing herein contained,

however, shall be construed as making necessary the approval by Holders of the execution of any supplemental agreement as authorized in Section 13.02.

(b) If at any time the City shall desire to enter into any supplemental agreement for any of the purposes of this Section 13.03, the City shall cause notice of the proposed execution of the supplemental agreement to be given by Mail to all Holders. Such notice shall briefly set forth the nature of the proposed supplemental agreement and shall state that a copy thereof is on file at the office of the City for inspection by all Holders.

(c) Within two weeks after the date of the first mailing of such notice, the City may execute and deliver such supplemental agreement in substantially the form described in such notice, but only if there shall have first been delivered to the City (i) the required consents, in writing, of Holders and (ii) an opinion of Bond Counsel stating that such supplemental agreement is authorized or permitted by this Trust Agreement and other applicable law, complies with their respective terms and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms.

(d) If Holders of not less than the percentage of Bonds required by this Section 13.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Holders shall have any right to object to the adoption of such supplemental agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the City from executing the same or from taking any action pursuant to the provisions thereof.

**Section 13.04 Effect of Supplemental Agreements.** Upon execution and delivery of any supplemental agreement pursuant to the provisions of this Article XIII, this Trust Agreement and all supplemental agreements shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement and all supplemental agreements of the City, the Trustee, the Registrar, any Paying Agent and all Holders shall thereafter be determined, exercised and enforced under this Trust Agreement and all supplemental agreements, subject in all respects to such modifications and amendments.

**Section 13.05 Supplemental Agreements to be Part of this Trust Agreement.** Any supplemental agreement adopted in accordance with the provisions of this Article XIII shall thereafter form a part of this Trust Agreement or the supplemental agreement which they supplement or amend, and all of the terms and conditions contained in any such supplemental agreement as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Trust Agreement which they supplement or amend for any and all purposes.

## ARTICLE XIV

### MISCELLANEOUS PROVISIONS

**Section 14.01 Parties in Interest.** Except as herein otherwise specifically provided, nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City, the Paying Agent, the Trustee, and the Bondholders any right, remedy or claim under or by reason of this Trust Agreement, this Trust Agreement being intended to be for the sole and exclusive benefit of the City, the Paying Agent, the Trustee and the Bondholders.

**Section 14.02 Severability.** In case any one or more of the provisions of this Trust Agreement, or of any Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or of Bonds, and this Trust Agreement and any Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

**Section 14.03 No Personal Liability of City Officials; Limited Liability of City to Bondholders.**

(a) No covenant or agreement contained in the Bonds or in this Trust Agreement shall be deemed to be the covenant or agreement of any present or future official, officer, agent or employee of the City in their individual capacity, and neither the members of the City Council of the City nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(b) Except for the payment when due of the payments and the observance and performance of the other agreements, conditions, covenants and terms required to be performed by it contained in this Trust Agreement, the City shall not have any obligation or liability to the Bondholders with respect to this Trust Agreement or the preparation, execution, delivery, transfer, exchange or cancellation of the Bonds or the receipt, deposit or disbursement of the payments by the Trustee, or with respect to the performance by the Trustee of any obligation required to be performed by it contained in this Trust Agreement.

**Section 14.04 Execution of Instruments; Proof of Ownership.**

(a) Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bondholders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(i) the fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution; and

(ii) the ownership of Bonds shall be proved by the registration books kept under the provisions of Section 3.01 hereof;

(b) Nothing contained in this Section 14.04 shall be construed as limiting the Trustee to such proof. The Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Bondholder shall bind every future Bondholder of the same Bonds or any Bonds issued in lieu thereof in respect of anything done by the Trustee or the City in pursuance of such request or consent.

**Section 14.05 Governing Law; Venue.** This Trust Agreement is made in the State under the Constitution and laws of the State and is to be so construed. If any party to this Trust Agreement initiates any legal or equitable action to enforce the terms of this Trust Agreement, to declare the rights of the parties under this Trust Agreement or which relates to this Trust Agreement in any manner, each such party agrees that the place of making and for performance of this Trust Agreement shall be the City of El Cajon, State of California, and the proper venue for any such action is the Superior Court of the State of California, in and for the County of San Diego, Central Division.

**Section 14.06 Notices.**

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Trust Agreement or the Bonds must be in writing except as expressly provided otherwise in this Trust Agreement or the Bonds.

(b) The Trustee shall give written notice to the Rating Agencies if at any time (i) a successor Trustee is appointed under this Trust Agreement, (ii) there is any amendment to this Trust Agreement, (iii) Bonds are to be redeemed pursuant to Section 4.02, (iv) notice of any defeasance of the Bonds, or (v) if the Bonds shall no longer be Book-Entry Bonds. Notice in the case of an event referred to in clause (ii) hereof shall include a copy of any such amendment.

(c) Except as otherwise required herein, all notices required or authorized to be given to the City, the Trustee and Paying Agent, and the Rating Agencies pursuant to this Trust Agreement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses:

1. if to the City, to:

City of El Cajon  
200 Civic Center Way  
El Cajon, California 92020  
Attention: City Manager  
Telephone: (619) 441-1776

2. if to the Trustee and Paying Agent, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. if to S&P, to:

S&P Global Ratings  
55 Water Street  
New York, New York 10041

or to such other addresses as may from time to time be furnished to the parties, effective upon the receipt of notice thereof given as set forth above.

**Section 14.07 Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Trust Agreement be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

**Section 14.08 Captions.** The captions and table of contents in this Trust Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Trust Agreement.

**Section 14.09 Counterparts.** This Trust Agreement may be signed in several counterparts, each of which will be an original, but all of them together constitute the same instrument.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Trust Agreement by their officers thereunto duly authorized as of the date first above written.

CITY OF EL CAJON

By: \_\_\_\_\_  
City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_, as Trustee

By: \_\_\_\_\_  
Authorized Officer



**EXHIBIT A**  
**FORM OF BOND**

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City of El Cajon or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

No. \_\_\_\_\_ \$ \_\_\_\_\_

**CITY OF EL CAJON**  
**2020 TAXABLE PENSION OBLIGATION BONDS**

*Neither the faith and credit nor the taxing power of the State of California or any public agency is pledged to the payment of the principal of, or interest on, this Bond.*

<i>Maturity</i>	<i>Interest Rate Per Annum</i>	<i>Dated Date</i>	<i>CUSIP NO.</i>
July 1, _____	_____%	_____, 2020	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100 DOLLARS

**THE CITY OF EL CAJON**, a charter city and municipal corporation duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California and its charter, for value received, hereby promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the principal sum specified above together with interest on such principal sum at the rates determined as herein provided on each Interest Payment Date (hereinafter defined) from the Interest Payment Date next preceding the date of authentication and delivery thereof, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication; (ii) it is authenticated after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such Interest Payment Date; or (iii) it is authenticated prior to the close of business on the first Record Date, in which event interest thereon shall be payable from its Dated Date; provided, however, that if at the time of authentication of any Bond interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment or, if no interest has been paid or made available

for payment, from its Dated Date. The principal hereof and premium, if any, hereon are payable when due upon presentation hereof at the Principal Office of \_\_\_\_\_, as trustee (together with any successor as trustee under the Trust Agreement (hereinafter defined), the “**Trustee**”), in lawful money of the United States of America.

This Bond is one of a duly authorized issue of City of El Cajon 2020 Taxable Pension Obligation Bonds (the “**Bonds**”) of the designation indicated on the face hereof. Said authorized issue of Bonds is limited in aggregate principal amount as provided in the Trust Agreement and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as provided in the Trust Agreement, all issued and to be issued pursuant to the provisions of Articles 10 and 11 (commencing with section 53570 of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”). This Bond is issued pursuant to the Trust Agreement dated as of \_\_\_\_\_ 1, 2020 by and between the City of El Cajon and \_\_\_\_\_, as trustee, providing for the issuance of the Bonds and setting forth the terms and authorizing the issuance of the Bonds (said Trust Agreement as amended, supplemented or otherwise modified from time to time being the “**Trust Agreement**”). Reference is hereby made to the Trust Agreement and to the Refunding Law for a description of the terms on which the Bonds are issued and to be issued, and the rights of the registered owners of the Bonds; and all the terms of the Trust Agreement and the Refunding Law are hereby incorporated herein and constitute a contract between the City and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Trust Agreement.

The City is required under the Trust Agreement to make payments on the Bonds from any source of legally available funds. The City has covenanted to make the necessary annual appropriations for such purpose.

The obligation of the City to make payments on the Bonds does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

This Bond is one of the Bonds described in the Trust Agreement.

### **Interest on Bonds**

Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds or the principal portion thereof called for redemption will cease to bear interest after the specified redemption date, provided that notice has been given pursuant to the Trust Agreement and sufficient funds for redemption are on deposit at the place of payment on the redemption date.

### **Redemption of Bonds**

**Optional Redemption.** The Bonds maturing on or after July 1, 20\_\_ may be redeemed at the option of the City from any source of funds on any date on or after July 1, 20\_\_ in whole or in part from such maturities as are selected by the City and by lot within a maturity at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

**Mandatory Sinking Fund Redemption of Bonds.** The Bonds maturing July 1, 20\_\_ (the “20\_\_ Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20\_\_ Term Bonds shall be so redeemed on the following dates and in the following amounts:

<i>Redemption Date (July 1)</i>	<i>Principal Amount</i>
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\*

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\* Final maturity.

The Bonds maturing July 1, 20\_\_ (the “20\_\_ Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The 20\_\_ Term Bonds shall be so redeemed on the following dates and in the following amounts:

<i>Redemption Date (July 1)</i>	<i>Principal Amount</i>
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\*

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\* Final maturity.

### **Certain Defined Terms**

“**Interest Payment Date**” means July 1 and January 1 of each year, commencing \_\_\_\_\_ 1, [2020].

“**Record Date**” means the fifteenth day of each calendar month preceding any Interest Payment Date, regardless of whether such day is a Business Day.

### **Other Provisions**

The rights and obligations of the City and of the holders and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Trust Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of the Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this

Bond, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement or the Refunding Law.

This Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

**IN WITNESS WHEREOF, THE CITY OF EL CAJON**, a charter city and municipal corporation duly organized and validly existing under and pursuant to the Constitution and the laws of the State of California and its charter, has caused this Bond to be executed in its name and on its behalf by the Mayor of the City Council, and attested by the City Clerk, and this Bond to be dated as of the Dated Date.

**CITY OF EL CAJON**

By: \_\_\_\_\_  
Its: Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]**

This is one of the Bonds described in the within-mentioned Trust Agreement and authenticated the date set forth below.

Dated: \_\_\_\_\_, 20\_\_

\_\_\_\_\_, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

**[FORM OF LEGAL OPINION]**

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

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City Clerk of the City of El Cajon

[FORM OF ASSIGNMENT]

For value received \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ (Tax I.D. No.: \_\_\_\_\_) the within Bond and hereby irrevocably constitute and appoints \_\_\_\_\_ attorney, to transfer the same on the books of the City at the office of the Trustee, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

Signature Guaranteed by: \_\_\_\_\_

NOTE: Signature must be guaranteed by an eligible guarantor institution.

**EXHIBIT B**

**FORM OF REQUISITION**

TO: [Trustee]

City of El Cajon Use Only  
Request No. \_\_

DISBURSEMENT REQUEST: REGARDING \$\_\_\_\_\_ CITY OF EL CAJON 2020 TAXABLE  
PENSION OBLIGATION BONDS

You are hereby requested to pay from the Costs of Issuance Fund established by the Trust Agreement with respect to the above-referenced bonds, to the person, corporation or other entity designated below as Payee, the sum set forth below such designation, in payment of all ( ) or a portion ( ) of the Costs of Issuance described below.

Name of Payee: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \$\_\_\_\_\_

Method of Payment: \_\_\_\_\_

Service Provided: \_\_\_\_\_

The undersigned hereby certifies that:

- (i) s/he is an Authorized City Representative;
- (ii) this requisition for payment is in accordance with the terms and provisions of Section 6.01 of the Trust Agreement;
- (iii) each item to be paid with the requisitioned funds represents either incurred or due and payable Costs of Issuance;
- (iv) such Costs of Issuance have not been paid from other funds withdrawn from the Costs of Issuance Fund; and
- (v) to the best of the signatory's knowledge no Event of Default has occurred and is continuing under the Trust Agreement.

Dated: \_\_\_\_\_

CITY OF EL CAJON

By: \_\_\_\_\_

Name:

Title:



\$ \_\_\_\_\_  
**CITY OF EL CAJON**  
**TAXABLE PENSION OBLIGATION BONDS, SERIES 2020**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2020

City of El Cajon  
200 Civic Center Way  
El Cajon, California 92020

Ladies and Gentlemen:

The undersigned \_\_\_\_\_ (the “Representative”), on behalf of itself and on behalf of \_\_\_\_\_ (collectively, the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the City of El Cajon, California (the “**City**”), which, upon the acceptance by the City, will be binding upon the City and the Underwriter. This offer is made subject to acceptance by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement (defined herein).

**Section 1. Purchase and Sale.** Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the City of El Cajon Taxable Pension Obligation Bonds, Series 2020 (the “**Bonds**”) in the aggregate principal amount of \$\_\_\_\_\_. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on July 1 and January 1 in each year, commencing \_\_\_\_\_ 1, [2020] (each an “**Interest Payment Date**”) and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$\_\_\_\_\_ (which represents the principal amount of the Bonds in the amount of \$\_\_\_\_\_, less an Underwriter’s discount of \$\_\_\_\_\_.

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein); however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”). Terms defined in the Preliminary Official Statement, and to be set forth in the final Official Statement are used herein as so defined.

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iv) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the City has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

**Section 2. The Bonds.** The Bonds are being issued pursuant to Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "**Refunding Law**") and the Trust Agreement, dated as of \_\_\_\_\_ 1, 2020 (the "**Trust Agreement**"), between the City and \_\_\_\_\_, as trustee (together with any successor as trustee under the Trust Agreement, the "**Trustee**"). The Bonds shall be obligations of the City payable from any lawfully available funds, shall not be limited as to payment to any special source of funds of the City and the payment thereof shall not be subject to appropriation. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The Bonds otherwise shall be as described in the Preliminary Official Statement and the Official Statement, the Refunding Law and the Legal Documents. The Underwriter's agreement to purchase the Bonds from the City is made in reliance upon the City's representations, covenants and warranties and on the terms and conditions set forth in this Purchase Agreement.

The City is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "**Retirement Law**"), and the contract between the Board of Administration of the California Public Employees' Retirement System ("**PERS**"), established under Government Code sections 20000 through 21500 of (the "**Retirement Law**"), and the City Council of the City, effective July 1, 1948 (as amended, the "**PERS Contract**"), to make contributions to PERS to (a) fund pension benefits for its employees who are members of PERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b). The City participates in two retirement plans (with tiers within such plans) under the PERS Contract.

The proceeds of the Bonds will be used to: (i) refund the City's obligations to PERS evidenced by the two retirement plans in which the City participates pursuant to the PERS Contract and representing the current unfunded accrued liability (the "**Unfunded Liability**") with respect to certain pension benefits under the Retirement Law, and (ii) pay certain costs associated with the issuance and delivery of the Bonds.

**Section 3. Public Offering.** The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on

Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

**Section 4. The Official Statement.** By its acceptance of this Purchase Agreement, the City ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated \_\_\_\_\_, 2020 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “**Preliminary Official Statement**”) that the City has deemed “final” as of its date, for purposes of Rule 15c2-12 except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The City hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City and the Underwriter (the “**Official Statement**”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). To the extent required by applicable MSRB Rules, the City hereby confirms that it does not object to distribution of the Official Statement in electronic form.

**Section 5. Closing.** At 8:00 a.m., California time, on \_\_\_\_\_, 2020, or at such other time or date as the City and the Underwriter mutually agree upon, the City shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York, New York (“**DTC**”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the City shall deliver the documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, Newport Beach, California (“**Bond Counsel**”) or another place to be mutually agreed upon by the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “**Closing**.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 and any integral multiple thereof as provided in the Trust Agreement, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The City acknowledges that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agrees to cooperate fully with the Underwriter in employing such services.

**Section 6. Representations, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter as follows.

(a) The City is a charter city and municipal corporation of the State of California (the “**State**”), duly organized and validly existing pursuant to the Constitution and laws of the State and its charter.

(b) The City had full legal right, power and authority to adopt the Resolution, and the City has, and at the Closing Date will have, full legal right, power and authority (i) to execute and deliver the Trust Agreement, the Continuing Disclosure Certificate relating to the Bonds (the “**Continuing**

**Disclosure Certificate**”) and this Purchase Agreement (collectively, the “**Legal Documents**”), to perform its obligations under the Legal Documents, and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the Legal Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Legal Documents and the Resolution.

(c) The City Council has duly and validly adopted the Resolution at a meeting of the City Council duly noticed and at which a quorum was present, and the Resolution has not been modified or amended and is in full force and effect, and has duly approved the execution and delivery of the Bonds and the other Legal Documents, and the performance by the City of its obligations contained therein, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by each of said documents.

(d) The Bonds and the other Legal Documents have been, on or before the Closing Date will be, duly executed and delivered by the City, and, on the Closing Date, the Bonds, when authenticated and delivered to the Underwriter in accordance with the Trust Agreement, and the other Legal Documents will constitute legally valid and binding obligations, enforceable against the City in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors’ rights generally.

(e) The City is, and at the Closing Date will be, in compliance, in all respects, with the Legal Documents.

(f) To the best of its knowledge the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

(g) After due inquiry, except as may be required under blue sky or other securities laws of any state, there is no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the City, other than the City Council, that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Trust Agreement.

(h) The adoption of the Resolution and the execution and delivery by the City of the Legal Documents and the approval by the City of the Official Statement and compliance with the provisions on the City’s part contained in the Legal Documents, will not conflict with, or result in a violation or breach of, or constitute a default under, any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the Legal Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of

the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Legal Documents.

(i) Prior to the date hereof, the City has provided to the Underwriter for its review the Preliminary Official Statement, that the City has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(j) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained, in the Legal Documents.

(k) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(l) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2019 as set forth in the Preliminary Official Statement and in the Official Statement fairly represent the financial position and results of operations of the City as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial position and results of operations of the City or in its operations since June 30, 2019 and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(m) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Legal Documents or the consummation of the transactions contemplated thereby or contesting the power of the City to enter into the Legal Documents; (iii) which may result in any material adverse change to the financial

condition of the City or to its ability to make payment of principal or redemption price of and interest on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(n) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years and, the City has been in material compliance during the past five years with its continuing disclosure obligations in accordance with Rule 15c2-12.

(o) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter as to the statements made therein but not of the person signing such certificate.

(p) The City will promptly apply the proceeds of the Bonds to refund the Unfunded Liability as of the date of issuance of the Bonds and to pay costs associated with the issuance and delivery of the Bonds.

(q) During the period from the date hereof until the Closing Date, the City agrees to furnish the Underwriter with copies of any documents it files with any regulatory authority which are reasonably requested by the Underwriter.

(r) The City is not in material default, nor has the City been in material default at any time, as to the payment of principal or interest with respect to a material obligation issued by the City or with respect to a material obligation guaranteed by the City as guarantor.

(s) As of the date hereof, the City does not have any revenue bonds, capital lease obligations, installment payment obligations or other material financial obligation, nor other material obligations secured by payments from the general fund of the City, except as disclosed in the Preliminary Official Statement and the Official Statement.

(t) The default judgment dated \_\_\_\_\_, 2020 entered in favor of the City in connection with *City of El Cajon v. All Persons Interested, etc.* was duly entered, the appeal period has run without any appeal having been filed, and the default judgment is in full force and effect.

(u) The City had, prior to the adoption of the Resolution, and has, in full force and effect, a Debt Management Policy that complies with Government Code section 8855(i).

**Section 7. Conditions to the Obligations of the Underwriter.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City

contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the City, as well as authorized representatives of the City Attorney, Bond Counsel, Disclosure Counsel and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the date of the Closing, and to the following additional conditions:

(a) The representations, warranties and covenants of the City contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Preliminary Official Statement and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Legal Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would result in any material adverse change to the financial condition of the City or adversely impact its ability to make payment of principal or redemption price of and interest on the Bonds when due;

(d) In recognition of the desire of the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(ii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(iii) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Preliminary Official Statement and the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(v) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration; or

(vi) an order, decree or injunction shall have been issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement; or

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national



securities exchange, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker dealers; or

(x) trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(xi) any rating of the Bonds or the rating of any general fund obligations of the City shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(xii) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable; or

(xiii) the commencement of any action, suit or proceeding described in Section 6(m).

(e) at or prior to the Closing, the Underwriter shall receive or have received the following documents, in each case to the reasonable satisfaction, in form and substance, of the Underwriter and \_\_\_\_\_, \_\_\_\_\_, California ("**Underwriter's Counsel**"):

(i) a copy of the default judgment, dated \_\_\_\_\_, 2020, entered in favor of the City in connection with *City of El Cajon v. All Persons Interested, etc.*, Case No \_\_\_\_\_ filed in the Superior Court of California, County of San Diego;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City, authorizing the execution and delivery of the Legal Documents and the delivery of the Bonds and the Official Statement;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter; and

(iv) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the City, in substantially the form attached as Appendix [B] to the Preliminary the Official Statement and the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions [“INTRODUCTION,” “THE BONDS,” “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS,” “VALIDATION,” and “TAX MATTERS,” and in APPENDIX C — “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT,” APPENDIX D — “PROPOSED FORM OF BOND COUNSEL OPINION” and APPENDIX E — “FORM OF CONTINUING DISCLOSURE CERTIFICATE,”] and excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Trust Agreement, and Bond Counsel’s final opinion relating to the Bonds, are accurate in all material respects as of the date of Closing;

(B) this Purchase Agreement has been duly authorized, executed and delivered by the City and is the valid, legal and binding agreement of the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vi) the Official Statement, executed on behalf of the City;

(vii) evidence that the rating on the Bonds is as described in the Official Statement;

(viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer’s knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City’s ability to perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Preliminary Official Statement and the Official Statement;

(ix) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the City Attorney of the City of El Cajon, substantially in the form attached as Exhibit B hereto;

(x) a letter of Stradling Yocca Carlson & Rauth, Newport Beach, California, Disclosure Counsel to the City dated the date of Closing and addressed to the Underwriter substantially to the effect that, on the basis of the information made available to them in the course of their participation in the preparation of the Official Statement as disclosure counsel, but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, no facts have come to the attention of the personnel in such firm directly involved in rendering legal advice and assistance to the City in connection with the preparation of the Official Statement which caused them to believe that (A) the Preliminary Official Statement as of its date or as of \_\_\_\_\_, 2020 (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system; statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Preliminary Official Statement under the captions [“TAX MATTERS,”] and in [Appendix A and Appendices C through F] to the Preliminary Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, debt service requirements, Underwriter’s discount and CUSIP numbers or (B) the Official Statement as of its date or as of the Closing Date (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system, statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Official Statement under the captions [“TAX MATTERS,”] and in [Appendix A and Appendices C through F] to the Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion of counsel to the Trustee, addressed to the Underwriter and the City, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Trust Agreement;

(B) the Trust Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement constitutes the valid, legal and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of City;

(D) the Trustee's actions in executing and delivering the Trust Agreement are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trust Agreement;

(B) the Trustee is duly authorized to enter into the Trust Agreement and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the other parties thereto, the Trust Agreement is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Trust Agreement and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xiii) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to section 53583 of the Government Code of the State of California and section 8855(i) and (j) of the Government Code;

(xiv) a copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system;

(xv) an opinion of \_\_\_\_\_, \_\_\_\_\_, California, as Underwriter's Counsel, in form and substance acceptable to the Underwriter, substantially to the effect that:

(A) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) based upon an examination which they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements, and based on its participation in the conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the City and others and on the records, documents, certificates, opinions and matters therein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) as of the date of the Preliminary Official Statement and as of \_\_\_\_\_, 2020, no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Official Statement which caused it to believe that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (b) as of the date of the Official Statement and as of the Closing Date, no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Official Statement which caused it to believe as of the date of the Official Statement and as of the Closing Date that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no view or opinion about (i) with respect to the Preliminary Official Statement, any difference in information contained therein compared to what is contained in the Official Statement, whether or not related to pricing or sale of the Bonds, and whether any such difference is material and should have been included in the Preliminary Official Statement, and (ii) with respect to both the Preliminary Official Statement and the Official Statement, any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, management discussion and analysis, environmental matters, environmental litigation, any statements about compliance with prior continuing disclosure undertakings, information relating to DTC and its book-entry system, [Appendix A and Appendices C through F] thereto, and information relating to ratings, rating agencies, tax exemption, included or referred to therein or omitted therefrom, which such counsel expressly excludes from the scope of this paragraph and as to which such counsel expresses no opinion or view, and no responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement; and

(C) the Continuing Disclosure Certificate, together with Section 5(o) of this Purchase Agreement, satisfies the requirements contained in Rule 15c2-12 for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by Rule 15c2-12; provided that, for purposes of such opinion, Underwriter's Counsel will not be expressing any view regarding the content of the Official Statement that is not expressly stated in numbered clause (ii) above;

(xvi) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement and executed by the City;

(xvii) a certificate of the PERS actuary setting forth the amount of the discounted prepayment of the annual contribution of the City to the System for Fiscal Year 2020-21 together with acknowledgment of payment of the Unfunded Liability;

(xviii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, this Purchase Agreement shall terminate, and except as set forth in Section 9 hereof, neither the Underwriter nor the City shall be under further obligation hereunder.

**Section 8. Changes in Official Statement.** Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, or the City shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

**Section 9. Expenses.**

(a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay out of the proceeds of the Bonds or any other legally available funds of the City, all expenses incidental to the performance of the City's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter, the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities, the fees and disbursements of the City, the Trustee and its counsel, Bond Counsel, Disclosure Counsel, City Attorney, the City's actuary, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the City in connection with the issuance and sale of the Bonds, rating agency fees, advertising expenses, and any other expenses not specifically enumerated in paragraph (b) of this section incurred in connection with the issuance and sale of the Bonds. The City shall pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City's employees and representatives which are incidental to implementing this Purchase Agreement, including meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may

be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws, and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this section, including the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

**Section 10. Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to \_\_\_\_\_, \_\_\_\_\_, California \_\_\_\_\_, Attention: \_\_\_\_\_. Any notice or communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City of El Cajon, at the address first set forth above, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

**Section 11. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

**Section 12. Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**Section 13. Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Officer

Accepted:

**CITY OF EL CAJON**

By: \_\_\_\_\_  
City Manager

Time of Execution: \_\_\_\_:\_\_\_\_



**EXHIBIT A**  
**MATURITY SCHEDULE**

<i>Maturity Date</i> <i>(July 1)</i>	<i>Principal Amount</i> \$	<i>Interest Rate</i> %	<i>Yield</i> %
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\$ \_\_\_\_\_ % Term Bond due July 1, 20\_\_; Yield \_\_\_\_\_%; Price 100.000%  
\$ \_\_\_\_\_ % Term Bond due July 1, 20\_\_; Yield \_\_\_\_\_%; Price 100.000%

**EXHIBIT B**

**FORM OF CITY ATTORNEY OPINION**

**[To be revised by the City Attorney]**

\_\_\_\_\_, 2020

City of El Cajon  
El Cajon, California  
200 Civic Center Way  
El Cajon, California

City of El Cajon  
City of El Cajon Taxable Pension Obligation Bonds, Series 2020

Ladies and Gentlemen:

I am the duly appointed City Attorney for the City of El Cajon (the “City”) and I have represented the City in connection with the issuance and sale by the City of \$\_\_\_\_\_ aggregate principal amount of its City of El Cajon Taxable Pension Obligation Bonds, Series 2020 (the “Bonds”). I have examined and relied upon originals (or copies certified or otherwise identified to our satisfaction) of such documents, records and other instruments as I deem necessary or appropriate for the purposes of this opinion, including, without limitation: (i) those documents relating to the existence, organization and operation of the City; (ii) Resolution No. \_\_\_\_, adopted by a majority of the City Council of the City (the “City Council”) on \_\_\_\_\_, 2020 (the “Resolution”); (iii) all necessary documentation of the City relating to the authorization, execution and delivery of the Trust Agreement, dated as of \_\_\_\_\_ 1, 2020 (the “Trust Agreement”), between the City and \_\_\_\_\_, as trustee; (iii) the default judgment dated \_\_\_\_\_, 2020, entered in favor of the City in connection with *City of El Cajon v. All Persons Interested, etc.*, Case No \_\_\_\_\_ filed in the Superior Court of California, County of San Diego; (iv) the Purchase Agreement, dated \_\_\_\_\_, 2020 (the “Purchase Agreement”), executed by \_\_\_\_\_ (the “Representative”), and accepted by the City; (v) the Preliminary Official Statement, dated \_\_\_\_\_, 2020 (the “Preliminary Official Statement”), relating to the Bonds; (vi) the Official Statement, dated \_\_\_\_\_, 2020 (the “Official Statement”), relating to the Bonds; (vii) the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2020 (the “Continuing Disclosure Certificate”), of the City appointing [Urban Futures, Inc.], as dissemination agent; and (viii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms as set forth in the Trust Agreement.

Based on the foregoing, and with regard to State of California (the “State”) law and United States federal law, I am of the opinion that:

(a) The City is a charter city and municipal corporation of the State, duly organized and validly existing pursuant to the Constitution and laws of the State and its charter.

(b) The resolution of the City approving and authorizing the execution and delivery of the Bonds, the Trust Agreement, the Purchase Agreement, and the Continuing Disclosure Certificate (collectively, the “Legal Documents”) and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way.

(c) Except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit or proceeding pending and served on the City, or to the best of my knowledge, threatened against the City to (i) restrain or enjoin the execution or delivery of the Legal Documents (ii) in any way contesting or affecting the validity of the Legal Documents, the Resolution or the authority of the City to enter into the Legal Documents, or (iii) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement, the Resolution or the Legal Documents.

(d) The execution and delivery of the Legal Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

(e) No authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Legal Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter, as to which I express no opinion..

Very truly yours,

## ATTACHMENT D

### SB 450 GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Urban Futures Inc., the City's Municipal Advisor (the "Municipal Advisor").

*Principal Amount.* The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$205,860,000 (the "Estimated Principal Amount").

*True Interest Cost of the Bonds.* The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.493%.

*Finance Charge of the Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$1,736,629.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$204,123,371.

*Total Payment Amount.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the respective proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$303,328,614.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such

estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

## SOURCES AND USES OF FUNDS

CITY OF EL CAJON  
Good Faith Estimate 2020  
H.15 March 5, 2020  
AA Scale + 50 bps

## Sources:

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Bond Proceeds:	
Par Amount	205,860,000.00
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	205,860,000.00

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## Uses:

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Project Fund Deposits:	
Project Fund	204,123,371.00
Delivery Date Expenses:	
Cost of Issuance	500,000.00
Underwriter's Discount	<hr/>
	1,235,160.00
	1,735,160.00
Other Uses of Funds:	
Additional Proceeds	1,469.00
	<hr/>
	205,860,000.00

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## BOND SUMMARY STATISTICS

CITY OF EL CAJON  
Good Faith Estimate 2020  
H.15 March 5, 2020  
AA Scale + 50 bps

Dated Date	07/01/2020
Delivery Date	07/01/2020
Last Maturity	07/01/2044
Arbitrage Yield	3.412281%
True Interest Cost (TIC)	3.469725%
Net Interest Cost (NIC)	3.489690%
All-In TIC	3.493122%
Average Coupon	3.446020%
Average Life (years)	13.740
Duration of Issue (years)	10.644
Par Amount	205,860,000.00
Bond Proceeds	205,860,000.00
Total Interest	97,468,614.16
Net Interest	98,703,774.16
Total Debt Service	303,328,614.16
Maximum Annual Debt Service	12,838,801.66
Average Annual Debt Service	12,638,692.26
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	99.400000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds -10 years	69,880,000.00	100.000	2.519%	5.687	36,323.40
Term Bond 2037	61,925,000.00	100.000	3.380%	14.133	79,883.25
Term Bond 2044	74,055,000.00	100.000	3.720%	21.010	117,006.90
	205,860,000.00			13.740	233,213.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	205,860,000.00	205,860,000.00	205,860,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-1,235,160.00	-1,235,160.00	
- Cost of Issuance Expense		-500,000.00	
- Other Amounts			
Target Value	204,624,840.00	204,124,840.00	205,860,000.00
Target Date	07/01/2020	07/01/2020	07/01/2020
Yield	3.469725%	3.493122%	3.412281%

BOND PRICING

CITY OF EL CAJON  
 Good Faith Estimate 2020  
 H.15 March 5, 2020  
 AA Scale + 50 bps

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond 2037:	07/01/2037	61,925,000	3.38000000%	3.380%	100.000
Term Bond 2044:	07/01/2044	74,055,000	3.72000000%	3.720%	100.000
Serial Bonds -10 years:					
	07/01/2021	6,345,000	1.78000000%	1.780%	100.000
	07/01/2022	6,455,000	1.99000000%	1.990%	100.000
	07/01/2023	6,585,000	2.06000000%	2.060%	100.000
	07/01/2024	6,720,000	2.14000000%	2.140%	100.000
	07/01/2025	6,865,000	2.27000000%	2.270%	100.000
	07/01/2026	7,020,000	2.39000000%	2.390%	100.000
	07/01/2027	7,185,000	2.56000000%	2.560%	100.000
	07/01/2028	7,370,000	2.59666667%	2.597%	100.000
	07/01/2029	7,565,000	2.73333333%	2.733%	100.000
	07/01/2030	7,770,000	2.82000000%	2.820%	100.000
		<u>69,880,000</u>			
		205,860,000			

Dated Date	07/01/2020	
Delivery Date	07/01/2020	
First Coupon	01/01/2021	
Par Amount	205,860,000.00	
Original Issue Discount		
Production	205,860,000.00	100.000000%
Underwriter's Discount	-1,235,160.00	-0.600000%
Purchase Price	204,624,840.00	99.400000%
Accrued Interest		
Net Proceeds	204,624,840.00	



## BOND MATURITY TABLE

CITY OF EL CAJON  
 Good Faith Estimate 2020  
 H.15 March 5, 2020  
 AA Scale + 50 bps

Maturity Date	Term Bond 2037	Term Bond 2044	Serial Bonds -10 years	Total
07/01/2021			6,345,000	6,345,000
07/01/2022			6,455,000	6,455,000
07/01/2023			6,585,000	6,585,000
07/01/2024			6,720,000	6,720,000
07/01/2025			6,865,000	6,865,000
07/01/2026			7,020,000	7,020,000
07/01/2027			7,185,000	7,185,000
07/01/2028			7,370,000	7,370,000
07/01/2029			7,565,000	7,565,000
07/01/2030			7,770,000	7,770,000
07/01/2031	7,990,000			7,990,000
07/01/2032	8,260,000			8,260,000
07/01/2033	8,540,000			8,540,000
07/01/2034	8,825,000			8,825,000
07/01/2035	9,125,000			9,125,000
07/01/2036	9,435,000			9,435,000
07/01/2037	9,750,000			9,750,000
07/01/2038		10,080,000		10,080,000
07/01/2039		10,455,000		10,455,000
07/01/2040		10,845,000		10,845,000
07/01/2041		11,250,000		11,250,000
07/01/2042		10,510,000		10,510,000
07/01/2043		10,515,000		10,515,000
07/01/2044		10,400,000		10,400,000
	61,925,000	74,055,000	69,880,000	205,860,000

BOND SOLUTION

CITY OF EL CAJON  
 Good Faith Estimate 2020  
 H.15 March 5, 2020  
 AA Scale + 50 bps

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
07/01/2021	6,345,000	12,838,580	12,838,580		-12,838,580	
07/01/2022	6,455,000	12,835,639	12,835,639		-12,835,639	
07/01/2023	6,585,000	12,837,185	12,837,185		-12,837,185	
07/01/2024	6,720,000	12,836,534	12,836,534		-12,836,534	
07/01/2025	6,865,000	12,837,726	12,837,726		-12,837,726	
07/01/2026	7,020,000	12,836,890	12,836,890		-12,836,890	
07/01/2027	7,185,000	12,834,112	12,834,112		-12,834,112	
07/01/2028	7,370,000	12,835,176	12,835,176		-12,835,176	
07/01/2029	7,565,000	12,838,802	12,838,802		-12,838,802	
07/01/2030	7,770,000	12,837,025	12,837,025		-12,837,025	
07/01/2031	7,990,000	12,837,911	12,837,911		-12,837,911	
07/01/2032	8,260,000	12,837,849	12,837,849		-12,837,849	
07/01/2033	8,540,000	12,838,661	12,838,661		-12,838,661	
07/01/2034	8,825,000	12,835,009	12,835,009		-12,835,009	
07/01/2035	9,125,000	12,836,724	12,836,724		-12,836,724	
07/01/2036	9,435,000	12,838,299	12,838,299		-12,838,299	
07/01/2037	9,750,000	12,834,396	12,834,396	15,410,387	2,575,991	120.07100%
07/01/2038	10,080,000	12,834,846	12,834,846	14,586,938	1,752,092	113.65105%
07/01/2039	10,455,000	12,834,870	12,834,870	13,706,545	871,675	106.79146%
07/01/2040	10,845,000	12,835,944	12,835,944	13,056,969	221,025	101.72192%
07/01/2041	11,250,000	12,837,510	12,837,510	13,642,430	804,920	106.27007%
07/01/2042	10,510,000	11,679,010	11,679,010	11,684,167	5,157	100.04416%
07/01/2043	10,515,000	11,293,038	11,293,038	11,293,367	329	100.00292%
07/01/2044	10,400,000	10,786,880	10,786,880	10,787,517	637	100.00590%
	205,860,000	303,328,614	303,328,614	104,168,321	-199,160,294	

## AGGREGATE DEBT SERVICE

CITY OF EL CAJON  
Good Faith Estimate 2020  
H.15 March 5, 2020  
AA Scale + 50 bps

Period Ending	Good Faith Estimate 2020	Aggregate Debt Service
07/01/2021	12,838,580.00	12,838,580.00
07/01/2022	12,835,639.00	12,835,639.00
07/01/2023	12,837,184.50	12,837,184.50
07/01/2024	12,836,533.50	12,836,533.50
07/01/2025	12,837,725.50	12,837,725.50
07/01/2026	12,836,890.00	12,836,890.00
07/01/2027	12,834,112.00	12,834,112.00
07/01/2028	12,835,176.00	12,835,176.00
07/01/2029	12,838,801.66	12,838,801.66
07/01/2030	12,837,025.00	12,837,025.00
07/01/2031	12,837,911.00	12,837,911.00
07/01/2032	12,837,849.00	12,837,849.00
07/01/2033	12,838,661.00	12,838,661.00
07/01/2034	12,835,009.00	12,835,009.00
07/01/2035	12,836,724.00	12,836,724.00
07/01/2036	12,838,299.00	12,838,299.00
07/01/2037	12,834,396.00	12,834,396.00
07/01/2038	12,834,846.00	12,834,846.00
07/01/2039	12,834,870.00	12,834,870.00
07/01/2040	12,835,944.00	12,835,944.00
07/01/2041	12,837,510.00	12,837,510.00
07/01/2042	11,679,010.00	11,679,010.00
07/01/2043	11,293,038.00	11,293,038.00
07/01/2044	10,786,880.00	10,786,880.00
	303,328,614.16	303,328,614.16

## PROOF OF ARBITRAGE YIELD

CITY OF EL CAJON  
 Good Faith Estimate 2020  
 H.15 March 5, 2020  
 AA Scale + 50 bps

Date	Debt Service	Present Value to 07/01/2020 @ 3.4122806811%
01/01/2021	3,246,790.00	3,192,324.46
07/01/2021	9,591,790.00	9,272,680.90
01/01/2022	3,190,319.50	3,032,443.08
07/01/2022	9,645,319.50	9,014,215.24
01/01/2023	3,126,092.25	2,872,538.92
07/01/2023	9,711,092.25	8,773,745.62
01/01/2024	3,058,266.75	2,716,721.68
07/01/2024	9,778,266.75	8,540,523.51
01/01/2025	2,986,362.75	2,564,590.32
07/01/2025	9,851,362.75	8,318,108.40
01/01/2026	2,908,445.00	2,414,581.93
07/01/2026	9,928,445.00	8,104,293.34
01/01/2027	2,824,556.00	2,266,923.86
07/01/2027	10,009,556.00	7,898,677.54
01/01/2028	2,732,588.00	2,120,149.83
07/01/2028	10,102,588.00	7,706,867.02
01/01/2029	2,636,900.83	1,977,843.15
07/01/2029	10,201,900.83	7,523,708.73
01/01/2030	2,533,512.50	1,837,074.44
07/01/2030	10,303,512.50	7,345,846.21
01/01/2031	2,423,955.50	1,699,158.92
07/01/2031	10,413,955.50	7,177,577.66
01/01/2032	2,288,924.50	1,551,123.85
07/01/2032	10,548,924.50	7,028,716.38
01/01/2033	2,149,330.50	1,408,068.76
07/01/2033	10,689,330.50	6,885,317.85
01/01/2034	2,005,004.50	1,269,818.55
07/01/2034	10,830,004.50	6,743,848.08
01/01/2035	1,855,862.00	1,136,259.81
07/01/2035	10,980,862.00	6,610,300.88
01/01/2036	1,701,649.50	1,007,181.48
07/01/2036	11,136,649.50	6,481,044.43
01/01/2037	1,542,198.00	882,436.39
07/01/2037	11,292,198.00	6,352,937.53
01/01/2038	1,377,423.00	761,932.08
07/01/2038	11,457,423.00	6,231,444.05
01/01/2039	1,189,935.00	636,323.29
07/01/2039	11,644,935.00	6,122,721.07
01/01/2040	995,472.00	514,623.11
07/01/2040	11,840,472.00	6,018,414.21
01/01/2041	793,755.00	396,691.01
07/01/2041	12,043,755.00	5,918,077.17
01/01/2042	584,505.00	282,396.80
07/01/2042	11,094,505.00	5,270,263.08
01/01/2043	389,019.00	181,697.10
07/01/2043	10,904,019.00	5,007,449.95
01/01/2044	193,440.00	87,343.21
07/01/2044	10,593,440.00	4,702,975.13
	303,328,614.16	205,860,000.00

PROOF OF ARBITRAGE YIELD

CITY OF EL CAJON  
Good Faith Estimate 2020  
H.15 March 5, 2020  
AA Scale + 50 bps

Proceeds Summary

Delivery date	07/01/2020
Par Value	205,860,000.00
	<hr/>
Target for yield calculation	205,860,000.00



## City Council Agenda Report

**Agenda Item 13.**

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Graham Mitchell, City Manager  
**SUBJECT:** Response to COVID-19

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### RECOMMENDATION:

That the City Council receives the report and provides feedback and direction on various recommendations related to COVID-19 responses.

### BACKGROUND:

The purpose of this agenda item is to provide an update to the City Council regarding the latest on COVID-19 and its impact on the community. The report also addresses several actions that the City Council may wish to take in response to its declared emergency. The agenda report includes the following sections:

- Status report on County and El Cajon impacts;
- Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding;
- City's response and efforts to-date;
- Anticipated impacts of COVID-19 on the City, its residents, and its businesses;
- Staff recommendations to address short-term needs;
- Other proposals from City Councilmembers; and
- A fiscal analysis.

### COVID-19 Status Report

The County of San Diego provides a daily briefing and report on the number of cases and other details. Also, almost on a daily basis, new information from the Federal, State, and County governments is shared. During the agenda presentation, staff will provide the latest data provided by the County.

It is important to note that the City operates under declarations of emergency from the President of the United States, the Governor of California, and the City Council of El Cajon. The State and County have issued the following orders over the past few weeks:

- Non-essential businesses should remain closed;
- No gathering of individuals should occur;
- Physical or social distancing of six feet should be practiced;
- Essential businesses should provide face masks to its employees; and
- Parks may remain open, but parking lots to parks should remain closed.

The Centers for Disease Control & Prevention maintain that the most effective ways to slow the spread of COVID-19 is to frequently wash your hands for 20 seconds, not touch your face, stay home, and if you must go out to maintain six feet of physical distance and cover your face.

### **Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding**

On March 27, 2020, the President signed the CARES Act into law, providing \$2.2 trillion in federal funds to respond to the COVID-19 emergency. The CARES Act included \$5 billion to the Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program to “prevent, prepare for and respond to the coronavirus.”

The CDBG funds will be distributed in three buckets: 1) \$2 billion of the funds will be provided to state and local governments through the regular CDBG program; 2) \$1 billion will be provided to states based on public health needs; and 3) \$2 billion will be distributed to state and local governments based on a new formula to be developed by HUD considering several factors including economic and housing market disruption resulting from coronavirus.

HUD was required to allocate the first bucket of funds within 30 days of enactment of the bill. The City has been notified of its expected amount (approximately \$800,000), but is awaiting guidelines for the specific timeline and use of the funds. An amendment to the FY 2019-20 Annual Action Plan and additional citizen participation requirements must be met. Some of the recommendations outlined in this report may be eligible for the use of these additional CDBG funds, but CDBG restrictions will apply.

### **City’s Response to COVID-19**

Because most of the City services provided are deemed essential, many City services and functions remain open. This has allowed the City to focus its efforts on helping to “flatten the curve” of COVID-19 cases. In response to COVID-19, the City has done the following:

- Website – the City’s homepage has been updated with a prominent banner that alerts residents and businesses of the current COVID-19 restrictions. The website also provides links to County, State and Federal service providers and resources. A Frequently Asked Question page is also available to help answer commonly asked questions about COVID-19. As conditions change daily, the City continues to update and revise its COVID-19 webpage.
- City Hall – to limit possible COVID-19 exposures, floors 2 through 6 of City Hall have been closed to the public. City Hall’s lobby remains open for necessary onsite services.
- Handwashing stations – the County of San Diego has placed handwashing stations throughout the City in an effort to help limit the spread of COVID-19. These stations are located at Wells Park, Prescott Promenade, Judson Park, Bill Beck Park, outside the Lexington Post Office, Cajon Valley Middle School, outside the City Council chamber, and at both MTS transit stations in El Cajon.
- Staffing levels – keeping the City operational has been a priority, balanced by protecting the health of City staff and the public. In this effort, employees that can work from home have been set up with telecommuting opportunities. Approximately 25 percent of City staff is able to work from home while still being able to process planning entitlements and building plans, manage homeless programs, plan future recreation events, oversee grants, answer and provide guidance to public inquires, and update the City’s website and social media accounts.
- Recreation Squad - Recreation staff has engaged with the community during the stay at home order.

- Drive through testing locations – the City has identified possible sites for drive through testing and offered these locations to the County of San Diego.
- Video translation – the City of El Cajon has a diverse community and has a large Middle-Eastern population. To reach these residents, the City coordinated with the County to create an Arabic voice-over for a COVID-19 preparedness video. The video has been shared on the City’s website, social media accounts, and with local Arabic and Chaldean community leaders.
- Response Teams – business, residential and homeless response teams have been developed to identify both short- and long-term efforts the City can take to help each of these groups (more information to follow on these teams later in the staff report).
- Virtual Town Hall Meeting – on Tuesday, March 24, the City held its first-ever virtual Town Hall Meeting to discuss COVID-19. The City aired the event Live on Facebook, Zoom Meeting, and on the City’s website. Questions submitted by email were answered in real time during the event.
- Virtual City Council and Planning Commission Meetings – in response to the social distance standards and requirements, the City has transitioned to virtual City Council and Planning Commission meetings. Residents can partake by submitting questions online up until voting concludes.

### **Anticipated COVID-19 Impacts**

This section of the staff report attempts to begin forecasting some of the short-term and long-term impacts that COVID-19 has had or may have on the City, its residents, and its businesses. As a disclaimer, there are many variables that influence possible impacts, and we are only a few weeks into the pandemic impacting our region. As such, it would be impossible to forecast every possible scenario.

#### Impacts on the City

Staff believes that there will be negative fiscal impacts on the City’s general fund revenue in the current fiscal year and into FY 2020-21. Depending on which study or article you wish to believe, the impacts could be multi-year. General Fund revenues are likely to be impacted, with immediate impacts on sales tax and transient occupancy tax revenues.

Based on its experience, staff believes it unlikely that sales taxes will immediately rebound to post-crisis levels. Further, it is unlikely the City will “catch up” from lost revenue; more likely, the City will be negatively impacted for an extended period. Additionally, investment returns, already declining prior to the start of the crisis, have decreased significantly. While this represents a loss of investment revenue, it also may likely bring a decrease in the cost of borrowing money.

The City, currently evaluating issuing Pension Obligation Bonds, may find decreased bond interest costs as a silver lining of sorts. However, with investment returns low, the City’s unfunded pension liability may be impacted. Any shortfall in investment returns below the CalPERS 7.0% discount rate will represent an increase in the unfunded liability. A severe shortfall will have a major impact of the liability, and will likely increase required CalPERS contributions in future years.

#### Impacts on Businesses and Residents

When staff began compiling information for this report, closures of local, non-essential businesses and the stay-at-home order were anticipated to be short-term conditions, perhaps a matter of a few weeks. However, today there is no date for the lifting of the stay-at-home order or an indication as to when non-essential businesses may be permitted to reopen. In fact, each



public health order becomes increasingly stricter in an attempt to arrest the upward trend in confirmed cases. As such, what was once contemplated to be a short-term impact to the local economy is looking more like a more prolonged event with a much more significant impact.

Presently, all businesses deemed “non-essential” under the public health officer’s order are supposed to be closed. It is difficult to gauge accurate statistics on this as there have been many instances of businesses remaining open, or reopening, claiming to be “essential” because they are selling an item deemed an “essential item.”

At this time, staff estimates that most small businesses are closed, while larger “big-box” retailers remain open. This is particularly concerning as the operating and profit margins for small business owners are far more delicate than for large scale retailers. Small businesses may be unable to endure a long-term business closure order. Even brand-name mall-oriented retailers who were struggling in the pre-COVID-19 retail environment may likely be unable to reopen at many locations across the country and this may have a dramatically negative impact on the economic viability of Parkway Plaza.

Unfortunately, staff believes that the locally-owned business/restaurant environment may suffer irreparable long-term damage that may both negatively impact the local economy and take several years to recover. It is still too early in the event to predict with any degree of certainty, the level of impact, except to say that staff believes that long term impact to the local economy will likely be significant. It is possible that the retail landscape will change dramatically as consumers rely even more on cyber-retailers over “brick and mortar” retailers. Small businesses may simply not be able to compete against the likes of Amazon in a post-COVID-19 environment.

Should this scenario play out, the long-term impacts to local employment will also be negatively affected. Unemployment may persist for an extended period, which would likely result in increased foreclosures, a drop in auto sales and other large scale appliances and durable goods, and possibly exacerbate the homeless situation. At this time, it is unknown the impact of the Federal assistance programs for small businesses.

### **Staff Recommendations to Address Short-Term Needs**

Staff has created three response teams made up of City staff (a total of 24 staff members) to begin thinking about meeting needs in the community. Staff presents initial research of each team along with recommendations for City Council discussion. Based on City Council feedback and direction, the response teams will implement programs or activities.

#### Resident Response Team

The Resident Response Team was initially tasked to consider short-term and long-term challenges due to COVID-19 on the residents of El Cajon. Based on those challenges, the team developed possible programs or activities that would have an impact while being sensitive to the City’s budget.

The Resident Response Team identified the following as the top three challenges that many of the City’s residents may face:

1. Lack of income as a result of unemployment or reduced employment,
2. Physical and mental wellness, and
3. Access to food.

### *Recommendations*

The following are six recommendations from the Residence Response Team for City Council feedback and consideration.

RRT 1: Sewer Billing Delay – continue to not charge late fees through December 2020 and allow residents to defer sewer billing during the months of April and May. Any payments not made must be made by the end of 2020.

RRT 2: Utility Assistance Program – in an effort to help residents stay housed, staff recommends allocating \$300,000 in CARES Act funds to assist eligible households with utility payments.

RRT 3: Free On-Line Classes – develop free on-line classes such as preschool dance, adult fitness, art, senior chair yoga, and teen hip hop, to name a few, offered to El Cajon residents. Classes would be tailored to different age and interest groups.

RRT 4: Food Delivery for Seniors – staff recommends that the City partner with local organizations to help seniors access groceries by allocating up to \$50,000 in General Funds to serve local residents.

RRT 5: Food Security – in El Cajon alone, there are up to six food distribution events in a typical week. Staff recommends that the City promote these events. This would require minimal resources.

RRT 6: Discounted Recreation Classes – after the lifting of Public Health Orders that do not allow for traditional recreation classes, staff recommends that the City discount all recreation classes, activities, and leagues during 2020 for eligible households. Staff is seeking a funding source for this program.

### Business Response Team

Similar to that of the Resident Response Team, the Business Response Team was initially tasked to identify short-term and long-term challenges due to COVID-19 on the businesses of El Cajon. Considering those challenges, the team developed possible programs or activities that would have an impact while being sensitive to the City's budget.

The Business Response Team identified the following as the top four challenges that many of the City's business may face:

1. Lost revenue,
2. Business closures,
3. Employee safety, and
4. Employee layoffs.

### *Recommendations*

The following are three recommendations from the Business Response Team for City Council feedback and consideration.

BRT 1: Connecting Businesses with Resources – there are many resources being provided by other government entities, ensuring that information is available and assistance to access those programs is critical. Staff recommends that a website and an outreach campaign be developed that would include working with the East County Chamber of Commerce and direct contact with business owners.

BRT 2: Waiving Business Licenses Late Renewal Penalties and Sewer Late Fees – staff recommends assisting businesses by waiving late penalties for late business license renewals for the remainder of 2020 and sewer late fees through December 2020.

BRT 3: Softening Banner and Temporary Uses Regulations – staff recommends softening regulations on banners and temporary uses (such as parking lot sales), as long as they do not impact the public right-of-way or create a safety hazard. This would be applied through 2020 as businesses re-establish their customer bases. The City Council should be aware that since the declaration of an emergency, staff has not enforced temporary sign regulations.

### Homeless Response Team

A team was also formed to ensure COVID-19 related challenges on El Cajon's homeless population were identified. The team's initial assignment was to consider a program to help this community.

The Homeless Response Team identified the following as the top three challenges that many of the City's homeless population may face:

1. Lack of shelter for homeless individuals that do not wish to follow standards,
2. Lack of facilities for hygiene and disease prevention, and
3. Due to unemployment rates, it is possible that already low-income residents could be at-risk for homelessness in the mid- to long-term.

### *Recommendations*

The following are three recommendations from the Homeless Response Team for City Council feedback and consideration.

HRT 1: Additional Shelter Space/Motel Vouchers/Safe Parking Program – working with homeless services provider(s), staff recommends that \$250,000 in CARES Act funds be allocated to providing shelter space through a combination of secured shelter space at an existing shelter, motel vouchers, and a safe parking program.

HRT 2: Transportation to Regional Homeless Services – the State of California has allocated significant funding toward securing shelter space throughout the County. The majority of these spaces are outside of the City. Staff recommends a transportation program to help homeless individuals interested in these State services to access housing. Staff does not know the estimated cost for this program.

HRT 3: Rapid Rehousing/Rental Assistance Program – in an effort to ensure that vulnerable populations remain in existing housing, staff recommends that \$200,000 be allocated to rapid rehousing and rental assistance programs. Staff recommends relying on a third-party vendor(s) to provide the expertise to manage these programs.

## **Other Proposals from City Councilmembers**

Over the course of the past few weeks, City Councilmembers have suggested program ideas, which have influenced some of the recommendations identified above. However, there are three specific recommendations from members of the City Council that are presented.

### *Food Security*

There are currently various food distributions occurring throughout the City. In addition, the Cajon Valley Union School and the Grossmont Union High School Districts are serving up to 11,000 students per day throughout their respective boundaries. However, there is concern that as bills are due, there may be some that struggle to secure food. Mayor Wells suggested that staff explore various options of how to distribute food. Staff researched options from restaurant vouchers to contracting with an organization to distribute food. Based on research at the request of the Mayor, staff recommends that the City financially support several of the food distribution organizations that are currently providing services in El Cajon. Because not every organization verifies income levels, it is unlikely that CARES Act funds could be used. Staff recommends allocating \$100,000 to various organizations to ensure food supplies are available to City residents.

### *Protecting Renters & Acknowledging Landlords*

The Governor has enacted emergency orders that protect residential renters. For example, one of the Governor's orders suspended unlawful detainer actions so no management company or landlord may file an unlawful detainer action against a renter for failing to pay rent. Further, at its meeting on April 6, 2020, the California Judicial Council adopted an emergency court rule that effectively stops all evictions, other than those necessary to protect public health and safety, for the duration of the COVID-19 emergency. The rule is applicable to all courts and to all eviction cases, whether they are based on a tenant's missed rent payment or another reason. This new court rule will apply until 90 days after the Governor lifts the state of emergency related to the COVID-19 pandemic, or until it is amended or repealed by the Judicial Council.

While many local government agencies have enacted tenant protection provisions, landlords also face uncertainty. At least one association reports some banks consider landlords' mortgages as commercial loans instead of residential, and therefore not likely to receive the same consideration for assistance. Some landlords depend on rent payments not only to pay mortgages, but also as their own sole source of income in retirement. Therefore, it is essential that any tenant facing financial hardship contact their landlord before rent is due. This transparent and proactive communication allows both parties to negotiate a solution instead of either party feeling uncertain from the lack of communication.

Councilmembers Goble and Kendrick present a Resolution that encourages protections to both tenants and landlords. The resolution strongly recommends that entities owning residential rental property in the City of El Cajon voluntarily refrain from increasing rents charged to their tenants for a sixty (60) day period (April 14, 2020 through June 15, 2020) while residents are waiting to receive government assistance. The Resolution also strongly recommends that tenants experiencing financial distress because of COVID-19 be proactive in contacting their landlord before rent is due. Staff recommends that the City Council consider the Resolution, which is attached to this agenda report.

*Business Needs*

Staff learned that Deputy Mayor Ortiz has been working with the East County Chamber of Commerce encouraging them to conduct a survey of local businesses to determine how they are doing and their needs. He has indicated that the Chamber does not need financial assistance to help collect the data, but expressed interest that the City Council review the data once it has been collected. Staff recommends that the information gathered from the Chamber could help refine staff’s recommendations in this agenda report.

**FISCAL IMPACT:**

The table below summarizes the recommendations identified in this agenda report and the possible funding sources.

Recommendations		Funding Source		
		General Fund	CARES Act	Other
<b>Resident Response Team</b>	Sewer Billing Delay			Unknown
	Utility Assistance Program		\$300,000	
	Free On-Line Classes			\$10,000
	Food Delivery for Seniors	\$50,000		
	Food Security	Minimal		
	Discounted Recreation Classes			Unknown
<b>Business Response Team</b>	Connecting Businesses with Resources	Minimal		
	Waiving Business Licenses Late Renewal Penalties & Sewer Late Fees	Unknown		
	Softening Banner & Temporary Uses Regulations	\$0		
<b>Homeless Response Team</b>	Additional Shelter Space/Motel Vouchers/Safe Parking Program		\$250,000	
	Transportation to Regional Homeless Services	Unknown		
	Rapid Rehousing/Rental Assistance Program		\$200,000	
<b>Other</b>	Food Security	\$100,000		
<b>TOTAL</b>		<b>\$150,000+</b>	<b>\$750,000</b>	<b>\$10,000+</b>

One of the primary funding sources is CARES Act funds (approximately \$750,000). Staff is waiting for guidelines on gaining access to CARES Act funds. Once that information is provided, the City will be required to prepare an amendment to the FY 19-20 CDBG Action Plan, allow for public review (with no less than 5 days’ notice), conduct a public hearing, and sign a grant agreement with the federal government. The City must then have agreements signed with providers before funds can be spent.

Prepared By: Graham Mitchell, City Manager

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

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## Attachments

Resolution

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A RESOLUTION OF THE CITY COUNCIL FOR THE  
CITY OF EL CAJON, CALIFORNIA, PROTECTING THE  
PUBLIC HEALTH, SAFETY, AND WELFARE BY ADDRESSING  
THE IMPACTS OF THE COVID-19 VIRUS ON TENANTS AND  
LANDLORDS OF RESIDENTIAL PROPERTIES

WHEREAS, on March 13, 2020, the El Cajon City Manager, as Director of Emergency Services for the City of El Cajon (the "City"), approved a proclamation of local emergency as a result of the world-wide pandemic caused by the COVID-19 virus, with the likelihood that the virus could spread to residents of the City; and

WHEREAS, at a special meeting of the El Cajon City Council (the "City Council") held on March 16, 2020, at which all members were present either in person or through telephonic means, Resolution No. 023-20 was adopted, ratifying the City Manager's proclamation of a local emergency in the City, and the local emergency has since continued to date; and

WHEREAS, since the proclamation of a local emergency the County of San Diego, Governor Gavin Newsom, and President Donald Trump have all issued orders resulting in regional, state and federal states of emergency; and

WHEREAS, Executive Orders from Governor Newsom, and Orders from the County of San Diego Public Health Officer have included requirements (1) for persons to "stay at home," (2) prohibiting "gatherings" of non-essential workers, (3) prohibiting on-site dining in restaurants, (4) for the closure of public and private schools, and (5) limiting the number of children allowed to be together in daycares, or childcare facilities; and other prohibitions; and

WHEREAS, such orders have resulted in residents of the City losing jobs and unable to carry on their employment and livelihood, having a serious impact on their ability to pay living expenses, including medicines, food, and housing expenses, and to take time off from work to care for family members, including school-age children; and

WHEREAS, a significant number of City residents are tenants, and are without the means to continue to work in those industries and businesses closed due to the COVID-19 virus and state and local orders, making these residents vulnerable to displacement by landlords when unable to make monthly rental payments following the loss of jobs resulting from the pandemic; and

WHEREAS, landlords are also facing financial pressures, including a statewide moratorium on evictions for 90 days after the Governor lifts the Declaration of Emergency for COVID-19, exposing them to several months of financial uncertainty, and

WHEREAS, landlords encourage tenants who are facing hardship to express any concerns to landlords, informing them of financial difficulties in writing before rent is due; and

WHEREAS, it is anticipated that many of the City's residents that rent their homes will qualify to, and will, receive some federal assistance through the recently adopted Coronavirus Aid, Relief, and Economic Security Act, which will provide temporary financial assistance to relieve some of the strains caused by reduced or lost income due to City residents' sudden unemployment, although the precise date for distribution for such relief checks remains uncertain; and

WHEREAS, it is the desire of the City Council that residents should not be displaced from residences, and potential homelessness, due to an inability to make rental payments where rents have been increased in any amount up to or exceeding 10 percent during this crisis, and that it is in the interest of maintaining public health, safety, and welfare that residents should not choose between purchasing food, medicine, or other necessities, on the one hand, and finding the means to pay increased rents to maintain safe and secure homes on the other; and

WHEREAS, it is also the desire of the City Council that landlords should not be placed in a position where they don't have the ability to work a solution with a tenant in financial distress, potentially jeopardizing their ability to provide housing on an ongoing basis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The foregoing recitals are true and correct and are hereby made findings of the City Council.

2. The City Council hereby strongly recommends that persons, businesses, or entities, owning residential rental property in the City of El Cajon, voluntarily refrain from increasing rents charged to their tenants for a sixty (60) day period (April 14, 2020 through June 15, 2020) while residents are waiting to receive federal stimulus funds, unemployment benefits, or other government assistance.

3. Likewise, the City Council hereby strongly recommends that tenants who are experiencing financial distress related to COVID-19 be proactive and contact landlords with any concerns related to the ability to pay full rent before rent is due.





City Council  
Agenda Report

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Mayor Wells  
**SUBJECT:** Council Activity Report

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

March 12 – San Diego Public Health Mayoral Briefing regarding COVID-19  
March 12 – San Diego Public Health Unified Regional Press Conference regarding COVID-19  
March 14 - Rock Church COVID-19 Panel  
March 16 - KUSI Interview regarding COVID-19  
March 16 – Special City Council Meeting  
March 16 – Meeting with Borrego Health  
March 16 – Meeting with Supervisor Desmond’s Office  
March 24 – City Council Meeting  
March 27 – SANDAG Board of Directors Meeting (Virtual)  
April 14 – City Council Meeting

I am available to answer questions.

Submitted By: Bill Wells, Mayor

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City Council  
Agenda Report

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Councilmember Kendrick  
**SUBJECT:** COUNCILMEMBER GARY KENDRICK  
METRO Commission/Wastewater JPA; Heartland Communications;  
Heartland Fire Training JPA; East County Advance Water Purification Joint  
Powers Authority Board.

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

March 16 – Special City Council Meeting  
March 24 – City Council Meeting  
April 9 - Heartland Fire Training  
April 14 – City Council Meeting

I am available to answer questions.

Submitted By: Gary Kendrick, Councilmember

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City Council  
Agenda Report

Agenda Item 17.

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Councilmember McClellan  
**SUBJECT:** COUNCILMEMBER BOB MCCLELLAN  
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

March 14 - Texas Roadhouse Restaurant Grand Opening  
March 16 - Special City Council Meeting  
March 19 - MTS Board Meeting  
March 24 - City Council Meeting  
April 14 - City Council Meeting

I am available to answer questions.

Submitted By: Bob McClellan, Councilmember

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## City Council Agenda Report

**Agenda Item 18.**

**DATE:** April 14, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Councilmember Goble

**SUBJECT:** COUNCILMEMBER STEVE GOBLE

SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate; East County Advance Water Purification Joint Powers Authority Board - Alternate.

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### RECOMMENDATION:

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

### BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

### REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- March 11 - Spoke at El Cajon Police Department Citizens' Academy
- March 12 - Email with Lorne Perkins regarding Certificate
- March 16 - Attend Special City Council meeting
- March 19 - Email to resident regarding DMV and COVID-19
- March 23 - Meeting with City Manager
- March 24 - City Council Meeting
- March 25 - Email to resident regarding eviction moratorium
- March 25 - Email to city employee regarding COVID-19
- March 25 - Email to City Manager regarding sewer bill deferrals
- March 26 - Email to CalTrans Director Gustavo Dallarda
- March 26 - Email to Andrew Nomura with Fox5 regarding handwashing stations
- March 26 - Email to Molly at SCRHA regarding rent increase freeze
- March 26 - Email to Tracy at PSAR regarding rent increase freeze
- March 27 - SANDAG remote meeting training
- March 28 - Phone call with resident regarding vehicle sanitizing service
- March 30 - Email to City Attorney regarding rent increase freeze

April 1 - Facebook conversation with resident regarding senior grocery delivery service  
April 1 - Email to City Manager regarding senior grocery delivery service  
April 1 - Phone conversation with resident regarding shelter availability  
April 1 - Follow up email with Molly at SCRHA regarding rent increase freeze  
April 1 - Phone call with Karen P. at U-T regarding Palm Pharmacy  
April 3 - Phone call with Rob C. regarding vehicle disinfecting service  
April 3 - Email to CalTrans regarding Graffiti on EB I-8 retaining wall at Chase Ave  
April 6 - Phone call with City Manager regarding rent increase freeze  
April 13 - Zoom meeting with City Manager  
April 14 - City Council Meeting

I am available to answer questions.

Submitted By: Steve Goble, Councilmember

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City Council  
Agenda Report

**DATE:** April 14, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Deputy Mayor Phil Ortiz  
**SUBJECT:** DEPUTY MAYOR PHIL ORTIZ  
East County Economic Development Council; League of California Cities,  
San Diego Division.

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

March 13 - Interview for Mayor's Prayer Lunch  
March 14 - Texas Roadhouse Restaurant Grand Opening  
March 16 - Special City Council Meeting  
March 18 - East County Economic Development Council Board Meeting- Remote  
March 24 - City Council Meeting  
March 26 - East County Chamber Of Commerce Board Meeting - Remote  
March 27 - Phone Meeting with property owner in El Cajon  
April 14 - City Council Meeting

I am available to answer questions.

Submitted By: Phil Ortiz, Deputy Mayor

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