

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Monday, July 1, 2024

4:00 PM – Special Meeting

5:30 PM – Regular Meeting

David B. Roberts Council Chambers

City Hall

2729 Prospect Park Drive, Rancho Cordova

How to Observe or Listen to the Meeting:

- Online via Zoom: <https://cityofranchocordova.zoom.us/j/81630466928>
Webinar ID: 816 3046 6928
- By phone: +1 669 900 6833 or +1 253 215 8782
Webinar ID: 816 3046 6928

Public Comment

Members of the public who wish to address the City Council may do so in person during the meeting by completing and submitting a Speaker Card to the City Clerk.

Members of the public who wish to provide public comment via email will need to submit comments to CityClerk@cityofranchocordova.org no later than 2:00 p.m. on Monday, July 1, 2024. Written comments received no later than 2:00 p.m. will be distributed to the Council, filed in the record, and will not be read aloud. All comments submitted later than 2:00 p.m. will be distributed to the Council.

If you have questions related to the City Council Meeting, please contact the City Clerk's Office at (916) 851-8720 before Monday, July 1, 2024, at 2:00 p.m.

AGENDA

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Siri Pulipati, Donald Terry, and Mayor David Sander

2. PUBLIC COMMENT

At a special meeting, members of the public wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

3. SPECIAL MEETING

- 3.1. **Subject:** Discussion Regarding the Future Development of the Waegell Property.

Recommendation: Receive information and provide feedback.

4. ADJOURNMENT OF SPECIAL MEETING

Mayor Sander will adjourn the Special meeting to the Regular meeting in the David B. Roberts Council Chambers.

5. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Siri Pulipati, Donald Terry, and Mayor David Sander

6. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

7. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

8. INVOCATION

There will be a moment of silence in lieu of an invocation.

9. PRESENTATIONS

- 9.1. Leadership Rancho Cordova Check Presentation to Rancho Cordova Food Locker.

- 9.2. Introduction of New Employees: Cassidy Shoop, Animal Services Officer I by April Stevenson, Neighborhood Services Management Analyst and Lindsay Morrow, Senior Environmental Planner by Darcy Goulart, Planning Manager.

- 9.3. Vice Mayor Siri Pulipati's Birthday on July 6, 2024.

- 9.4. The City of Rancho Cordova's Birthday on July 1, 2024.

10. PUBLIC COMMENT

Members of the public wishing to address the Council for any matter not on the agenda may do so at this time by completing and submitting a Speaker Card to the City Clerk.

For items on the agenda, speakers will be called by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any item not on the agenda unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

11. COUNCIL REPORTS

12. CITY MANAGER'S REPORT

13. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

13.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of June 17, 2024.

Recommendation: Adopt the minutes.

13.2. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2024-95 in an Amount not to Exceed \$500,000 with Claggett Wolfe Associates for Consulting Services from July 1, 2024, through June 30, 2029.

Recommendation: Adopt the Resolution.

14. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

None

15. PUBLIC HEARING ITEMS

15.1. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2024-93 in an Amount not to Exceed \$390,000 with Clutch for a Jobs and Talent Attraction Economic Incentive Award.

Recommendation: Adopt the Resolution.

15.2. **Subject:** A Resolution Approving a Conditional Use Permit for the Mather Veterans Village Phase 4 Multifamily Housing Project for Homeless Veterans, Project No. PLND-0324-0095, and Adopting Findings Overruling the Airport Land Use Commission, Pursuant to the Overrule Process of Public Utilities Code Section 21676(b), that the Conditional Use Permit is Consistent with the Purposes of Public Utilities Code Section 21670.

Recommendation: Adopt the Resolution.

16. REGULAR CALENDAR ITEMS

16.1. **Subject:** A Resolution Approving the Economic Development Department Jobs and Talent Attraction Program Revision.

Recommendation: Adopt the Resolution.

16.2. **Subject:** A Resolution Approving a Conditional Funding Commitment of \$6,000,000 to Mercy Housing California for the Mather Veterans Village Phase 4 Affordable Housing Development Project.

Recommendation: Adopt the Resolution.

17. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

18. ADJOURN TO CLOSED SESSION

Mayor Sander will adjourn the meeting to Closed Session.

19. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Siri Pulipati, Donald Terry, and Mayor David Sander

20. CLOSED SESSION

Council will meet in closed session to discuss the following item:

- 20.1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: Pursuant to Government Code Section 54956.9(d)(4) (one case): Potential Litigation Related to National Opioid Cases and Settlement. (IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION, U.S.D.C., Eastern District of California, Case No. 2:18-cv-01135 and U.S.D.C., Northern District of Ohio, MDL No. 2804, Case No. 17-MD-2804.)

21. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in Closed Session.

22. ADJOURNMENT

ADDITIONAL INFORMATION

Special Meetings listed below are subject to change/cancellation without further notice.

Unless the Council adopts a motion to extend the meeting, any item that is not initiated before 11:00 p.m. will be continued to the next day at 5:30 p.m. or scheduled on the next regular meeting agenda of the Council.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

UPCOMING MEETINGS

July 15, 2024	5:30 PM Regular Meeting
August 19, 2024	5:30 PM Regular Meeting
August 27, 2024	5:30 PM Special Meeting/Work Session
September 3, 2024	4:00 PM Special Meeting/5:30 PM Regular Meeting
September 16, 2024	5:30 PM Regular Meeting
September 24, 2024	5:30 PM Special Meeting/Work Session
October 7, 2024	4:00 PM Special Meeting/5:30 PM Regular Meeting
October 21, 2024	5:30 PM Regular Meeting

If you have any technical questions related to the agenda items, please contact City Hall at (916) 851-8700.

The Rancho Cordova City Council meeting will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and AT&T U-Verse Systems. Closed Captioning will be available on the playback cablecast. A DVD copy is available from the City Clerk's Department and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the July 1, 2024, Regular Meeting of the Rancho Cordova City Council was posted and available for review on June 27, 2024, at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranhocordova.org.

Signed June 27, 2024 at Rancho Cordova, California.



Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 3.1.

DATE: July 1, 2024
TO: Honorable Mayor and Council Members
FROM: Darcy Goulart, Planning Manager
SUBJECT: **DISCUSSION REGARDING THE FUTURE DEVELOPMENT OF THE WAEGELL PROPERTY**

RECOMMENDATION

Receive information and provide feedback.

RESULT OF RECOMMENDED ACTION

City staff and the project team will provide a presentation on the history of the property and potential future development. After the presentation, the City Council will be asked to provide some direction and feedback on the information presented that could help guide future development of the plan area.

BACKGROUND

The Waegell property encompasses approximately 1,344 acres of land at the southern portion of the City boundary. The land is located within the Grant Line North Planning Area of the General Plan, which also includes around 500 acres of land in the unincorporated area of Sacramento County. The planning area estimates a population of 16,600 people, 6,916 dwelling units and 3,634 jobs. The plan area does not designate specific land uses for the parcels. However, it states a variety of residential densities and commercial development should be incorporated into future development of the site.

In 2007, the City began processing a request from Lewis Planned Communities for a new Specific Plan that was known as Arboretum. From 2007 until late 2015, development of the plan consisted of various study sessions, land use map revisions and preparation of an environmental impact report. The last land use plan that was submitted proposed a mix of residential densities with 4,717 dwelling units, 48 acres of commercial and 69 acres of office uses. Lewis Planned Communities ceased all work on the proposed specific plan towards the end of 2015 and the proposed plan did not receive any approvals.

A new project team, led by Reynen & Bardis has approached the City with the desire to develop the Waegell property. There have been some initial meetings with City staff on potential densities and housing types, land uses, site constraints and necessary entitlements. At the southern border of the City limits, the Waegell property is the last vacant land in that area to go through the entitlement phase of development. The current General Plan and Grant Line North Planning Area was adopted in 2006. Since adoption and that last Lewis Planned Communities

proposed land use plan, the Council's vision and desired development outcomes for the area may have changed. The purpose of the study session is for staff to provide a brief history of the land, past planning efforts and go over a few policy questions for Council to consider. Additionally, the project team will present their general project overview and conceptual layout, ultimately seeking direction and/or feedback from Council for potential future development of the Waegell property.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Presentation

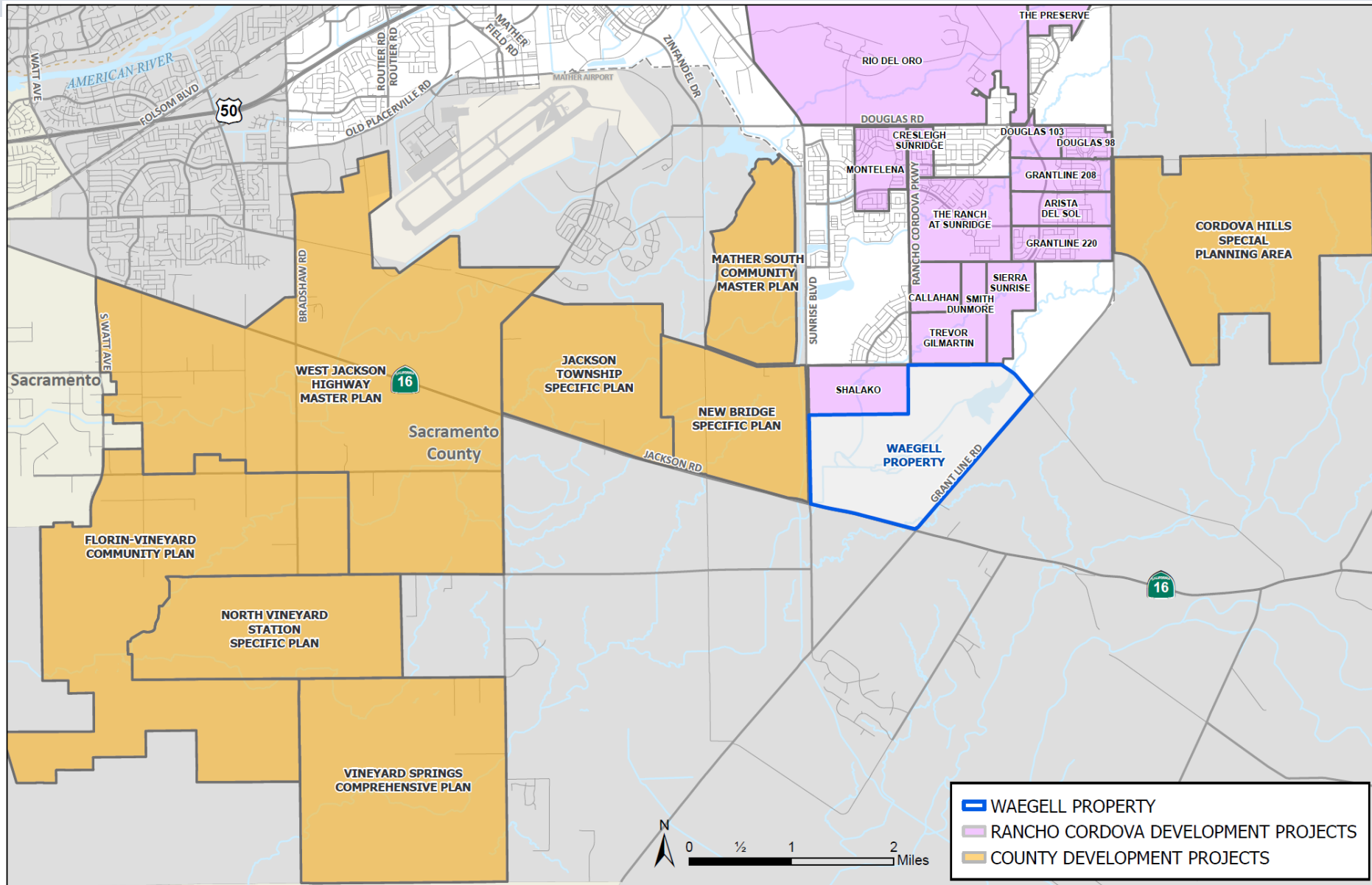
Waegell Property Discussion and Direction

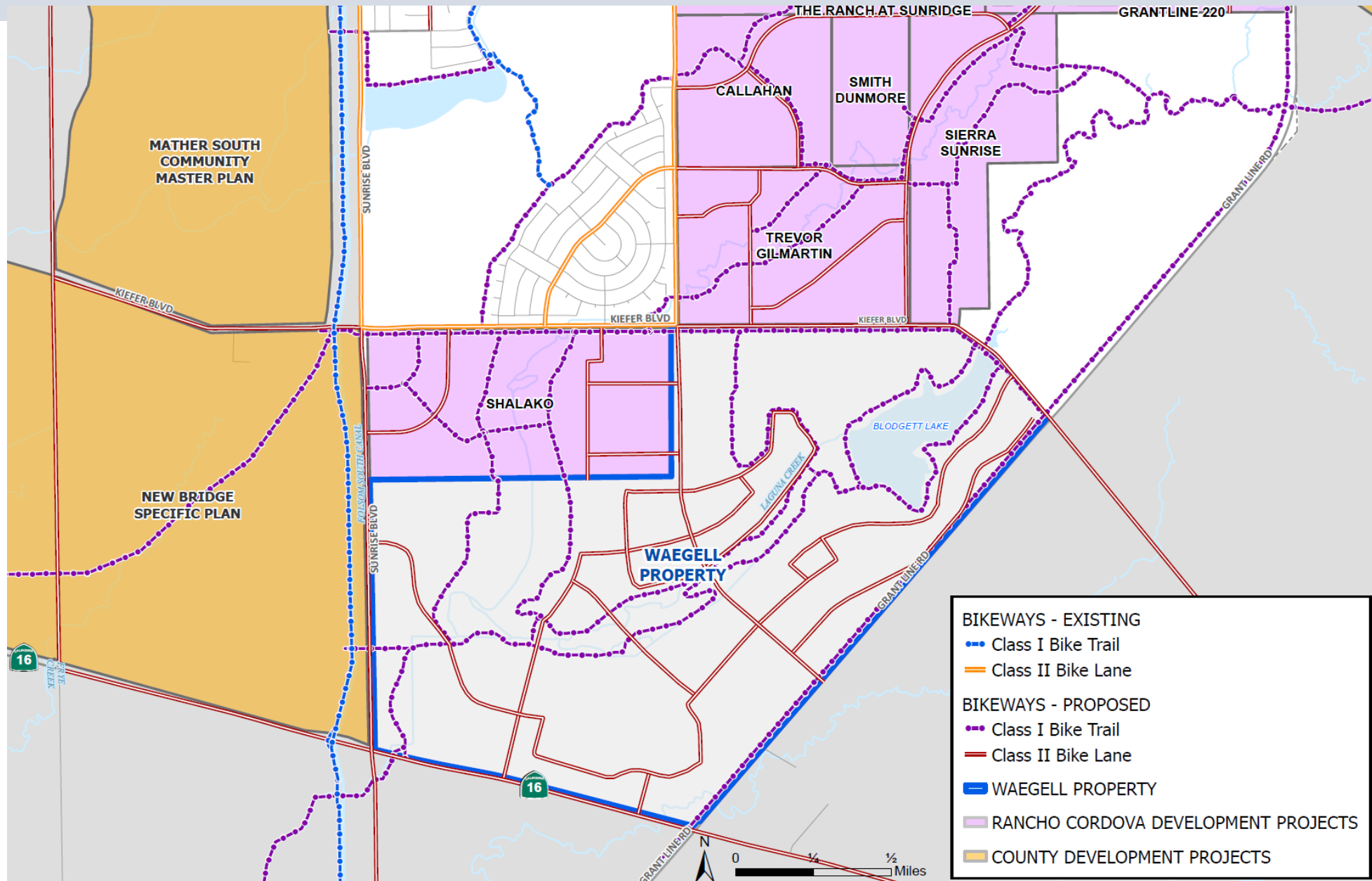
Darcy Goulart, Planning Manager
Arlene Granadosin-Jones, Senior Planner
July 1, 2024



- Receive a presentation from staff and the applicant on the Waegell Property Specific Plan conceptual land use layout.
- Provide direction to staff and the applicant regarding modifications and or inclusions to the conceptual land use layout.







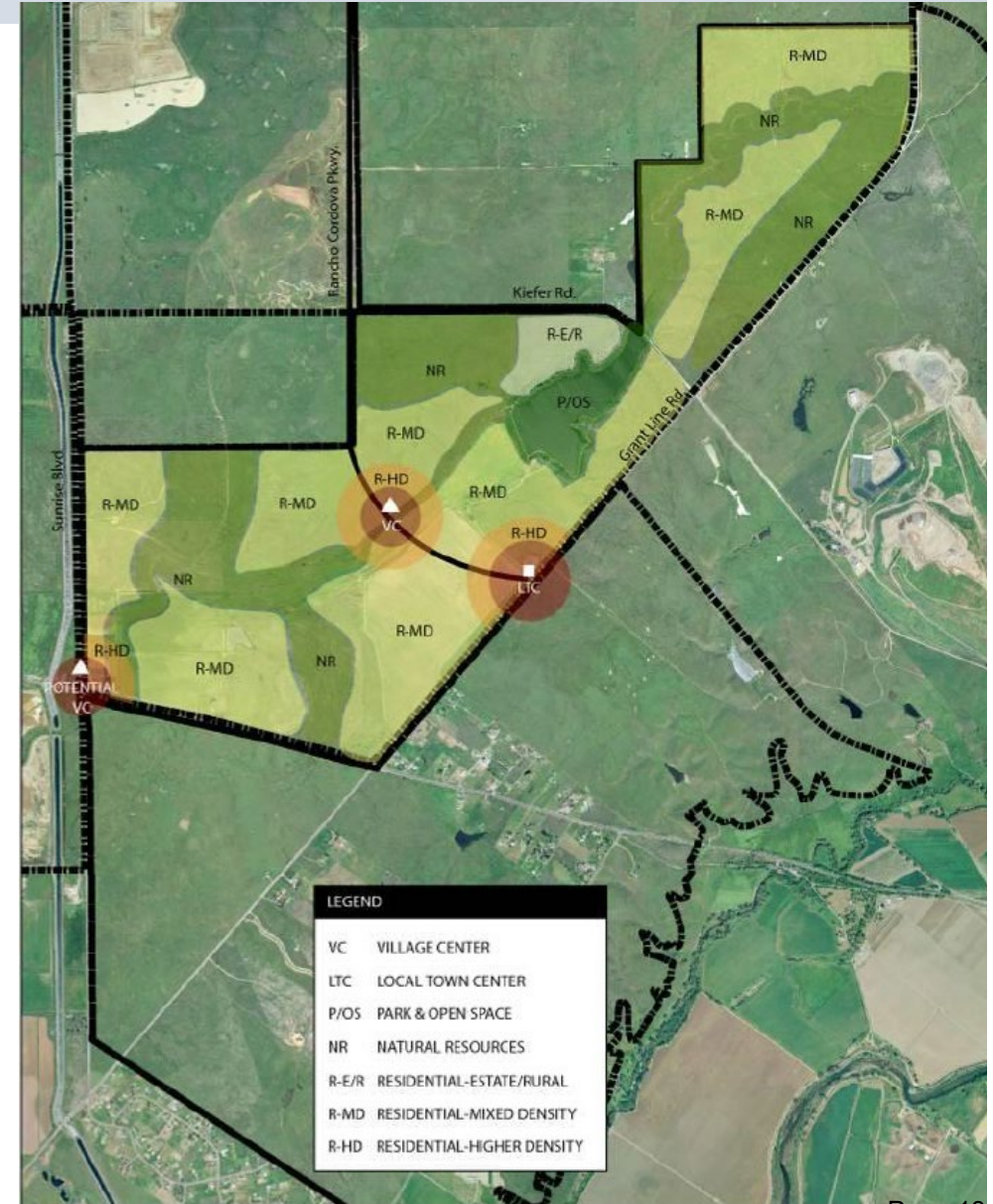
General Plan – Grant Line North Planning Area

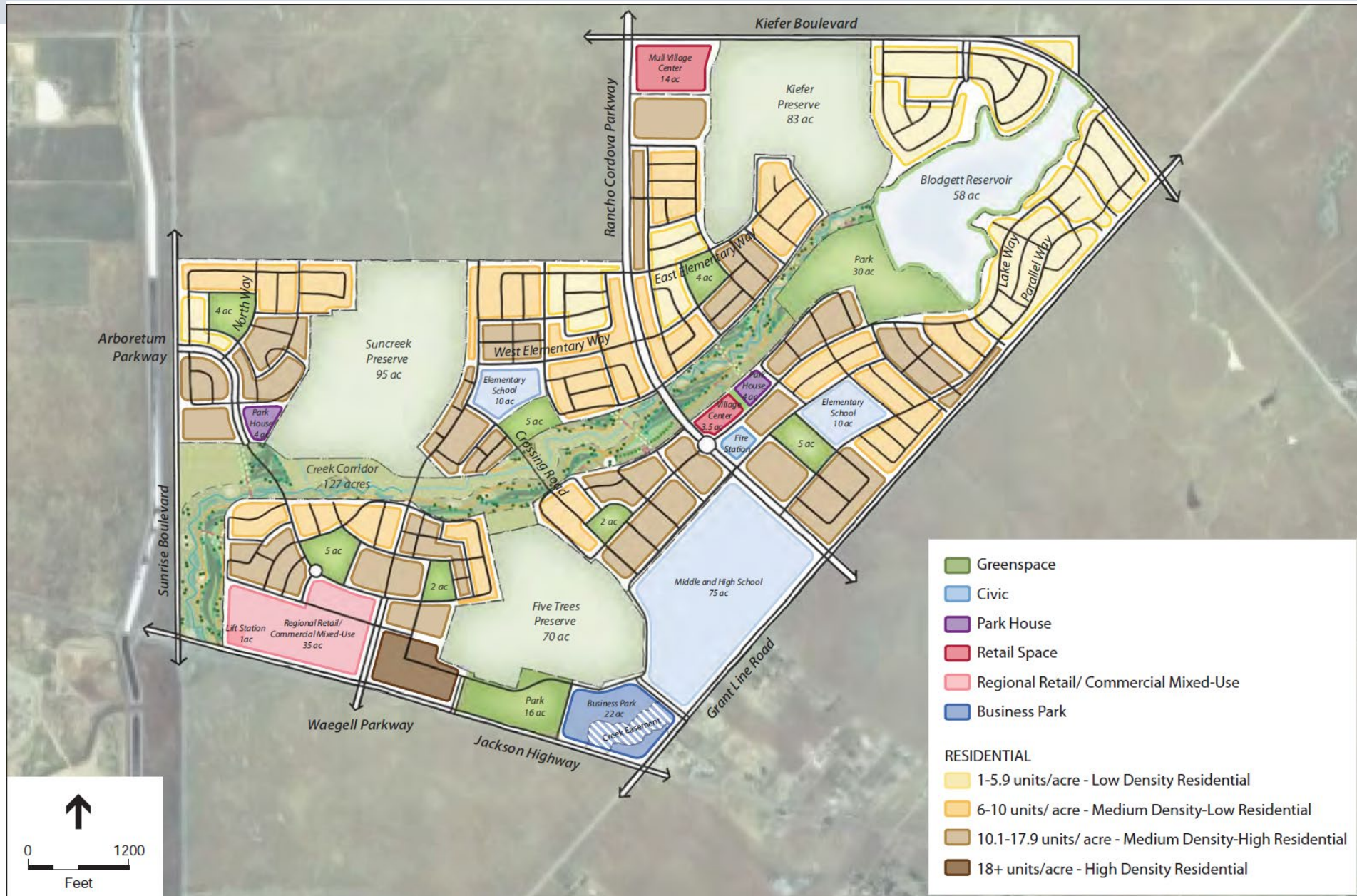
Anticipated Development Statistics

- 1,846 acres
- Dwelling units – 6,916 units
- Average density – 5.23 du/acre
- Est. Population – 16,601 people
- Employment – 3,634 jobs

Environmental Conditions

- Vernal pools
- Wetlands
- Orcutt grass
- Onsite preserves





Arboretum Land Use Summary

Land Use	Acreage	Units – Total 4,717 units
Low Density Residential	152 ac.	689 units
Medium Density Residential	269 ac.	2,207 units
Medium Density/High Density Residential	100 ac.	1,821 units
Commercial	48 ac.	
Office	69 ac.	
Parks	60 ac.	
Laguna Creek Corridor	143 ac.	
Blodgett Reservoir	58 ac.	
Wetland Preserve	244 ac.	

- Land Uses
 - Are the proposed land uses adequate for the plan area?
 - Are there specific uses, densities, etc. that should be considered for the plan area?
- Housing Types
 - Are there specific housing types desired for the plan area?
- Transportation Circulation
 - What are the priorities for offsite connectivity of vehicles, bicycles, and pedestrians?

- **Reynen & Bardis** – 50 years of experience and over 10,000 lots developed in the Sacramento area
- **Hock Construction Management**, Les Hock – project management and lot development. Numerous master planned communities around Sacramento
- **Walters Land Planning**, Bruce Walters and **Black Oak Design**, Jason Cole – Land planning and specific plan
- **MacKay & Somps**, Holger Fuerst – Engineering and project management
- **ECORP Consulting** – Environmental consultant
- **Avdis & Cucchi**, Nick Avdis – Attorney and project management
- **MMS Strategies**, Michelle Smira – Project strategy and management

R | B**H O M E S**

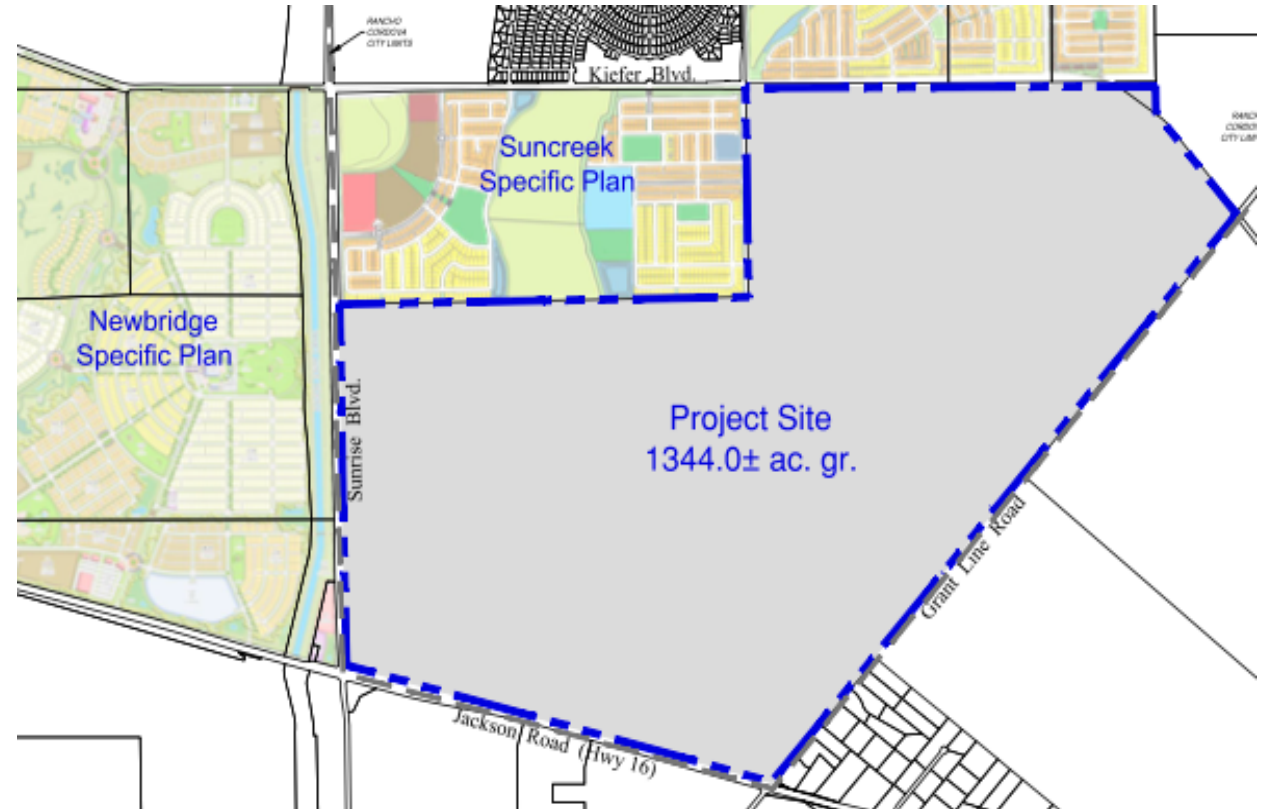
AVDIS & CUCCHI, LLP
LAND USE + REAL ESTATE + ADVOCACY

MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS

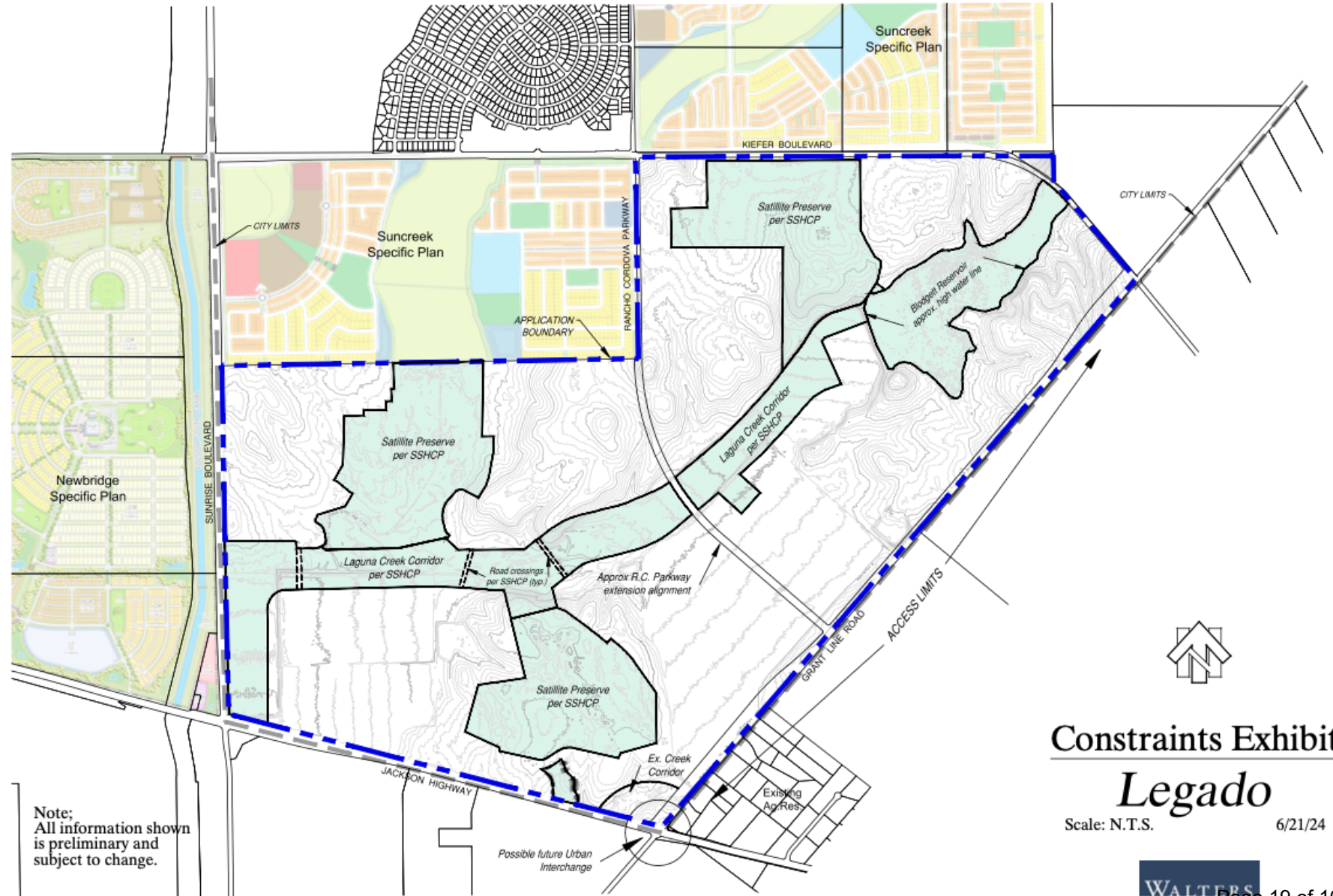


ECORP Consulting, Inc.
ENVIRONMENTAL CONSULTANTS

- Over 1,300 acres
- Southern portion of Rancho Cordova
- Bordered by Sunrise, Jackson, and Grant Line
- Surrounded by approved Specific Plans



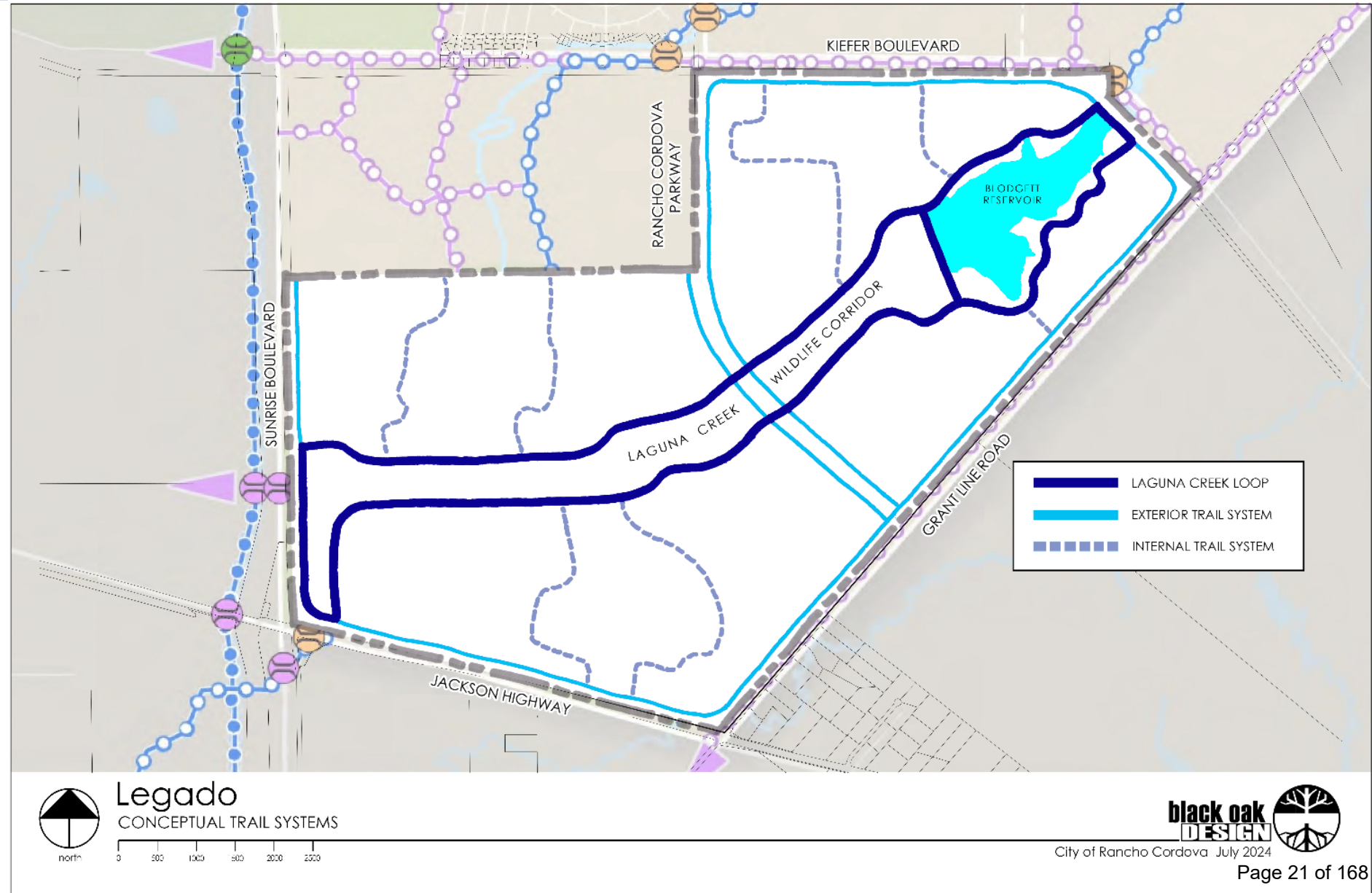
- Over 50% of the property absorbed by preserve, Laguna Creek corridor, Blodgett Reservoir, and major roadways



- Identifying 7 key areas for residential villages
- Numerous greenways and parks throughout
- Comprehensive trail system and community connectivity



- Circulation and connectivity to surrounding communities
- Internal and exterior trail system
- Looped trail system around Laguna Creek





- Land Uses
 - Are the proposed land uses adequate for the plan area?
 - Are there specific uses, densities, etc. that should be considered for the plan area?
- Housing Types
 - Are there specific housing types desired for the plan area?
- Transportation Circulation
 - What are the priorities for offsite connectivity of vehicles, bicycles, and pedestrians?

THANK YOU

Questions & Discussion



CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Monday, June 17, 2024

5:30 PM – Regular Meeting

David B. Roberts Council Chambers

City Hall

2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Vice Mayor Pulipati called the Regular meeting to order in the David B. Roberts Council Chambers at 5:36 p.m.

Council Members Present: Linda Budge, Garrett Gatewood, Donald Terry, and Vice Mayor Pulipati

Council Members Absent: Mayor David Sander

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

3. PLEDGE OF ALLEGIANCE

Tera Kolvenbach led the pledge.

4. INVOCATION

Julie Steinbach with the United Methodist Church gave the invocation.

5. PRESENTATIONS

None.

6. PUBLIC COMMENT

Vice Mayor Pulipati opened the public comment period. The following individuals

ITEM 13.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, June 17, 2024

ATTACHMENT 1

addressed the Council or submitted public comment via email:

1. Jessa Rego
2. Shukri Suhir
3. Anurekna Aravindean
4. James Garcia
5. Haroon Rasheed

Vice Mayor Pulipati closed the public comment period.

7. COUNCIL REPORTS

Council reported on events since the last meeting.

8. CITY MANAGER'S REPORT

City Manager Micah Runner gave his report.

9. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

Vice Mayor Pulipati opened the public comment period. Seeing no speakers, Vice Mayor Pulipati closed the public comment period.

ACTION: Motion to approve items 9.1 through 9.12 by Terry second by Budge;
Motion passed with a 4:0 vote.

AYES: Budge, Gatewood, Terry, and Pulipati

NOES: None

ABSENT: Sander

ABSTAIN: None

- 9.1. **Subject:** Meeting Minutes from the Special City Council meeting of May 28, 2024, and the Regular City Council Meeting of June 3, 2024.

Recommendation: Adopt the minutes.

- 9.2. **Subject:** A Resolution Authorizing the City Manager to Approve the Final Map of Arista Del Sol Phase 2, Subdivision No. FM-2019-001-10 and Execute Subdivision Improvement Agreement Contract No. 2024-63 with Woodside 05N, L.P.

Recommendation: Adopt the Resolution.

- 9.3. **Subject:** A Resolution of the City Council of the City of Rancho Cordova Declaring its Intention to Transfer Delinquent Refuse Service Charges to the Property Tax Rolls and to Set a Public Hearing for the Same.

Recommendation: Adopt the Resolution.

- 9.4. **Subject:** A Resolution Determining the Special Tax Levy and Authorizing the Levy of Special Taxes for Police Protection Services within the Rancho Cordova Special Police Tax Area for Fiscal Year 2024-25.

Recommendation: Adopt the Resolution.

- 9.5. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2024-75 for Outreach and Navigation Services and Transitional House Management and Wraparound Services Between the City of Rancho Cordova and City Net in an Amount not to Exceed \$370,200.

Recommendation: Adopt the Resolution.

ITEM 13.1.

Rancho Cordova City Council - DRAFT MINUTES
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ATTACHMENT 1

- 9.6. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2024-60, a Memorandum of Understanding for Probation Services Between the City of Rancho Cordova and the County of Sacramento in an Amount not to Exceed \$900,000.
Recommendation: Adopt the Resolution.
- 9.7. **Subject:** A Resolution Approving the Final Map of Bradshaw Village Parc, Subdivision No. FM-2019-003-01, and Authorizing the City Manager to Execute Subdivision Improvement Agreement Contract No. 2024-070 with KB Home Sacramento, Inc.
Recommendation: Adopt the Resolution.
- 9.8. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2021-270-3 with the Sacramento County District Attorney's Office in an Amount not to Exceed \$178,963 for Community Prosecution Program Services through June 30, 2025.
Recommendation: Adopt the Resolution.
- 9.9. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2024-82 in an Amount not to Exceed \$10,520,105 with McGuire & Hester, Inc. to Construct Phase 2 of the Sunrise Boulevard Rehabilitation Project.
Recommendation: Adopt the Resolution.
- 9.10. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 2021-299-04 to Increase the Contract Amount by \$48,590 to an Amount not to Exceed \$443,768 with Wood Rodgers Inc. for Engineering Design and Right of Way Acquisition Support Services for the White Rock Road Phase 3 - 0.5 Mile East of Rancho Cordova Parkway to the City Limits Project.
Recommendation: Adopt the Resolution.
- 9.11. **Subject:** A Resolution Adopting the Appropriations Limit for Fiscal Year 2024-25.
Recommendation: Adopt the Resolution.
- 9.12. **Subject:** A Resolution Authorizing Execution of an Option Agreement with Mercy Housing California for the Property at the Southeast Corner of Bleckely Street and Schirra Avenue, a Portion of APN 067-0010-093, for the Mather Veterans Village Phase 4 Multifamily Housing Project for Homeless Veterans.
Recommendation: Adopt the Resolution.
10. **CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE**
None.
11. **PUBLIC HEARING ITEMS**
- 11.1. **Subject:** An Urgency Ordinance of the City Council of the City of Rancho Cordova Extending a Temporary Moratorium for One Year on the Establishment, Expansion, or Modification of Uses in the Villages of Zinfandel Special Planning Area Designated Therein as M-1 (Light Industrial) and MP (Office Industrial Park) Zones, Except for Those Uses Allowed by Ordinance No. 13-2023, Including Indoor Auto Storage and Office Uses and Accessory Uses Permitted by Ordinance No. 13-2023.
Recommendation: Adopt the Urgency Ordinance extending the temporary moratorium for one year on the establishment, expansion, or modification of uses in the Villages of Zinfandel Special Planning Area Designated Therein as M-1 (Light Industrial) and MP (Office Industrial Park) Zones, except those uses allowed by Ordinance No. 13-2023, including indoor auto storage and office uses and accessory uses permitted by Ordinance No. 13-2023.

ITEM 13.1.

ATTACHMENT 1

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, June 17, 2024

Vice Mayor Pulipati opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. Greg Muilenburg
2. Sara Malone
3. James Garcia
4. Valerie Knippschild
5. Dawn Davison
6. Sara Malone
7. Valerie Knippschild
8. Dalip Nayak
9. Eric Winegar

Vice Mayor Pulipati closed the public comment period.

ACTION: Motion to approve item 11.1 by Terry second by Gatewood;
Motion passed with a 4:0 vote.

AYES: Budge, Gatewood, Terry, and Pulipati

NOES: None

ABSENT: Sander

ABSTAIN: None

12. REGULAR CALENDAR ITEMS

- 12.1. **Subject:** A Resolution Approving Fiscal Year 2024-25 Community Grants, Legacy Fund, and Programs and Initiatives to be Funded from the Measure H/Community Enhancement & Investment Fund.

Recommendation: Receive presentation and adopt the Resolution.

Vice Mayor Pulipati opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. Will Logo
2. Nadia Niazi
3. Stallion King
4. Jacob Lloyd
5. Angela Greben

Vice Mayor Pulipati closed the public comment period.

ACTION: Motion to approve item 12.1 by Gatewood second by Terry;
Motion passed with a 4:0 vote.

AYES: Budge, Gatewood, Terry, and Pulipati

NOES: None

ABSENT: Sander

ABSTAIN: None

- 12.2. **Subject:** Appointment of Real Property Negotiators City Manager Micah Runner, and City Attorney Adam U. Lindgren, for the Following Property and Assessor's Parcel Numbers (APNs): 10801 N. Mather Boulevard, Rancho Cordova, CA, 072-2360-028-0000, 072-2360-029-0000, 072-2360-030-0000.

Recommendation: Approve appointment of Real Property Negotiators.

ITEM 13.1.

ATTACHMENT 1

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, June 17, 2024

Vice Mayor Pulipati opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. James Garcia

Vice Mayor Pulipati closed the public comment period.

ACTION: Motion to approve item 12.2 by Budge second by Terry;
Motion passed with a 3:0 vote.

AYES: Budge, Terry, and Pulipati

NOES: None

ABSENT: Gatewood and Terry

ABSTAIN: None

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None.

14. ADJOURN TO CLOSED SESSION

Vice Mayor Pulipati adjourned the meeting to closed session at 6:43 p.m.

15. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Vice Mayor Pulipati called closed session to order at 6:45 p.m.

Council Members Present: Linda Budge, Garrett Gatewood, Donald Terry, and Vice Mayor Pulipati

Council Members Absent: Mayor David Sander

Staff Members Present: Adam Lindgren and Micah Runner

16. CLOSED SESSION

Council met in closed session to discuss the following item:

16.1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8: Property: 10801 N. Mather Boulevard, Rancho Cordova APN: 072-2360-028-0000, 072-2360-029-000, 072-2360-030-0000. City Negotiators: Micah Runner, City Manager, and Adam U. Lindgren, City Attorney. Under Negotiation: Price and Terms of Payment.

16.2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) DPML Bear Hollow, LLC, a Delaware limited liability company and DPML Stonecreek, LLC, a Delaware limited liability company v. City of Rancho Cordova, City Council of Rancho Cordova, and DOES 1 through 25, inclusive. Sacramento Superior Court Case No. 23WM000122.

17. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that staff was given direction and no reportable action was taken in closed session.

18. ADJOURNMENT

Vice Mayor Pulipati adjourned the meeting in memory of Maria Ramirez at 7:26 p.m.

ITEM 13.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, June 17, 2024

ATTACHMENT 1

Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 13.2.

DATE: July 1, 2024
TO: Honorable Mayor and Council Members
FROM: Amanda Norton, Economic Development Director
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 2024-95 IN AN AMOUNT NOT TO EXCEED \$500,000 WITH CLAGGETT WOLFE ASSOCIATES FOR CONSULTING SERVICES FROM JULY 1, 2024, THROUGH JUNE 30, 2029**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract No. 2024-95 with Claggett Wolfe Associates for small business/development consultation services from July 1, 2024, through June 30, 2029.

BACKGROUND

Since 2016, the Economic Development Department has been partnering with Claggett Wolfe Associates (CWA) to develop the operational framework and tools to support its Business Incentive programs. The partnership with CWA became instrumental during the COVID-19 pandemic. The Economic Development team was able to rely on the expertise of CWA to guide and educate Rancho Cordova businesses on available resources during the pandemic. Claggett Wolfe Associates also provided key insight in the development and oversight of the City's Small Business Recovery Grant program.

The Economic Development Department is looking to continue its partnership with Claggett Wolfe Associates to provide comprehensive business consulting services. These services will encompass assistance with program development, due diligence for programs and for other economic development projects and proposals as directed by City staff, financial review, and ongoing research and advisement to foster economic growth and business development within Rancho Cordova.

FISCAL IMPACT AND FUNDING SOURCE

Funding for this contract would be provided through the Economic Development Department's allotment from Measure R.

ATTACHMENT(S)

1. Resolution

2. Contract No. 2024-95

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2024

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENT
NO. 2024 - 95 WITH CLAGGETT WOLF ASSOCIATES FOR CONSULTING SERVICES
FROM JULY 1, 2024 THROUGH JUNE 30,2029**

WHEREAS, since 2016, the Economic Development Department has partnered with Claggett Wolfe Associates (CWA) to develop the operational framework and tools supporting its Business Incentive programs; and

WHEREAS, during the COVID-19 pandemic, the expertise of Claggett Wolfe Associates was instrumental in guiding and educating Rancho Cordova businesses on available resources, providing key insights in the development and oversight of the City's Small Business Recovery Grant program; and

WHEREAS, the Economic Development Department recognizes the ongoing need for comprehensive business consulting services to support program development, conduct due diligence for economic development projects and proposals, perform financial reviews, and provide ongoing research and advisement to foster economic growth and business development within Rancho Cordova; and

WHEREAS, those services will exceed the maximum amount the City manager has authorization to approve; and

WHEREAS, there are sufficient funds budgeted to cover the costs of the contract.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute a contract with Claggett Wolfe Associates, in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 1st day of July 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

David Sander, Mayor

Stacy Leitner, CMC
City Clerk

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND
CLAGGETT WOLFE ASSOCIATES**

This Agreement for professional services is made by and between the City of Rancho Cordova, a California municipal corporation ("City"), and Claggett Wolfe Associates a California Corporation ("Professional") as of July 1, 2024

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Professional shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the date first noted above and shall end on June 30, 2029, the date of completion specified in Exhibit A. Professional shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Professional to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.
- 1.2 **Standard of Performance.** Professional shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Professional is engaged in the geographical area in which Professional practices its profession. Professional shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Professional's profession.
- 1.3 **Assignment of Personnel.** Professional shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Professional shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.
- 1.4 **Time.** Professional shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Professional's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Professional a sum not to exceed five hundred thousand dollars (\$500,000), not to exceed one hundred thousand dollars (\$100,000) per calendar year, notwithstanding any contrary indications that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Professional's proposal, attached as Exhibit B, regarding the amount of compensation, the Agreement shall prevail. City shall pay Professional for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Professional for services rendered pursuant to this Agreement. Professional

shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Professional shall not bill City for duplicate services performed by more than one person.

Professional and City acknowledge and agree that compensation paid by City to Professional under this Agreement is based upon Professional's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Professional. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Professional and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. Professional shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Professional and each employee, agent, and subcontractor of Professional performing services hereunder, as well as a separate notice when the total number of hours of work by Professional and any individual employee, agent, or subcontractor of Professional reaches or exceeds 800 hours, which shall include an estimate of the time necessary to complete the work described in Exhibit A;
- The Professional's signature.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Professional.

2.3 Final Payment. City shall make the final payment within sixty (60) days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.

2.4 Total Payment. City shall pay for the services to be rendered by Professional pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Professional in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Professional submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

- 2.5 **Hourly Fees.** Fees for work performed by Professional on an hourly basis shall not exceed the amounts shown on the fee schedule set forth in Exhibit B.
- 2.6 **Reimbursable Expenses.** Reimbursable expenses, if any, are set forth in Exhibit B, and shall not exceed One Thousand (\$1,000.00). Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.
- 2.7 **Payment of Taxes.** Professional is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.
- 2.8 **Payment upon Termination.** In the event that the City or Professional terminates this Agreement pursuant to Section 8, the City shall compensate the Professional for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Professional shall maintain adequate logs and timesheets in order to verify costs incurred to that date.
- 2.9 **Authorization to Perform Services.** The Professional is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Professional shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Professional only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Professional's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Professional, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Professional shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Professional's bid. Professional shall not allow any subcontractor to commence work on any subcontract until Professional has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Professional shall maintain all required insurance listed herein for the duration of this Agreement.

- 4.1 Workers' Compensation.** Professional shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Professional. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Professional may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Professional, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Professional does not have any employees.

4.2 Commercial General and Automobile Liability Insurance.

- 4.2.1 General requirements.** Professional, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks

associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum scope of coverage. Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Professional, including the insured's general supervision of Professional; products and completed operations of Professional; premises owned, occupied, or used by Professional; and automobiles owned, leased, or used by the Professional. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of Professional to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt

requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

4.3 Professional Liability Insurance. Professional, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000) covering the licensed professionals' errors and omissions.

4.3.1 Any deductible or self-insured retention shall not exceed \$150,000 per claim.

4.3.2 An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

4.3.3 The following provisions shall apply if the professional liability coverages are written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
- c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Professional must provide extended reporting coverage for a minimum of five (5) years after completion of the Agreement or the work. The City shall have the right to exercise, at the Professional's sole cost and expense, any extended reporting provisions of the policy, if the Professional cancels or does not renew the coverage.
- d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Acceptability of insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.2 Verification of coverage. Prior to beginning any work under this Agreement, Professional shall furnish City with certificates of insurance and with original

endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.4.3 Subcontractors. Professional shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4.4 Deductibles and Self-Insured Retentions. Professional shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Professional may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Professional procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

4.4.5 Waiver of Subrogation. Professional hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements 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 entity for all work performed by the Professional, its employees, agents, and subcontractors.

4.4.6 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Professional shall provide written notice to City at Professional's earliest possible opportunity and in no case later than five (5) days after Professional is notified of the change in coverage.

4.5 Remedies. In addition to any other remedies City may have if Professional fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Professional's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

- Order Professional to stop work under this Agreement or withhold any payment that becomes due to Professional hereunder, or both stop work and withhold any payment, until Professional demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION AND PROFESSIONAL'S RESPONSIBILITIES.

- 5.1 General Requirement.** Professional shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Professional or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Professional shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Professional or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Professional to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Professional from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Professional acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
- 5.2 PERS Indemnification.** In the event that Professional or any employee, agent, or subcontractor of Professional providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS as an employee of City, Professional shall indemnify, defend, and hold harmless City for the payment of any and all employee and/or employer contributions for PERS benefits on behalf of Professional or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City, and any attorneys' fees and costs incurred by the City to enforce this Section.
- 5.3 Design Professionals.** To the extent that the services under this Agreement include design professional services subject to California Civil Code Section 2782.8, as may be amended from time to time, Professional's duty to indemnify under Sections 5.1 and 5.2 shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

Section 6. STATUS OF PROFESSIONAL.

- 6.1 **Independent Contractor.** At all times during the term of this Agreement, Professional shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Professional only insofar as the results of Professional's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means and methods by which Professional accomplishes services rendered pursuant to this Agreement. Professional shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Professional are employees and agents of Professional and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Professional by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Professional and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Professional shall not allow any employee, agent or subcontractor to become eligible for a claim for PERS benefits.

- 6.2 **Professional Not an Agent.** Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Professional and any subcontractors shall comply with all laws and regulations applicable to the performance of the work hereunder, including but not limited to, the California Building Code, the Americans with Disabilities Act, and any copyright, patent or trademark law. Professional's failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.
- 7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Professional and any subcontractors

shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

- 7.4 Licenses and Permits.** Professional represents and warrants to City that Professional and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Professional represents and warrants to City that Professional and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Professional and any subcontractors shall obtain and maintain valid Business Licenses from City during the term of this Agreement.
- 7.5 Nondiscrimination and Equal Opportunity.** Professional shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Professional under this Agreement. Professional shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Professional thereby.

Professional shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** City may cancel this Agreement at any time and without cause upon written notification to Professional.

Professional may cancel this Agreement upon thirty (30) days' written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, Professional shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Professional delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Professional or prepared by or for Professional or the City in connection with this Agreement.

- 8.2 Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Professional understands

and agrees that, if City grants such an extension, City shall have no obligation to provide Professional with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Professional for any otherwise reimbursable expenses incurred during the extension period.

- 8.3 Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.4 Assignment and Subcontracting.** City and Professional recognize and agree that this Agreement contemplates personal performance by Professional and is based upon a determination of Professional's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Professional. Professional may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Professional shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.
- 8.5 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Professional shall survive the termination of this Agreement.
- 8.6 Options upon Breach by Professional.** If Professional materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:
- 8.6.1** Immediately terminate the Agreement;
 - 8.6.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Professional pursuant to this Agreement;
 - 8.6.3** Retain a different Professional to complete the work described in Exhibit A not finished by Professional; or
 - 8.6.4** Charge Professional the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Professional pursuant to Section 2 if Professional had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Professional's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Professional prepares or obtains pursuant to this Agreement and that relate to the matters

covered hereunder shall be the property of the City. Professional hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Professional agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

- 9.2 Professional's Books and Records.** Professional shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Professional pursuant to this Agreement.
- 9.3 Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Professional to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either Party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Sacramento or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

- 10.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 **Use of Recycled Products.** Professional shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 10.7 **Conflict of Interest.** Professional may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Professional in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

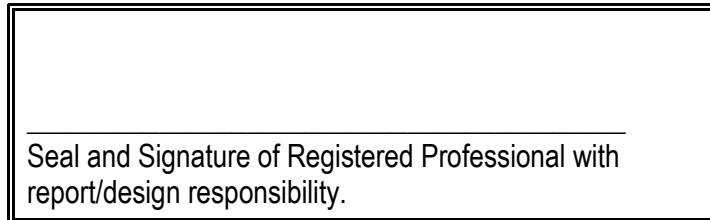
Professional shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Professional hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Professional was an employee, agent, appointee, or official of the City in the previous twelve months, Professional warrants that it did not participate in any manner in the forming of this Agreement. Professional understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Professional will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Professional will be required to reimburse the City for any sums paid to the Professional. Professional understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

- 10.8 **Solicitation.** Professional agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 10.9 **Contract Administration.** This Agreement shall be administered by Amanda Norton ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 10.10 **Notices.** Any written notice to Professional shall be sent to:
Chuck Wolfe, President
Claggett Wolfe Associates
3108 Sunshine Meadow Lane
Auburn, CA 95602
cwolfe@claggettwolfe.com

Any written notice to City shall be sent to:
Amanda Norton
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
anorton@cityofranhocordova.org

- 10.11 Professional Seal.** Where applicable in the determination of the Contract Administrator or when required by law, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility," as in the following example.



- 10.12 Integration.** This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, and the compensation schedule attached hereto and incorporated herein as Exhibit B, represents the entire and integrated agreement between City and Professional and supersedes all prior negotiations, representations, or agreements, either written or oral.
- 10.13 IRS Form W-9.** Professional shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement.

CITY OF RANCHO CORDOVA

PROFESSIONAL

Micah Runner, City Manager

Chuck Wolfe, President

Date: _____

Date: _____

Attest:

Stacy Leitner, CMC, City Clerk

Date: _____

Approved as to Form:

Adam U. Lindgren, City Attorney

EXHIBIT A

SCOPE OF SERVICES

Claggett Wolfe Associates will provide comprehensive business consulting services to support the Economic Development Department. These services will encompass assistance with program development, due diligence for programs and for other economic development projects and proposals as directed by City staff, financial review, and ongoing research and advisement to foster economic growth and business development within the Rancho Cordova.

Program Development

- Conduct ongoing research to identify new and emerging economic development programs at the local, state, and federal levels.
- Evaluate the potential benefits and applicability of these programs to Rancho Cordova businesses and the local economy.
- Provide updates to the Economic Development Department on new opportunities or compliance standards.

Financial Collection, Review, and Advisement

- Verify the accuracy and authenticity of financial documents from the applicant businesses.
- Ensure compliance with the local jurisdiction's requirements and guidelines for economic development incentive programs.
- Prepare a due diligence report summarizing the findings, including a high-level financial analysis and any recommendations for further action.
- Claggett Wolfe will ensure that all financial information obtained during the course of this engagement is kept confidential and secure.

Economic Development Program Compliance

- Collect and review applicable business documents and financial statements for compliance with the program standards during the term of the agreement.
- Due diligence summarizing the verification process and overall financial health of applicant companies.
- Clear and consistent communication for ongoing collaboration and support with the applicant businesses and the Economic Development Department.

EXHIBIT B**COMPENSATION SCHEDULE**

In an effort to keep up with inflation during the term of this agreement, there is a 3.5% compensation increase every year on the anniversary date of this agreement.

The Contractor shall be paid as follows:

Year 1:

- Chuck Wolfe: \$220/hour
- Analyst: \$118/hour
- Sr. Analyst: \$140/hour

Year 2:

- Chuck Wolfe: \$228/hour
- Analyst: \$122/hour
- Sr. Analyst: \$145/hour

Year 3:

- Chuck Wolfe: \$236/hour
- Analyst: \$126/hour
- Sr. Analyst: \$150/hour

Year 4:

- Chuck Wolfe: \$244/hour
- Analyst: \$130/hour
- Sr. Analyst: \$155/hour

Year 5:

- Chuck Wolfe: \$253/hour
- Analyst: \$135/hour
- Sr. Analyst: \$160/hour

Form (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
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W-9

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

☐ Other (see instructions) ▶ _____

☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

6 City, state, and ZIP code

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
or	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

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Page 3

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual	Individual/sole proprietor or single-member LLC
• Sole proprietorship, or	
• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	
• LLC treated as a partnership for U.S. federal tax purposes,	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or	
• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

• Generally, individuals (including sole proprietors) are not exempt from backup withholding.

- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

5039343.1

MEMORANDUM



ITEM 15.1.

DATE: July 1, 2024
TO: Honorable Mayor and Council Members
FROM: Amanda Norton, Economic Development Director
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 2024-93 IN AN AMOUNT NOT TO EXCEED \$390,000 WITH CLUTCH FOR A JOBS AND TALENT ATTRACTION ECONOMIC INCENTIVE AWARD**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of Resolution would authorize the City Manager to execute Contract No. 2024-93 with Clutch, in an amount not to exceed \$390,000, to provide Clutch with a Jobs and Talent Attraction Program.

BACKGROUND

On August 19, 2019, the City Council passed and adopted Resolution No. 95-2019, approving the establishment of the Jobs and Talent Attraction Program to boost the quality of life within the City by diversifying the local economy and providing high-quality jobs.

Clutch, established in 2019, is an award-winning, woman-owned business specializing in consulting services for both private and public sectors. Renowned for delivering unique and innovative services across diverse disciplines, Clutch has rapidly grown to become a leader in its field and has grown to a current employee headcount of 140 since the start of the company, with plans to hire more than 600 individuals by 2027.

In January 2024, Clutch leased an existing building at 3249 Quality Drive, Rancho Cordova, CA, to establish its headquarters for operations. The company's location to the City aims to bring promising opportunities, including the creation of new high-wage jobs, boosting activity within the City's office park, and providing significant economic benefits to the City.

In an effort to support Clutch's integration and encourage further investment in our community, a tailored Jobs and Talent Attraction Program incentive has been prepared for consideration. To receive an incentive per job, Clutch will create 78 net new full-time equivalent jobs where the wages must be 125% of average wage in the City of Rancho Cordova. Currently, the City's average wage is \$72,800. Thus, 125% of the average wage would be at least \$91,000 per job.

The City will contribute \$5,000 per job in incentives, with a maximum award not to exceed \$390,000.

FISCAL IMPACT AND FUNDING SOURCE

The Jobs and Talent Attraction Program would be funded through Measure R funds.

ATTACHMENT(S)

1. Resolution
2. Contract No. 2024-93
3. Presentation

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 2024-93 IN AN AMOUNT NOT TO EXCEED \$390,000 WITH CLUTCH FOR THE JOBS AND TALENT ATTRACTION PROGRAM

WHEREAS, the City Council approved the Jobs and Talent Attraction Program in 2019 with the purpose of diversifying the local economy and attracting high-quality jobs which would enhance the community's financial stability and quality of life; and

WHEREAS, the Applicant has leased an existing building located at 3249 Quality Drive, Rancho Cordova, CA, to establish a headquarters location in Rancho Cordova, CA, which will benefit the City by creating new high-wage jobs, providing high quality services and products, and boosting activity in the City's office park; and

WHEREAS, Clutch is estimated to create 78, net new full-time equivalent jobs will meet or exceed 125% of average wage in the City of Rancho Cordova; and

WHEREAS, the City's current average wage is Seventy-Two Thousand Eight Hundred Dollars (\$72,800). Thus, 125% of the average wage would be at least Ninety-One Thousand Dollars (\$91,000) per job; and

WHEREAS, the City will contribute \$5,000 per job in incentives, with a maximum award not to exceed \$390,000 for each job over \$91,000 in annual wages; and

WHEREAS, the expected benefits for the community include immediate job creation and economic activity, diversifying the local economy, and long-term enhancements to the City's attractiveness as a business-friendly environment.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The above recitals are true and incorporated herein by this reference.
2. The City Manager is hereby authorized to execute Contract No. 2024-93 for an amount not to exceed \$390,000.
3. This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 1st day of July 2024 by the following vote:

AYES:

NOES:

ABSENT:

ITEM 15.1.

ATTACHMENT 1

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

David Sander, Mayor

**CITY OF RANCHO CORDOVA
JOBS AND TALENT ATTRACTION PROGRAM
ECONOMIC INCENTIVE AGREEMENT WITH
CLUTCH**

This Economic Incentive Agreement ("Agreement") is entered into as of this 1st day of July 2024, by and between the City of Rancho Cordova, a municipal corporation (the "City") and Clutch, a General Stock Corporation (the "Applicant") and collectively, (the "Parties").

RECITAL

WHEREAS, The City Council approved the Jobs and Talent Incentive Program in 2019 with the purpose of diversifying the local economy and attracting high-quality jobs which would also enhance the community's financial stability and quality of life; and

WHEREAS, the Applicant has leased a property where the Applicant has established a headquarters location in an existing building located at 3249 Quality Drive, Rancho Cordova, CA, which will benefit the City by creating new jobs in the City; and

WHEREAS, to promote economic development within the City, attract new business expansions or headquarter operations, provide high quality services, products, and create new permanent jobs, the City has approved this Agreement with the Applicant on the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the forgoing Recitals, following mutual covenants, agreements, conditions and representations, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Employment Incentive. Subject to the limitations herein, the City agrees to provide an Employment Incentive (the "Employment Incentive") to the Applicant for the reasons stated above. The Employment Incentive shall be Five Thousand Dollars (\$5,000.00) for each full-time equivalent job that is created in Rancho Cordova within one year of the execution of this Agreement, where the annual wage for each newly created job is One Hundred and Twenty-Five percent (125%) above the average wage in Rancho Cordova. The Employment Incentive shall not exceed a total of Three Hundred and Ninety Thousand Dollars (\$390,000) ("Not to Exceed Amount") and shall be distributed as set forth in Section 2 below.
2. Manner of Remittance and Timing of Payments. City shall pay Two Thousand Five Hundred Dollars (\$2,500), or Fifty percent (50%) of the Employment Incentive when the employee is hired and the remaining Two Thousand Five Hundred Dollars (\$2,500) or Fifty percent (50%) when the employee has been hired for a full twelve (12) months. The City will pay the Applicant in quarterly installments based on the projected number of new hires per quarter, minus the number of jobs not actualized in the previous quarter projections.
 - a. City shall initiate the first quarterly installment of the Employment Incentive Amount paying Two Thousand Five Hundred Dollars (\$2,500) for each employee

- estimated to be hired in the third (3rd) quarter of 2024, as identified in Exhibit A, to Applicant within 20 business days following the full execution of Agreement and review and acceptance of the DE9C form from pre Agreement start date.
- b. City shall initiate the second (2nd) Employment Incentive Amount of Two Thousand Five Hundred Dollars (\$2,500) per employee based on the projected number of new hires per quarter for Q4 2024, minus the number of jobs not actualized in the previous quarter projections upon receipt of the DE9C showing the hires that were made in the previous quarter.
 - c. City shall initiate the third (3rd) Employment Incentive Amount based on the projected number of new hires per quarter for Q1 2025, minus the number of jobs not actualized in the previous quarter projections upon receipt, review and acceptance of the DE9C form from pre contract start date and the DE9C showing the hires that were made in the previous quarter.
 - d. City shall initiate the fourth (4th) Employment Incentive Amount based on the projected number of new hires per quarter for Q2 2025, minus the number of jobs not actualized in the previous quarter projections upon receipt, review and acceptance of the DE9C form from pre contract start date and the DE9C showing the hires that were made in the previous quarter.
 - e. City will pay Two Thousand Five Hundred Dollars (\$2,500) per hire after an employee has been employed for a full twelve (12) months. Annual payments will be made quarterly respective to the employee hire date based upon review and acceptance of the annual reporting requirements as identified in Section 3.

In no event shall payment exceed the total amount payable as identified in Section 1. Parties shall use the table in Exhibit A, with job creation projections provided by the Applicant for Remittance purposes.

The City will mail a check to the Applicant to the address listed below:

Clutch
Rachel Zillner
3249 Quality Drive
Rancho Cordova, CA 95670

The Parties expressly acknowledge that this Agreement does not create a debt of the City to the Applicant, but rather an obligation to pay the Incentive Amount only upon the City's receipt and verification of legitimacy of an executed lease agreement before the expiration of this agreement.

3. Reporting Requirements. The Applicant shall report annually for five (5) years from award date on the following items:
 - a. Quarterly reporting: CA EDD DE9C and correlating tracking worksheet with number of full-time equivalent jobs created and relocated in the City with wages, Job Titles, First and Last Name of Person holding the position, hired date and annual salary/wages.
 - b. Annual Review
 - i. Initial annual review of each quarterly disbursement, Applicant shall provide additional DE9C that corresponds to four quarters of employment and YTD Financials through this quarter (e.g., for an employee hired in Q3 of 2024 the Applicant shall provide the DE9C for Q2 of 2025 and the YTD Financials through June 2025).

- ii. Upon review of DE9Cs, Applicant may be asked to provide supplemental financial documents.
- c. Capital investment.
- d. Total payroll
- e. Sales tax generated, if any.

Written reports are due to the City within two (2) weeks from the end of each quarter and within four (4) weeks of the initial quarterly disbursement date.

4. Full Time Equivalent Job Retention. Applicant agrees to retain positions for two years following the receipt of an incentive payment otherwise the City can offset or recapture the funds from the Applicant. In the event the annual wage of employees for which Applicant previously received an Employment Incentive do not keep pace with an increase to the 125% above average wage in Rancho Cordova, Applicant shall not be paid additional Employment Incentives until the wage increases to 125% or above of average wage in Rancho Cordova. If the number of full time equivalent employees for which the Applicant was paid an Employment Incentive decreases and net new employees with 125% of above average wage have not added, Applicant is required to reimburse the City for part or all of the Incentive payment no more than 30 days after the City demands payment.
5. Cessation of Operations in the City and Repayment of Grant. Applicant acknowledges that the City's Jobs and Talent Attraction Program requires recipients of economic incentives to intent to operate within the City for at least five years and that operation within the City for less than five years triggers an obligation to repay all or part of the grant. Applicant, therefore, agrees that if it either fails to commence operations within the City after receipt of the Incentive Amount provided for herein, or after commenced operations in the City, ceases such operations during the five year term of this Agreement, Applicant shall repay the amount of Three Hundred and Ninety Thousand Dollars (\$390,000) less the amount of seventy-eight thousand (\$78,000) for each full year that Applicant has conducted business in the City. In the event Applicant fails to commence business operation in the City by July 1, 2029 or ceases to operate in the City at any time within the term of this Agreement, Applicant shall promptly notify City of that fact in writing.
6. Length of Term. This Agreement shall expire on July 1, 2029, 5 years from agreement date.
7. Prevailing Wage. The parties agree that such project shall be wholly undertaken by Applicant rather than by the City and that the City shall award no contracts for or pertaining to the construction of said project. Applicant is fully aware of the provisions of Labor Code section 1720 et seq. regarding payment of prevailing wages in connection with public works and has consulted with its own legal counsel regarding such wage issues and to determine whether receipt of this incentive will result in the requirement that prevailing wages be paid for any tenant improvements undertaken by Applicant. In the event prevailing wages are required, it shall be Applicant's sole responsibility to comply with all prevailing wage requirements. Applicant's execution of this Agreement is an acknowledgment that such independent advice and counsel has been obtained and relied on in executing this Agreement and accepting the benefits under it. Neither the City nor any of its employees, agents, or representatives have rendered opinions to Applicant respecting the applicability of Labor Code section 1720 et seq. to Applicant's

construction project, and Applicant has not relied on any such representation in entering into this Agreement. In the event any claim of any kind or nature based on Labor Code section 1720 et seq. (including section 1781) is brought or made against the City in connection with this Agreement or the subject construction project, Applicant shall be obligated to defend and indemnify the City with respect to such claim in accordance with paragraph 6, below.

8. Indemnification and Applicant's Responsibilities. General Requirement. Applicant shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Applicant or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Applicant shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Applicant or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Applicant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Applicant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Applicant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
9. Tax Consequences. The applicant is solely responsible for any tax consequences and responsibility from receiving the Incentive Payment. The applicant has consulted with its own legal counsel regarding such tax consequences. Applicant's execution of this Agreement is an acknowledgment that such independent advice and counsel has been obtained and relied on in executing this Agreement and accepting the benefits under it. Neither the City nor any of its employees, agents, or representatives have rendered opinions to Applicant respecting any tax consequences which may result from Applicant receiving the incentive and Applicant has not relied on any such representation in entering into this Agreement. Applicant acknowledges that City may issue an IRS 1099 Form reflecting the payment of the incentive based on independent legal advice obtained from City's Counsel. Applicant will submit a W9 prior to receipt of the Incentive Payment.
10. Authority to Execute Agreement. Each individual signing this Agreement represents and warrants that he or she has full authority to execute the same on behalf of the Party on whose behalf he or she so signs, and that he or she is acting within the scope of his authority. Each individual signing this Agreement agrees to indemnify and hold harmless the other Party for loss, damage, liability, cost or expense (including reasonable attorneys' fees) arising out of any claims made by anyone that such authority to sign this Agreement does not exist.

11. Advice of Counsel. Each of the Parties hereto has received the advice of independent legal counsel prior to signing this Agreement. Each of the Parties hereto acknowledges that no other party or agent or attorney of any other party has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce the other Party to execute this Agreement.
12. Entire Agreement. It is expressly understood and agreed that this Agreement contains the entire agreement and understanding concerning the subject matter thereof and supersedes and replaces all prior negotiations and agreements between the Parties, whether written or oral. It is expressly understood and agreed that there have been no promises, agreements, warranties or inducements, not herein expressed. The Parties acknowledge that they have read this Agreement and have executed it without relying upon any statements, representations, or warranties, whether written or oral, not expressly set forth herein.
13. Governing Law. All questions with respect to the construction of this Agreement and the rights and liabilities of the Parties hereto shall be governed by the laws of the State of California.
14. Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments, including, but not limited to, escrow instructions, and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement's provisions.
15. Amendment. This Agreement shall not be amended except by a written instrument signed by the Parties or their respective successors and assigns.
16. Assignment. This Agreement may not be assigned by Applicant to any other party without the written consent of City.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF RANCHO CORDOVA,

CLUTCH

a general stock corporation

a municipal corporation

By: _____

By: _____

Name: Micah Runner

Name: Rachel Zillner

Its: City Manager

Its: _____

Dated: _____

Dated: _____

Jobs and Talent Agreement between the City of Rancho
Cordova and Clutch

June 17, 2024

5 of 10

By: _____
Name: Anne Descalzo
Its: _____
Dated: _____

Approved as to Form:

Adam Lindgren, City Attorney

Attest:

Stacy Leitner, City Clerk

Exhibit A
Hiring Projection Table

Position	Hourly/ Salary	Annual Wage	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Functional Area Director	Salary	\$130,000	1			
Functional Area Director	Salary	\$130,000	1			
Functional Area Manager	Salary	\$126,000	1			
Functional Area Manager	Salary	\$126,000	1			
Project Manager	Salary	\$133,100	1			
Account Manager	Salary	\$91,000	1			
Consultant (contract)	Hourly	\$109,000	1			
Consultant (contract)	Hourly	\$109,000	1			
Consultant (contract)	Hourly	\$109,000	1			
Data Scientist (contract)	Hourly	\$128,000	1			
Executive Leader	Salary	\$176,000		1		
Executive Leader	Salary	\$176,000		1		
Program Manager	Hourly	\$150,000		1		
Functional Area Director	Salary	\$130,000		1		
Functional Area Director	Salary	\$130,000		1		
Functional Area Director	Salary	\$130,000		1		
Functional Area Director	Salary	\$130,000		1		
Functional Area Director	Salary	\$130,000		1		
Trainer	Salary	\$130,000		1		
Functional Area Manager	Salary	\$126,000		1		
Functional Area Manager	Salary	\$126,000		1		

ITEM 15.1.

ATTACHMENT 2
CONTRACT NO: 2024-93

Change Management Specialist	Salary	\$120,000		1		
Position	Hourly/ Salary	Annual Wage	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Change Management Specialist	Salary	\$120,000		1		
Graphic Designer	Hourly	\$114,400		1		
Facilitator	Salary	\$100,000		1		
Process Improvement Analyst	Salary	\$94,500		1		
Process Improvement Analyst	Salary	\$94,500		1		
Resource Manager	Hourly	\$93,600		1		
Account Manager	Salary	\$91,000		1		
Project Manager	Salary	\$133,100		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Consultant (contract)	Hourly	\$109,000		1		
Senior Executive Leader	Salary	\$248,000			1	
Senior Executive Leader	Salary	\$248,000			1	
Executive Leader	Salary	\$176,000			1	

ITEM 15.1.

ATTACHMENT 2
CONTRACT NO: 2024-93

Program Manager	Salary	\$150,000			1	
Position	Hourly/ Salary	Annual Wage	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Program Manager	Salary	\$150,000			1	
Functional Area Director	Salary	\$130,000			1	
Functional Area Director	Salary	\$130,000			1	
Trainer	Salary	\$130,000			1	
Functional Area Manager	Salary	\$126,000			1	
Change Management Specialist	Salary	\$120,000			1	
Facilitator	Salary	\$100,000			1	
Process Improvement Analyst	Salary	\$94,500			1	
Resource Manager	Hourly	\$93,600			1	
Account Manager	Salary	\$91,000			1	
Account Manager	Salary	\$91,000			1	
Project Manager	Salary	\$133,100			1	
Consultant (contract)	Hourly	\$109,000			1	
Consultant (contract)	Hourly	\$109,000			1	
HIRINGData Scientist (contract)	Hourly	\$128,000			1	
Data Scientist (contract)	Hourly	\$128,000			1	
Senior Executive Leader	Salary	\$248,000				1
Senior Executive Leader	Salary	\$248,000				1
Program Manager	Salary	\$150,000				1
Program Manager	Salary	\$150,000				1
Functional Area Director	Salary	\$130,000				1
Functional Area Manager	Salary	\$126,000				1

ATTACHMENT 2
CONTRACT NO: 2024-93

ITEM 15.1.



ATTACHMENT 3



C L U T C H

JOBS & TALENT ATTRACTION PROGRAM AGREEMENT

ECONOMIC DEVELOPMENT DEPARTMENT

JULY 1, 2024

OVERVIEW



JOBS & TALENT
ATTRACTION
PROGRAM



C L U T C H

CLUTCH



ECONOMIC IMPACT &
COMMUNITY BENEFIT



INCENTIVE
CRITERIA



PROPOSED
MOTION &
NEXT STEPS

ITEM 15.1. BACKGROUND

ATTACHMENT 3

2016

Economic Development presented a 5-year Strategic Plan which included 4 main areas of focus: business attraction, business retention and expansion, network-building, marketing and visibility, and areas of collaborations.

2019

Economic Development Team created the **Jobs and Talent Attraction Program (JTAP)** to attract businesses that create jobs which are 125% or more of the city's average wage by offering an incentive of \$5,000 per job that meet that threshold.

2024

Clutch is headquartered in the city at 3249 Quality Drive and has pledged to hire 78 jobs that meet or exceed 125% of the city's average wage (\$72,800) over the next year.

ITEM 15.1.
About

Clutch

ATTACHMENT 3

- ▶ Certified Women-Owned Business
- ▶ Certified Women's Business Enterprise National Council
- ▶ SBA Woman Owned Small Business
- ▶ *2024 Regional Fastest Growing Companies Inc.*
- ▶ *2023 Company of the Year American Business Awards*





GOVERNMENT

- State
- Local
- Education



PRIVATE BUSINESS

- Entrepreneurs (Fintechs, Govtechs ++)
- Micro Business (solopreneurs)
- Small Businesses



FINANCIAL SERVICES

- Community Banks
- Credit Unions



Marketing



Communications



Event Management



CX/EX
Experience Creation



Workforce
Development/
L&D



Business Process
& Strategy



People
Operations



Technology &
Innovation



Program
Management

ITEM 15.1.



C L U T C H

HEADQUARTER LOCATION

3249 QUALITY DRIVE



ATTACHMENT 3

ITEM 15.1.

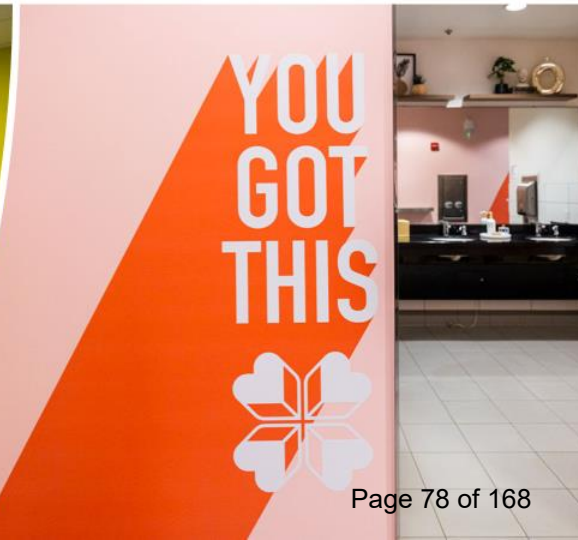


Meeting Space

Enhanced the space for more warmth and inviting to entrepreneurs.



ATTACHMENT 3



WHY RANCHO CORDOVA?



WORKFORCE



DIVERSITY



TECHNOLOGY +
INNOVATION



COMMUNITY
ENHANCEMENT +
INVESTMENT FUND



BUSINESS
COMMUNITY

CLUTCH

HIRING PROJECTIONS

How we'll scale in the future

**AVERAGE SALARY FOR JOBS
CREATED : \$126,769**

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	TOTAL
# OF HIRES	10	31	20	17	78
QUARTERLY WAGES	\$1,191,100	\$3,694,100	\$2,685,200	\$2,317,600	\$9,888,000



We come in

Clutch!

**AN AWARD-WINNING CERTIFIED WOMEN-OWNED BUSINESS, CLUTCH
SEES OUR CLIENTS' CHALLENGES AS OPPORTUNITIES TO BE THE
SOLUTION.**

Our carefully curated employee workforce sets us apart as we support clients across public and private sectors. With a values-based approach to doing business, we match our clients to the resources they dream about with a team empowered to do great work.

CLUTCH INCENTIVE CRITERIA

Minimum salary
to qualify for the
program
\$91,000

78 people hired x \$5,000
Total incentive
\$390,000

Half of incentive
paid at hire &
remaining paid
at one year of
employment

Company must remain in
the City for 5 years

Employment is
tracked for
5 years

ITEM 15.1.

Estimated to create nearly \$93.8 million in total regional economic output over five years, out of which nearly \$89.5 million is a direct impact of the company itself.

ECONOMIC IMPACT

Clutch project will create
an estimated total of
185 jobs

ATTACHMENT 3

Office park activation,
increased disposable income,
community investment,
market visibility.

ITEM 15.1.

COMMUNITY BENEFIT

Fostering a diverse job market, providing residents with a range of career opportunities.

Increased sales tax at local businesses, equipment purchases, Transit Occupancy Tax from corporate events, and attracting other businesses to an active business park.

Community Development through participation and sponsorship of community events.



PROPOSED MOTION & NEXT STEPS

Adopt the resolution to authorize the City Manager to execute the Jobs and Talent Attraction Agreement with Clutch not to exceed \$390,000 over 5 years

Provide staff with additional guidance or direction for the proposed agreement



**THANK
YOU**

Questions?

MEMORANDUM

ITEM 15.2.



DATE: July 1, 2024

TO: Honorable Mayor and Council Members

FROM: Stefan Heisler, Housing Manager

SUBJECT: A RESOLUTION APPROVING A CONDITIONAL USE PERMIT FOR THE MATHER VETERANS VILLAGE PHASE 4 MULTIFAMILY HOUSING PROJECT FOR HOMELESS VETERANS, PROJECT NO. PLND-0324-0095, AND ADOPTING FINDINGS OVERRULING THE AIRPORT LAND USE COMMISSION, PURSUANT TO THE OVERRULE PROCESS OF PUBLIC UTILITIES CODE SECTION 21676(b), THAT THE CONDITIONAL USE PERMIT IS CONSISTENT WITH THE PURPOSES OF PUBLIC UTILITIES CODE SECTION 21670

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would approve a Conditional Use Permit (CUP) for the Mather Veterans Village Phase 4 multifamily housing project (Project) for homeless and disabled veterans and homeless families. Adoption of the Resolution would also adopt findings overruling the Airport Land Use Commission incompatibility determination and would find that the CUP for this Project is consistent with the purposes of Public Utilities Code Section 21670.

BACKGROUND

Following direction from the City Council in April of 2021 to look at options for pursuing additional veterans affordable housing projects around the now completed Mather Veterans Village, staff issued a Request for Proposals (RFP) for veterans affordable housing projects at the former Mather Air Force Base on July 22, 2022. The City of Rancho Cordova (the City) selected the development team of Mercy Housing California and Veterans Housing Development Corporation (the Development Team) on October 17, 2022, by Resolution No. 192-2022. The Development Team's proposal included two projects, Mather Veterans Village Phase 4 (MVV Phase 4) – a 70 unit multifamily rental apartment Project for homeless and disabled veterans earning up to 50% of the area median income to be located on the northwest portion of parcel APN 067-0010-093, and Mather Veterans Village Phase 5 – a 60 unit affordable multifamily project for large family veterans households earning up to 80% of the area median income and including a flexible commercial space to add additional uses within the Mather Veterans Village campus complex located on a portion of parcel APN 067-1040-006. This City Council agenda item is focused solely on the MVV Phase 4 Project.

Shortly after the selection of the Development Team, the City and Sacramento County committed a combined \$5,000,000 of American Rescue Plan Act (ARPA) funding to provide local funding required to make the Project competitive for state and federal low-income housing tax credits. Throughout 2023 City staff continued to work with the landowner, Sacramento County, on the transfer of the MVV Phase 4 site to the City, conducting due diligence, environmental review, and performing necessary site surveying work.

The Project components are now coming together with a target of submitting a funding application for tax credits in July of 2024. To reach this goal, multiple components of the Project are occurring simultaneously. City staff have completed environmental due diligence on the site. As of the end of June 2024, the City will have completed the land acquisition process with the County and will own the Project site. The Development Team has submitted a discretionary entitlement application to the City for a conditional use permit, which is the subject of this item.

During agency review of the application, the Mather Airport Land Use Commission (ALUC) confirmed with the City that the Project is located within Safety Zone 3 and the 60-65 Community Noise Equivalent Level (CNEL) of the Mather Airport Land Use Compatibility Plan (ALUCP). Due to these constraints, the City was required to submit the proposed action, in this case the proposed approval of the CUP, to the ALUC and the California Department of Transportation (CalTrans) Division of Aeronautics (Division) for further review and comment. This process also requires the City Council to overrule the ALUC's determination of Project incompatibility with the ALUCP with findings, and to incorporate comments received from the ALUC and the Division, pursuant to California Public Utilities Code Section 21676(b) further discussed in a separate section below. On May 6, 2024, the City Council adopted Resolution No. 38-2024 directing City staff to submit the proposed action and draft findings to the ALUC and the Division.

The Project site is currently vacant. A structure was located on the site as early as 1957 and was known to have been a dormitory serving the Mather Air Force Base. The building was demolished at some point between 1993 and 1998, and the site has been vacant since that time. A former well facility was located on the western edge of the property which was used to monitor groundwater after the Air Force Base closed in 1997. There are no known hazardous materials released on the site, and although there are remediation activities occurring on sites in the vicinity of this Project on the former air force base, no remediation of the MVV Phase 4 Project site has been required.

PROJECT DESCRIPTION

The Mather Veterans Village Phase 4 development Project consists of a 70-unit multifamily residential apartment Project for homeless and/or disabled veterans or homeless households. One hundred percent of the units will be rented at an affordable monthly rent to households earning up to 50 percent of area median income for a period of 55 years. The Project will have a priority for serving seniors aged 62+. The Project will be new construction, three stories, single-loaded, and elevator served. The unit mix includes 58 one-bedroom units and 12 two-bedroom units. The residential units will be arranged around a centrally landscaped courtyard. A community clubhouse of approximately 4,000 square feet, offices, and a shared patio will be located within the courtyard. The Project is located on the southwest corner of Schirra Avenue and Bleckely Street, a portion of APN 067-0010-093 (see Figure 1). The Project is only requesting a conditional use permit at this time and is currently anticipated to submit a Major Design Review in the coming weeks.

The Project is surrounded by Mather Veterans Village phases 1-3 to the north, offices to the east which provide social services to the Mather Community Campus transitional housing programs to the northwest, and commercial office uses adjacent to the south and west.

The Project is requesting three Density Bonus incentives, to increase the maximum height to 45' and to reduce the required number of parking spaces to 35 (0.5 space per unit) and reduce the minimum front and side setbacks from 13' to 10'. The building heights will be consistent with the adjacent Mather Veterans Village. Several additional public on-street parking spaces will be provided on Schirra Ave. The setback reduction will improve the pedestrian-oriented nature of the Project by improving the visual walk appeal with buildings lining the streets.

FIGURE 1: PROJECT LOCATION



GENERAL PLAN/ZONING CODE

The Project site is located within the Office Mixed Use (OMU) land use designation of the City's General Plan and the Office Subarea of the Mather Field Special Planning Area. The Mather Field Special Planning Area was adopted into the City of Rancho Cordova under the 2003 Zoning Code of Sacramento County (the County Code) and therefore the Project must be evaluated under this County Code. The Office Subarea zoning translates to the Business Professional (BP) zoning designation within the County Code. The OMU land use designation encourages the integration of commercial and/or residential use in conjunction with office use of

a site. Office uses are the predominant use, but others may be included in a vertical or horizontal configuration. The proposed multifamily residential use is consistent with the overall intent of the OMU land use designation as the Project is adjacent to surrounding office and multifamily residential uses and is an essential continuation of the adjacent campus dedicated to residential uses serving veterans and homeless households. The BP zoning designation permits multifamily residential with a conditional use permit.

CONDITIONAL USE PERMIT

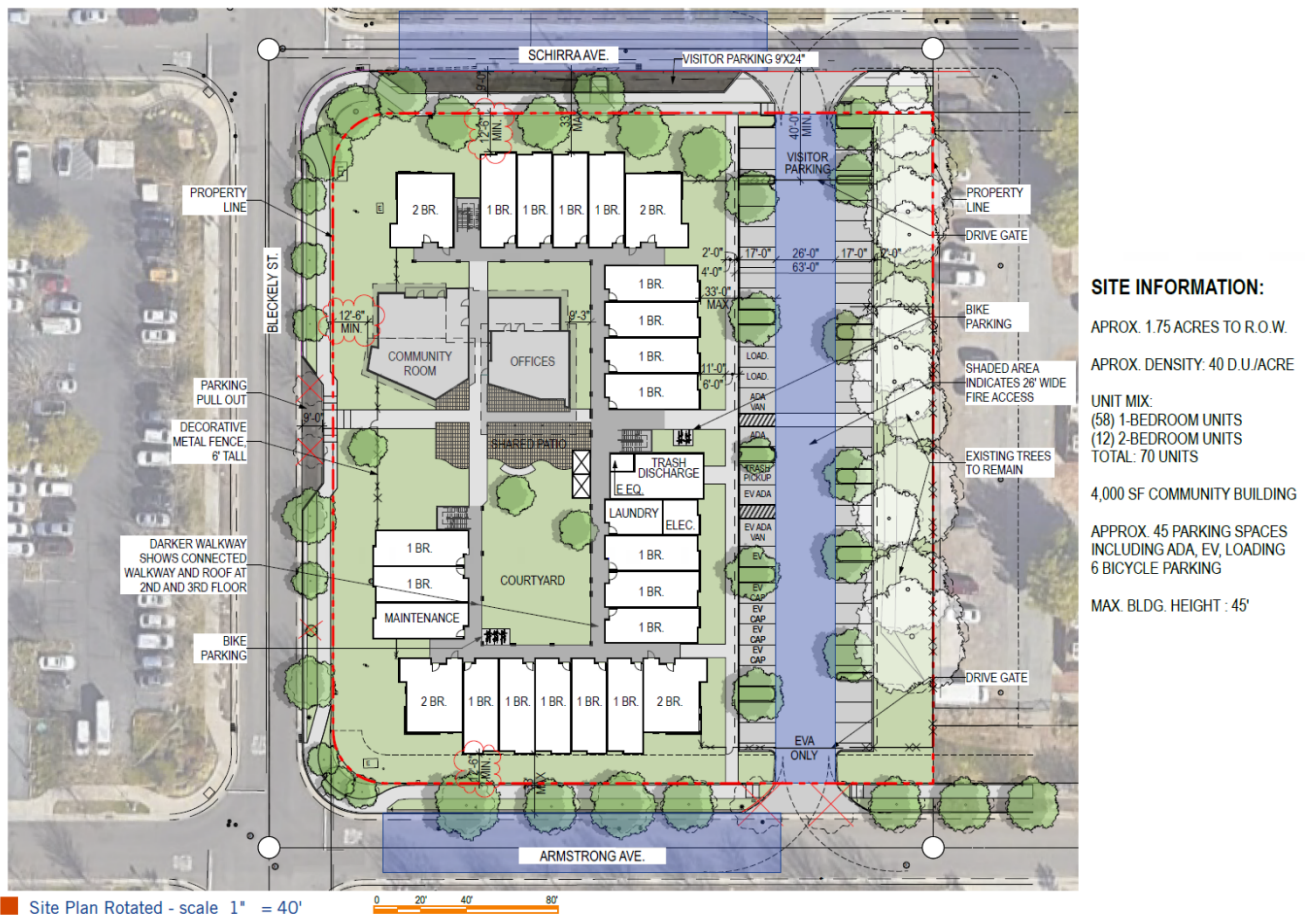
Multifamily residential use is consistent with the Office Mixed Use (OMU) General Plan land use designation and requires the approval of a conditional use permit in the BP zoning district per the 2003 Zoning Code of Sacramento County. The Project is requesting three Density Bonus Incentives available through the State's Density Bonus Law for residential developments that provide affordable housing to lower income households. These incentives allow qualifying Projects to deviate from certain development standards in exchange for the provision of affordable housing units. The proposed Project is requesting an increase in the maximum height from 40 feet to 45 feet and a reduction in the required off-street parking spaces to 35 (0.5 spaces per unit) parking stalls, and a reduction in the minimum front and side setbacks from 13 feet to 10 feet. The requested 45-foot height is consistent with the height of the adjacent multifamily residential use to the north and would be adequately setback from the streets. The parking space reduction takes into consideration the specific parking needs of the intended population that will be served by the proposed Project, which will prioritize seniors ages 62 years and above. The number of average daily trips for this population is substantially reduced. A trip generation calculation performed by the City estimates the Project will generate 400 daily trips, 39 weekday AM peak hour trips, and 40 weekday PM peak hour trips, which are all well below the City's threshold for requiring a more detailed traffic impact analysis. The Project is also served by regular public transit and paratransit, is located within walking distance to the Veteran's Administration Northern California Medical Center and will provide additional on-street parking spaces that will be publicly available. The buildings as designed are setback a minimum of 25 feet from the edge of the adjacent streets, similar to residential uses adjacent to the north. The reduction would reduce the minimum setback from the property line, in this case from the back of the existing sidewalks, in order to not create an excessive setback from the street, which would reduce the pedestrian orientation of the Project. A Project site plan (see Figure 2) has been submitted for review of the Conditional Use Permit.

The proposed use and buildings will add diverse housing stock, serving a special needs population within close proximity to the Veteran's Administration Medical Center and public transit. The development would redevelop a vacant and underutilized parcel which will improve the walk appeal and walkability of the neighborhood by providing enhanced pedestrian circulation around the site and with neighboring parcels. The special needs population served will be homeless and disabled veteran households and will help reduce veteran homelessness across Sacramento County. The proposed use will include dedicated on-site property management to maintain and operate the property in a decent, peaceful, and safe manner. The proposed number of housing units is below the maximum allowed in the zoning regulations and would result in a development that is less intensive than could otherwise be allowed.

Title I, Chapter 10, Article 3 Section 110-30 of the 2003 Zoning Code of Sacramento County requires specific findings to approve a Conditional Use Permit. As shown in Attachment 1, all applicable findings have been met supporting the Conditional Use Permit. Should the applicant propose to amend the current scope or design, subsequent review and approval by City staff would be required prior to implementation of the changes. The Project will be conditioned to

meet the City's applicable design guidelines and will be required to meet all applicable landscaping, lighting, and other City design requirements. The approval of the requested CUP would not be detrimental to the surrounding neighborhood and has been conditioned to minimize any potential impacts the residential use may have on the surrounding area.

FIGURE 2: PROJECT SITE PLAN



MATHER AIRPORT LAND USE COMMISSION CONSISTENCY

The Project is located within the boundaries of the ALUCP that was adopted in August of 2022. Therefore, the Project must be reviewed by the ALUC for consistency with the ALUCP. The Project Conditional Use Permit application was sent to the ALUC and the Division on March 22, 2024, for their agencies' review.

The City received notification from the ALUC by email on April 12, 2024. The ALUC determined that the Proposed Action was incompatible with the Mather Airport Land Use Compatibility Plan because (1) the Project site lies within Safety Zone 3 of the Airport Land Use Compatibility Plan (Inner Turning Zone) where the maximum number of dwelling units permitted per gross acre is 0.5; and (2) the Project site is located in the 60-65 CNEL noise contour, where all residential uses are prohibited.

The City Council may overrule the ALUC's determination of incompatibility by following the overrule process pursuant to the California Public Utilities Code Section 21676(b). The City would need to provide its proposed action and findings to the ALUC and the California Department of Transportation Division of Aeronautics (the "Division") at least 45 days out from the formal overrule decision.

The findings must show consistency with the purposes of Public Utilities Code Section 21670 regarding the protection of public health, safety and welfare in areas surrounding airports. These are summarized below.

The proposed action:

1. Provides for the orderly development of the airport.
2. Promotes the overall goals and objectives of the California airport noise standards.
3. Prevents the creation of new noise and safety problems.
4. Ensures the orderly expansion of airports.
5. Minimizes the public's exposure to excessive noise and safety hazards.

The ALUC and the Division then have 30 days to provide advisory comments which must be included in the public record of the local agency decision. The City Council must formally adopt the overrule decision with a two-thirds vote (4 out of 5 with a five-member council).

On May 6, 2024, the City Council adopted Resolution No. 38-2024 directing City staff to submit the proposed action and draft findings to the ALUC and the Division. City staff provided the proposed action and findings to the ALUC and the Division on May 7, 2024. City staff did not receive any additional comments from the ALUC. City staff received comments from the Division on June 4, 2024, which will be incorporated into the official record. In its comments the Division noted that the California Airport Land Use Planning Handbook (2011) recommends any land usage within the 65 CNEL threshold should be indoor oriented only. The Division also commented that airport land use commissions are expected to use their discretion when determining safety zones and may be more restrictive as warranted. The Division supports the ALUC's intention to protect the public and notes the City's findings are inadequate to warrant an overrule. Without providing additional details as to the inadequacy of the City's findings, staff has no further response to these comments. Pursuant to Public Utilities Code Section 21676(b), the Division's comments are advisory only. These comments have been included in the official record as an attachment to this staff report.

Overruling the ALUC's determination shifts additional legal liability to the City pursuant to Public Utilities Code Section 21675.1(f). The operator of the airport would not be liable for damage to property or personal injury resulting from the City's decision to proceed with the Conditional Use Permit. Essentially, the overrule would shield the Mather Airport operator, Sacramento County, from any liability associated with property damage or personal injury that occurs to Mather Veterans Village Phase 4 caused by airport operations.

ENVIRONMENTAL

The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter CEQA) requires analysis of agency approvals of discretionary "projects." A "project," under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." The commitment of funding to construct affordable

housing is a Project as defined by CEQA. As Described below, the Project meets the exemption requirements for CEQA Guidelines Section 15332, In-Fill Development Projects, Section 15183 Projects “Consistent with the Community Plan, General Plan or Zoning”, Section 15194 Affordable Housing Exemption, and AB 1449 (Chapter 761. Statutes of 2023) Public Resources Code (PRC) Section 21080.40 Affordable Housing statutory exemption and is therefore not subject to further environmental review.

Pursuant to CEQA Guidelines Section 15332 (Categorical Exemption Class 32, In-Fill Development Projects) projects meeting specified conditions are exempt from the provisions of CEQA. Pursuant to this section none of the circumstances described in Public Resources Code Section 21166 and State CEQA Guidelines Section 15162 have occurred: the proposed Project does not represent a substantial change in the original Mather Field Specific Plan and no major revisions to the previous Mather Field Specific Plan Environmental Impact Report (EIR), adopted February 1997, are required; the Mather Field Specific Plan EIR adequately analyzed the potential impacts of developing the Project site as proposed; therefore, no further environmental review is required; the multi-family buildings are Categorically Exempt under Section 15332, In-Fill Development, of the California Environmental Quality Act Guidelines.

The Project has been analyzed and is exempt per CEQA Guidelines Section 15183 “Projects Consistent with a Community Plan, General Plan or Zoning.” The proposed multifamily residential Project is a conditionally permitted use consistent with the development densities established by the City’s General Plan and zoning for which an EIR was certified (June 2006). None of the exceptions identified in CEQA Guidelines Section 15300.2 apply to the Project.

The Project (a) meets the threshold criteria set forth in section 15192. The Project will (b) not be on a site more than five acres in area; (c) meet location requirements relating to population density and site-specific location requirements on previously developed land as an urban use adjacent to other current developed urban uses; and (d) meet requirements regarding provision of affordable housing, the Project includes fewer than 100 units and the units will remain affordable for longer than 30 years. Therefore, the Project is exempt per CEQA Guidelines Section 15194 Affordable Housing Exemption.

The Project will: consist of multifamily residential uses only, be dedicated to lower-income households, is within the City boundaries of the City of Rancho Cordova and is on a parcel surrounded by urban uses. Furthermore the Project will be subject to a recorded California Tax Credit Allocation Committee regulatory agreement, can be adequately served by existing utilities, complies with the limitations on location found in Government Code 65913.4(a)(6)(B-K), does not contain tribal cultural resources, a Phase 1 environmental assessment has been completed and has determined that there is no potential for exposure of future occupants to significant health hazards, is not located on a site where multifamily housing is not permitted, is not located within 500 feet of a freeway or within 3,200 feet of a facility that actively extracts or refines oil or natural gas, and is not within a very high fire hazard severity zone. The Project is exempt pursuant to the AB 1449 (Chapter 761. Statutes of 2023) PRC Section 21080.40 Affordable Housing statutory exemption.

NEXT STEPS

Adoption of this CUP and ALUC overrule is final discretionary approval required for the Development Team to submit a low-income housing tax credit application. The application would be submitted on July 2, 2024. If the tax credit application is awarded funding, the Project could begin construction as soon as Spring 2025. If this application is unsuccessful the next

opportunity to apply would be February 2025 and would see construction begin in late Summer or early Fall 2025.

FISCAL IMPACT

There is no fiscal impact for this action. A commitment of City funding to the Project will be considered by another City Council action.

ATTACHMENTS

1. Resolution
2. Project Site Plan
3. Conditions of Approval
4. CalTrans Comments
5. Presentation

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, APPROVING A CONDITIONAL USE PERMIT FOR THE MATHER VETERANS VILLAGE PHASE 4 MULTIFAMILY HOUSING PROJECT FOR HOMELESS VETERANS, PROJECT NO. PLND-0324-0095, AND ADOPTING FINDINGS OVERRULING THE AIRPORT LAND USE COMMISSION, PURSUANT TO THE OVERRULE PROCESS OF PUBLIC UTILITIES CODE SECTION 21676(B), THAT THE CONDITIONAL USE PERMIT IS CONSISTENT WITH THE PURPOSES OF PUBLIC UTILITIES CODE SECTION 21670

WHEREAS, the City of Rancho Cordova (“City”) issued a Request for Proposals (“RFP”) for veterans affordable housing projects at the former Mather Air Force Base on July 22, 2022 and selected the development team of Mercy Housing California and Veterans Housing Development Corporation (the “Development Team”) on October 17, 2022 by Resolution 192-2022; and

WHEREAS, the City received a Conditional Use Permit application (the “Application”) from the Development Team for the Mather Veterans Village Phase 4 development project, a 70 unit multifamily residential apartment project for homeless and/or disabled veterans or homeless households earning up to 50 percent of area median income located on the southwest corner of Schirra Avenue and Bleckely Street, a portion of APN 067-0010-093 (the “Project”), on March 19, 2024 and circulated the Application for agencies’ review on March 22, 2024, including to the Sacramento Area Council of Governments Mather Airport Land Use Commission (the “ALUC”) and the California Department of Transportation Division of Aeronautics (the “Division”); and

WHEREAS, the City received a consistency determination letter from the ALUC on April 12, 2024 that the Project is not compatible with the Mather Airport Land Use Compatibility Plan (the “ALUCP”) that was adopted in August 2022 because (1) the Project site lies within Safety Zone 3 (Inner Turning Zone) of the ALUCP where the maximum number of dwelling units permitted per gross acre is 0.5; and (2) the Project site is located in the 60-65 Community Noise Equivalent Level (“CNEL”) noise contour, where all residential uses are prohibited; and

WHEREAS, the City may overrule a determination of the ALUC if it makes findings that the proposed action is consistent with the purposes of Section 21670 regarding the protection of public health, safety and welfare in areas surrounding airports and by providing the ALUC and the Division with a copy of the proposed action and findings at least 45 days prior to the City's action to overrule the ALUC with a two-thirds majority vote by the City Council, pursuant to Public Utilities Code Section 21676(b); and

WHEREAS, the City Council directed staff to submit the Proposed Action and findings to the ALUC and the Division pursuant to the overrule process of Public Utilities Code Section 21676(b) on May 6, 2024 by Resolution 38-2024; and

WHEREAS, on May 7, 2024, the City of Rancho Cordova provided the ALUC and the Division with the Proposed Action and findings in accordance with the 45-day period required under Public Utilities Code Section 21676(b); and

WHEREAS, the Public Utilities Code Section 21676(b) provides that the ALUC and the

Division shall respond to the referral of the findings of overrule within 30 days of receiving the proposed action and findings. However, in the event that the ALUC or Division's comments are not available within this time limit, the City may act without them; and

WHEREAS, the comments by the ALUC or Division are advisory to the City under State law; and

WHEREAS, the City Council shall include comments from the ALUC and the Division in the final record of any final decision to overrule the ALUC, which may only be adopted by a two-thirds vote of the City Council; and

WHEREAS, the City Council is the appropriate authority to hear and take action on this Project to approve the Conditional Use Permit and make overruling findings regarding the ALUC's land use consistency determination; and

WHEREAS, the Project was found to be exempt from the California Environmental Quality Act (CEQA) (Public Resources Code Section 2100 et. Seq.) pursuant to Section 15332, In-Fill Development Projects, Section 15183 "Consistent with the Community Plan, General Plan or Zoning", Section 15194, Affordable Housing Exemption, and AB 1449 (Chapter 761. Statutes of 2023) Public Resources Code (PRC) Section 21080.40 Affordable Housing Statutory exemption, and is therefore not subject to further environmental review; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code Section 65090 and has duly considered all written and verbal testimony presented during the hearing.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA:

Based upon the entire record for this Conditional Use Permit No. PLND-0324-0095, including without limitation, written evidence, agenda reports, and testimony presented before the City Council on May 6, 2024 and July 1, 2024, the City Council makes the following findings:

1. The foregoing recitals are true and correct and made a part of this Resolution.
2. The Public Utilities Code Section 21676 and 21676.5 provides that a local governing body may overrule the Airport Land Use Commission (ALUC) if it makes specific findings that the proposed action is consistent with the purposes of Public Utilities Code Section 21670. The Sacramento Area Council of Governments (SACOG) serves as the ALUC for Sacramento County. The first purpose of airport land use commissions, under Section 21670, is to provide for the orderly development of public use airports, and the area surrounding these airports so as to promote the overall goals and objectives of California airport noise standards and to prevent the creation of new noise and safety problems. The second purpose of airport land use commissions, under Section 21670, is to protect public health, safety, and welfare by ensuring the orderly expansion of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports to the extent that these areas are not already devoted to incompatible uses.
3. **CEQA Determination:** The project is categorically exempt from further California Environmental Quality Act ("CEQA") analysis pursuant to CEQA Guidelines Section 15332, In-

Fill Development Projects, Section 15183 “Projects Consistent with the Community Plan, General Plan or Zoning”, Section 15194 Affordable Housing Exemption.

- a. **Finding:** The project has been analyzed and is exempt per CEQA Guidelines Section 15332, In-Fill Development Projects, Section 15183 “Projects Consistent with the Community Plan, General Plan or Zoning”, Section 15194, Affordable Housing Exemption, and AB 1449 (Chapter 761. Statutes of 2023) Public Resources Code (PRC) Section 21080.40 Affordable Housing Statutory exemption.

Evidence: None of the circumstances described in Public Resources Code Section 21166 and State CEQA Guidelines Section 15162 have occurred: the proposed Project does not represent a substantial change in the original Mather Field Specific Plan project and no major revisions to the previous Mather Field Specific Plan Environmental Impact Report (“EIR), adopted February 1997, are required, and the Mather Field Specific Plan EIR adequately analyzed the potential impacts of developing the Project site as proposed. The Project is consistent with the Mather Airport Land Use Compatibility Plan as described further in Findings 5.a-5.e below. Therefore, the multi-family buildings are Categorically Exempt under Section 15332, In-Fill Development, of the California Environmental Quality Act Guidelines.

The Project has been analyzed and is exempt per CEQA Guidelines Section 15183 “Projects Consistent with a Community Plan, General Plan or Zoning.” The proposed multifamily residential project is a conditionally permitted use consistent with the development densities established by the City’s General Plan and zoning for which an EIR was certified (June 2006). In adopting the General Plan EIR, establishing the General Plan land use designation for the proposed project, the City Council adopted a Statement of Overriding Considerations that in part recognized that “The proposed General Plan will provide much needed residential dwelling units to ease local and regional housing demands by increasing housing opportunities in the City and in a region where housing is costly and in short supply. It will increase the amount of affordable housing in the community. It will enable the City to contribute its fair share of regional housing opportunities, and will provide diverse housing opportunities for all economic levels.” And that the benefits of the General Plan, including the development of affordable housing, outweighs the unavoidable adverse environmental impacts that have not been eliminated or substantially lessened where feasible. None of the exceptions identified in CEQA Guidelines Section 15300.2 apply to the Project.

The Project (a) meets the threshold criteria set forth in section 15192. The Project will (b) not be on a site more than five acres in area; (c) meet location requirements relating to population density and site-specific location requirements on previously developed land as an urban use adjacent to other current developed urban uses; and (d) meet requirements regarding provision of affordable housing, the Project includes fewer than 100 units and the units will remain affordable for longer than 30 years. Therefore, the Project is exempt per CEQA Guidelines Section 15194 Affordable Housing Exemption.

The Project will: consist of multifamily residential uses only, be dedicated to lower-income households, is within the city boundaries of the City of Rancho Cordova, and is on a parcel surrounded by urban uses. Furthermore the Project will be subject to a recorded California Tax Credit Allocation Committee regulatory agreement, can be adequately served by existing utilities, complies with the limitations on location found in Government Code 65913.4(a)(6)(B-K), does not contain tribal cultural resources, a Phase 1 environmental assessment has been

completed and has determined that there is no potential for exposure of future occupants to significant health hazards, is not located on a site where multifamily housing is not permitted, is not located within 500 feet of a freeway or within 3,200 feet of a facility that actively extracts or refines oil or natural gas, and is not within a very high fire hazard severity zone. The Project is exempt pursuant to the AB 1449 (Chapter 761, Statutes of 2023) PRC Section 21080.40 Affordable Housing statutory exemption.

4. The City Council made the following findings required by Title I, Chapter 10, Article 3 Section 110-30 of the 2003 Zoning Code of Sacramento County, as the applicable planning document for the proposed project located within the Mather Field Specific Plan Area, for Conditional Use Permits prior to approving this request:

- a. **Finding:** The establishment, maintenance or operation of the use, building, or structure applied for will not under the circumstances of the particular case be detrimental to the health, safety, peace, morals, comfort, or general welfare of persons residing or working in the neighborhood.

Evidence: The project is located within the Office Subarea of the Mather Field Special Planning Area (MFSPA), which translates to the Business Professional (BP) zoning designation within the 2003 Zoning Code of Sacramento County. The project is surrounded by other commercial office and residential properties including BP properties to the east and south, multifamily residential to the north, and social services offices to the east which serve additional transitional housing uses to the north. The Project Site Plan is attached to this Resolution as Exhibit A.

The project is requesting three Density Bonus Incentives available through the State's Density Bonus Law for residential developments that provide affordable housing to lower income households. These incentives allow qualifying projects to deviate from certain development standards in exchange for the provision of affordable housing units. The proposed project is requesting an increase in the maximum height from 40 feet to 45 feet, a reduction in the required off-street parking spaces to 35 (0.5 spaces per unit) parking stalls, and a reduction in the minimum front and side setbacks from 13 feet to 10 feet. The requested 45-foot height is consistent with the height of the adjacent multifamily residential use to the north and would be adequately setback from the streets. The parking space reduction takes into consideration the specific parking needs of the intended population that will be served by the proposed project, which will prioritize seniors ages 62 years and above. The number of average daily trips for this population is substantially reduced. The project is also served by regular public transit and paratransit, is located within walking distance to the Veteran's Administration Northern California Medical Center, and will provide additional on-street parking spaces that will be publicly available. The buildings as designed are setback a minimum of 25 feet from the edge of the adjacent streets, similar to residential uses adjacent to the north. The reduction would reduce the minimum setback from the property line, in this case from the back of the existing sidewalks, in order to not create an excessive setback from the street, which would reduce the pedestrian orientation of the project.

The project will be conditioned to meet the City's applicable design guidelines and will be required to meet all applicable landscaping, lighting, and other city design requirements. The approval of the requested CUP would not be detrimental to the surrounding neighborhood and has been conditioned to minimize any potential impacts the residential use may have on the surrounding area. The Conditions of Approval have been attached to this Resolution as Exhibit B.

The proposed use and buildings will add diverse housing stock, serving a special needs population within close proximity to the Veteran's Administration Medical Center and public transit. The development would redevelop a vacant and underutilized parcel which will improve the walk appeal and walkability of the neighborhood by providing enhanced pedestrian circulation around the site and with neighboring parcels. The special needs population served will be homeless and disabled veteran households and will help reduce veteran homelessness across Sacramento County. The proposed use will include dedicated on-site property management to maintain and operate the property in a decent, peaceful, and safe manner. The proposed number of housing units is below the maximum allowed in the zoning regulations and would result in a development that is less intensive than could otherwise be allowed.

The proposed use will not be detrimental to the health or safety of residents at the site itself or to persons residing or working in the neighborhood in regards to airport noise and safety as described in findings 5.a-5.e below.

- b. **Finding:** The establishment or proposed use will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City.

Evidence: Granting the CUP would not be detrimental to property or to future improvements within the neighborhood. Multifamily residential is consistent with the OMU General Plan land use designation, and requires approval of a CUP in the BP zoning district. The project is surrounded by other BP and residential zoned properties and will be consistent with other uses allowed within these zoning designations.

The site has been designed to take into consideration how to safely accommodate vehicular traffic and pedestrians walking throughout the site. Ingress and egress to the site has been designed to meet the minimum requirements, including emergency vehicle access. Sufficient parking, through a Density Bonus Incentive request for the provision of affordable housing to low-income households, has been provided on the site to accommodate residents and guests visiting the site.

5. Pursuant to Public Utilities Code Section 21676, the proposed adoption of the conditional use permit (the "Proposed Action") was referred by the City to the ALUC on March 22, 2024. The ALUC responded by email on April 12, 2024. The ALUC determined that the Proposed Action was incompatible with the Mather Airport Land Use Compatibility Plan because (1) the project site lies within Safety Zone 3 of the Airport Land Use Compatibility Plan (Inner Turning Zone) where the maximum number of dwelling units permitted per gross acre is 0.5; and (2) the project site is located in the 60-65 CNEL noise contour, where all residential uses are prohibited. The Proposed Action and Findings were referred to ALUC and the Division on May 7, 2024 and this action is being taken by the City Council not less than 45 days following that notification. The City has carefully considered the ALUC's incompatibility determination and hereby overrules the commission based on the following findings that the Proposed Action is consistent with the purposes of Public Utilities Code Section 21670 regarding the protection of public health, safety and welfare in areas surrounding airports:

- a. **Finding:** The Proposed Action is consistent with the purpose "...to provide for the orderly development of public use airports in this state..."

Evidence: The proposed use is located approximately ½ mile away from the nearest airport runway. To prevent future residents of the proposed residential use from objecting to development of, or around, the airport, prospective tenants will receive notification in the Public Report prepared by the California Department of Real Estate disclosing the fact to prospective tenants that the parcel is located within an Airport Policy Area. Tenant rental/lease agreements will include a copy of the disclosure notice.

The proposed use meets applicable zoning regulations and non-architectural related design guidelines as described in the Mather Field Specific Plan for the Campus Subarea and Campus Area Design District, including orienting the buildings around a central courtyard open space linked by pathways to adjoining parcels, placing parking at the rear of the site to create a more park-like and pedestrian character along the project frontage, meeting front, side, and rear building setbacks, and providing ornamental perimeter fencing. The project meets applicable development standards notwithstanding two Density Bonus Incentives, available through the State's Density Bonus Law for residential developments that provide affordable housing to lower income households, being requested by the project to increase the maximum height to 45 feet, consistent with adjacent residential uses, and decrease the minimum required off-street parking to 35 spaces. The project will be conditioned to meet applicable architectural related design guidelines for when the project submits for Major Design Review. Therefore, the use will comply with, and provide for, the orderly development of the Mather Field Airport.

b. **Finding:** The Proposed Action is consistent with the purpose "...to provide for the orderly development of...the area surrounding airports to promote the overall goals and objectives of the California airport noise standards..."

Evidence: The 65-69 CNEL noise contour zone cuts midway across the proposed site. The California Building Standards Code requires minimum noise insulation performance standards that buffer exterior noise. The structures in the 65-69 CNEL noise contour zone would be constructed to achieve the required noise performance standards. This would minimize human exposure to excessive noise.

Likewise, the Sacramento County Department of Airports has provided to the City on December 12, 2023 mitigation conditions for residential development inside 60 CNEL noise contour at Mather Airport: 1) provide minimum noise insulation to 45dB CNEL within new residential dwellings with windows closed in any habitable room; and 2) verification of interior sound levels post construction accomplished through the execution of noise testing in accordance with provisions provided by the Sacramento County Department of Airports. The project will adhere to these conditions, further minimizing human exposure to excessive noise.

c. **Finding:** The Proposed Action is consistent with the purpose "...to provide for the orderly development of...the area surrounding these airports so as...to prevent the creation of new noise and safety problems..."

Evidence: Noise problems are addressed in the finding above and are determined not to create a new noise problem. Prevention of new safety problems is addressed in the paragraphs below.

The site is located in Safety Zone 3, Inner Turning Zone. Normal maneuvers performed in this safety zone are especially by small, piston-powered aircraft, turning base to final on landing approach or initiating turn to en route direction on departure. Airplane altitudes are less than 500 feet above runway, particularly on landing (California Airport Land Use Planning Handbook, pg. 4-22). There is one regular flight path identified within 100 ft of the proposed project location. An

aircraft on this flight path is not conducting an inner turning maneuver while flying near the project site. It has either taken off and then already aligned to its en route direction, or has not yet reached its final turning base to final landing approach where it would perform an inner turning maneuver. Therefore, the specific location will not present an excessive safety hazard as it would not be located in the flight path of small or large aircraft performing an Inner Turning Zone maneuver without those aircraft already deviating from a normal landing approach flightpath.

The State of California Department of Transportation Division of Aeronautics has created guidelines for the creation of safety zones around airports via the California Airport Land Use Planning Handbook (2011) (the "Handbook"). The Handbook generally describes Inner Turning Zones as extending 30 degrees off the center line of the runway, based on mathematical analyses of accident location data. However, the Handbook notes these generic zones are a starting point as considerable judgment is required when creating zones for a particular airport and gives airports discretion for setting safety zone boundaries. The proposed use is located in a safety zone that is considerably expanded from the 30-degree minimum of nearly 45 degrees, in part to accommodate the one regular flight path noted in the paragraph above, which would not be making an inner turning zone maneuver over the proposed site. Nevertheless, the proposed site is similarly located on the very edge of Safety Zone 3. Adjacent parcels to the west are located in Safety Zone 6, which does not limit multifamily residential uses. If the Handbook guidelines had been more strictly followed the proposed project site would be located in Safety Zone 6. Considering these points, the proposed use would not create a new safety problem.

The proposed use is orderly when considered in relation to existing regional campus development serving veterans and homeless households. The proposed use is adjacent to other multi-family properties to the north with a similar residential dwelling intensity that were previously not located in Safety Zone 3 until the CLUP update in 2022. These adjacent properties to the north are permitted to go as high as 50 feet. This proposed use will match these similar existing uses, but maintain a lower maximum height of 45 feet, and will maintain existing trees on the proposed site that extend above 45 feet. Therefore, the proposed use will not create an additional safety hazard for low-flying aircraft.

The proposed use is also a valuable component that expands and adds missing services to the existing regional campus serving the needs of veterans and homeless households. This is consistent with and will significantly advance the Mather Field Specific Plan and its Planning Principals and Policies that emphasize cohesive campus development (Policy M-LU-13), the promotion of an attractive residential neighborhood (Principle 8), and promotion of components that reflect the area's historical significance as a military airfield (Principal 9).

The proposed project will serve very-low income homeless and disabled veterans with a priority of serving senior veterans aged 62+. This population is among the most vulnerable to health impacts among homeless populations. This proposed use would create safe, permanent housing with supportive services for this population, which has been proven to dramatically improve this population's health outcomes. The specific location of the proposed use represents a unique opportunity because it is already owned by a public agency, Sacramento County. One of the largest barriers to developing affordable housing is securing a site, whereas a project at this location will already have crossed that hurdle. The housing and services the proposed use will provide at this location will greatly reduce the current health and safety risks of the homeless and disabled veterans it will house and serve.

d. **Finding:** The Proposed Action is consistent with the purpose "...to protect the public health, safety, and welfare by ensuring the orderly expansion of airports..."

Evidence: The proposed project is required to include an Avigation Easement prepared by the Sacramento County Counsel's Office granted to the County of Sacramento, recorded with the Sacramento County Recorder, and filed with Department of Airports. The Avigation Easement will acknowledge the property location within the Airport Planning Policy Area and grant the right of flight and unobstructed passage of all aircraft into and out of the subject Airport. Therefore, the proposed project would ensure the orderly expansion of airport operations.

The Mather Airport CLUP was recently updated in 2022 and included expanded noise contours reflecting a theoretical capacity scenario extending beyond the planning horizon for the Draft Master Plan (2034), and similarly expands safety zones beyond the minimum dimensions in the 2011 California Airport Land Use Planning Handbook. It is unlikely that noise contours and safety zones will need to be further expanded in the foreseeable future that would put the proposed project into a more incompatible noise contour or safety zone. The proposed project would be compatible with the current noise contour and safety zone as evidenced by these findings 3.a-3.e. Since these noise contours and safety zones reflect the capacity growth scenario, the project would therefore protect the orderly expansion of the Mather airport up to its theoretical maximum capacity.

e. **Finding:** The Proposed Action is consistent with the purpose "...to protect the public health, safety, and welfare by...the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports to the extent these areas are not already devoted to incompatible uses" (California Public Utilities Code Section 21670(a)(2)).

Evidence: The proposed use will be conditioned to include land use measures that will minimize excessive noise hazards, including notification to tenants that the proposed location is within an Airport Policy Area, meeting State Building Code Acoustic standards, and performing a post construction test to determine that internal noise levels meet the required standards, as described further in the findings above.

Analysis of the safety hazards to the proposed use at this specific location in Safety Zone 3, as described in the findings above, have found that this land use is appropriate for this specific site. There are minimal regular flight paths over the proposed location, and none of those are engaging in Inner Turning Zone maneuvers. Future flight paths conducting Inner Turning Zone maneuvers near this specific site are unlikely due to the greatly expanded size of this particular Safety Zone 3 and since the proposed location is located on the very edge of that zone.

The proposed use is an essential continuation of the adjacent campus dedicated to residential uses serving veterans and homeless households and is not creating a new incompatible use within this safety zone. The project will match these adjacent neighboring uses in height and intensity and the height of surrounding trees. Therefore, adoption of this conditional use permit for multi-family residential use will protect the public health, safety, and welfare and will minimize the public's exposure to excessive safety hazards.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 1st day of July 2024 by the following vote:

AYES:

ITEM 15.2.

ATTACHMENT 1

NOES:

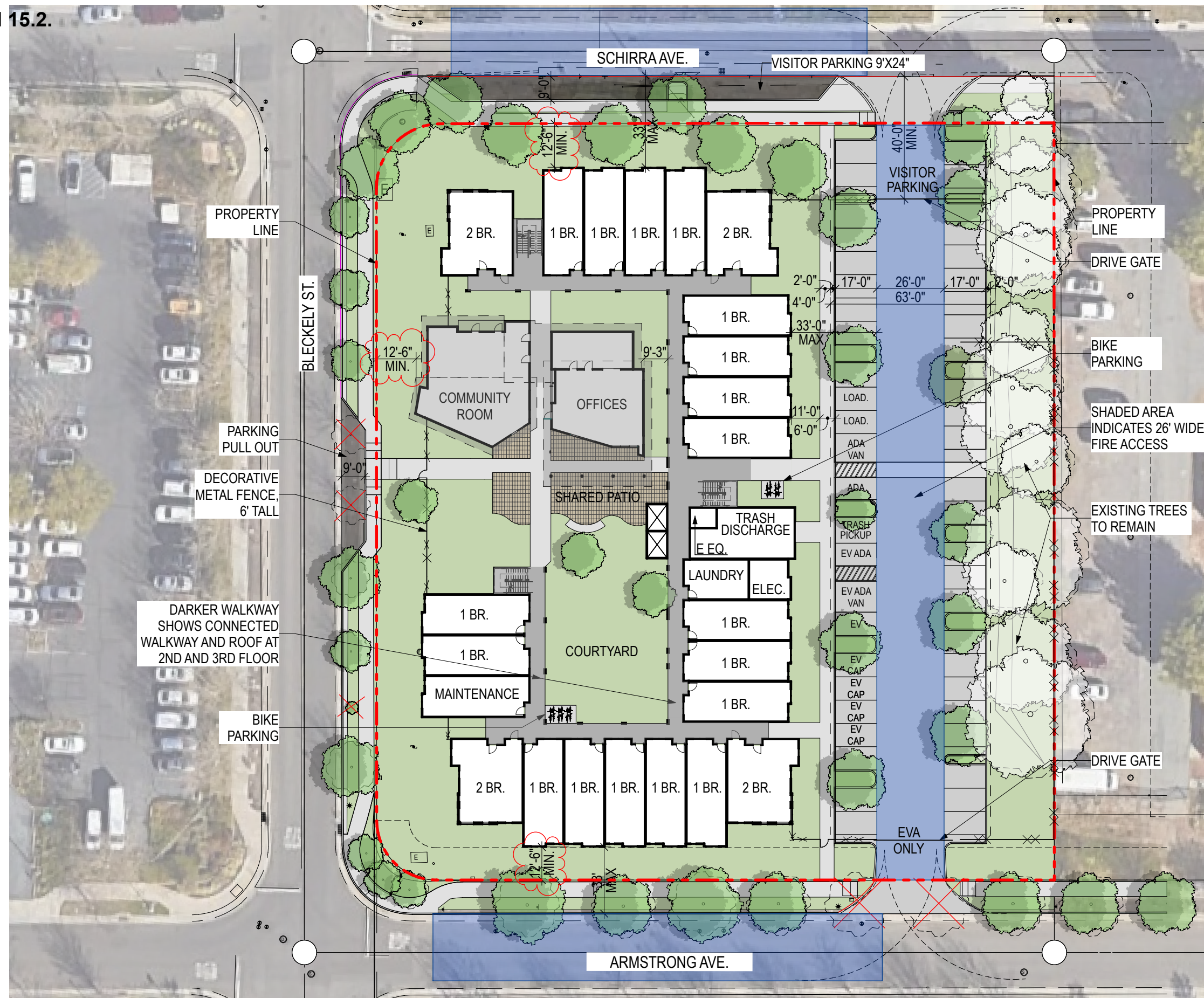
ABSENT:

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

David Sander, Mayor



SITE INFORMATION:

APROX. 1.75 ACRES TO R.O.W.

APROX. DENSITY: 40 D.U./ACRE

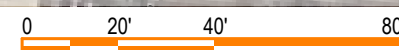
UNIT MIX:
(58) 1-BEDROOM UNITS
(12) 2-BEDROOM UNITS
TOTAL: 70 UNITS

4,000 SF COMMUNITY BUILDING

APPROX. 45 PARKING SPACES
INCLUDING ADA, EV, LOADING
6 BICYCLE PARKING

MAX. BLDG. HEIGHT : 45'

Site Plan Rotated - scale 1" = 40'



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<u>Conditions of Approval</u>		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>
1.	The approved entitlement is for a Conditional Use Permit for the Mather Veterans' Village Phase 4 (PLND-0324-0094), which includes 70 apartment units (58 one-bedroom and 12 two-bedroom) along with three Density Bonus incentives: increase in allowable building height from 40 to 45 feet; reduction in required parking spaces to 35 parking stalls; and reduce the minimum front and side setbacks from 13 feet to 10 feet.	Project Description	On-Going	Planning
2.	The proposed project will be required to submit an application for a Major Design Review (including all required submittal documents) and complete the required entitlement process. Additional conditions of approval may be required as part of the design review entitlement.	Design Review	On-Going	Planning
3.	Applicant(s) agree to defend, indemnify and hold harmless with Counsel selected by the City of Rancho Cordova ("City") and its agents, officers, consultants, and employees ("City's Agents") from any and all claims, actions, suits, or proceedings against the City or the City's Agents to attack, set aside, void, or annul an approval by the City, or the City's Agents concerning the project (collectively "Claim"). The City shall promptly notify the Applicant of any Claim and the City shall cooperate fully in the defense. Nothing in this paragraph obligates the City to defend any Claim and the City is not required to pay or perform any settlement arising from any such Claim not defended by the City, unless the settlement is approved in writing by the City.	General	On-Going	Planning
4.	Any future alteration to the buildings, change in use, intensification of the site, or modification to the parking and landscaped area must be reviewed by the City to ensure compliance with all local, state, and federal regulations. Minor modifications that are found to be in substantial conformance with the approved plans such as colors, plant	General	On-Going	Planning

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	materials, or minor lot line adjustments, may be approved administratively. Major modifications shall be approved by the applicable decision-making body.			
5.	Applicant/Developer shall not carry a negative account balance with the City for the processing of the project. If a negative account balance occurs, it will be the developer's responsibility to pay the balance due, in order to avoid delays in the processing of future permits or recordation of maps. Please email the Finance Department at billings@cityofranhocordova.org for the status of your account with the City.	General	On-Going	Planning
6.	The Conditional Use Permit is valid for a period of three (3) years from the date of City Council approval unless substantial construction of the permitted use has commenced and is diligently pursued to completion or an extension is granted by the Community Development Director.	Expiration	On-Going	Planning
7.	Signage is not approved with this permit. All signage shall comply with the City of Rancho Cordova Zoning Code.	Signage	On-Going	Planning
8.	Noise sources associated with construction, repair, remodeling, demolition, paving and/or grading of any real property must adhere to the development standards outlined within the City's Noise Element, RCMC 6.68 and RCMC 16.18.1407(F).	Noise	On-Going	Code Enforcement /Building
9.	Applicant shall be responsible for all damage to City streets associated with construction of the project and shall repair any damage as soon as possible.	Public Works	On-Going	Public Works
10.	Provide arborists report that identifies species, diameter, and height of all trees to be removed. Replacement or in-lieu payment shall be per RCMC Section 19.12	Public Works	On-Going	Public Works
11.	Show the design for a fire access roadway of not less than	Fire	On-Going	Fire

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	20-feet of unobstructed width, 13-feet, 6-inches of vertical clearance, and turning radii of 25 feet inside and 50 feet outside dimension on the improvement plans. The access roadway shall extend to within 150 feet of all portions of the exterior walls of the first story of any proposed building. The use of turf-block or grass-crete or similar alternate road surfaces is not approved for installation in fire apparatus access roadways.			
12.	Show the design for a minimum of 2 remote fire access roadways. Remote fire access roadways shall be spaced a distance apart equal to not less than one-half of the maximum diagonal dimension of the property or areas to be served. A minimum 2 remote access roadways shall be provided for in any of the following conditions: a. A single building in excess of 62,000 sq. ft. b. Multiple buildings within a single parcel where the total combined square footage is in excess of 62,000 sq. ft. c. Developments of one-and two-family dwellings in excess of 39 dwelling units. d. Multi-family dwellings in excess of 39 units.	Fire	On-Going	Fire
13.	Show the design for aerial apparatus access for buildings 30 feet or greater. Aerial apparatus access shall be a minimum 26-feet in width, located 14 to 33- feet from the building as determined by building height, and located on two intersecting sides of the building (as determined by the Fire Code official).	Fire	On-Going	Fire
14.	Show the design for an approved fire apparatus turnaround. The fire apparatus turnaround shall conform to Sacramento Metro Fire Districts, Fire Prevention Standard #3. The fire access turn-around shall be located within 50 feet of the end of the access roadway.	Fire	On-Going	Fire

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15.	Provide the following disclosure to all purchasers and renters of dwellings constructed as part of the Project: “The leased space lies inside Safety Zone 3, as defined in the Mather Airport Land Use Compatibility Plan, a zone within which residential land uses are considered to be incompatible due to safety risks associated with nearby airport operations.”	Airports	On-Going	County of Sacramento, Department of Airports
Prior to Approval of Improvement Plans				
16.	Drainage Study: Applicant shall prepare and submit a project specific drainage study. The drainage study shall conform to the requirements of the Sacramento City/County Drainage Manual (Volume 2), County of Sacramento Improvement Standards (Section 9), and all other applicable City standards.	Public Works	Prior to Improvement Plans	Public Works
17.	Stormwater Quality- Post Construction The improvement plans shall incorporate all applicable post construction stormwater quality measures; including source control (waste management areas, wash area, etc.), treatment control, low impact development, and full capture trash control measures into the site improvement plans in conformance with the most recent version of the Stormwater Quality Design Manual for the Sacramento Region. The applicant shall prepare and submit a Post-Construction Stormwater Quality Control Plan that includes details and sizing calculations of all the proposed post construction stormwater quality measures. In addition, a maintenance covenant is required for all proposed post construction stormwater quality measures, as detailed in Appendix B of the Stormwater Quality Design Manual for the Sacramento Region.	Public Works	Prior to Improvement Plans	Public Works

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18.	Stormwater Quality– During Construction: SWPPP – the applicant shall prepare a Storm Water Pollution Prevention Plan (SWPPP) to be executed through all phases of grading and project construction. The SWPPP shall incorporate Best Management Practices (BMPs) to ensure that potential water quality impacts during construction phases are minimized. These measures shall be consistent with the City’s Improvement Standards and Land Grading and Erosion Control Ordinance. During construction, the applicant shall implement BMPs in accordance with the SWPPP and the City’s Improvement Standards. Advisory Condition: Construction General Permit The project applicant shall file a Notice of Intent (NOI) to obtain coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit For Storm Water Discharges Associated With Construction And Land Disturbance Activities (Construction General Permit). Permits are issued by the State Water Resources Control Board.	Public Works	Prior to Improvement Plans	Public Works
19.	The SWPPP for the site shall include a contingency plan for the implementation of a process to remove fine clay sediments prior to discharge to the City of Rancho Cordova’s storm drain system and/or Waters of the State (e.g., creeks, rivers) to the satisfaction of the City of Rancho Cordova. A polymer treatment system or comparable process shall be incorporated in the erosion and sediment control plan as part of the improvement plans submittal. This system shall be implemented by qualified professionals with training and proven experience in this field. Such treatment shall be accomplished in a manner that does not pose a toxic threat to fish and other aquatic organisms in receiving waters.	Public Works	Prior to Improvement Plans	Public Works
20.	Drainage System Design: The applicant shall submit and obtain City approval of plans	Public Works	Prior to Improvement Plans	Public Works

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	and specifications for the construction of public improvements and all grading. The drainage system shall be designed in accordance with the approved Drainage Study to accommodate runoff from the ultimate development and shall meet the City of Rancho Cordova's Improvement Standards, construction standards, and Floodplain Management Ordinances in effect at the time of improvement plans approval.			
21.	All development within the City must comply with the City of Rancho Cordova's Floodplain Management Ordinance. All new structures shall be protected from the 100-year (1 percent) flood event. Certified pad elevations (certified by a registered Civil Engineer or licensed Land Surveyor) shall be set at least one and two tenths foot (1.2') above all sources of 100-year flooding (see Section 9-1 of improvement standards). The overland release path must be shown on the improvement plans and the hydraulic computation must be provided to estimate the flow depths along the overland release paths. The calculations must be in conformance with Section 9-15 of the Improvement Standards.	Public Works	Prior to Improvement Plans	Public Works
22.	Provide a permanent concrete stamp, or other permanently applied message to the satisfaction of the City not including paint, which reads "No Dumping-Flows to Creek" or other approved message at each storm drain inlet.	Public Works	Prior to Improvement Plans	Public Works
23.	All storm drain facilities within private lots shall be privately maintained and shall be clearly labeled as "private" in the improvement plans.	Public Works	Prior to Improvement Plans	Public Works
24.	Fees: Pay the drainage impact fees to the satisfaction of the City of Rancho Cordova's Public Works Department.	Public Works	Prior to Improvement Plans	Public Works
25.	Number, size, and location of driveways are subject to approval by the Public Works Department	Public Works	Prior to Improvement Plans	Public Works

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26.	Enter into a frontage agreement and bond for construction of public improvements per the approved Public Works plans to the satisfaction of the Public Works Department.	Public Works	Prior to Improvement Plans	Public Works
27.	A final landscape plan shall be submitted in conjunction with improvement plan and or building permit submittal and approved by the planning and public works departments prior to issuance of permits and/or any installation of landscape materials RCMC 23.716.020. The final landscape planting and irrigation plan shall be prepared by a registered licensed landscape architect and include the following items per RCMC 22.180.060: • Planting plan to scale that indicate slope • Irrigation Plan • Soils Test • Water Use Calculations • Irrigation Schedule • Permeability test for LID facilities' locations • Soil media specifications (LID features)	Public Works	Prior to Improvement Plans	Public Works
28.	All landscape strips, medians, etc. that contain trees shall be designed to include continuous root barriers. Trees shall be appropriately sized for their proposed planters.	Public Works	Prior to Improvement Plans	Public Works
29.	Identify existing onsite utilities within the footprint of the proposed development. Determine if they will be abandoned or remain in place. Separate recorded easement may be necessary.	Public Works	Prior to Improvement Plans	Public Works
30.	Show on the plan how Fire Lanes will be marked. Fire Lane identification shall be provided along the required fire access roadway. Fire Lane identification shall be in accordance with the Sacramento Metro Fire Districts Fire Prevention Standard #3 and the California Vehicle Code. Vehicle parking is prohibited on any street less than 28 feet in width. Vehicle	Fire	Prior to Improvement Plans	Fire

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	parking is permitted on both sides of streets 36 feet or more in width. Roadway widths shall be measured between the gutterline or edge of pavement on opposite sides of the road. Identification of fire apparatus access roadways may be required on private roads.			
31.	Provide a note on the plan that reads, "Fire access roadways shall be built to bear a minimum of 80,000 pounds and meet the Sacramento County Public Works Standards for roadways. A report, prepared by a registered geotechnical engineer, verifying the ability of the road to bear the required minimum weight, shall be submitted with any plan indicating construction of roadway. Verification of constructed roadway shall be provided by a registered geotechnical engineer prior to final of the project.	Fire	Prior to Improvement Plans	Fire
32.	Show the location of the required fire hydrants for this project on the improvement plans. Approved fire hydrants capable of providing the required fire flow for the protection of any and all structures shall be located along the fire apparatus access roadway. The required fire hydrants shall be installed and operational prior to any construction or on-site storage of combustible materials. The minimum required fire flow for the protection of commercial developments is 1,500 gallons per minute (gpm) at a pressure of 20 pounds per square inch (psi) for a two-hour duration.	Fire	Prior to Improvement Plans	Fire
Prior to Issuance of Building Permit				
33.	Final landscape plans and fence plans shall be submitted with building permit applications for review and approval by the Planning Department.	Landscape	Prior to Issuance of Building Permit	Planning
34.	Applicant shall complete improvement plans to the satisfaction of the Public Works Department. Improvement	Public Works	Prior to Issuance of Building Permit	Public Works

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	plans shall include, but shall not be limited to: • All onsite civil improvements • Civil plan shall include an ADA access plan • Remove existing rolled curbs, gutter, and driveways on Schirra Ave. Replace with vertical curbs, gutter, sidewalk, and driveway according to current ADA requirements and City standards. • Remove the two onsite abandoned utility poles along Bleckely St. • Utility laterals • Public improvement plans shall clearly delineate all transitions to existing improvements • All improvements to be designed and constructed to the satisfaction of the Public Works Department. • Slurry seal limits of development impacted by utility cuts in pavement (Residential - Type 1 Slurry, Arterials – Type 2) • Complete installation of all improvements shown on the improvement plan to satisfaction of the City prior to occupancy			
35.	Secure City of Rancho Cordova Public Works Department approval of final grading plans, as required by City Ordinance	Public Works	Prior to Issuance of Building Permit	Public Works
36.	The applicant shall meet the following: Civil Site Plans and Architectural Plans shall be submitted and approved prior to Final Building Permit being issued. Fire Sprinkler and Fire Alarm plans shall be submitted prior to Final Building Permit being issued. Please note: The Sacramento Metro Fire District does not allow deferred submittals for Fire Sprinkler or Fire Alarm plans.	Fire	Prior to Issuance of Building Permit/Fire Permit	Fire
37.	Project proponent shall provide a minimum noise insulation to CNEL 45db within any new residential dwelling, including	Airports	Prior to Issuance of Building Permit and	County of Sacramento,

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	detached single-family dwellings or structures, with windows closed in any habitable room. Following construction and prior to the issuance of a certificate of occupancy, interior sound levels shall be verified through noise testing conducted in accordance with the document entitled “Acoustical Testing Plan for Mather Airport, Residential Sound Insulation Program, ALUC Exception for Units in the 50-55 fb CNEL Contour,” dated July 2022.” Prior to the execution of a new rental or lease agreement with a tenant, disclosure to that prospective tenant that “the leased space lies inside the 60 CNEL noise contour, as defined in the Mather Airport Land Use Compatibility Plan, a zone within which the plan considers residential land uses to be incompatible due to noise levels associated with nearby airport operations.”		Prior to Occupancy	Department of Airports
38.	Project proponent shall dedicate an avigation easement to the County prior to City’s issuance of the first building permit for the Project. The easement deed shall be recorded with the Office of the County Recorder and filed with the County. Among other things, the easement deed acknowledges the property’s location within the Mather Airport Planning Policy Area and grants the right of flight and unobstructed passage of all aircraft into and out of Mather Airport.	Airports	Prior to Issuance of Building Permit	County of Sacramento, Department of Airports
Prior to Final Inspection/Occupancy				
39.	During and upon completion of the installation of the landscaping for the project, the project landscape architect/designer shall certify that the installed landscape complies with the approved plans. Certification shall be accomplished by completion of site visits at key installation milestones. Key milestones at a minimum shall include:	Public Works	Prior to Final Inspection	Public Works

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	rough grade, soil amendment verification, Plant material inspection, irrigation coverage test underdrain installation (as applicable) and final installation. Certification shall include signed site observation reports, photographs and documentation verifying implementation of soil report recommendations. Failure to submit complete and accurate documentation to the Planning Department will delay final approval/occupancy of the project.			
40.	Upon completion of the installation of the landscaping, the designer shall certify that the landscape complies with all city water conserving landscape requirements. Certification shall be accomplished by completion of a certificate of compliance on a form approved by the director of the city public works department. Failure to submit a complete and accurate certificate of compliance will delay final approval of the project and/or discontinue water service per RCMC 22.180.090.	Public Works	Prior to Final Inspection	Public Works
41.	Record drawings of grading and improvement plans in AutoCAD and pdf format, and a GIS shape file, or equivalent to the satisfaction of the City Engineer shall be submitted and approved by the Public Works Department.	Public Works	Prior to Final Inspection	Public Works
42.	Approved numbers or addresses shall be placed on all new or existing buildings in such a position as to be easily read from the street or road fronting the property. The minimum size of the numbers shall not be less than six (6) inches and shall be mounted immediately adjacent to a light source and shall also contrast with their background.	Fire	Prior to Granting Final Occupancy	Fire
Advisory				
43.	Gates shall be installed in accordance with The County Emergency Access Gates and Barriers Standard. Plan	Fire	Advisory	Fire

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	submittal is required prior to installation.			
44.	Subsequent applications, including time extensions, may be subject to additional SMFD Fire Conditions beyond those listed above. Fire conditions will only be added when significant life safety issues require remediation.	Fire	Advisory	Fire



Making Conservation
a California Way of Life.

ITEM 15.2 DEPARTMENT OF TRANSPORTATION

AERONAUTICS Program— M.S. #40
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SACRAMENTO, CA 94274-0001
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June 4, 2024

Stefan Heisler, Housing Manager
City of Rancho Cordova

Electronically Sent

sheisler@cityofranchocordova.org

2729 Prospect Park Drive
Rancho Cordova, CA 95670

Dear Mr. Heisler:

The Aeronautics Program (Program) at the California Department of Transportation (Caltrans) appreciates receiving the Notice of Intent dated May 7, 2024, from the City of Rancho Cordova (City), to overrule a determination of the Sacramento County Airport Land Use Commission (ALUC). The ALUC has reported that the Mather Veterans Village Phase 4 Project (Project) is inconsistent with the Mather Airport Land Use Compatibility Plan (ALUCP) for the Mather Airport (MHR). The Notice of Intent concerns the City's Resolution NO. XXX-2024 (Resolution), and specific "Finding" related to the ALUCP. In advance of a public hearing on the Resolution to consider overruling the ALUC's determination, the Program is providing the following comments pursuant to California Public Utilities Code (PUC) section 21676.

b. The Proposed Action is consistent with the purpose "...to provide for the orderly development of...the area surrounding airports to promote the overall goals and objectives of the California airport noise standards..." The Program appreciates the City's intent to require the project to be designed to ensure 45 CNEL within structures. The Program further notes and appreciates that the City intends to require noise testing to ensure that sound reduction does in fact meet 45 CNEL. It is noted that the Handbook recommends any land usage within the 65 CNEL threshold should be indoor oriented only.

c. The Proposed Action is consistent with the purpose "...to provide for the orderly development of...the area surrounding these airports so as...to prevent the creation of new noise and safety problems..."

As you note "The State of California Department of Transportation Division of Aeronautics has created guidelines for the creation of safety zones around airports via the California Airport Land Use Planning Handbook (2011) (the "Handbook"). ... However, the Handbook notes these generic zones are a starting point as considerable judgment is required when creating zones for a particular airport and gives airports discretion for setting safety zone boundaries." Local airport land use commissions are expected to use their discretion when determining safety zones, and may be more restrictive as warranted. If they wish to be more restrictive than Handbook guidance, the Program fully supports their intention to protect the public and notes the City's findings are inadequate to warrant an overrule. An over-rule will

ITEM 15.2.

release the Mather Airport and the Sacramento Airport Land Use Commission from any liability that may arise from catastrophic incidents.

These comments are to be included in the official record.

Originally signed by

Jonathan Huff
Associate Transportation Planner

c: Greg Chew, Senior Planner, Sacramento Area Council of Governments; GChew@sacog.org
Sukhvinder (Sue) Takhar, Deputy District Director, District 3; Takhar,Sukhvinder@DOT; Christopher Brooks
Christopher.Brooks@dot.ca.gov

MATHER VETERANS VILLAGE PHASE 4

AIRPORT LAND USE COMMISSION OVERRULE AND
ADOPTION OF CONDITIONAL USE PERMIT



GOALS FOR THIS PRESENTATION

1. Present the Mather Veterans Village Phase 4 Project Overview and Conditional Use Permit Application
2. Present and Discuss the Mather Airport Land Use Compatibility Situation
3. Present the staff recommendation to adopt findings overruling the Airport Land use Commission and approve the Conditional Use Permit

MVV PHASE 4 PROJECT BACKGROUND

- In 2022-2023 the City selected Mercy Housing California and Nation's Finest for two projects, Mather Veterans Village Phases 4 and 5, and worked with Sacramento County on the land acquisition, conducting due diligence and environmental reviews
- In April 2024 Mercy Housing California submitted the Conditional Use Permit discretionary entitlement application
- In May 2024 the City Council directed staff to submit the project to the Mather Airport Land Use Commission and CalTrans Division of Aeronautics for review and comment
- In June 2024 the City completed the land transaction with Sacramento County, securing \$3,000,000 in grant funding from the County for the project, and executing an Option Agreement with Mercy Housing California

MVV PHASE 4 PROJECT OVERVIEW

Key project details:

- 70 units of multifamily apartments
- 58 1-bedroom, 12 2-bedroom
- Homeless and disabled veterans or homeless families
- Senior veterans 62 and older a priority
- 50% Area Median Income



MVV PHASE 4 PROJECT OVERVIEW

Key project details:

- 4,000 square foot community building
- Central courtyard and shared patio
- 3 Density Bonus

Incentives requested:

- Height limit increase to 45'
- Parking Reduction to 35 spaces
- Setback reduction from 13' to 10'

BIMBAUD DESIGN ARCHITECTS.COM - BIMBAUD22205 Mather 4 Suites - Printed: Thursday, May 16, 2024, 1:02 PM



SITE INFORMATION:

APROX. 1.75 ACRES TO R.O.W.

APROX. DENSITY: 40 D.U./ACRE

UNIT MIX:

(58) 1-BEDROOM UNITS
(12) 2-BEDROOM UNITS
TOTAL: 70 UNITS

4,000 SF COMMUNITY BUILDING

APPROX. 45 PARKING SPACES
INCLUDING ADA, EV, LOADING
6 BICYCLE PARKING

MAX. BLDG. HEIGHT : 45'

Site Plan Rotated - scale 1" = 40'

MVV PHASE 4 PROJECT FUNDING

Project Funding Secured:

- \$2,000,000 American Rescue Plan Act– City of Rancho Cordova
- \$3,000,000 American Rescue Plan Act – Sacramento County
- 70 Project Based Vouchers – Sacramento Housing and Redevelopment Agency
- \$1,000,000 Community Project Funding – Congressman Ami Bera
- Land Contribution – City of Rancho Cordova/Sacramento County
- \$467,000 Permanent Local Housing Allocation – City of Rancho Cordova

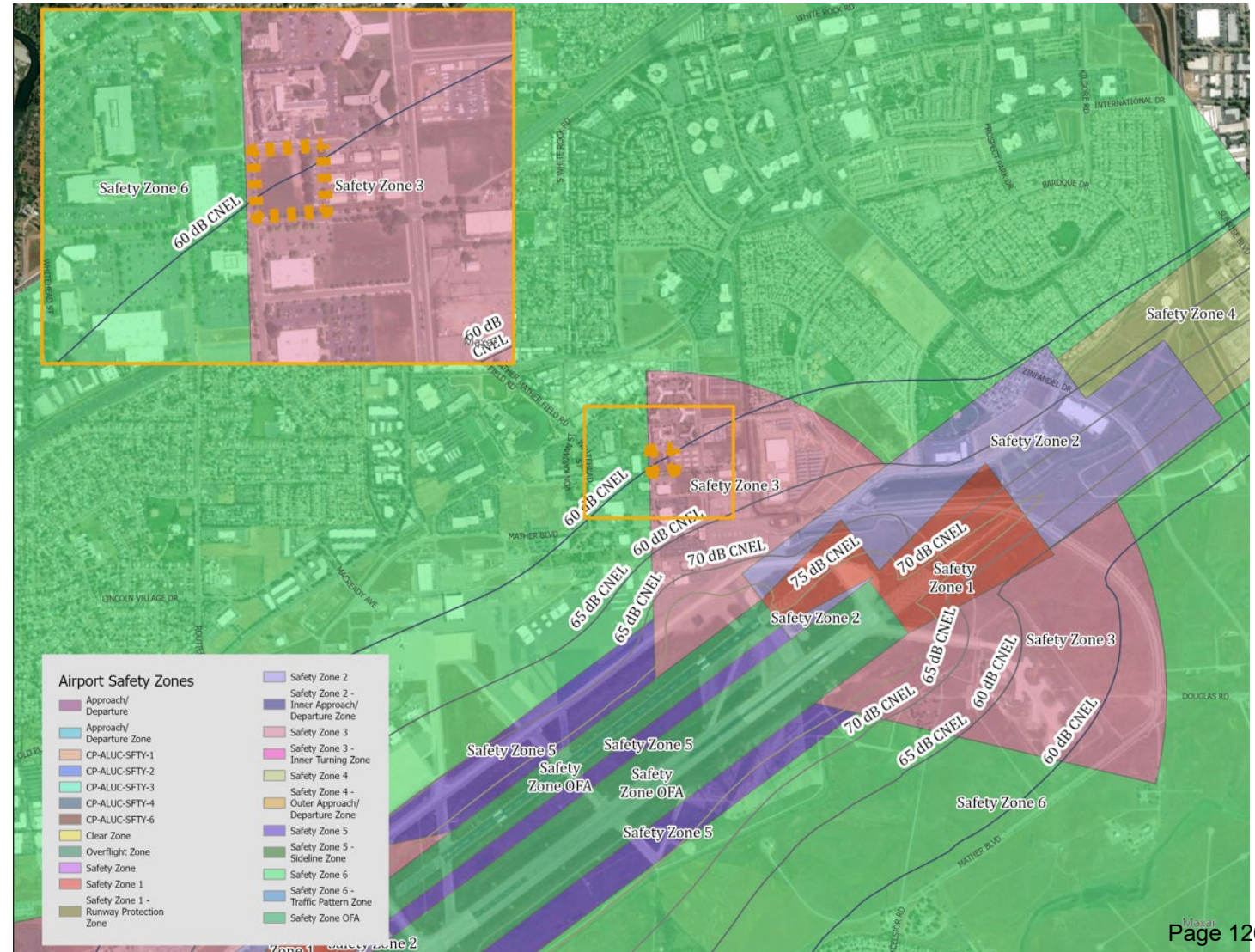
CONDITIONAL USE PERMIT APPLICATION

- Project Zoning: Mather Field Specific Plan - Business Professional (2003 Sacramento County Zoning Code)
 - Multifamily Family residential requires a conditional use permit in this zone
 - Proposed use will add diverse housing stock, serve a special needs population, leverage the Veteran's Administration Medical Center and public transit
 - Redevelop a vacant and underutilized parcel to improve the neighborhood, and include dedicated on-site property management to maintain and operate the property
 - Will be conditioned to meet the city's design guidelines, all applicable landscaping, lighting, and other city design requirements – consistent with surrounding uses, heights, setbacks
 - Approval would not be detrimental to the surrounding neighborhood and has been conditioned to minimize any potential impacts the residential use may have
 - CEQA exempt – Consistency with Community Plan, In-Fill Development, Affordable Housing

AIRPORT LAND USE COMPATIBILITY

The project is located within the Mather Airport Land Use Compatibility Plan (ALUCP) area

- The Airport Land Use Commission (ALUC) makes a determination of compatibility
- Project is incompatible due to:
 1. Location in Safety Zone 3
 2. Within 60-65 CNEL (Community Noise Equivalent Level) noise contour



AIRPORT LAND USE OVERRULE PROCESS

The City Council may overrule the ALUC determination by following the process in CA Public Utilities Code Section 21676(b)

Steps:

1. City Council directs staff to submit the Proposed Action (approval of the CUP) and Findings to the ALUC and Caltrans, 45 days prior to taking final action
2. The Findings must show the project is consistent with the purposes of Public Utilities Code Section 21670 regarding the protection of public health, safety and welfare in areas surrounding airports
3. The ALUC and Caltrans have 30 days to submit advisory comments
4. The City Council includes the ALUC and Caltrans comments received into the final overrule action and adopts the Proposed Action and Findings by a two-thirds vote (4 out of 5)

*Overruling the ALUC releases the airport operator from any liability to property damage or personal injury on the project site caused by airport operations

AIRPORT LAND USE OVERRULE PROCESS

The project must make findings of consistency with the five purposes of Public Utilities Code Section 21670

The Proposed Action:

1. Provides for the orderly development of the airport
 - The project meets applicable zoning regulations, development standards, tenants will be notified that the project is within an Airport Policy Area
2. Promotes the overall goals and objectives of the California airport noise standards
 - The project will provide minimum noise insulation to 45dB, and conduct post construction indoor noise testing
3. Prevents the creation of new noise and safety problems
 - The project location is not applicable to the typical operations and concerns within Safety Zone 3
4. Ensures the orderly expansion of airports
 - The current ALUCP reflects the theoretical maximum capacity airport operations
5. Minimizes the public's exposure to excessive noise and safety hazards
 - The project provides critically needed housing to a homeless population at very high risk of negative health impacts due to homelessness

STAFF RECOMMENDATION AND NEXT STEPS

Recommendation: Adopt the Resolution making findings overruling the Airport Land Use Commission determination and approving the Conditional Use Permit

If so directed, staff will:

- Finalize the project with the Development Team for a Low-Income Housing Tax Credit Application
 - If this tax credit application is unsuccessful, the Development Team and staff will apply for the next round in February 2025
- Continue to work with the Development Team to prepare the project for design review
- Return to the City Council for additional actions related to the execution of this project once a tax credit award is secured

THANK YOU

COMMENTS AND QUESTIONS?



MEMORANDUM



ITEM 16.1.

DATE: July 1, 2024
TO: Honorable Mayor and Council Members
FROM: Amanda Norton, Economic Development Director
SUBJECT: **A RESOLUTION APPROVING THE ECONOMIC DEVELOPMENT
DEPARTMENT JOBS AND TALENT ATTRACTION PROGRAM
REVISION**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to approve incentives which comply with the Rancho Cordova Jobs and Talent Attraction Program.

BACKGROUND

In August 2019, the City Council received the 2019/2020 Economic Development Action Plan and adopted the Jobs and Talent Attraction Program. This Action Plan was built on the work of a previously adopted Five-Year Strategy Plan from the fall of 2016 that had four main functions of business attraction, business retention and expansion, network-building, marketing and visibility, and areas of collaboration. This program was designed to boost the quality of life within the City by diversifying the local economy and providing high-quality jobs. The main focus of the Program was on scaleup and early-stage companies.

Since then, the Federal Government passed the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act in 2022 to incentivize the research and development, and production of semiconductor chip manufacturing in the United States. On January 24, 2023, the Economic Development team discussed with City Council the opportunity to update this program to align with the goals of the CHIPS Act and take advantage of the increased presence of semiconductor research and development companies located along the Highway 50 corridor, understanding that the industries will cluster because of similar talent needs and resources.

Jobs and Talent Attraction Program

With costs and competition for talent on the rise, many companies are seeking to establish or expand their operational footprint and increase staffing outside big, high-cost technology hubs like the Bay Area. These companies need a location that best fits their business strategy for talent, cost and place. We also want to be prepared to support existing companies, so we can retain them and their talent.

Rancho Cordova is ideally suited to attract companies due to the existing inventory of Class A and B office space in proximity to a cluster of similar, high-tech industries. The Jobs and Talent Attraction Program was designed to capitalize on these attributes and win these locates to the City. Since the establishment of the program in 2019, the office market landscape has changed dramatically with an increase in office vacancy due to the COVID-19 Pandemic, as well as, an increase in semiconductor companies clustering along the highway 50 corridor. Available office space and increasing technology companies, positions the Rancho Cordova office market, along with the Jobs and Talent Attraction Program incentive, to be an ideal place for companies to establish either a headquarter or satellite location where they will bring high-wage employment opportunities with them.

This program will focus on headquarter companies, expansions and satellite operations, creating a minimum of twenty (20) net new jobs. Any job paying One Hundred Thousand Dollars (\$100,000) in W2 wages (base salary) qualifies for a Ten Thousand Dollar (\$10,000) incentive paid over five (5) years when the job is retained. The employer must have a “work from the office policy” for a minimum of 3 days per week.

While the Program will incentivize high-wage employment, these companies have jobs for every level of talent and skill, creating an up-skill opportunity. New high wage companies locating into Rancho Cordova will create a multiplier effect. Via the multiplier effect we anticipate seeing an increase in additional companies and jobs into Rancho Cordova. Per the Greater Sacramento Economic Council's (GSEC) research, Semiconductor industry jobs have a multiplier of 5.7, meaning for every semiconductor job brought to the community, an additional 4.7 jobs are created or supported in the community – notably one of the highest of any industry.

The Jobs and Talent Attraction Program incentive may attract foreign direct investment (FDI) and bring new capital to the City to circulate through our economy. Currently, GSEC estimates 36% of their company prospect pipeline is FDI.

The revisions to the Jobs and Talent Attraction Program seek to create market visibility and competitiveness, increase local spending and investment, attract and retain talent to our community, which leads to sustained economic growth that translates into a strong, stable tax base for the city.

FISCAL IMPACT AND FUNDING SOURCE

There is no Fiscal Impact at this time. All incentives would be funded from the Economic Development Department's Measure R allotment.

ATTACHMENT(S)

1. Resolution
2. Jobs and Talent Attraction Program 2024
3. Jobs and Talent Attraction Program Changes
4. Presentation

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2024

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA, UPDATING THE ECONOMIC DEVELOPMENT JOBS AND
TALENT ATTRACTION PROGRAM**

WHEREAS, the City of Rancho Cordova recognizes the need to attract new businesses, headquarter operations, and business expansions to enhance the City's economic growth and quality of life; and

WHEREAS, the Rancho Cordova Citizen approved Measure R on November 3, 2020; and

WHEREAS, the Economic Development Department was awarded Measure R Funds for business incentives; and

WHEREAS, a Jobs and Talent Attraction Program and guidelines were adopted in 2019 to diversify the local economy and provide high-quality jobs and boost the quality of life within the City; and

WHEREAS, since 2019, a global COVID-19 Pandemic has changed the economic fabric of our community and caused an increase in vacancies in our office park; and

WHEREAS, at the same time, semiconductor and life science companies are clustering in the Sacramento region, driving the need to modify the Jobs and Talent Attraction Program guidelines to be more competitive to address these changes; and

WHEREAS, the Economic Development Jobs and Talent Attraction Program is designed to enhance the City's competitiveness by attracting businesses that will provide high-quality services, products, and jobs to its residents, contributing to an innovative and collaborative business culture.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA hereby approves the Rancho Cordova Economic Development Jobs and Talent Attraction Program.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 1st of July 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ITEM 16.1.

ATTACHMENT 1

ATTEST:

Stacy Leitner, CMC
City Clerk

David Sander, Mayor

CITY OF RANCHO CORDOVA ECONOMIC DEVELOPMENT JOBS AND TALENT ATTRACTION PROGRAM

Purpose

The City of Rancho Cordova ("City") Economic Development Jobs and Talent Attraction Program ("Program") is designed to result in the attraction of new business, headquarter operations, or business expansion with a focus on businesses in targeted industries that will locate in available or new commercial space, establish operations and/or grow their employee base within the City. The Program is designed to enhance the City's competitiveness in attracting businesses that will further boost the quality of life within the City by providing high quality services, products, and jobs to its residents while contributing to an innovative and collaborative business culture.

With costs and competition for talent on the rise, many companies seek to expand their operational footprint and increase staffing outside of big, high-cost tech hubs. These companies need a location that best fits their business strategy and criteria for talent, cost and place. Rancho Cordova is ideally suited to attract and retain these companies due to existing Class A and B office inventory and proximity to companies in similar industries.

Incentive Overview

- The City has created a fund to compete for high-wage jobs in the eligible industries described below.
- For each net new job position at or above \$100,000 in W2 wages, \$10,000 in incentive funds will be awarded over a five (5) year period as per the terms outlined below:
 - \$2,000 upon initial hiring of eligible positions for year one, and an additional four annual installments of \$2,000 in years two (2) through five (5) on a post-performance basis.
- An applicant may submit a request that includes jobs that meet the above wage requirements and will be created for a period up to five (5) years. Any multi-year requests are contingent on the availability of program funds and will require, at a minimum, an annual review of the applicant's financials and previous job creation performance.

Eligible Industries

Eligible companies must be classified as one of the following North America Industry Classification System (NAICS) codes:

- 333242 Semiconductor Machinery Manufacturing
- 3341 Computer and Peripheral Equipment Manufacturing
- 3342 Communications Equipment Manufacturing
- 3344 Semiconductor and Other Electronic Component Manufacturing

- 3345 Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
- 3364 Aerospace Product and Parts Manufacturing
- 5132 Software Publishers
- 5182 Data Processing, Hosting, and Related Services
- 5191 Other Information Services
- 5413 Architectural, Engineering & Related Services
- 5415 Computer Systems Design and Related Services
- 541713 Research and Development in Nanotechnology
- 541715 Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)
- 541714 Research & Development in Biotechnology (except nanotechnology)
- 541990 All Other Professional, Scientific, and Technical Services
- 551114 Corporate, Subsidiary, and Regional Managing Offices

Headquarters Consideration

Proposed projects whose corporate headquarters may be classified under another NAICS code not listed above, may be eligible when their specific proposed facility in the City of Rancho Cordova will be one whose manufactured product, Research & Development (R&D) work, or service, is focused on technology. In these circumstances, a final determination of eligibility will be made by, and in the sole discretion of, the City.

Descriptions of the above 2022 NAICS are available on the official federal government NAICS page hosted by the Census Bureau at this link: <https://www.census.gov/naics/>

Key Requirements

- Applicants must create twenty (20) net new jobs, jobs in the identified industries listed above and with annual W2 wages of \$100,000 or above may be eligible for the incentive. This can include base salary, commissions, bonuses, and overtime, but does not include employer taxes or employee benefits.
 - Applicants understand that the award is based on performance as more particularly described in the specific agreement applicable to the Applicant.
 - The position(s) created must be net new to the City of Rancho Cordova and the six (6) county greater Sacramento Region defined as: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties.
- Applicants must lease or own commercial property in the City and the individuals that fill all incentivized jobs must meet the requirements outlined under Incentive Overview section above and invest in real and/or personal property.
- Applicants must require employees to operate out of the applicant's commercial space within the City at least three (3) days per week and for a minimum of four (4) hours each of the three (3) days and provide proof of a remote work policy.
- Applicants must operate the business within City limits for not less than five (5) years and remain in good standing with all City departments.
- Any application exceeding \$100,000 in awards shall be publicly noticed and will require approval by the City Council.

Program Overview

- Continuation of the Program beyond the 2024/25 Fiscal Year is subject to sufficient funding as appropriated by the City Council of Rancho Cordova.
- Upon approval of any economic development incentive, the applicant will enter into an Economic Incentive Agreement and funds will be disbursed as determined by the City following the review of the application and additional information.
- Jobs that are relocated or consolidated from within the surrounding six (6) county region (El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo Counties) are **not** eligible for the Program.
- Government employed positions are not eligible for the Program, however, private entities that are deemed eligible as defined above and contract with the government are considered eligible.
- Companies need to be compatible with City values.

Application and Approval Process

Any business seeking Jobs and Talent Attraction Program assistance and meeting the above criteria will follow this process:

1. Present sites to the City of Rancho Cordova's Economic Development Department to ensure appropriate zoning for the proposed use.
2. The Greater Sacramento Economic Council will work with the applicant if necessary to develop the following assumptions, and fill out the application:
 - Investment in real property per job
 - **Real Property** refers to land and anything permanently attached to it, such as buildings and other structures. Estimating "investment in real property per job" means calculating the average amount of money a company will invest in real estate assets for each job it creates. This includes:
 - **Construction or purchase of buildings:** Costs associated with building new facilities or purchasing existing ones.
 - **Land acquisition:** Costs for buying the land where the business operations will take place.
 - **Infrastructure improvements:** Investments in utilities, roads, and other infrastructure needed to support the property
 - Investment in personal property per job
 - **Personal Property** refers to movable items that are not permanently attached to real estate. Estimating "investment in personal property per job" involves calculating the average amount of money a company will spend on movable assets for each job it creates. This includes:
 - **Equipment and machinery:** Costs for purchasing or leasing equipment and machinery necessary for business operations.
 - **Office furnishings:** Investments in desks, chairs, computers, and other office furniture and supplies.
 - **Technology:** Costs for software, hardware, and other technology resources required for employees to perform their duties.

- Total jobs to be created (by job title and average wage) per year for up to five (5) years
 - Return on investment
3. Complete and sign a Jobs & Talent Application and provide additional information as required by the City (the Incentive Package). The level of additional information will be based on the amount of incentive funds being requested and any gaps in information not accounted for in the application based on unique circumstances of each applicant.
 4. Submit the Incentive Package for review. The materials provided could be reviewed as needed by an independent consultant retained by the City to evaluate the soundness of the project, determine compliance with program criteria and make a funding recommendation.
 5. City staff will make a final decision following the Incentive Package review.

For requests involving Incentive packages exceeding \$100,000, the City Staff will prepare the required reports and present them with the Applicant to City Council for approval at a noticed public hearing.

Reporting and Payment

- Applicants will be asked to report on a schedule determined by the City (at a minimum annually) for five (5) years from award date on the following items:
 - a) Number of full-time equivalent (FTE) jobs created and/or relocated into the City with position titles and wage ranges. NOTE: The applicant will identify any jobs that are relocated or consolidated to the Rancho Cordova location from within the surrounding six county region (El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo Counties)
 - b) Capital investment
 - c) Total payroll
 - d) Sales tax generated, if any.
 - e) California Employment Development Department's [DE 9C Form](#) with newly created jobs highlighted and identified by job title.
- The initial incentive payment will be provided following the execution of the Economic Incentive Agreement.
- All future payments will be provided post-performance following the receipt, review and verification of jobs created (by title and wages) that meet the eligibility requirements outlined in the Key Requirements section above.

All applicants should also understand the following:

All requests exceeding \$100,000 will require the city to review, hold hearings and report the incentive assistance. Information regarding the incentive recipients will include: name, address, purpose of incentive, projected tax revenue resulting from incentive assistance, and number of new jobs created. This information will be posted publicly on the City's website.

CITY OF RANCHO CORDOVA ECONOMIC DEVELOPMENT JOBS AND TALENT ATTRACTION PROGRAM

PURPOSE

The City of Rancho Cordova ("City") Economic Development Jobs and Talent Attraction Program ("Program") is designed to result in the attraction of new business, headquarter operations, or business expansion with a focus on businesses in targeted industries that will locate in available or new commercial space, establish operations and/or grow their employee base within the City. new business expansions or headquarters operations with a focus on fast-growing scaleup businesses and new outside capital investment. The Program is designed to enhance the City's competitiveness in attracting businesses that will further boost the quality of life within the City by providing high quality services, products, and jobs to its residents while contributing to an innovative and collaborative business culture.

With costs and competition for talent on the rise, many early-stage companies seek to expand their operational footprint and increase staffing outside of big high-cost tech hubs. These companies need a location that best fits their business strategy and criteria for talent, cost and place. Rancho Cordova is ideally suited to attract scaleup companies due to existing Class A and B office inventory and proximity of companies in similar industries.

PROGRAM CRITERIA

- The City has created a fund to compete for high-wage jobs in the eligible industries described below.
- For each net new job position at or above \$100,000 in W2 wages, \$10,000 in incentive funds will be awarded over a five (5) year period as per the terms outlined below:
 - \$2,000 upon initial hiring of eligible positions for year one, and an additional four annual installments of \$2,000 in years two (2) through five (5) on a post-performance basis.
- An applicant may submit a request that includes jobs that meet the above wage requirements and will be created for a period up to five (5) years. Any multi-year requests are contingent on the availability of program funds and will require, at a minimum, an annual review of the applicant's financials and previous job creation performance.

Eligible Industries

Eligible companies must be classified as one of the following North America Industry Classification System (NAICS) codes:

- 333242 Semiconductor Machinery Manufacturing
- 3341 Computer and Peripheral Equipment Manufacturing

- 3342 Communications Equipment Manufacturing
- 3344 Semiconductor and Other Electronic Component Manufacturing
- 3345 Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
- 3364 Aerospace Product and Parts Manufacturing
- 5132 Software Publishers
- 5182 Data Processing, Hosting, and Related Services
- 5191 Other Information Services
- 5413 Architectural, Engineering & Related Services
- 5415 Computer Systems Design and Related Services
- 541713 Research and Development in Nanotechnology
- 541715 Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)
- 541714 Research & Development in Biotechnology (except nanotechnology)
- 541990 All Other Professional, Scientific, and Technical Services
- 551114 Corporate, Subsidiary, and Regional Managing Offices

Headquarters Consideration

Proposed projects whose corporate headquarters may be classified under another NAICS code not listed above, may be eligible when their specific proposed facility in the City of Rancho Cordova will be one whose manufactured product, Research & Development (R&D) work, or service, is focused on technology. In these circumstances, a final determination of eligibility will be made by, and in the sole discretion of, the City.

Descriptions of the above 2022 NAICS are available on the official federal government NAICS page hosted by the Census Bureau at this link: <https://www.census.gov/naics/>

The Program's goals focus on levels of economic impact to the community, job creation and new capital investment by infusing \$2.5 million in economic development grant incentives into new firms over the next 24 months. Awards will be given on a first-come, first serve basis for firms that meet the criteria outlined below:

- Must create at least 20 net new full-time equivalent jobs to receive \$5,000 per job in incentives with a maximum of award of up to \$100,000 per company.
 - To receive incentives per job, average wage criteria must be 125% of average wage in the City of Rancho Cordova. Currently, the City's average wage is \$56,400. 125% of the average wage would be at least \$70,500. Industries in the City with wages above \$70,500 include advanced manufacturing, management and professional services and government.
- Companies should be post-revenue or have recently secured a Series A or successive round of funding that is sufficient to sustain capital and operating expenses.

Key Requirements

- Applicants must create twenty (20) net new jobs, jobs in the identified industries listed above and with annual W2 wages of \$100,000 or above may be eligible for the incentive. This can include base salary, commissions, bonuses, and overtime, but does not include employer taxes or employee benefits.
 - Applicants understand that the award is based on performance as more particularly described in the specific agreement applicable to the Applicant.
 - The position(s) created must be net new to the City of Rancho Cordova and the six (6) county greater Sacramento Region defined as: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties.
- Applicants must lease or own commercial property in the City and the individuals that fill all incentivized jobs must meet the requirements outlined under Incentive Overview section above and invest in real and/or personal property.
- Applicants must require employees to operate out of the applicant's commercial space within the City at least three (3) days per week and for a minimum of four (4) hours each of the three (3) days and provide proof of a remote work policy.
- Applicants must operate the business within City limits for not less than five (5) years and remain in good standing with all City departments.
- Any application exceeding \$100,000 in awards shall be publicly noticed and will require approval by the City Council.

PROGRAM GOALS

The Program is designed to offer incentives to 25 or more firms and if each were to create at least 20 new jobs in the community, the result would be 500 total net new jobs and \$35 million in payroll generated. The impact of these jobs is estimated to be:

- Direct and induced impact will ultimately produce 940 total new jobs.
- \$60 million in total payroll from the Program.
- \$442,000 per year in new tax revenues, including:
 - \$26,000 in annual new sales tax revenue.
- \$216 million in total economic impact to the City of Rancho Cordova. (Source: Applied Economics Regional Project Assessment System, 2019)

PROGRAM GRANT OVERVIEW

- Continuation of the Program beyond the 2024/25 Fiscal Year is subject to sufficient funding as appropriated by the City Council of Rancho Cordova.
- Upon approval of any economic development incentive, the applicant will enter into an Economic Incentive Agreement and funds will be disbursed as determined by the City following the review of the application and additional information.
- Jobs that are relocated or consolidated from within the surrounding six (6) county region (El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo Counties) are **not** eligible for the Program.

- Government employed positions are not eligible for the Program, however, private entities that are deemed eligible as defined above and contract with the government are considered eligible.
- Companies need to be compatible with City values.
- Economic development grant awards are up to but below \$100,000 per company. Special requests will be considered on a case-by-case basis.
- The final grant amount awarded is at the sole discretion of the City Manager and will be based upon the distinct contributions of each individual business to the community.
- The City reserves the right to cancel or modify this Program at any time without notice. Continuation of the Program is subject to sufficient funding as appropriated by the Rancho Cordova City Council.
- Upon the approval of any economic development grant, the applicant will enter into an economic development grant agreement, and funds will be dispersed as provided in the agreement.
- Jobs that are relocated or consolidated from within the surrounding six county region (El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo Counties) are not eligible for the Program. Government jobs are also not eligible for the Program.
- Companies need to be compatible with City values.

Additional criteria include:

- Applicants must plan to operate the business within the City limits for not less than five (5) years and maintain 20 jobs which are 125% of average wage in Rancho Cordova. If less than five years or fewer than 20 jobs, incentives over \$5,000 will need to be repaid based on a prorated amount or paid in full per the terms defined in the agreement established between the City and the program's beneficiary.

APPLICATION AND APPROVAL PROCESS

- Any business seeking Jobs and Talent Attraction Program assistance and meeting the above criteria will follow this process:
 1. Present sites to the City of Rancho Cordova's Economic Development Department to ensure appropriate zoning for the proposed use.
 2. The Greater Sacramento Economic Council will work with the applicant if necessary to develop the following assumptions, and fill out the application:
 - Investment in real property per job
 - **Real Property** refers to land and anything permanently attached to it, such as buildings and other structures. Estimating "investment in real property per job" means calculating the average amount of money a company will invest in real estate assets for each job it creates. This includes:
 - **Construction or purchase of buildings:** Costs associated with building new facilities or purchasing existing ones.
 - **Land acquisition:** Costs for buying the land where the business operations will take place.

- **Infrastructure improvements:** Investments in utilities, roads, and other infrastructure needed to support the property
- Investment in personal property per job
 - **Personal Property** refers to movable items that are not permanently attached to real estate. Estimating "investment in personal property per job" involves calculating the average amount of money a company will spend on movable assets for each job it creates. This includes:
 - **Equipment and machinery:** Costs for purchasing or leasing equipment and machinery necessary for business operations.
 - **Office furnishings:** Investments in desks, chairs, computers, and other office furniture and supplies.
 - **Technology:** Costs for software, hardware, and other technology resources required for employees to perform their duties.
- Total jobs to be created (by job title and average wage) per year for up to five (5) years
- Return on investment
- 3. Complete and sign a Jobs & Talent Application and provide additional information as required by the City (the Incentive Package). The level of additional information will be based on the amount of incentive funds being requested and any gaps in information not accounted for in the application based on unique circumstances of each applicant.
- 4. Submit the Incentive Package for review. The materials provided could be reviewed as needed by an independent consultant retained by the City to evaluate the soundness of the project, determine compliance with program criteria and make a funding recommendation.
- 5. City staff will make a final decision following the Incentive Package review.
- _____

For requests involving Incentive packages exceeding \$100,000, the City Staff will prepare the required reports and present them with the Applicant to City Council for approval at a noticed public hearing.

Any business seeking Jobs and Talent Attraction Program assistance and meeting the above criteria should contact the City's Economic Development Department to obtain an Application packet. Upon receipt of the Application, a representative will review the request and verify that the general qualifying criteria have been met. The materials provided could be reviewed as needed by an independent consultant retained by the City to evaluate the soundness of the project, determine compliance with program criteria and make a funding recommendation.

For requests involving Incentive packages exceeding \$100,000, the City Manager will prepare the required reports and will make a recommendation and present it to Council for approval at a noticed public hearing.

REPORTING AND PAYMENT

- Applicants will be asked to report on a schedule determined by the City (at a minimum annually) for five (5) years from award date on the following items:
 - a) Number of full-time equivalent (FTE) jobs created and/or relocated into the City with position titles and wage ranges. NOTE: The applicant will identify any jobs

that are relocated or consolidated to the Rancho Cordova location from within the surrounding six county region (El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo Counties)

b) Capital investment

c) Total payroll

d) Sales tax generated, if any.

e) California Employment Development Department's DE 9C Form with newly created jobs highlighted and identified by job title.

- The initial incentive payment will be provided following the execution of the Economic Incentive Agreement.
- All future payments will be provided post-performance following the receipt, review and verification of jobs created (by title and wages) that meet the eligibility requirements outlined in the Key Requirements section above.
- Applicants will be asked to report annually for five years from award date on the following items:
 - a) Number of FTE jobs created and relocated into the community with wage ranges
 - b) Capital investment
 - c) Total payroll
 - d) sales tax generated, if any
- Companies must retain the positions for two years following the receipt of an incentive payment otherwise the City can offset or recapture the funds from the business.
- Employment incentives will be made in two payments, half of the allotment at date of the office opening and the second half within 30 days from submission of the annual reporting form.

All applicants should also understand the following:

- All special requests exceeding \$100,000 will require the City to review, hold hearings and report the incentive assistance. Information regarding the incentive recipients will include: name, address, purpose of incentive, projected tax revenue resulting from incentive assistance, and number of new jobs created. This information will be posted publicly on the City's website.

3331952.1

JOBS AND TALENT ATTRACTION PROGRAM UPDATE

Economic Development Department



Purpose

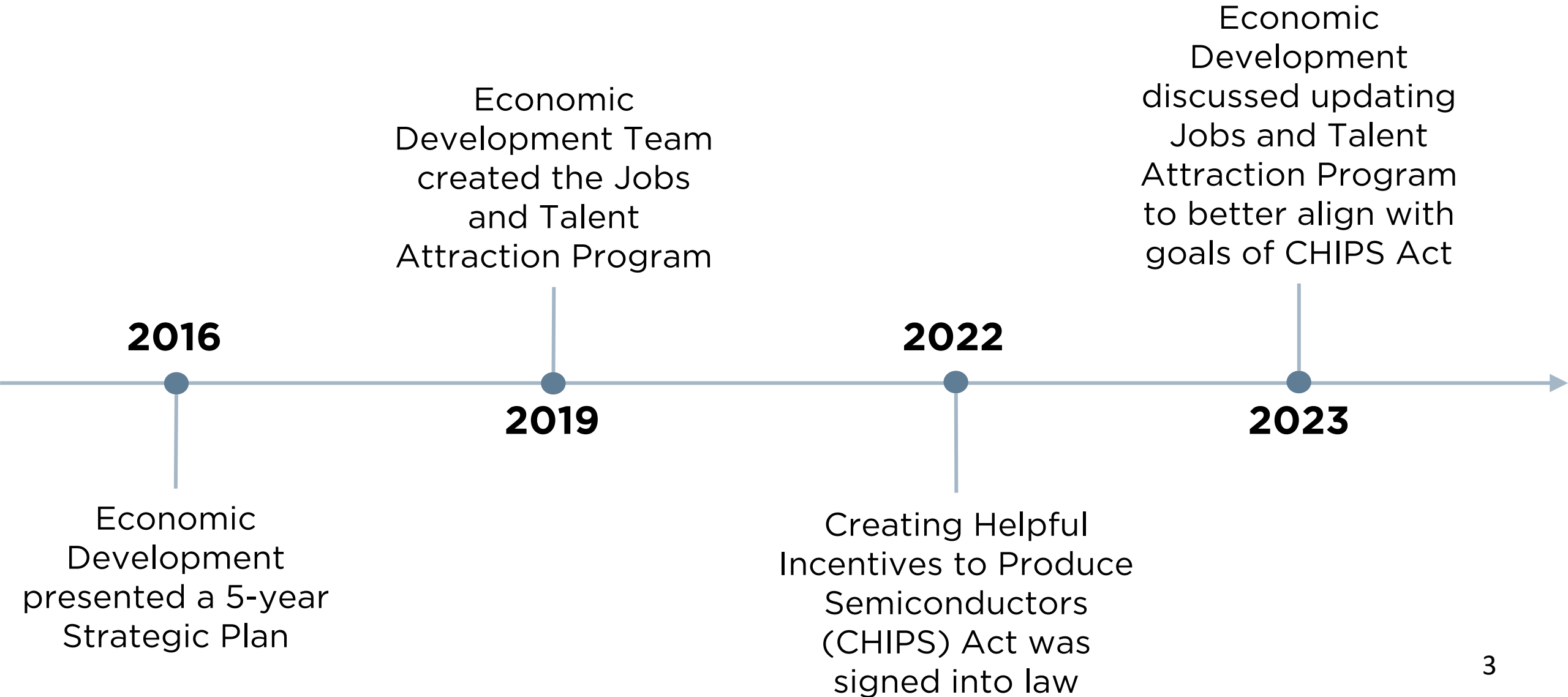
Update Jobs and Talent Attraction Program to respond to current market conditions

Program Objective

To attract new business, headquarter operations, or support business expansions with a focus on engineering, technology, research and development, artificial intelligence, advanced manufacturing and bring in new outside capital investment

Recommendation

Review and discuss the amendments to the existing Jobs & Talent Program. Consider the Resolution to amend the Jobs and Talent Attraction Program



Focus on fast-growing, scale-up companies

\$5,000 incentive per job above 125% of the average wage of the City of Rancho Cordova

Create minimum 20 net new jobs

No specific NAICS codes identified

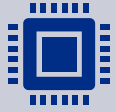
No requirement regarding remote work or in office work policy

WHAT'S CHANGED?

CHIPS and Science Act of 2022

Hybrid and Remote Work

Increased Interest in Foreign Direct Investment



Semiconductor industry jobs have a multiplier of 5.7, meaning for every semiconductor job brought to the community, an additional 4.7 jobs are created or supported in the community.



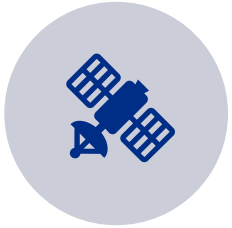
Semiconductor has one of the highest multiplier effects of any industry.



Average wage for semiconductor engineers is \$226,000 and \$170,000 for all occupations in the industry, according to the Semiconductor Industry Association.



More than 36% of GSEC's current project pipeline is Foreign Direct Interest.



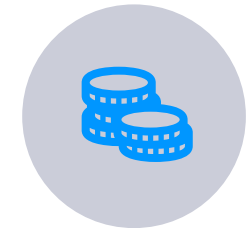
Focus on
headquarter
companies,
expansions,
or satellite
operations



Jobs at or
above
\$100,000
base salary



Must work
from the
office
minimum 3
days per
week



\$10,000
incentive per
job created

Why Increase the Incentive Amount?	Gives the City a competitive edge
	Incentivizes higher wage job creation
	Provides sustained financial support to ensure job retention
Benefits to the Community	Greater economic stability
	Attraction and retention of top talent
	Increased local spending and investment

333242	Semiconductor Machinery Manufacturing	5413	Architectural, Engineering & Related Services
3341	Computer and Peripheral Equipment Manufacturing	5415	Computer Systems Design and Related Services
3342	Communications Equipment Manufacturing	541713	Research and Development in Nanotechnology
3344	Semiconductor and Other Electronic Component Manufacturing	541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	541714	Research & Development in Biotechnology (except nanotechnology)
3364	Aerospace Product and Parts Manufacturing	541990	All Other Professional, Scientific, and Technical Services
5132	Software Publishers	551114	Corporate, Subsidiary, and Regional Managing Offices
5182	Data Processing, Hosting, and Related Services	HQ	Corporate headquarters not listed under eligible NAICS codes could be considered if facility will be one whose manufactured product, R&D work, or service is focused on technology
5191	Other Information Services		

IMPLEMENTATION PLAN

Phased Roll Out

- Work with our Communications team to develop a communication plan to market to stakeholders and share with the broker community.
- Partner with the Greater Sacramento Economic Council (GSEC) and other regional representatives to promote the program to site selectors and potential business locates.

CONCLUSION AND NEXT STEPS

Recap of Program Update

ATTACHMENT 4

- Increase per job incentive from \$5,000 to \$10,000
- Mandatory work in office, 3 days a week policy
- Unique program to attract additional attention to Rancho Cordova

Expected Benefits

- Market visibility and competitiveness
- Sustained economic growth
- Increased local spending and investment
- Talent attraction and retention
- Increased activity in office park

Next Steps

- Consider Resolution amending the Jobs and Talent Attraction Program

QUESTIONS?



THANK YOU



MEMORANDUM



ITEM 16.2.

DATE: July 1, 2024
TO: Honorable Mayor and Council Members
FROM: Stefan Heisler, Housing Manager
SUBJECT: **A RESOLUTION APPROVING A CONDITIONAL FUNDING COMMITMENT OF \$6,000,000 TO MERCY HOUSING CALIFORNIA FOR THE MATHER VETERANS VILLAGE PHASE 4 AFFORDABLE HOUSING DEVELOPMENT PROJECT**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would allow the City Manager to provide a letter of conditional funding commitment of \$6,000,000 to Mercy Housing California for the Mather Veterans Village Phase 4 Project consisting of \$2,000,000 of City American Rescue Plan Act (ARPA) funds, \$3,000,000 of Sacramento County ARPA funds, and \$1,000,000 from the federal Community Project Fund program awarded to the City.

BACKGROUND

The City has partnered with Mercy Housing California (the Developer) and Nation's Finest/Veterans Housing Development Corporation to develop an affordable housing project located at APN 067-0010-093. The project is known as Mather Veterans Village Phase 4 (Project) and consists of a 70-unit multifamily residential apartment project for homeless and/or disabled veterans or homeless households (the Project). Sixty-nine (69) of the units will be rented at an affordable monthly rent to households earning up to 50 percent of area median income for a period of 55 years. One (1) unit will be an unrestricted manager's unit. The Project will also have a priority for serving seniors aged 62 and older.

The Project will be new construction, three stories, single-loaded, and elevator-served. The unit mix includes 58 one-bedroom units and 12 two-bedroom units. The residential units will be arranged around a centrally landscaped courtyard. An approximately 4,000 square foot community clubhouse, offices, and a shared patio will be located within the courtyard.

The Developer has already submitted the project to the City for a Conditional Use Permit and is undergoing the Airport Land Use Commission overrule process, which is anticipated to be complete on July 1, 2024. The Development Team will also submit the Project for Major Design Review in the next several weeks.

Adoption of the Resolution would provide the formal funding commitment of several funding sources to Mercy Housing California for the Project. These funding sources include \$2,000,000 of City American Rescue Plan Act (ARPA) funding, \$3,000,000 of Sacramento County ARPA, which has been provided to the City via an executed ARPA Subaward Agreement, and \$1,000,000 of federal Community Project Funding from the Department of Housing and Urban Development. This funding commitment is required for these funding sources to be included as leverage in the Developer's Low Income Housing Tax Credit application and will improve the Project's funding competitiveness.

The Developer will apply for tax credits by July 2, 2024. If this application is successful, then construction on the Project could begin as early as Spring 2025. National Environmental Protection Act (NEPA) review will be completed prior to the start of construction of the Project.

The City's funding commitment to the Project totals \$6,467,024. This includes the above referenced \$6,000,000 and \$467,024 of City Permanent Local Housing Allocation funding previously committed to the Project. The City is also contributing the land for the Project. The total Project cost is approximately \$32,250,000.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter CEQA) requires analysis of agency approvals of discretionary "projects." A "project," under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." The commitment of funding to construct affordable housing is a project as defined by CEQA. As Described below, the Project meets the exemption requirements for CEQA Guidelines Section 15332, In-Fill Development Projects, Section 15183 Projects "Consistent with the Community Plan, General Plan or Zoning," Section 15194 Affordable Housing Exemption, and AB 1449 (Chapter 761. Statutes of 2023) Public Resources Code (PRC) Section 21080.40 Affordable Housing statutory exemption and is therefore not subject to further environmental review.

Pursuant to CEQA Guidelines Section 15332 (Categorical Exemption Class 32, In-Fill Development Projects) projects meeting specified conditions are exempt from the provisions of CEQA. Pursuant to this section none of the circumstances described in Public Resources Code Section 21166 and State CEQA Guidelines Section 15162 have occurred: The proposed Project does not represent a substantial change in the original Mather Field Specific Plan project and no major revisions to the previous Mather Field Specific Plan Environmental Impact Report (EIR), adopted February 1997, are required; the Mather Field Specific Plan EIR adequately analyzed the potential impacts of developing the project site as proposed; therefore, no further environmental review is required; the multi-family buildings are Categorically Exempt under Section 15332, In-Fill Development, of the California Environmental Quality Act Guidelines.

The Project has been analyzed and is exempt per CEQA Guidelines Section 15183 "Projects Consistent with a Community Plan, General Plan or Zoning." The proposed multifamily residential project is a conditionally permitted use consistent with the development densities established by the City's General Plan and zoning for which an EIR was certified (June 2006). None of the exceptions identified in CEQA Guidelines Section 15300.2 apply to the Project.

The Project (a) meets the threshold criteria set forth in section 15192. The Project will (b) not be

on a site more than five acres in area; (c) meet location requirements relating to population density and site-specific location requirements on previously developed land as an urban use adjacent to other current developed urban uses; and (d) meet requirements regarding provision of affordable housing, the Project includes fewer than 100 units and the units will remain affordable for longer than 30 years. Therefore, the Project is exempt per CEQA Guidelines Section 15194 Affordable Housing Exemption.

The Project will: consist of multifamily residential uses only, be dedicated to lower-income households, is within the city boundaries of the City of Rancho Cordova, and is on a parcel surrounded by urban uses. Furthermore, the Project will be subject to a recorded California Tax Credit Allocation Committee regulatory agreement, can be adequately served by existing utilities, complies with the limitations on location found in Government Code 65913.4(a)(6)(B-K), does not contain tribal cultural resources, a Phase 1 environmental assessment has been completed and has determined that there is no potential for exposure of future occupants to significant health hazards, is not located on a site where multifamily housing is not permitted, is not located within 500 feet of a freeway or within 3,200 feet of a facility that actively extracts or refines oil or natural gas, and is not within a very high fire hazard severity zone. The Project is exempt pursuant to the Assembly Bill (AB) 1449 (Chapter 761, Statutes of 2023) PRC Section 21080.40 Affordable Housing statutory exemption.

FISCAL IMPACT AND FUNDING SOURCE

Adoption of the Resolution would commit \$6,000,000 of federally-sourced funds to the Developer for the Mather Veterans Village Phase 4 project. This action will not have an impact on the City's General Fund.

ATTACHMENT(S)

1. Resolution
2. Site Diagram
3. CEQA Notice of Exemption
4. Funding Commitment Letter

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, APPROVING A CONDITIONAL FUNDING COMMITMENT OF \$6,000,000 TO MERCY HOUSING CALIFORNIA FOR THE MATHER VETERANS VILLAGE PHASE 4 AFFORDABLE HOUSING DEVELOPMENT PROJECT

WHEREAS, the City of Rancho Cordova (the “City”) has recognized the need to provide affordable housing to all economic segments of the City; and

WHEREAS, the City issued a Request for Proposals on July 22, 2022, for proposals to construct new affordable multifamily housing for veterans in the City at two specified locations within the former Mather Air Force Base; and

WHEREAS, Mercy Housing California (the “Developer”) proposes to develop a housing project, the Mather Veterans Village Phase 4, located on the approximately 2.0 acre northwest portion of APN 067-0010-093, which will include sixty nine (69) units of multifamily rental apartments for very low-income homeless and disabled veterans and homeless families, one (1) unrestricted manager’s unit, and resident community space (the “Project”), and has submitted a proposal for gap financial assistance from the City to help achieve financial feasibility for the project and maximize the affordability of project units; and

WHEREAS, on October 17, 2022, the City Council selected the Developer’s proposal to build the Project; and

WHEREAS, the use of the City’s funds in the manner described below will be of benefit to the City in assisting in the development of affordable housing opportunities for very low-income homeless and disabled veterans and homeless families; and

WHEREAS, the proposed Project would provide housing that furthers the goals and policies of the City’s General Plan Housing Element in a manner consistent with the State-mandated Regional Housing Needs Allocation requirement determined by the Sacramento Area Council of Governments for the City; and

WHEREAS, staff has completed an independent review of the funding application and underwriting, and recommend that the City Council approve a conditional funding commitment of \$6,000,000, which includes \$2,000,000 of City American Rescue Plan Act funding, \$3,000,000 from an American Rescue Plan Act Subaward Agreement executed between the City of Rancho Cordova and Sacramento County, and \$1,000,000 from a Community Projects Funding award from the federal Department of Housing and Urban Development; and

WHEREAS, the only condition to the above referenced financing is the receipt of either a 4% or 9% Low Income Housing Tax Credit allocation; and

WHEREAS, the Project meets the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code Section 2100 et. Seq.) guidelines pursuant to Section 15332, In-Fill Development Projects, Section 15183 “Consistent with the Community Plan, General Plan or Zoning,” Section 15194 Affordable Housing Exemption, and Assembly Bill No.

1449 (Chapter 761. Statutes of 2023) Public Resources Code (PRC) Section 21080.40 Affordable Housing Statutory exemption and is therefore not subject to further environmental review.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA:

1. Finds that none of the circumstances described in Public Resources Code Section 21166 and State CEQA Guidelines Section 15162 have occurred: the proposed Project does not represent a substantial change in the original Mather Field Specific Plan project and no major revisions to the previous Mather Field Specific Plan Environmental Impact Report ("EIR), adopted February 1997, are required; the Mather Field Specific Plan EIR adequately analyzed the potential impacts of developing the Project site as proposed; therefore, no further environmental review is required; the multi-family buildings are Categorically Exempt under Section 15332, In-Fill Development, of the California Environmental Quality Act Guidelines.
2. Finds that the Project has been analyzed and is exempt per CEQA Guidelines Section 15183 "Projects Consistent with a Community Plan, General Plan or Zoning." The proposed multifamily residential project is a conditionally permitted use consistent with the development densities established by the City's General Plan and zoning for which an EIR was certified (June 2006). None of the exceptions identified in CEQA Guidelines Section 15300.2 apply to the Project.
3. Finds that the Project (a) meets the threshold criteria set forth in section 15192. The Project will (b) not be on a site more than five acres in area; (c) meet location requirements relating to population density and site-specific location requirements on previously developed land as an urban use adjacent to other current developed urban uses; and (d) meet requirements regarding provision of affordable housing, the Project includes fewer than 100 units and the units will remain affordable for longer than 30 years. Therefore, the Project is exempt per CEQA Guidelines Section 15194 Affordable Housing Exemption.
4. Finds that the Project will: consist of multifamily residential uses only, be dedicated to lower-income households, is within the city boundaries of the City of Rancho Cordova, and is on a parcel surrounded by urban uses. Furthermore the Project will be subject to a recorded California Tax Credit Allocation Committee regulatory agreement, can be adequately served by existing utilities, complies with the limitations on location found in Government Code 65913.4(a)(6)(B-K), does not contain tribal cultural resources, a Phase 1 environmental assessment has been completed and has determined that there is no potential for exposure of future occupants to significant health hazards, is not located on a site where multifamily housing is not permitted, is not located within 500 feet of a freeway or within 3,200 feet of a facility that actively extracts or refines oil or natural gas, and is not within a very high fire hazard severity zone. The Project is exempt pursuant to the AB 1449 (Chapter 761. Statutes of 2023) PRC Section 21080.40 Affordable Housing statutory exemption.
5. Authorizes the City Manager, or his designee, to provide a funding commitment letter to the Developer of a conditional amount up to \$6,000,000 for the Project.

ITEM 16.2.

ATTACHMENT 1

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 1st day of July 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

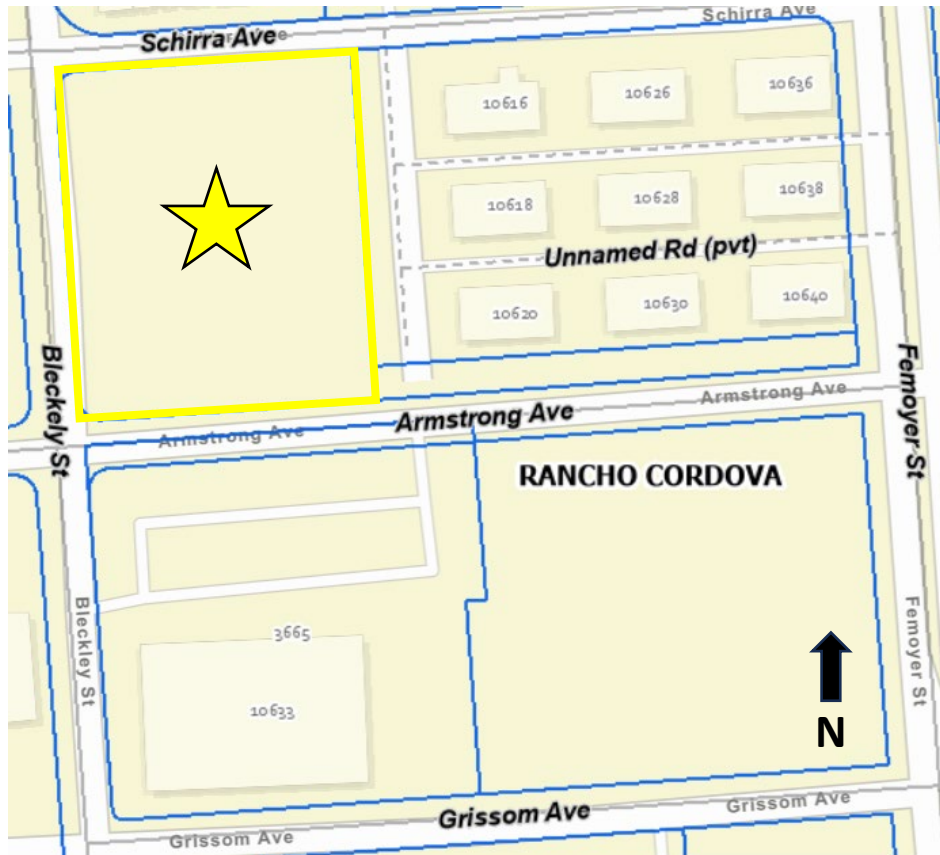
ATTEST:

David Sander, Mayor

Stacy Leitner, CMC
City Clerk

Site Diagram

APN 067-0010-093-0000



NOTICE OF EXEMPTION

To: ☐ Office of Planning and Research
1400 Tenth Street
Sacramento, CA 95814

From: City of Rancho Cordova
Public Works Department
2729 Prospect Park Drive
Rancho Cordova, CA 95670

☒ County Clerk-Recorder
Sacramento County
600 8th Street
Sacramento, CA 95814

Project Title: **FUNDING COMMITMENT FOR THE MATHER VETERANS VILLAGE
PHASE 4 AFFORDABLE MULTIFAMILY HOUSING PROJECT**

Project Location: Southeast corner of Bleckely St and Schirra Ave

Assessor's Parcel Number(s): 067-0010-093-0000 (approximately 2.0-acre northwest portion)

Project Description: The City of Rancho Cordova proposes to commit \$6,000,000 in funding for the development of 70 units of affordable housing for very low income homeless and disabled veterans and homeless families and an approximately 4,000 square foot resident community building.

Lead Agency: City of Rancho Cordova

Applicant: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Exemption Status: ☐ Ministerial [Section 21080(b); 15268];
☐ Declared Emergency [Section 21080(b)(3); 15269(a)];
☐ Emergency Project [Section 21080(b)(4); 15269(b)(c)];
☐ General Rule [Section 15061(b)(3)];
☒ Categorical Exemption [Section 15332 Class 32, In-Fill Development
Projects];
☐ Approval of Rates, Tolls, Fares, and Charges [Section 21080(b)(8)(D)];
☒ Special Situations [Section 15183, Projects Consistent With a Community
Plan or Zoning];
☒ Statutory Exemption [Section 15194, Affordable Housing Exemption];
☒ Statutory Exemption [Section 21080.40, Affordable Housing Projects].

**REASONS WHY THIS PROJECT IS EXEMPT OR DOES NOT REQUIRE FURTHER
ENVIRONMENTAL DOCUMENTATION:**

Categorical Exemption Section 15332 Class 32, In-Fill Development Projects

ITEM 16.2.

ATTACHMENT 3

As an affordable housing development for very low-income homeless and disabled veterans and homeless families on the former Mather Air Force Base, located in a vehicle miles traveled efficient area, along public transit, in proximity to the Sacramento Veterans Administration Medical Center, the Project has been determined to be exempt from the California Environmental Quality Act (CEQA) in accordance with Guidelines Section 15332 (In-Fill Development Projects). This exemption applies to projects characterized as in-fill development meeting the conditions described below: a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; c) The project site has no value, as habitat for endangered, rare or threatened species; d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and e) The site can be adequately served by all required utilities and public services.

The Project was found to be consistent with the City of Rancho Cordova General Plan designation (Office Mixed Use) integrating residential uses into a predominantly office and business park, all applicable General Plan policies, generally in the promotion of additional housing for special needs populations, and zoning policies and regulations (condition a, above). The project also satisfies conditions b, c, and e as a previously developed site within the former Mather Air Force Base. A VMT Screening Memorandum and Trip Generation Memorandum were prepared and concluded that, as an infill project for very low-income homeless and disabled veterans and homeless families, the Project's vehicle miles traveled impact is less than significant, and no transportation mitigation is required. Similarly, the Trip Generation Memorandum concluded that the Project does not create any substantial changes to the existing roadway system and does not introduce any new operation or safety concerns for the travelling public. Approval of the project will be conditioned related to site infrastructure, safe indoor noise standards, air quality best management practices, water quality best management practices, and appropriate on-site treatment of water to ensure that the site is designed to appropriately handle stormwater and protect water quality. As a result, the Project would not result in any significant effects relating to traffic, noise, air quality, or water quality, thereby satisfying condition (d) above.

Special Situations Section 15183, Projects Consistent with a Community Plan or Zoning

CEQA Guidelines Article 12, Special Situations, identifies circumstances for which certain CEQA-compliance procedures may apply. CEQA Guidelines Section 15183, Projects Consistent with a Community Plan or Zoning, provides a special streamlining process that exempts qualifying projects from additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. Furthermore, if an impact is not peculiar to the parcel or to the project, has been addressed as a significant effect in the prior Environmental Impact Report (EIR), or can be substantially mitigated by the imposition of uniformly applied policies or standards, then an additional EIR does not need to be prepared for the project solely based on that impact.

The project has been analyzed and is exempt per CEQA Guidelines Section 15183 "Projects Consistent with a Community Plan, General Plan or Zoning." The proposed multifamily residential project is a conditionally permitted use consistent with the development densities established by the City's General Plan and zoning for which an EIR was certified (June 2006). None of the exceptions identified in CEQA Guidelines Section 15300.2 apply to the project.

Statutory Exemption Section 15194, Affordable Housing Exemption

In accordance with Section 15194 - Affordable Housing Exemption, CEQA does not apply to any development project that meets the following criteria: (a) The project meets threshold criteria set forth in section 15192; (b) the project meets specified size criteria; (c) the project meets specified requirements regarding location; and (d) the project meets specified requirements regarding provision of affordable housing.

The Project has been found to (a) meet the threshold criteria set forth in section 15192. The Project will (b) not be on a site more than five acres in area; (c) meet location requirements relating to population density and site-specific location requirements on previously developed land as an urban use adjacent to other current

ITEM 16.2.**ATTACHMENT 3**

developed urban uses; and (d) meet requirements regarding provision of affordable housing, the Project includes fewer than 100 units and the units will remain affordable for longer than 30 years.

Statutory Exemption Section 21080.40, Affordable Housing Projects

AB 1449 (Chapter 761, Statutes of 2023) adds PRC Section 21080.40 establishing a statutory exemption for affordable housing projects that meet specified criteria. The Project has been analyzed according to these criteria and will: consist of multifamily residential uses only, be dedicated to lower-income households, is within the city boundaries of the City of Rancho Cordova, and is on a parcel surrounded by urban uses. Furthermore the Project will be subject to a recorded California Tax Credit Allocation Committee regulatory agreement, can be adequately served by existing utilities, complies with the limitations on location found in Government Code 65913.4(a)(6)(B-K), does not contain tribal cultural resources, a Phase 1 environmental assessment has been completed and has determined that there is no potential for exposure of future occupants to significant health hazards, is not located on a site where multifamily housing is not permitted, is not located within 500 feet of a freeway or within 3,200 feet of a facility that actively extracts or refines oil or natural gas, and is not within a very high fire hazard severity zone. The Project is exempt pursuant to the AB 1449 (Chapter 761, Statutes of 2023) PRC Section 21080.40 Affordable Housing statutory exemption.

By _____
Stefan Heisler, Environmental Coordinator
City of Rancho Cordova
(916) 851-8757
June 17, 2024

July 1, 2024

Mercy Housing California
2512 River Plaza Drive, Suite 200
Sacramento, CA 95833
Attn: Rich Ciraulo, Regional Director of Housing Development

Re: Mather Veterans Village Phase 4, Southeast corner of Schirra Avenue and Bleckely Street, Rancho Cordova, CA

Dear Mr. Ciraulo,

This letter is to confirm on May 20, 2024, and July 1, 2024, the City of Rancho Cordova passed Resolution Numbers 56-2024, and XX-2024, respectively, committing the following funding to Mercy Housing California ("the Developer") for the development of a 70-unit affordable rental housing development at the southeast corner of Schirra Avenue and Bleckely Street, Rancho Cordova, CA 95655 to be known as Mather Veterans Village Phase 4 (the "Project").

Land Contribution:

The land, which is vested in The City of Rancho Cordova, will be transferred to the Developer, or its to be formed tax credit special purpose limited partnership up to a purchase price of \$10.

City PLHA Loan:

The City of Rancho Cordova will provide a deferred payment residual receipts loan in the amount of \$467,024 sourced from the city's secured allocation of California Department of Housing and Community Development Permanent Local Housing Allocation funding. This loan will have a term of 55-years, 3% interest with all payment payable from a portion of residual receipts of the Project. These funds will be available during predevelopment, construction and as permanent financing.

City Grant:

The City of Rancho Cordova will provide a City Grant to the Developer consistent of the following three components:

1. The City of Rancho Cordova will provide a grant to the Developer in the amount of \$2,000,000 sourced from the city's allocation of American Rescue Plan Act of 2021 funding. These construction and permanent funds will be available in their entirety at construction closing.
2. The City of Rancho Cordova will provide a grant to the Developer in the amount of \$3,000,000 sourced from an American Rescue Plan Act Subaward Agreement executed between Sacramento County and the City of Rancho Cordova. These construction and permanent funds will be available in their entirety at construction closing.

3. The City of Rancho Cordova will provide a grant to the Developer in the amount of \$1,000,000 sourced from the federal Community Project Funding Program through the Department of Housing and Urban Development Economic Development Initiatives fund. These construction and permanent funds will be available in their entirety at construction closing.

The only condition to the above referenced financing is the receipt by the Partnership of a 9% low-income housing tax credit allocation and execution of loan, grant, and regulatory documents reflecting the terms stated in this letter and the resolutions in form reasonably acceptable to the City of Rancho Cordova and the Developer. This conditional funding commitment will expire on June 30, 2026 if this condition is not met.

Consistent with tax credit funding, the Developer will form a limited partnership that will own the land be the borrower of all loans. The City Grant will likely be made directly to the Developer with the condition that the Developer will pass-thru the Grant as a deferred-payment 55 year 0-3% interest loan to the Project/limited partnership in order to preserve all tax credit basis for the Project.

Sincerely,

Micah Runner
City Manager, City of Rancho Cordova

Enclosed:

1. Resolution 56-2024
2. Resolution XX-2024