



CITY OF COSTA MESA

REGULAR CITY COUNCIL AND HOUSING AUTHORITY*

Agenda

Tuesday, February 18, 2025

6:00 PM

City Council Chambers
77 Fair Drive

***Note: All agency memberships are reflected in the title "Council Member"**
4:00 P.M. Closed Session

The City Council meetings are presented in a hybrid format, both in-person at City Hall and as a courtesy virtually via Zoom Webinar. If the Zoom feature is having technical difficulties or experiencing any other critical issues, and unless required by the Brown Act, the meeting will continue in person.

TRANSLATION SERVICES AVAILABLE / SERVICIOS DE TRADUCCIÓN DISPONIBLE
Please contact the City Clerk at (714) 754-5225 to request language interpreting services for City meetings. Notification at least 48 hours prior to the meeting will enable the City to make arrangements.

Favor de comunicarse con la Secretaria Municipal al (714) 754-5225 para solicitar servicios de interpretación de idioma para las juntas de la Ciudad. Se pide notificación por lo mínimo 48 horas de anticipación, esto permite que la Ciudad haga los arreglos necesarios.

Members of the public can view the City Council meetings live on COSTA MESA TV (SPECTRUM CHANNEL 3 AND AT&T U-VERSE CHANNEL 99) or http://costamesa.granicus.com/player/camera/2?publish_id=10&redirect=true and online at [youtube.com/costamesatv](https://www.youtube.com/costamesatv).

Closed Captioning is available via the Zoom option in English and Spanish.

As a courtesy, the public may participate via the Zoom option.

Zoom Webinar: (For both 4:00 p.m. and 6:00 p.m. meetings)

Please click the link below to join the webinar:

[https://us06web.zoom.us/j/81879579049?](https://us06web.zoom.us/j/81879579049?pwd=_XoNBT2uciL7zrDsfj4A9Q9srLgExg.bQEU-le6VvXjPDeL)

[pwd=_XoNBT2uciL7zrDsfj4A9Q9srLgExg.bQEU-le6VvXjPDeL](https://us06web.zoom.us/j/81879579049?pwd=_XoNBT2uciL7zrDsfj4A9Q9srLgExg.bQEU-le6VvXjPDeL)

Or sign into Zoom.com and “Join a Meeting”

Enter Webinar ID: 818 7957 9049/ Password: 608584

- If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically.
- Select “Join Audio via Computer.”
- The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.
- During the Public Comment Period, use the “raise hand” feature located in the participants’ window and wait for city staff to announce your name and unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

Participate via telephone: (For both 4:00 p.m. and 6:00 p.m. meetings)

Call: 1 669 900 6833 Enter Webinar ID: 818 7957 9049/ Password: 608584

During the Public Comment Period, press *9 to add yourself to the queue and wait for city staff to announce your name/phone number and press *6 to unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

Note, if you have installed a zoom update, please restart your computer before participating in the meeting.

Additionally, members of the public who wish to make a written comment on a specific agenda item, may submit a written comment via email to the City Clerk at cityclerk@costamesaca.gov. Comments received by 12:00 p.m. on the date of the meeting will be provided to the City Council, made available to the public, and will be part of the meeting record.

Please know that it is important for the City to allow public participation at this meeting. If you are unable to participate in the meeting via the processes set forth above, please contact the City Clerk at (714) 754-5225 or cityclerk@costamesaca.gov and staff will attempt to accommodate you. While the City does not expect there to be any changes to the above process for participating in this meeting, if there is a change, the City will post the information as soon as possible to the City’s website.

Note that records submitted by the public will not be redacted in any way and will be posted online as submitted, including any personal contact information. All pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. This includes items submitted for the overhead screen during the meeting. Items submitted for the overhead screen should be 1 page and provided to the City Clerk prior to the start of the meeting. No links to YouTube videos or other streaming services will be accepted, a direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats, .mp4, .mov or .wmv. Only one file may be included per speaker for public comments, for both videos and pictures. Please e-mail to the City Clerk at cityclerk@costamesaca.gov NO LATER THAN 12:00 Noon on the date of the meeting. If you do not receive confirmation from the city prior to the meeting, please call the City Clerks office at 714-754-5225.

Note regarding agenda-related documents provided to a majority of the City Council after distribution of the City Council agenda packet (GC §54957.5): Any related documents provided to a majority of the City Council after distribution of the City Council Agenda Packets will be made available for public inspection. Such documents will be posted on the city's website and will be available at the City Clerk's office, 77 Fair Drive, Costa Mesa, CA 92626.

All cell phones and other electronic devices are to be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to conduct a phone conversation.

Free Wi-Fi is available in the Council Chambers during the meetings. The network username available is: CM_Council. The password is: cmcouncil1953.

As a LEED Gold Certified City, Costa Mesa is fully committed to environmental sustainability. A minimum number of hard copies of the agenda will be available in the Council Chambers. For your convenience, a binder of the entire agenda packet will be at the table in the foyer of the Council Chambers for viewing. Agendas and reports can be viewed on the City website at <https://costamesa.legistar.com/Calendar.aspx>. Las agendas y los informes se pueden ver en español en el sitio web de la Ciudad en <https://www.costamesaca.gov/trending/current-agendas/spanish-city-council-agendas>.

In compliance with the Americans with Disabilities Act, Assistive Listening headphones are available and can be checked out from the City Clerk. If you need special assistance to participate in this meeting, please contact the City Clerk at (714) 754-5225. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102.35.104 ADA Title II].

En conformidad con la Ley de Estadounidenses con Discapacidades (ADA), aparatos de asistencia están disponibles y podrán ser prestados notificando a la Secretaria Municipal. Si necesita asistencia especial para participar en esta junta, comuníquese con la oficina de la Secretaria Municipal al (714) 754-5225. Se pide dar notificación a la Ciudad por lo mínimo 48 horas de anticipación para garantizar accesibilidad razonable a la junta. [28 CFR 35.102.35.104 ADA Title II].

CLOSED SESSION - 4:00 P.M.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS Members of the public are welcome to address the City Council only on those items on the Closed Session agenda. Each member of the public will be given a total of three minutes to speak on all items on the Closed Session agenda.

CLOSED SESSION ITEMS:

1. Public Employment, Workers' Compensation Claim, Pursuant to California Government Code Section 54956.9 (b)(1), WCAB NO. ADJ18072347
2. Public Employment, Workers' Compensation Claim, Pursuant to California Government Code Section 54956.9 (b)(1), WCAB NO. ADJ18438457
3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATION OF LITIGATION - ONE CASE
Pursuant to California Government Code Section 54956.9 (d)(2), Potential Litigation.
4. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Pursuant to California Government Code Section 54956.8
APN: 424-211-01; Property: 695 W. 19th Street, Costa Mesa, CA 92627
Agency Negotiators: Lori Ann Farrell Harrison, City Manager
Negotiating Parties: Jamboree Housing
Under Negotiation: Price and Terms of Payment
5. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION–ONE CASE
Pursuant to California Government Code Section 54956.9 (d)(1)
Name of Case: City of Costa Mesa v. D'Alessio; 1963 Wallace Ave.
Orange County Superior Court Case No. 30 2020 01133479

REGULAR MEETING OF THE CITY COUNCIL AND HOUSING AUTHORITY

FEBRUARY 18, 2025 – 6:00 P.M.

JOHN STEPHENS
Mayor

MANUEL CHAVEZ
Mayor Pro Tem - District 4

ANDREA MARR
Council Member - District 3

ARLIS REYNOLDS
Council Member - District 5

LOREN GAMEROS
Council Member - District 2

JEFF PETTIS
Council Member - District 6

MIKE BULEY
Council Member - District 1

KIMBERLY HALL BARLOW
City Attorney

LORI ANN FARRELL HARRISON
City Manager

CALL TO ORDER

NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE

MOMENT OF SOLEMN EXPRESSION

[Per Council Policy 000-12, these presentations are made by community volunteers stating their own views. The City Council disclaims any intent to endorse or sponsor the views of any speaker.]

ROLL CALL

CITY ATTORNEY CLOSED SESSION REPORT

PRESENTATIONS:

1. Proclamation: Black History Month

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Comments on Presentation and Consent Calendar items may also be heard at this time. Comments are limited to 3 minutes, or as otherwise directed.

COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

Each council member is limited to 3 minutes. Additional comments will be heard at the end of the meeting.

1. Council Member Reynolds
2. Council Member Pettis
3. Council Member Buley
4. Council Member Gameros
5. Council Member Marr
6. Mayor Pro Tem Chavez
7. Mayor Stephens

REPORT – CITY MANAGER

REPORT – CITY ATTORNEY

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and will be acted upon in one motion. There will be no separate discussion of these items unless members of the City Council, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for discussion.

1. [**PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL 25-177 ORDINANCES AND RESOLUTIONS**](#)

RECOMMENDATION:

City Council and Housing Authority approve the reading by title only and waive further reading of Ordinances and Resolutions.

2. [**READING FOLDER**](#) [**25-178**](#)

RECOMMENDATION:

City Council receive and file Claims received by the City Clerk and authorize staff to reject any and all Claims: Mark Gnesin, Cody Grant, Lori Harvey, Edward Kao.

3. **ADOPTION OF WARRANT RESOLUTION** **25-166**

RECOMMENDATION:

City Council approve Warrant Resolution No. 2728.

Attachments: [1. Summary Check Register 1-27-25](#)
[2. Summary Check Register 1-23-25](#)

4. **MINUTES** **25-179**

RECOMMENDATION:

City Council approve the minutes of the special meeting of January 28, 2025 and the regular meeting of February 4, 2025.

Attachments: [1. 01-28-2025 Draft Minutes](#)
[2. 02-04-2025 Draft Minutes](#)

5. [AWARD OF THE COSTA MESA CITY HALL TRAINING ROOM 25-168 BASEMENT REMODEL PROJECT, CITY PROJECT NO. 24-11, AND FINDING OF CALIFORNIA ENVIRONMENTAL QUALITY ACT \(CEQA\) CATEGORICAL EXEMPTION](#)

RECOMMENDATION:

Staff recommends the City Council:

1. Make a finding of California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA guidelines Section 15301 and adopt plans, specifications, and working details for the Costa Mesa City Hall Training Room Basement Remodel Project, City Project No. 24-11.
2. Reject the bid submitted by Triangle DeCon Services, Inc., 25422 Adriana Street, Mission Viejo, California 92691 as non-responsive.
3. Award a Public Works Agreement (PWA) for construction to American Construction Company, LLC (ACC), 1130 North Kraemer Boulevard, No. 1, Anaheim, California 92806 in the amount of \$490,000 with an additional ten percent (10%) contingency in the amount of \$49,000, as needed for any unforeseen costs related to this project.
4. Authorize the City Manager and City Clerk to execute the PWA and future amendments to the agreement within Council authorized limits.

ENVIRONMENTAL DETERMINATION:

The proposed action is exempt from the California Environmental Quality Act (CEQA). The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment. In addition, the proposed action is exempt under Section 15301 relating to the operation, repair, maintenance, permitting, and/or minor alteration of existing public facilities.

- Attachments:** [1. Proposed Renderings](#)
[2. Bid Abstract](#)
[3. Bid Protest from ACC](#)
[4. Staff's Response to Bid Protest](#)
[5. PWA](#)

6. EMERGENCY GENERATOR UNITS FOR CITY HALL AND THE 25-180 COMMUNICATIONS BUILDING

RECOMMENDATION:

Staff recommends the City Council:

1. Authorize the use of Sourcewell’s Cooperative Agreement #092222-CAT with Caterpillar Inc. for the purchase of two (2) diesel emergency generators, two (2) automatic transfer switches, and two (2) double wall day tanks for fuel for City Hall and the Communications Building through Quinn Power Systems totaling \$389,543.19.
2. Approve an appropriation of \$700,000 in the Capital Improvement Fund (Fund 401) fund balance to purchase the equipment outlined above totaling \$389,543.19, and an additional \$300,000 for a separate design and installation contract to be brought under separate cover in the future, ensuring sufficient funds are available to complete the project.

Attachments: [1. Quote for Generators](#)

7. EXTENSION OF OPTION TO LEASE AGREEMENT TO CONSTRUCT 25-193 AND OPERATE A 70-UNIT AFFORDABLE SENIOR AND SUPPORTIVE HOUSING PROJECT LOCATED AT THE CITY’S SENIOR CENTER, 695 WEST 19TH STREET

RECOMMENDATION:

Staff recommends the City Council review and approve the proposed “Extension of Option to Lease Agreement” for an additional 60-day term that will expire on April 30, 2025 to finalize lease negotiations with appropriate affordable housing terms and complete assembling funding for the project.

Attachments: [1. Amendment No. 2 - Option to Lease](#)

AT THIS TIME COUNCIL WILL ADDRESS ANY ITEMS PULLED FROM THE CONSENT CALENDAR

-----END OF CONSENT CALENDAR-----

PUBLIC HEARINGS: NONE.

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

OLD BUSINESS: NONE.

NEW BUSINESS:

1. [PROFESSIONAL SERVICES AGREEMENT WITH DUDEK FOR 25-149 HOUSING ELEMENT REZONING PROGRAM AND ENVIRONMENTAL IMPACT REPORT](#)

RECOMMENDATION:

Staff recommends the City Council:

1. Approve a Professional Services Agreement (PSA) to Dudek (an environmental, planning and engineering firm) in the amount of \$1,850,611 for consulting services, for a three-year term, with up to two one-year extensions, if necessary, with the initial three-year term effective February 18, 2025 - February 17, 2028.
2. Authorize a ten percent (10%) contingency in the amount of \$185,061 for unforeseen costs related to the project.
3. Authorize the City Manager, or designee, and City Clerk to execute the PSA and any future amendments to the agreement.

Attachments: [Agenda Report](#)

1. [Dudek Professional Services Agreement](#)

2. [CITY OF COSTA MESA, COSTA MESA FINANCE AUTHORITY, AND 25-133 COSTA MESA HOUSING AUTHORITY AUDITED FINANCIAL STATEMENTS, AND HOUSING SUCCESSOR ANNUAL REPORT FOR THE PERIOD ENDING JUNE 30, 2024.](#)

RECOMMENDATION:

1. Staff recommends the City Council receive and file the following reports for the fiscal year ended June 30, 2024:
 - a. Annual Comprehensive Financial Report (ACFR) (Attachment 1).
 - b. Air Quality Improvement Fund Compliance Report (Attachment 2).
 - c. Audit Communication Letter (Attachment 3).
 - d. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets (Attachment 4).
2. Staff recommends the City Council and Costa Mesa Financing Authority receive and file the Costa Mesa Financing Authority audited financial statements for the fiscal year ended June 30, 2024 (Attachment 5).
3. Staff recommends the City Council and Housing Authority receive and file the following reports for the fiscal year ended June 30, 2024:
 - a. Independent Financial Audit of the Costa Mesa Housing Authority, including the Low and Moderate-Income Housing Asset Fund (Attachment 6); and
 - b. The Fiscal Year 2023-24 Housing Successor Annual Report prepared under the California Health and Safety Code section 34176.1 as the housing successor and section 34328 as a housing authority (Attachment 7).

Attachments: [1. ACFR](#)

[2. Air Quality Improvement Fund Compliance Report](#)

[3. Audit Communication Letter](#)

[4. Independent Accountant Report](#)

[5. Finance Authority](#)

[6. Financial Audit of the Housing Authority](#)

[7. Housing Report CMHA FY-23-24](#)

ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

ADJOURNMENT



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-177

Meeting Date: 2/18/2025

TITLE:

PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS

RECOMMENDATION:

City Council and Housing Authority approve the reading by title only and waive further reading of Ordinances and Resolutions.



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-178

Meeting Date: 2/18/2025

TITLE:

READING FOLDER

DEPARTMENT: City Manager's Office/City Clerk's Division

RECOMMENDATION:

City Council receive and file Claims received by the City Clerk and authorize staff to reject any and all Claims: Mark Gnesin, Cody Grant, Lori Harvey, Edward Kao.



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-166

Meeting Date: 2/18/2025

TITLE:

ADOPTION OF WARRANT RESOLUTION

DEPARTMENT: FINANCE DEPARTMENT

PRESENTED BY: CAROL MOLINA, FINANCE DIRECTOR

CONTACT INFORMATION: CAROL MOLINA, FINANCE DIRECTOR AT (714) 754-5243

RECOMMENDATION:

City Council approve Warrant Resolution No. 2728.

BACKGROUND:

In accordance with Section 37202 of the California Government Code, the Director of Finance or their designated representative hereby certify to the accuracy of the following demands and to the availability of funds for payment thereof.

FISCAL REVIEW:

Funding Payroll Register No. 24-26 On Cycle for \$4,238,843.24, 24-26 "A" Off Cycle for \$ 13,080.24, 25-01 On Cycle for \$3,875,871.86, 25-03 On Cycle for \$3,899,354.35, and City operating expenses for \$2,049,188.79.

Bank: CITY
 Cycle: ANNUAL

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0251876	01/31/25	P	Antonio Macias	0000021817	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251877	01/31/25	P	Barbara Tintle	0000016912	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251878	01/31/25	P	Bonnie Kubota	0000005792	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251879	01/31/25	P	Bradley Whiteaker	0000000341	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251880	01/31/25	P	Burton Santee	0000003920	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251881	01/31/25	P	Chano Camarillo	0000001558	503.78
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251882	01/31/25	P	Chris Holmes	0000002557	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251883	01/31/25	P	Chris Reed	0000003777	819.58
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251884	01/31/25	P	Dan Mudra	0000006272	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251885	01/31/25	P	David Alkema	0000000970	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
					60,409.72
					1,264,448.10
					233,606.05
					19,668.65
					39,460.97
					\$ 1,617,593.49

Bank: CITY
 Cycle: ANNUAL

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0251886	01/31/25	P	Deanna Reed	0000002777	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251887	01/31/25	P	Dennis Barton	0000001209	231.84
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251888	01/31/25	P	Diane J Moore	0000003221	376.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251889	01/31/25	P	Don Boynton	0000015805	452.32
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251890	01/31/25	P	Donna Fagot	0000013934	425.04
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251891	01/31/25	P	Eric Engle	0000002128	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251892	01/31/25	P	Fidel Gamboa	0000007696	1,368.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251893	01/31/25	P	Frank Rudisill	0000003871	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251894	01/31/25	P	Frederick Merrill	0000005365	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: CITY
Cycle: ANNUAL

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0251895	01/31/25	P	Fredric Wagner	0000004444	988.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251896	01/31/25	P	Gary Golson	0000002370	534.34
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251897	01/31/25	P	Harold Arnold	0000001076	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251898	01/31/25	P	Harold Newbern	0000013391	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251899	01/31/25	P	Henry Santo	0000003921	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251900	01/31/25	P	James Boucher	0000021818	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251901	01/31/25	P	James Solliday	0000015717	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251902	01/31/25	P	John E Fitzpatrick	0000002234	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251903	01/31/25	P	John Pherrin	0000006031	801.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251904	01/31/25	P	Karin Robinson	0000008079	587.40
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: CITY
Cycle: ANNUAL

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0251905	01/31/25	P	Karl J Verhoef	0000004410	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251906	01/31/25	P	Keith M Jones	0000002776	731.91
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251907	01/31/25	P	Kenneth Soltis	0000007968	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251908	01/31/25	P	Kevin Gleason	0000006350	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251909	01/31/25	P	Klaus Straschil	0000004169	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251910	01/31/25	P	Larry Arruda	0000001080	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251911	01/31/25	P	Larry M Hicks	0000002525	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251912	01/31/25	P	Lawrence Stice	0000015806	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251913	01/31/25	P	Lou Steiner	0000005965	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: CITY
Cycle: ANNUAL

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0251914	01/31/25	P	Marilyn Ellis-Hollobaugh	0000002108	534.34
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251915	01/31/25	P	Merton Switzer	0000004204	297.93
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251916	01/31/25	P	Michael Basso	0000021265	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251917	01/31/25	P	Michael Moran	0000018227	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251918	01/31/25	P	Michael Swanson	0000006237	988.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251919	01/31/25	P	Michael Treanor	0000006788	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251920	01/31/25	P	Michael V Ginther	0000002339	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251921	01/31/25	P	Michael W Carver	0000001599	786.06
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251922	01/31/25	P	Neil Leveratt	0000002948	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251923	01/31/25	P	Pamela S Greene	0000005256	536.57
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: CITY
 Cycle: ANNUAL

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0251924	01/31/25	P	Patricia Novack	0000012034	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251925	01/31/25	P	Perry J Grant	0000008771	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251926	01/31/25	P	Peter Merritt	0000005114	988.68
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251927	01/31/25	P	Peter Tenace	0000007198	376.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251928	01/31/25	P	Robert B Phillips	0000005388	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251929	01/31/25	P	Robert Cizek	0000001670	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251930	01/31/25	P	Robert Fate	0000002183	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251931	01/31/25	P	Robert L Taylor	0000006299	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251932	01/31/25	P	Roger Neth	0000003312	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: CITY
Cycle: ANNUAL

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0251933	01/31/25	P	Ronald A Smith	0000004053	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251934	01/31/25	P	Rulon Hatch	0000006012	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251935	01/31/25	P	Sam Nguyen	0000021573	520.97
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251936	01/31/25	P	Scott Broussard	0000001420	925.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251937	01/31/25	P	Sheila Maurice	0000003091	376.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251938	01/31/25	P	Stanley Borek	0000001347	475.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251939	01/31/25	P	Steven Spielberger	0000004127	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251940	01/31/25	P	Teresa Peterson Goerke	0000016963	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251941	01/31/25	P	Thomas Banks	0000021751	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251942	01/31/25	P	Thomas MacDuff	0000006064	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: CITY
 Cycle: ANNUAL

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0251943	01/31/25	P	Thomas Neth	0000007978	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251944	01/31/25	P	Thomas Stewart	0000006560	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251945	01/31/25	P	Ursula Basich	0000022488	775.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251946	01/31/25	P	Ve Tran	0000004296	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251947	01/31/25	P	Virginia Anderson	0000008307	313.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
0251948	01/31/25	P	William Todd	0000004269	276.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
TOTAL					\$60,409.72

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0251949	01/31/25	P	Admin Sure Inc	0000021568	17,139.00
			<i>Line Description:</i> Wkrs Comp Admin Fee-Feb 2025		
0251950	01/31/25	P	Benefit Coordinators Corp	0000029594	41,433.40
			<i>Line Description:</i> Sivion Ins Prem-Jan 2025 Dental Ins Prem-Jan 2025		
0251951	01/31/25	P	Bracken's Kitchen Inc	0000029468	17,482.04
			<i>Line Description:</i> Shelter Meal Svc 1/1-1/12/25 Shelter Meal Svc 9/23-10/6/24 Shelter Meal Svc 9/9-9/10/24		
0251952	01/31/25	P	CALIBA INC	0000030848	58,053.93
			<i>Line Description:</i> Retention #23-04/#210013 FD#4 Trng Fac 23-04/#210013		
0251953	01/31/25	P	Cabco Yellow Inc	0000028576	33,942.00
			<i>Line Description:</i> Sr Mobility Prog-Dec 2024 Medical Transport-Dec 2024		
0251954	01/31/25	P	Executive Facilities Services Inc	0000029510	52,807.14
			<i>Line Description:</i> Janitorial Services - BCC Janitorial Services - PD Janitorial Services - Fairview Janitorial Services - Parks Janitorial Services - DRC Janitorial Services - Senior C Janitorial Services - Police S Janitorial Services - PD Commu Janitorial Services - Corp Yar Janitorial Services - City Hal Janitorial Services - NHCC Janitorial Services - FS1-6		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> Janitorial Services - Bridge S		
0251955	01/31/25	P	Families Forward Inc	0000024105	89,354.11
			<i>Line Description:</i> 3rd Qtr-TBRA Prog 2nd Qtr-Affordable Hosing Svc Rental Assistance Nov-Dec 2024 2nd Qtr-+TBRA Prog		
0251956	01/31/25	P	Golden West College	0000002367	16,156.00
			<i>Line Description:</i> Basic Police Academy-7 Recruit		
0251957	01/31/25	P	Johnson Favaro LLP	0000023249	16,247.35
			<i>Line Description:</i> Lions Pk Proj Thru 12/31/24		
0251958	01/31/25	P	LINA	0000015623	36,795.76
			<i>Line Description:</i> Active Life/AD&D Inc Prem Jan LTD Ins Prem Jan 2025 Retiree Life Jan 25 NYL Admin Fees Dec 24 Voluntary Life Ins Prem Jan 25		
0251959	01/31/25	P	Lyons Security Service Inc	0000027168	51,547.50
			<i>Line Description:</i> Security Srvs Rea Dec 2024 Security Srvs Rea 11/19-30/24 Security Srvs Whittier11/19-30 Security Srvs Wilson 11/19-30 Securitiy Srvs Wilson Dec 2024 24 Hr Security Lions Park 24 Hr Security Lions Park Security Srvs SC Dec 2024 Security Srvs SC 11/19-30/24 Security Srvs Whittier Dec24		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: CITY
 Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0251960	01/31/25	P	Pinnacle Petroleum, Inc <i>Line Description:</i> Unleaded Fuel PD Tank #7	0000029315	23,758.50
0251961	01/31/25	P	Project Hope Alliance <i>Line Description:</i> 2nd Qtr-Homelss CM Students	0000027373	52,509.88
0251962	01/31/25	P	The Lincoln National Life Insurance Co <i>Line Description:</i> Short Term Disability Jan 25	0000030039	15,228.00
0251963	01/31/25	P	Tovey Shultz Construction Inc <i>Line Description:</i> Lions Pk Proj #17-03/#800032 Retention Proj #17-03/#800032	0000025581	378,002.87
0251964	01/31/25	P	Triton Technology Solutions Inc <i>Line Description:</i> CRESTON REPLACEMENT CRESTON REPLACEMENT CRESTON REPLACEMENT	0000021687	107,179.58
0251965	01/31/25	P	Yunex LLC <i>Line Description:</i> Routine Maint Dec 2024 19th&Wallace Furnish New Repla Bristol&Ganahl	0000029573	20,154.00
0251966	01/31/25	P	AGA Engineers Inc <i>Line Description:</i> Fairview/Wilson Traffic Mod	0000028838	2,440.00
0251967	01/31/25	P	AVNI Enterprises Inc <i>Line Description:</i> Parts for Fire Apparatus on an Parts for Fire Apparatus on an Parts for Fire Apparatus on an Parts for Fire Apparatus on an	0000030676	3,577.12

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> Parts for Fire Apparatus on an		
0251968	01/31/25	P	Alans Lawnmower & Garden Center Inc	0000019220	657.91
			<i>Line Description:</i> Small Tool Small Tools		
0251969	01/31/25	P	Anaheim Fullerton Towing	0000030423	2,000.00
			<i>Line Description:</i> Towing Svc-#517 Towing Svc-#515 Towing Svc-#523		
0251970	01/31/25	P	BSI EHS Services & Solutions	0000024535	1,290.00
			<i>Line Description:</i> Safety Comm Consulting-8/7/24 Consulting-Safety Comm 8/16/23 Consulting-Safety Comm Safety Comm Consulting-11/6/24		
0251971	01/31/25	P	Berla Corp	0000031041	10,550.00
			<i>Line Description:</i> Forensic Vehicle IVE Toolkit -		
0251972	01/31/25	P	Boys & Girls Clubs	0000030522	6,189.78
			<i>Line Description:</i> 2nd Qtr-Job Readiness Prog		
0251973	01/31/25	P	CAPF	0000004755	2,389.50
			<i>Line Description:</i> Firefighter LTD-Jan 2025		
0251974	01/31/25	P	CBE	0000015149	111.88
			<i>Line Description:</i> COPIER MAINT 12/20/24-1/19/25 Copier Maint 12/5/24-1/4/25		
0251975	01/31/25	P	CLEA	0000004754	3,456.00

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> Police Officers LTD-Jan 2025		
0251976	01/31/25	P	CR & R Inc	0000000023	170.00
			<i>Line Description:</i> Waste Svc Container Onsite		
0251977	01/31/25	P	CalPERS Long-Term Care Program	0000006287	93.96
			<i>Line Description:</i> Payroll 25-03		
0251978	01/31/25	P	City Net	0000029222	3,086.37
			<i>Line Description:</i> City Outreach Prog-Nov 2024 City Outreach Prog-Dec 2024		
0251979	01/31/25	P	Community Legal Aid SoCal	0000030258	7,388.31
			<i>Line Description:</i> 2nd Qtr-Supportive Svc		
0251980	01/31/25	P	Community SeniorServ	0000018540	14,250.00
			<i>Line Description:</i> 2nd Qtr-Lunch Cafe 2nd Qtr-Meals on Wheels		
0251981	01/31/25	P	Debra L Reilly	0000027475	375.00
			<i>Line Description:</i> Workplace Investigation		
0251982	01/31/25	P	Dennis Grubb & Assoc. Willdan Engr. Co	0000030346	375.00
			<i>Line Description:</i> Plan Check Svc-Dec 2024		
0251983	01/31/25	P	Entenmann Rovin Company	0000002130	223.71
			<i>Line Description:</i> Retirement Badge		
0251984	01/31/25	P	Fair Housing Foundation	0000019956	4,951.18

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> 2nd Qtr-Fair Housing Prog		
0251985	01/31/25	P	First Choice Service	0000023961	1,330.85
			<i>Line Description:</i> Coffee & Water Sevc-Dec 2024 Coffee & Water Svc-Dec 2024 Coffee & Water Svc-Dec 24 Coffee & Water Svc-Dec 2024		
0251986	01/31/25	P	Ford Fleet Care	0000026262	13,479.89
			<i>Line Description:</i> Repair-Dec 2024 Parts-Jan 2025		
0251987	01/31/25	P	FoxFury, LLC	0000031106	2,413.70
			<i>Line Description:</i> Scene Light-DUI Check Pts		
0251988	01/31/25	P	Fuel Pros Inc	0000026476	4,299.92
			<i>Line Description:</i> Vaper Line Test @ CY-11/22/24 CY DO Inspection-Jan 25 FS#2 DO Inspection-Jan 25 FS#6 DO Inspection-Jan 25		
0251989	01/31/25	P	Galls LLC	0000002297	246.67
			<i>Line Description:</i> Uniform-Robles		
0251990	01/31/25	P	Grainger	0000002393	1,905.78
			<i>Line Description:</i> Warehouse Stock Headlight Hardware		
0251991	01/31/25	P	Hirsch Pipe & Supply Company Inc	0000026475	346.54
			<i>Line Description:</i> Plumbing Supplies Plumbing Supplies		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> Plumbing Supplies Plumbing Supplies Plumbing Supplies Plumbing Supplies		
0251992	01/31/25	P	Human Options Inc	0000002593	10,168.87
			<i>Line Description:</i> 2nd Qtr -2nd Step Transit Hous		
0251993	01/31/25	P	ITZEN Architects Inc	0000030962	8,050.00
			<i>Line Description:</i> Plans-New Floor Layout Dec 24		
0251994	01/31/25	P	Irv Seaver Motorcycles	0000010272	452.97
			<i>Line Description:</i> Tire Repair-#623		
0251995	01/31/25	P	Keith L Kilmer	0000028509	6,257.23
			<i>Line Description:</i> Peronnel Investigation Final		
0251996	01/31/25	P	Keyser Marston Associates Inc	0000002824	305.00
			<i>Line Description:</i> Housing Authority Project		
0251997	01/31/25	P	Kimball Midwest	0000006819	782.34
			<i>Line Description:</i> Shop Supply		
0251998	01/31/25	P	Liebert Cassidy Whitmore	0000002960	3,291.50
			<i>Line Description:</i> LEGAL SERVICES - HR LEGAL SERVICES - HR		
0251999	01/31/25	P	LineGear Fire & Rescue Equipment	0000026007	441.78
			<i>Line Description:</i> FIRE EQUIPMENT		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: CITY

Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0252000	01/31/25	P	Melad & Associates <i>Line Description: Consulting Plan Check Svcs</i>	0000005068	2,281.68
0252001	01/31/25	P	Merrimac Energy Group <i>Line Description: FS#3 Diesel Fuel Tank 18</i>	0000021566	2,598.51
0252002	01/31/25	P	MetLife Legal Plans Inc <i>Line Description: MetLife Legal Premium</i>	0000014707	5,089.50
0252003	01/31/25	P	Mobile Home Improvement <i>Line Description: Rehab Grant-1750 Whittier #73</i>	0000015213	8,320.00
0252004	01/31/25	P	PRISM <i>Line Description: Monthly EAP Services Jan-Mar25</i>	0000029319	4,123.80
0252005	01/31/25	P	Place Works Inc <i>Line Description: Bi-Weekly Project Meetings</i>	0000023119	7,106.19
0252006	01/31/25	P	Post Alarm Systems Inc <i>Line Description: Fire Alarm System Monitoring</i>	0000026907	124.29
0252007	01/31/25	P	Prado Family Shooting Range <i>Line Description: Range Fees Sept 2024</i>	0000017668	350.00
0252008	01/31/25	P	Prudential Overall Supply <i>Line Description: Streets Uniforms-Oct 2024 Facilities Uniform-Oct 2024 Fleet Towel Svc-Oct 2024 Parks Uniforms-Oct 2024 Fleet Uniform-Oct 2024</i>	0000025480	993.20

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0252009	01/31/25	P	STV Construction Inc	0000024848	2,587.00
			<i>Line Description:</i> Cafe Building-CM		
0252010	01/31/25	P	Shaw HR Consulting Inc	0000021706	180.00
			<i>Line Description:</i> Reasonable Accomodation		
0252011	01/31/25	P	Signature Glass Tinting Inc	0000031085	135.00
			<i>Line Description:</i> Window Tinting Services		
0252012	01/31/25	P	Socal Truck Driver Academy LLC	0000030048	7,600.00
			<i>Line Description:</i> Truck Driving School for Class Truck Driving School for Class		
0252013	01/31/25	P	Southern California Edison Company	0000004088	367.36
			<i>Line Description:</i> 348 E 17 Ped 12/24/24-1/23/25 3120 Manistee 12/20/24-1/21/25 555 1/2 Paularino 12/20-1/21/2 3351 Sakioka 12/24/24-1/23/25 3349 Sakioka 12/24/24-1/23/25		
0252014	01/31/25	P	Southern California Gas Company	0000004092	9,164.37
			<i>Line Description:</i> 1870 Anaheim 12/19/24-1/21/25 Comm 12/20-1/22/25 FS#1 12/26/24-1/24/25 2310 Placentia 12/20-1/22/25 2300 Placentia 12/20-1/22/25 PD 12/20-1/22/25 FS#4 12/20-1/22/25 FS#3 12/19/24-1/21/25 567 W 18th 12/19/24-1/21/25 FS#5 12/20-1/22/25 FS#2 12/23/24-1/23/25		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> NHCC 12/19/24-1/21/25 Sr Ctr 12/19/24-1/21/25 Pool 12/19/24-1/21/25 DRC 12/19/24-1/21/25		
0252015	01/31/25	P	State of California Dept of Justice	0000001534	294.00
			<i>Line Description:</i> Livescan Background		
0252016	01/31/25	P	Sunset Detectives	0000026756	10,302.49
			<i>Line Description:</i> Pre-Employment Backgrounds		
0252017	01/31/25	P	Switzer Assoc Leadership Solutions	0000029731	950.00
			<i>Line Description:</i> Consulting Coaching Assesment		
0252018	01/31/25	P	Talimar Systems Inc	0000025939	1,529.88
			<i>Line Description:</i> Desk Chairs for Dev Svcs		
0252019	01/31/25	P	The Counseling Team International	0000026352	1,600.00
			<i>Line Description:</i> Pre-Employment Psych Pre-Employmet Psych		
0252020	01/31/25	P	The Lincoln National Life Insurance Co	0000030039	14,274.40
			<i>Line Description:</i> Accident Ins Jan 25 Critical Illness Ins Jan 25		
0252021	01/31/25	P	The Saylor Group Corp	0000030033	7,488.00
			<i>Line Description:</i> Trash&Debris Dec 2024 Trash&Debris Removal Dec 24		
0252022	01/31/25	P	Townsend Public Affairs Inc	0000021510	6,500.00
			<i>Line Description:</i> Grant Writing Lef Svcs Jan25		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0252023	01/31/25	P	Trellis	0000025584	12,987.95
			<i>Line Description:</i> 1st Qtr-Labor of Love Prog 2nd Qtr-Labor of Love Prog		
0252024	01/31/25	P	Verizon Wireless	0000008717	2,131.16
			<i>Line Description:</i> 12/18-1/17 Fin Cell Phones WIRELESS PHONE 11/18-12/17		
0252025	01/31/25	P	Vortex Industries Inc	0000004437	8,983.33
			<i>Line Description:</i> Repair the double glass door 1		
0252026	01/31/25	P	Vulcan Materials Company	0000007403	405.54
			<i>Line Description:</i> Asphalt Potholes Sidwalk Ramps		
0252027	01/31/25	P	Waterline Technologies Inc	0000014520	168.77
			<i>Line Description:</i> DRC Pool Treatment		
0252028	01/31/25	P	Waxie Sanitary Supply	0000004480	260.25
			<i>Line Description:</i> Sanitary Supply		
0252029	01/31/25	P	Zachary Hoferitza	0000002548	411.61
			<i>Line Description:</i> Criminal Subpoena Reimb1/23/25		
TOTAL					\$1,264,448.10

SUMMARY CHECK REGISTER

Bank: DDP1

Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019051	01/31/25	P	Albert Spencer	0000004120	1,030.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019052	01/31/25	P	Allan L Roeder	0000003720	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019053	01/31/25	P	Allen D Huggins	0000002589	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019054	01/31/25	P	Andres Sepulveda	0000003988	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019055	01/31/25	P	Andrew Chalkley	0000025404	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019056	01/31/25	P	Ann Shultz	0000006607	976.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019057	01/31/25	P	Anna Rodriguez	0000026586	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019058	01/31/25	P	Arthur V Beames Jr	0000017738	109.27
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019059	01/31/25	P	Baltazar Mejia	0000023439	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019060	01/31/25	P	Betty Garcia	0000024432	424.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
 Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019061	01/31/25	P	Bobby Y Masuzumi	000003081	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019062	01/31/25	P	Brad Edwards	000022130	766.77
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019063	01/31/25	P	Brent McKinley	000007051	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019064	01/31/25	P	Brian W Roberts	000006274	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019065	01/31/25	P	Bruce Hartley	0000011119	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019066	01/31/25	P	Bruce McGregor	0000011206	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019067	01/31/25	P	Bruce R Ballinger	0000001167	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019068	01/31/25	P	Bruce Radomski	0000003742	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019069	01/31/25	P	Bruce W Covey	0000013041	976.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019070	01/31/25	P	Bryan Glass	0000002342	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019071	01/31/25	P	Cameron Phillips	0000005875	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019072	01/31/25	P	Carl McConnell	0000013933	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019073	01/31/25	P	Charles A Bassett	0000011742	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019074	01/31/25	P	Charles F Carr	0000006236	838.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019075	01/31/25	P	Charles J Oliver Jr	0000009684	526.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019076	01/31/25	P	Charlotte Bluell	0000008644	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019077	01/31/25	P	Cherie M Pittington	0000003641	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019078	01/31/25	P	Cheryl R Helwig	0000006915	625.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019079	01/31/25	P	Chris Goldsworthy	0000029067	500.37
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
 Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019080	01/31/25	P	Christina Powell OBrien	0000016961	576.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019081	01/31/25	P	Christopher B Bates	0000001213	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019082	01/31/25	P	Christopher G Walk	0000004450	1,071.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019083	01/31/25	P	Christopher J Boyd	0000001363	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019084	01/31/25	P	Christopher K Brimhall	0000001402	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019085	01/31/25	P	Christopher Kudelka	0000005822	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019086	01/31/25	P	Clay G Epperson	0000002141	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019087	01/31/25	P	Clint Dieball	0000004717	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019088	01/31/25	P	Corrie Viera	0000019128	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019089	01/31/25	P	Curt D Yoder	0000004601	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019090	01/31/25	P	D Dennis Johnson	0000011317	826.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019091	01/31/25	P	Dale H Ashley	0000010564	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019092	01/31/25	P	Dale R Birney	0000001277	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019093	01/31/25	P	Dana Potts	0000008186	826.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019094	01/31/25	P	Dane Bora	0000001344	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019095	01/31/25	P	Danny Hogue	0000006802	801.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019096	01/31/25	P	Darlene Bell	0000005602	276.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019097	01/31/25	P	Darrel Raney	0000005800	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019098	01/31/25	P	David A Dye	0000002065	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019099	01/31/25	P	David C Goerke	0000009386	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019100	01/31/25	P	David Hollister	0000021620	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019101	01/31/25	P	David K Makiyama	0000003041	976.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019102	01/31/25	P	David Maurer	0000007564	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019103	01/31/25	P	David S Andersen	0000001040	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019104	01/31/25	P	David Sorge	0000004068	793.70
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019105	01/31/25	P	David Tait	0000022487	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019106	01/31/25	P	Dawna Myers	0000003273	925.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019107	01/31/25	P	Deborah Zimmerman	0000023438	826.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019108	01/31/25	P	Debra Yasui	0000007276	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019109	01/31/25	P	Dee Dee H Nelson	0000006575	243.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019110	01/31/25	P	Dennis B Sanders	0000003910	323.66
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019111	01/31/25	P	Diane Butler	0000008078	501.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019112	01/31/25	P	Diane M Jarrett	0000007645	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019113	01/31/25	P	Don Holford	0000006025	346.13
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019114	01/31/25	P	Donald B Brown	0000004900	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019115	01/31/25	P	Doneen J Westenhaver	0000009746	631.58
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019116	01/31/25	P	Donna J Theriault	0000005411	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019117	01/31/25	P	Doug Johnson	0000005743	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019118	01/31/25	P	Doug Lovell	0000018477	704.04
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019119	01/31/25	P	Doug Prochnow	0000012127	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019120	01/31/25	P	Douglas Wilson	0000006759	551.16
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019121	01/31/25	P	Edward Petros	0000003615	925.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019122	01/31/25	P	Edward W Lewis	0000002956	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019123	01/31/25	P	Ellen M Fenwick	0000023268	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019124	01/31/25	P	Eric Johnson	0000002765	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019125	01/31/25	P	Eric McVey	0000007918	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019126	01/31/25	P	Ernesto A Munoz	0000003261	691.57
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019127	01/31/25	P	Frank Barraza	0000026939	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019128	01/31/25	P	Frank Fantino	0000005635	988.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019129	01/31/25	P	Frederick T Seguin	0000003981	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019130	01/31/25	P	Gaetano Russo	0000019793	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019131	01/31/25	P	Gary Mc Erlain	0000017407	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019132	01/31/25	P	Gary Wong	0000012009	448.64
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019133	01/31/25	P	Gene Barbee	0000001188	713.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019134	01/31/25	P	Georgia A Ethier	0000002154	870.45
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019135	01/31/25	P	Gerald S Vasquez	0000006833	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019136	01/31/25	P	Gerald W Stucky	0000004172	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019137	01/31/25	P	Gerard J Stukkie	0000004174	988.68
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019138	01/31/25	P	Gina Clark	0000021699	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019139	01/31/25	P	Gregg A Steward	0000004159	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019140	01/31/25	P	Gregory Beutz	0000001261	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019141	01/31/25	P	Gregory J Edwards	0000001384	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019142	01/31/25	P	Gregory Knackert	0000017588	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019143	01/31/25	P	Gregory LaFave	0000014549	526.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019144	01/31/25	P	Gregory P Scott	0000003963	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019145	01/31/25	P	H Michael Griffin	0000006936	322.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019146	01/31/25	P	Harlan Pauley	0000003569	838.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019147	01/31/25	P	Helen Nenadal	0000022319	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019148	01/31/25	P	Helene Rosenbaum	0000003861	276.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019149	01/31/25	P	Herbert C Ohde Jr	0000003399	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019150	01/31/25	P	Holly L Carver	0000001597	750.93
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019151	01/31/25	P	Jack D Schuitt	0000003952	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019152	01/31/25	P	Jack Koch	0000002859	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019153	01/31/25	P	Jack L Archer	0000001062	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019154	01/31/25	P	James C Wysong	0000004594	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019155	01/31/25	P	James D Watson	0000004476	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019156	01/31/25	P	James E Higgins Jr	0000007687	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019157	01/31/25	P	James M Ellis	0000002107	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019158	01/31/25	P	James M Gottenbos	0000002385	425.04
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019159	01/31/25	P	James Morrison	0000010566	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019160	01/31/25	P	James N Dibble	0000005626	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019161	01/31/25	P	James Parnell	0000003558	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019162	01/31/25	P	James R Wilke Jr	0000004555	501.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019163	01/31/25	P	James T Warnack	0000004465	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019164	01/31/25	P	Jana L Cacho	0000010556	536.16
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019165	01/31/25	P	Jane Duenweg	0000021556	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019166	01/31/25	P	Jeanette Chervony	0000018986	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019167	01/31/25	P	Jeanette Zangger	0000006655	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019168	01/31/25	P	Jeff B Janzen	0000002735	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019169	01/31/25	P	Jeffery E Skee	0000005410	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019170	01/31/25	P	Jeffrey Horn	0000009003	676.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019171	01/31/25	P	Jeffrey J McCann	0000003101	976.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019172	01/31/25	P	Jeffrey T Peters	0000003608	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019173	01/31/25	P	Jerauld D Holloway	0000002556	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019174	01/31/25	P	John Bull	0000003233	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019175	01/31/25	P	John F Downey	0000009004	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019176	01/31/25	P	John K Susman	0000006349	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019177	01/31/25	P	John L Skinner	0000004038	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019178	01/31/25	P	John S Michalec	0000019250	988.68
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019179	01/31/25	P	Jon B Whitcomb	0000005651	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019180	01/31/25	P	Jon Doezie	0000009385	826.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019181	01/31/25	P	Jose Tovar	0000004283	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019182	01/31/25	P	Juan Santos	0000013436	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019183	01/31/25	P	Judith G Covey	0000009690	688.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019184	01/31/25	P	Judy Vickers	0000007219	500.37
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019185	01/31/25	P	Karen L Adams	0000000899	426.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019186	01/31/25	P	Karen S Goettsch	0000013935	976.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019187	01/31/25	P	Kathleen Ulrich	0000025407	576.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019188	01/31/25	P	Kayoko Hayman	0000005785	669.11
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019189	01/31/25	P	Keith Davis	0000008187	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019190	01/31/25	P	Kelly Vucinic	0000010967	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019191	01/31/25	P	Kevin Condon	0000007561	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019192	01/31/25	P	Kevin Diamond	0000001989	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019193	01/31/25	P	Kevin T Meng	0000003133	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019194	01/31/25	P	Kurt Lystne	0000008712	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019195	01/31/25	P	Lance Nakamoto	0000003280	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019196	01/31/25	P	Larry Bell	0000007802	375.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019197	01/31/25	P	Larry Dreiman	0000018972	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019198	01/31/25	P	Laura Ginther	0000023134	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019199	01/31/25	P	Lawrence N Hennen	0000002506	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019200	01/31/25	P	Lawrence P Torres	0000004278	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019201	01/31/25	P	Leonard Goodsir	0000002378	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019202	01/31/25	P	Lily Martinez	0000003071	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019203	01/31/25	P	Linda A Matthews	0000003089	463.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019204	01/31/25	P	Linda F Divino	0000009007	421.56
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019205	01/31/25	P	Loren P Wyrick	0000004593	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019206	01/31/25	P	Madeline A Miller	0000003179	826.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019207	01/31/25	P	Maher Nawar	0000004714	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019208	01/31/25	P	Mamo D Arruda	0000001081	426.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019209	01/31/25	P	Marc Yuhasz	0000004609	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019210	01/31/25	P	Marguerite De La Torre	0000004997	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019211	01/31/25	P	Marie Thompson	0000000038	322.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019212	01/31/25	P	Marilyn Golden	0000017028	526.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019213	01/31/25	P	Marilyn Guimond	0000015161	498.91
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019214	01/31/25	P	Marilyn K Sutton	0000004201	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019215	01/31/25	P	Martin P Carver	0000001598	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019216	01/31/25	P	Marty Huguenin	0000002591	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019217	01/31/25	P	Mary R Delaney	0000015807	526.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019218	01/31/25	P	Matthew J Collett	0000001720	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019219	01/31/25	P	Mel Lee	0000010320	826.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019220	01/31/25	P	Meloni Smith McMinimy	0000006847	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019221	01/31/25	P	Michael A Cacho	0000001471	536.16
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019222	01/31/25	P	Michael A Cohen	0000006586	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019223	01/31/25	P	Michael A Guevara	0000005099	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019224	01/31/25	P	Michael D Manson	0000005311	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019225	01/31/25	P	Michael R Balsis	0000009424	526.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019226	01/31/25	P	Michael S Fantozzi	0000004715	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019227	01/31/25	P	Michael S Hastert	0000006107	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019228	01/31/25	P	Michael T Dyer	0000002067	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019229	01/31/25	P	Mitchell B Johnson	0000002770	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019230	01/31/25	P	Monique Beckner	0000008066	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019231	01/31/25	P	Morris House	0000002578	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019232	01/31/25	P	Muriel Ullman	0000001244	475.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019233	01/31/25	P	Nancy M Croft	0000016184	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019234	01/31/25	P	Norman K Schurb	0000003957	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019235	01/31/25	P	Olivia Ramirez	0000003750	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019236	01/31/25	P	Patricia J Steele	0000014443	625.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019237	01/31/25	P	Patrick Wessel	0000009042	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019238	01/31/25	P	Patty R Brown	0000001423	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019239	01/31/25	P	Paul Beckman	0000005998	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019240	01/31/25	P	Paul Dondero	0000002023	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019241	01/31/25	P	Paul Moody	0000008766	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019242	01/31/25	P	Paul V Stam	0000010841	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019243	01/31/25	P	Perry L Valentine	0000004384	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019244	01/31/25	P	Peter Czenze	0000013313	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019245	01/31/25	P	Peter Naghavi	0000007860	876.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019246	01/31/25	P	Phil Dickens	0000005801	805.85
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019247	01/31/25	P	Philip Hartman	0000002474	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019248	01/31/25	P	Philip T Worsman	0000004585	913.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019249	01/31/25	P	Phillip R Schmuck	0000003947	530.13
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019250	01/31/25	P	Phyllis Schiel	0000023427	631.58
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: DDP1
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<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019251	01/31/25	P	Randall Buck	0000005730	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019252	01/31/25	P	Randall J Croll	0000013426	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019253	01/31/25	P	Raul Perez	0000012128	675.89
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019254	01/31/25	P	Raymond T Pawloski	0000003572	720.08
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019255	01/31/25	P	Rene Carrera	0000029400	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019256	01/31/25	P	Renee K Farden	0000016962	726.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019257	01/31/25	P	Richard Allum	0000000987	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019258	01/31/25	P	Richard Boucher	0000014716	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019259	01/31/25	P	Richard J Johnson	0000005620	988.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
 Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019260	01/31/25	P	Richard Simons	0000022287	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019261	01/31/25	P	Robert Bork	0000001350	976.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019262	01/31/25	P	Robert Hanson	0000014289	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019263	01/31/25	P	Robert J Durham	0000006151	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019264	01/31/25	P	Robert J Pesce	0000003604	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019265	01/31/25	P	Robert Pignone	0000003634	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019266	01/31/25	P	Robert Sharpnack	0000004004	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019267	01/31/25	P	Robert Van Sickle	0000004394	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019268	01/31/25	P	Robert W Reynolds	0000003801	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019269	01/31/25	P	Robert W Stinman	0000018058	988.68
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019270	01/31/25	P	Robindale Shepherd	0000009851	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019271	01/31/25	P	Ronald Cloe	0000001693	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019272	01/31/25	P	Ronald J Chamberlin	0000014890	526.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019273	01/31/25	P	Ronald P Stone	0000004167	775.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019274	01/31/25	P	Ronald Penley	0000024437	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019275	01/31/25	P	Rosemary Dodson	0000012364	676.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019276	01/31/25	P	Rosemary Vidales	0000004418	375.12
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019277	01/31/25	P	Ross E McKelvey	0000009897	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019278	01/31/25	P	Russell C Parker	0000007435	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1

Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019279	01/31/25	P	Russell J Yankie	0000015036	750.93
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019280	01/31/25	P	Sandi Lishka	0000015808	775.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019281	01/31/25	P	Sandra B Benson	0000006459	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019282	01/31/25	P	Scott A May	0000003092	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019283	01/31/25	P	Shawn Brosamer	0000001416	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019284	01/31/25	P	Shawn Leffingwell	0000006331	976.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019285	01/31/25	P	Stephanie Moore	0000008356	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019286	01/31/25	P	Stephen G Calles	0000009071	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019287	01/31/25	P	Stephen R Tiedeman	0000004258	921.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019288	01/31/25	P	Stephen Ridgway	0000003815	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1
 Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019289	01/31/25	P	Steven Feather	0000002187	720.08
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019290	01/31/25	P	Steven Labbitt	0000002887	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019291	01/31/25	P	Stewart C Godshall	0000002355	826.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019292	01/31/25	P	Sue Hupp	0000001879	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019293	01/31/25	P	Susan Baldwin	0000010199	376.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019294	01/31/25	P	Susan L Larimore	0000002911	526.05
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019295	01/31/25	P	Thanh P Bui	0000005710	852.75
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019296	01/31/25	P	Thomas C Wood	0000004757	625.95
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019297	01/31/25	P	Thomas J Lazar	0000002925	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

Bank: DDP1

Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019298	01/31/25	P	Thomas R Caldwell	0000012035	988.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019299	01/31/25	P	Timothy Schennum	0000003943	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019300	01/31/25	P	Timothy Starn	0000005549	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019301	01/31/25	P	Timothy Sweet	0000015387	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019302	01/31/25	P	Tom A Curtis	0000001898	555.24
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019303	01/31/25	P	Tom G Winter	0000005460	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019304	01/31/25	P	Trudy E Nuzum	0000003379	613.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019305	01/31/25	P	Vernon D Hupp	0000002604	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019306	01/31/25	P	Victor Hernandez	0000015946	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019307	01/31/25	P	Walter M Dill	0000007117	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: DDP1

Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019308	01/31/25	P	Walter S Silver Jr	0000004026	870.45
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019309	01/31/25	P	Wanda Ayers	0000011741	375.45
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019310	01/31/25	P	Wayne Martin	0000005885	803.23
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019311	01/31/25	P	Wayne Riedmann	0000006022	838.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019312	01/31/25	P	Wendell L Maberry	0000003031	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019313	01/31/25	P	Willa Bouwens Killeen	0000014940	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019314	01/31/25	P	William A Folsom	0000021819	853.50
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019315	01/31/25	P	William B Ellwood	0000006789	651.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019316	01/31/25	P	William F McLean	0000013455	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: DDP1

Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019317	01/31/25	P	William H Bechtel	0000001224	951.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019318	01/31/25	P	William J Morris	0000003236	543.22
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019319	01/31/25	P	William L Adams	0000009869	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019320	01/31/25	P	William M Moss	0000003241	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019321	01/31/25	P	William P Redmond	0000003775	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019322	01/31/25	P	William Verderber	0000005625	808.57
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
019323	01/31/25	P	Zachary Hoferitza	0000002548	1,026.00
			<i>Line Description:</i> Qtrly Retiree Medical Payment		
TOTAL					\$233,606.05

Bank: DDP1

Cycle: AEOM

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019324	01/31/25	P	Alan F Kent	0000006393	2,174.79
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019325	01/31/25	P	Beckee Cost	0000016309	946.08
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019326	01/31/25	P	Chris Morris	0000007439	2,500.00
			<i>Line Description:</i> Monthly LTD Payment-Feb 25		
019327	01/31/25	P	Danny Hogue	0000006802	1,137.03
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019328	01/31/25	P	Darlene Bell	0000005602	580.54
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019329	01/31/25	P	David A Dye	0000002065	260.90
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019330	01/31/25	P	Edward Dryzmala	0000006686	1,377.28
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019331	01/31/25	P	Gale Tusso	0000017460	233.08
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019332	01/31/25	P	Harlan Pauley	0000003569	232.12
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019333	01/31/25	P	James M Miller	0000007440	2,500.00
			<i>Line Description:</i> Monthly LTD Payment Feb 25		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: DDP1
 Cycle: AEOM

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019334	01/31/25	P	Kathleen Zuorski	0000025225	504.52
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019335	01/31/25	P	Linda Boylan	0000023340	57.98
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019336	01/31/25	P	Matthew J Collett	0000001720	856.58
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019337	01/31/25	P	Paul A Cappuccilli	0000007705	1,214.50
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019338	01/31/25	P	Phil Dickens	0000005801	511.76
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019339	01/31/25	P	Richard J Johnson	0000005620	1,255.66
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019340	01/31/25	P	Thomas J Lazar	0000002925	1,703.25
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
019341	01/31/25	P	William H Bechtel	0000001224	1,622.58
			<i>Line Description:</i> 1% Supplemental Pay Feb 25		
TOTAL					\$19,668.65

City of Costa Mesa Accounts Payable
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Bank: DDP1

Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
019342	01/31/25	P	Adam Gardner	0000026309	674.00
			<i>Line Description:</i> CA Robbery Investigator Conf Hostage Negotiations		
019343	01/31/25	P	Amanda Kim	0000030668	461.54
			<i>Line Description:</i> Payroll 25-03		
019344	01/31/25	P	Austin Brown	0000029557	634.00
			<i>Line Description:</i> CA Robbery Investigators Conf		
019345	01/31/25	P	Bang Le	0000009383	634.00
			<i>Line Description:</i> CA Robbery Investigators Conf		
019346	01/31/25	P	CHC: Creating Healthier Communities	0000008015	10.00
			<i>Line Description:</i> Payroll 25-03		
019347	01/31/25	P	Christopher Jones	0000026593	234.00
			<i>Line Description:</i> CA Robbery Investigators Conf		
019348	01/31/25	P	Costa Mesa Employees Association	0000006284	4,428.71
			<i>Line Description:</i> Payroll 25-03		
019349	01/31/25	P	Costa Mesa Executive Club	0000006286	370.00
			<i>Line Description:</i> Payroll 25-03		
019350	01/31/25	P	Costa Mesa Firefighters Association	0000001812	8,887.50
			<i>Line Description:</i> Payroll 25-03		
019351	01/31/25	P	Costa Mesa Police Association	0000001819	6,480.00

Bank: DDP1
 Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> Payroll 25-03		
019352	01/31/25	P	Costa Mesa Police Management Assn	0000005082	315.00
			<i>Line Description:</i> Payroll 25-03		
019353	01/31/25	P	Delcie Hynes	0000030712	141.51
			<i>Line Description:</i> Conf/Mtng Exp Reimb7/11-8/29		
019354	01/31/25	P	Granicus LLC	0000015382	11,969.54
			<i>Line Description:</i> Annual Subscription jan-Mar 25		
019355	01/31/25	P	Hannah Rohr	0000031109	193.43
			<i>Line Description:</i> Record Clerk		
019356	01/31/25	P	Isaiah Ashby	0000027738	24.00
			<i>Line Description:</i> Field Training Officer Update		
019357	01/31/25	P	Jaime Santibanez	0000015126	40.00
			<i>Line Description:</i> Hostage Negotiations		
019358	01/31/25	P	Jake Jacobi	0000023514	634.00
			<i>Line Description:</i> CA Robbery Investigators Conf		
019359	01/31/25	P	James A Brown	0000024426	634.00
			<i>Line Description:</i> CA Robbery Investigators Conf		
019360	01/31/25	P	James Haney	0000029091	634.00
			<i>Line Description:</i> CA Robbery Investigators Conf		

Bank: DDP1
Cycle: ADDEP1Run Date Jan 30,2025
Run Time 10:45:23 AM

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019361	01/31/25	P	Michael Dziurgot	0000031108	498.62
			<i>Line Description:</i> LCW 2025 Conf		
019362	01/31/25	P	Mikaila Pacis	0000031110	90.53
			<i>Line Description:</i> MS Access for Crime Analysts		
019363	01/31/25	P	Monica Elisarraraz	0000029328	16.00
			<i>Line Description:</i> Adv Roadside Impaired Driving		
019364	01/31/25	P	Monica Trujillo	0000029969	71.82
			<i>Line Description:</i> CA Assoc 4 Prop & Evidence Trn		
019365	01/31/25	P	Monte Peters	0000022201	215.00
			<i>Line Description:</i> Sherman Block SLI#1		
019366	01/31/25	P	Reed South	0000029891	40.00
			<i>Line Description:</i> Field Training Officer		
019367	01/31/25	P	Ronald Stocking	0000027737	634.00
			<i>Line Description:</i> CA Robbery Investigators Conf		
019368	01/31/25	P	Sally Pizano	0000031111	155.24
			<i>Line Description:</i> Records Clerk		
019369	01/31/25	P	Tiana Asmine	0000031107	250.00
			<i>Line Description:</i> CM Achievement Award Jan 2025		
019370	01/31/25	P	Yuliana Murillo Ceballos	0000031112	90.53
			<i>Line Description:</i> NS Access for Crime Analysts		

End of Report

Report ID: CCM2001

City of Costa Mesa Accounts Payable
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Page No. 4

Bank: DDP1

Run Date Jan 30,2025

Cycle: ADDEP1

Run Time 10:45:23 AM

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
					TOTAL
					\$39,460.97

Bank: DDP1
 Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
019047	01/24/25	P	Dell Marketing LP	0000001963	3,545.07
			<i>Line Description:</i> Monitor, pro wireless keyboard		
019048	01/24/25	P	Enterprise Rent A Car	0000002131	6,426.79
			<i>Line Description:</i> Undercover Car Rental		
			Undercover Car Rental		
			Undercover Car Rental		
			Undercover Car Rental		
			Undercover Car Rental		
019049	01/24/25	P	Hadassa Jakher	0000027353	1,250.00
			<i>Line Description:</i> Juris Doctor		
019050	01/24/25	P	Sergio Escobar	0000030192	1,250.00
			<i>Line Description:</i> College Tuition Reimb 2024-25		
TOTAL					\$12,471.86

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12,471.86 +

425,200.97 +

6,147.53 -

431,525.3 *

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: CITY
 Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0251801	01/24/25	P	FALCK MOBILE HEALTH CORP.	0000019807	199,996.08
			<i>Line Description:</i> Ambulance Svs 12/1-12/15/24 Ambulance Svs 12/16-12/31/24 Surge Unit Dec 24		
0251802	01/24/25	P	4Leaf Inc	0000029711	3,466.39
			<i>Line Description:</i> Consult-Plan Review Nov 24		
0251803	01/24/25	P	AGA Engineers Inc	0000028838	11,325.00
			<i>Line Description:</i> On Call Svs 24-25 On Call Svs 24-25		
0251804	01/24/25	P	AJ Portables Inc	0000029728	750.00
			<i>Line Description:</i> Portable Restroom Rental Portable Restroom Rental		
0251805	01/24/25	P	AT & T	0000001107	166.15
			<i>Line Description:</i> 911 Cama Trucks		
0251806	01/24/25	P	AT & T	0000001107	5,397.53
			<i>Line Description:</i> DID Trunk Line PD Emergency Line PD Emergency Line TeWinkle Park DID Trunk Line Outgoing Trunk Line Outgoing Trunk Line Estancia Park Estancia Park Wakeham Park Wakeham Park Smallwood Park Smallwood Park		

Bank: CITY

Cycle: ANKLY

Check #	Date	Status	Remit To	Remit ID	Payment Amt
			<i>Line Description:</i> TeWinkle Park		
			Cool Line for PD		
			Cost Line for PD		
			DRC Alarm		
			DRC Alarm		
			IT Computer Room		
			IT Computer Room		
			800 Mhz Radio Link		
			800 Mhz Radio Link		
			Local Usage		
			Local Usage		
			Balearic Center Fax		
			Balearic Center Fax		
			Sr Ctr Fire Alarm		
			Sr Ctr Fire Alarm		
			Senior Center Elevator		
			Senior Center Elevator		
			Lions Park		
			Lions Park		
			Fire Sta#1 Fire Alarm System		
			Fire Sta#1 Fire Alarm System		
			2310 Placentia Irrigation		
			2310 Placentia Irrigation		
0251807	01/24/25	P	AT & T	0000001107	117.70
			<i>Line Description:</i> Internet-Fleet Svs		
0251808	01/24/25	P	AT & T Mobility	0000001107	96.44
			<i>Line Description:</i> Comm Cell Phones11/12-12/11/24		
0251809	01/24/25	P	Alans Lawnmower & Garden Center Inc	0000019220	2,045.14
			<i>Line Description:</i> Chainsaw,Concrete Saw		
0251810	01/24/25	P	American Alarm Systems Inc	0000008900	127.50
			<i>Line Description:</i> 2/1-4/30/25 Fire Monitoring		

Bank: CITY

Cycle: WEEKLY

Check No	Check Date	Status	Payee Name	Permit ID	Payment Amt
0251811	01/24/25	P	Angel Auto Spa LLC <i>Line Description:</i> City Car Wash-Dec 2024 PD Car Wash-Dec 2024	0000027465	4,413.37
0251812	01/24/25	P	BCS Consultants <i>Line Description:</i> BCC Camera Installation	0000029856	8,986.48
0251813	01/24/25	P	Blue Cosmo <i>Line Description:</i> Satellite Phone Svs Jan 25	0000026920	684.92
0251814	01/24/25	P	Bound Tree Medical LLC <i>Line Description:</i> EMS Supplies EMS Supplies EMS Supplies EMS Supplies EMS Supplies EMS Supplies	0000011695	12,428.95
0251815	01/24/25	P	BrightView Landscape Services Inc <i>Line Description:</i> Irrigation Repairs Dec 24	0000026055	6,835.00
0251816	01/24/25	P	Bureau Veritas North America Inc <i>Line Description:</i> Consult-Plan Check Svs	0000016616	1,167.73
0251817	01/24/25	P	CBE <i>Line Description:</i> COPIER MAINT 12/5/24-1/4/25 COPIER MAINT 11/5-12/4/24 COPIER MAINT 12/5/24-1/4/25	0000015149	615.54
0251818	01/24/25	P	CSG Consultants Inc	0000001887	2,192.38

Bank: CITY
Cycle: ANNUALY

Payment Ref	Date	Status	Pay To	Bank ID	Amount
			<i>Line Description:</i> Plan Check Svs Nov 24		
0251819	01/24/25	P	California Fire & Life Stationery Inc	0000001500	5,134.00
			<i>Line Description:</i> Blood Draw Svc Dec 24		
0251820	01/24/25	P	City of Huntington Beach	0000002599	1,579.50
			<i>Line Description:</i> Helicopter Svc Nov 24		
0251821	01/24/25	P	Citygate Associates	0000012070	791.47
			<i>Line Description:</i> Conduct Standards of Coverage		
0251822	01/24/25	P	Community Controls	0000020782	605.39
			<i>Line Description:</i> Rapir Broken Chain Link		
0251823	01/24/25	P	CoreLogic Information Solutions Inc	0000004774	42.51
			<i>Line Description:</i> Property Detail Rpt-Dec 2024 Property Related Data & Report		
0251824	01/24/25	P	Daniels Tire Service	0000001922	1,863.36
			<i>Line Description:</i> Pick up & Disposal Svc Warehouse Stock		
0251825	01/24/25	P	Digital Magic Signs	0000012837	981.84
			<i>Line Description:</i> Graphics-Unit #777		
0251826	01/24/25	P	Dispensing Technology Corporation	0000002008	1,246.29
			<i>Line Description:</i> Cold Patch Asphalt-Pothole Rep		
0251827	01/24/25	P	Division of the State Architect	0000021296	916.40

Bank: CITY
Cycle: ANNUAL

Check Ref	Date	Status	Remit To	Remit ID	Payment Amt
			<i>Line Description:</i> Disability Access Ed Fee		
0251829	01/24/25	P	Therapy Plus Physical Therapy LLC	0000017441	86.25
			<i>Line Description:</i> On Call Support Svc-Dec 2024		
0251828	01/24/25	P	Endemic Environmental Services Inc	0000021277	10,849.13
			<i>Line Description:</i> FVP Wetland Maint 12/18-12/31		
0251830	01/24/25	P	Entrust Janitorial LLC	0000030309	1,025.00
			<i>Line Description:</i> Janitorial Svcs @ 3190 Airport		
0251831	01/24/25	P	Expo Propane Inc	0000017819	2,220.51
			<i>Line Description:</i> Propane CY Tank #5		
0251832	01/24/25	P	Fed Ex	0000002190	14.11
			<i>Line Description:</i> Shipping Fees		
0251833	01/24/25	P	Fehr & Peers	0000027516	5,130.00
			<i>Line Description:</i> CM VMT/TIA Guideline Update		
0251834	01/24/25	P	Fire Information Support Services Inc	0000006757	1,400.00
			<i>Line Description:</i> Reset SMS/NFIRS June-Oct 24		
0251835	01/24/25	P	Forensic Nurse Specialists Inc	0000014039	600.00
			<i>Line Description:</i> Victim Physical		
0251836	01/24/25	P	Galls LLC	0000002297	860.40
			<i>Line Description:</i> Uniform-Code Enf Uniform-Comm OFC T Milo		

Bank: CITY
Cycle: AWKLY

Check #	Date	Payee	Remit To	Remit ID	Amount
			<i>Line Description:</i> Uniform Detective R Hernandez Uniform Comm OFC G Williams		
0251837	01/24/25	P	Hanks Electrical Supply Co	0000022445	47.40
			<i>Line Description:</i> Electrical Supplies		
0251838	01/24/25	P	Hoag Executive Health	0000030617	3,155.00
			<i>Line Description:</i> Wellness Exam/Svc Dec 24		
0251839	01/24/25	P	Hoag Memorial Hospital Presbyterian	0000002546	40.38
			<i>Line Description:</i> Pharmaceuticals		
0251840	01/24/25	P	Hoag Memorial Hospital Presbyterian	0000002546	50.23
			<i>Line Description:</i> Pharmaceuticals		
0251841	01/24/25	P	IDS Group Inc	0000022643	876.00
			<i>Line Description:</i> IT Office/Trng Room Design		
0251842	01/24/25	P	Idemia Identity & Security USA LLC	0000026790	2,210.00
			<i>Line Description:</i> LIVESCAN MAINTENANCE ANNUAL 9/5 MAINTENANCE		
0251843	01/24/25	P	Irv Seaver Motorcycles	0000010272	620.87
			<i>Line Description:</i> 625-Drive Shaft Replacement		
0251844	01/24/25	P	J&N Tactical	0000030733	2,400.00
			<i>Line Description:</i> Battering Rams		
0251845	01/24/25	P	JFK Transportation Co., Inc.	0000030141	2,400.00

Bank: CITY
Cycle: WEEKLY

Check #	Check Date	Status	Pay To	Check ID	Amount
			<i>Line Description:</i> Bus Transport-Day Camp 12/27/2 Bus Transport-Day Camp 1/2/25 Bus Transport-Day Camp 1/3/25 Bus Transport-Day Camp 12/23/2		
0251846	01/24/25	P	LN Curtis & Sons	0000002983	2,557.13
			<i>Line Description:</i> SHIPPING FLASHLIGHT Fightfighting Equipment (FFE) SALES TAX (7.75%)		
0251847	01/24/25	P	Langlois Fancy Frozen Foods	0000030651	479.90
			<i>Line Description:</i> Jail Food Services Dec 2024 Jail Food Services Dec 2024		
0251848	01/24/25	P	Los Angeles Times	0000003000	2,653.16
			<i>Line Description:</i> Classified Listings Classified Listings		
0251849	01/24/25	P	Melad & Associates	0000005068	559.08
			<i>Line Description:</i> Fire & Life Safety		
0251850	01/24/25	P	Merrimac Energy Group	0000021566	1,550.00
			<i>Line Description:</i> FS#3 Tank Rental January 25		
0251851	01/24/25	P	Mesa Smog	0000020735	100.00
			<i>Line Description:</i> 220-Smog 707-Smog		
0251852	01/24/25	P	Neogov	0000018828	3,784.20
			<i>Line Description:</i> Annual Subscription 10/12/24-1		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: CITY
Cycle: ANNUAL

Check No.	Check Date	Status	Payee	Payee ID	Amount
0251703	01/24/25	P	Nex Tech Systems Inc	0000020700	11,012.95
<i>Line Description:</i> Two Solar Rechargeable LED					
0251804	01/24/25	P	Nico Hospitality LLC	0000028926	151.19
<i>Line Description:</i> Maylin Wright 12/28-12/29/24					
0251855	01/24/25	P	Norwood Management LLC	0000029243	13,659.00
<i>Line Description:</i> Lease Agreement January 2025					
0251856	01/24/25	P	OakWest Services Inc	0000029497	9,557.11
<i>Line Description:</i> WALL REPAIR					
0251857	01/24/25	P	Priority Landscape Services LLC	0000026592	5,952.00
<i>Line Description:</i> Citywide Young Tree Care Plnti Fairview Park Maint Dec 24					
0251858	01/24/25	P	Prudential Overall Supply	0000025480	396.40
<i>Line Description:</i> Towel Svc-Dec 24 PD					
0251859	01/24/25	P	Quadient Inc	0000028798	833.66
<i>Line Description:</i> Credit Line					
0251860	01/24/25	P	SVT Fleet Solutions	0000030535	430.36
<i>Line Description:</i> 553-Clean Truck/Emissions Test					
0251861	01/24/25	P	Scott Fazekas & Associates Inc	0000003961	1,949.56
<i>Line Description:</i> Consulting Plan Check Services					

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: CITY
Cycle: ANNUAL

Check #	Date	Status	Pay To	Pay ID	Payment Amt
0251862	01/24/25	P	Shaw HR Consulting Inc	0000021706	1,142.50
			<i>Line Description:</i> Reasonable Accomodation Reasonable Accomodation Reasonable Accomodation		
0251863	01/24/25	P	Southern California Edison Company	0000004088	14,393.53
			<i>Line Description:</i> 1071 Bristol 12/17/24-1/15/25 1071 Bristol 12/18/23-2/16/24 735 Baker 12/19/24-1/20/25 1040 Paularino 12/16/24-1/14/25 FS#1 12/19/24-1/20/25 Loan 8690 St Lights Dec 24 St Lights Dec 24 2944 Bristol 12/13/24-1/13/25		
0251864	01/24/25	P	Southern California Gas Company	0000004092	1,389.17
			<i>Line Description:</i> 3175 Airway 12/11/24-1/10/25		
0251865	01/24/25	P	Sparkletts	0000015725	40.99
			<i>Line Description:</i> Water Delivery Svcs - IT		
0251866	01/24/25	P	The Code Group Inc	0000025073	12,105.58
			<i>Line Description:</i> Consulting Staffing Services Consulting Plan Check Svcs Consulting Services Consulting Services		
0251867	01/24/25	P	US Bank	0000002228	5,697.08
			<i>Line Description:</i> Payroll 25-01		
0251868	01/24/25	P	Uline	0000010970	1,038.43
			<i>Line Description:</i> Supplies for CSI		

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: CITY
Cycle: MONTHLY

Check Ref	Date	Status	Pay To	Check ID	Amount
0251868	01/24/25	P	UniFirst Holdings Inc	0000033016	210.43
			<i>Line Description:</i> CMBS Walkoff Mats 1/20/25 CLEANING SERVICE CMBS Walkoff Mats- 1/13		
0251870	01/24/25	P	Verizon Wireless	0000008717	3,409.10
			<i>Line Description:</i> Subnet Broadband 11/18-12/17 PD/FD Broadband Subnet Credit Broadband PD Cell Phones 11/16-12/15 Subnet/MCT 8/18-9/17/24 Subnet Broadband 9/18-10/17		
0251871	01/24/25	P	WLC Architects Inc	0000023955	10,775.00
			<i>Line Description:</i> FS#2 Reconstruction Architectu		
0251872	01/24/25	P	Waxie Sanitary Supply	0000004480	5,966.58
			<i>Line Description:</i> Sanitary Supply		
0251873	01/24/25	P	Wetlands and Wildlife Care Center	0000030237	4,625.00
			<i>Line Description:</i> Wildlife Care Oct-Dec 2024		
0251874	01/24/25	P	Wex Bank	0000014258	1,193.49
			<i>Line Description:</i> Fuel 12/7/24-1/6/25		
0251875	01/24/25	P	World Oil Environmental Services	0000001088	130.00
			<i>Line Description:</i> Collection Pick Up		
				TOTAL	\$425,200.97

Bank: CITY

Cycle: AWKLY

<u>Payment Ref</u>	<u>Cancel Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Date</u>	<u>Payment Amt</u>
0251453	1/23/2025	V	AJ Portables Inc	0000029728	12/20/24	(750.00)
<i>Line Description: 1/23/25: V&R check still outstanding, sending to new address provided by vendor</i>						
0251584	1/23/2025	V	AT & T	0000001107	12/27/24	(5,397.53)
<i>Line Description: 1/23/25: Void and reissue-check has not been cashed by vendor. still outstanding.</i>						
TOTAL						(\$6,147.53)



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-179

Meeting Date: 2/18/2025

TITLE:

MINUTES

DEPARTMENT: City Manager's Office/City Clerk's Division

RECOMMENDATION:

City Council approve the minutes of the special meeting of January 28, 2025 and the regular meeting of February 4, 2025.



SPECIAL CITY COUNCIL MEETINGS TUESDAY, JANUARY 28, 2025 - MINUTES

CALL TO ORDER – The Special Closed Session meeting was called to order by Mayor Stephens at 4:01 p.m.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, Mayor Pro Tem, and Mayor Stephens.

Absent: None.

PUBLIC COMMENTS

SPECIAL CLOSED SESSION ITEMS:

1. THREAT TO SECURITY

Pursuant to California Government Code Section 54957(a)

Consultation with: Costa Mesa Director of Emergency Services/City Manager, Police Chief.

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATION OF LITIGATION - ONE CASE

Pursuant to California Government Code Section 54956.9 (d)(2), Potential Litigation.

City Council recessed at 4:03 p.m. for Closed Session.

Closed Session recessed to open session at 5:00 p.m.

Closed Session resumed at 9:28 p.m. after open session.

Closed Session adjourned at 10:45 p.m.

CALL TO ORDER - The Special City Council meeting was called to order by Mayor Stephens at 5:09 p.m.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, Mayor Pro Tem, and Mayor Stephens.

Absent: None.

SPECIAL ITEMS:

1. TEMPORARY SUSPENSION OF SHORT-TERM RENTAL PROHIBITION

Presentation by Ms. Hall Barlow, City Attorney.

Public Comments:

Flo Martin, Costa Mesa, spoke on keeping the moratorium.

Speaker, spoke on keeping the moratorium.

Speaker, spoke on keeping the moratorium.

Speaker, spoke on keeping the moratorium.

Speaker, spoke on what other cities are doing and options available.

Gay Royer, Costa Mesa, spoke on helping each other.

Glen Frank spoke on keeping the moratorium.

Becca Ayala, Better Neighbors LA, spoke on keeping the moratorium, or if suspended to limit it to verified zip codes of those effected by the fires, spoke on limiting the suspension to 90 days, verifying eligibility, and reporting to the City.

Cynthia McDonald, Costa Mesa, spoke on the impacts for Costa Mesa residents' long term, and spoke on keeping the moratorium.

MOVED/SECOND: Mayor Stephens/Mayor Pro Tem Chavez

MOTION: Lift the moratorium for 90 days, only for fire victims, and require the operators to do a zip code verification and report to City staff.

SUBSTITUTE MOTION/SECOND: Council Member Reynolds/Council Member Marr

SUBSTITUTE MOTION: Receive and file the report.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Reynolds, and Mayor Pro Tem Chavez.

Nays: Council Member Pettis and Mayor Stephens.

Absent: None.

Abstain: None.

Motion carried: 5-2

ACTION:

City Council received and filed the report.

2. FAIRVIEW PARK MASTER PLAN UPDATE DISCUSSION - PART ONE

Presentation by Mr. Gruner, Parks and Community Services Director and the following consultants:

Jenni Zell, Project Manager, Landscape Architect (MIG), Travis Brooks, Restoration Ecologist (Land IQ), Robb Hamilton, Biologist (Hamilton Biological).

The City Council posed questions to the staff and consultants. (01:17:13)

City Council recessed into a break at 7:24 p.m.

City Council reconvened at 7:38 p.m.

Public Comments:

Flo Martin, Costa Mesa, spoke on including language in the Master Plan that excludes motorized e-bikes from the park.

Josh Guesman, President of the Orange County Model Engineers, requested to keep trains in the park and is willing to participate in restoration.

Gay Royer, Costa Mesa, spoke on utilizing the knowledge of people who have been in the City for 50 years and their experiences.

Debby Koken spoke on reviewing the U.S. Fish and Wildlife requirements for protecting the park.

Speaker, spoke in support of keeping Harbor Soaring Society in the park.

Terry Koken spoke on stewarding Fairview Park.

Speaker, spoke in support of keeping Harbor Soaring Society in the park.

Chase Dupris, member of the Orange County Model Engineers, spoke in support of the Master Plan.

Speaker, spoke in support of keeping Harbor Soaring Society in the park.

Hank Castignetti spoke in support of the Orange County Model Engineers and in support of the restoration of Fairview Park.

Speaker, spoke in support of keeping Harbor Soaring Society in the park.

Speaker, spoke in support of the Orange County Model Engineers and on the Fairview Park Master Plan.

Lynn Redman spoke on maintenance at Fairview Park and on his son's restoration efforts.

Kim Hendricks, spoke against Harbor Soaring Society at Fairview Park.

Mike Jimenez spoke in support of keeping Harbor Soaring Society in the park.

Speaker, spoke in support of the Fairview Park Master Plan and protecting the park.

Cristian Garcia Arcos, Co-Chair of the Spanish Committee with the Western Chapter of the International Society of Arboriculture, spoke on community engagement, protecting the environment, pesticides, protecting local wildlife and ecosystems, and encouraged non-toxic substances.

Priscilla Rocco spoke on preserving Fairview Park and in opposition of Harbor Soaring Society flying in Fairview Park.

Speaker, spoke on preserving Fairview Park.

Speaker, spoke in support of keeping Harbor Soaring Society and spoke on preserving Fairview Park.

Jacob Sanchez spoke on the importance of teaching people at the park to protect sensitive areas.

Speaker, spoke in support of the Orange County Model Engineers and supports the Master Plan.

Speaker, spoke on protecting Fairview Park.

Speaker, spoke in support of the Orange County Model Engineers and supports the Master Plan.

Betsy Densmore spoke in support of a Master Plan.

Steve Collier, spoke in support of the Orange County Model Engineers and the Fairview Park Master plan to preserve Fairview Park.

Terry Fuqua, spoke against electric bikes that are destroying the habitat, spoke in support of the Master Plan, and in support of the Orange County Model Engineers.

Zach Jones spoke in support of the Orange County Model Engineers and the Master Plan.

Kohl Crecelius, member Fairview Park Steering Committee, spoke on education and preservation of Fairview Park.

Chris Cuthill, Costa Mesa, spoke in support of the Orange County Model Engineers and the Master Plan, also spoke in support of Harbor Soaring Society, and hopes everyone can come to a happy medium.

Mat Garcia, Harbor Soaring Society President, spoke in support of Harbor Soaring Society at the current location.

Jay Humphrey, Costa Mesa, spoke on preservation and making the right decision, spoke on funding projects, Measure AA requirements, and clarified statements in the agenda report.

Scott Smith, member of Harbor Soaring Society, spoke in support of Harbor Soaring Society at the current location.

Speaker, spoke in support of the Orange County Model Engineers, spoke on preservation of the park and would like to find a way for everybody to enjoy Fairview Park.

Dean Peyton, spoke in support of Harbor Soaring Society.

Greg Stone, spoke in support of Harbor Soaring Society at the current location.

Jeff Peyton, spoke in support of Harbor Soaring Society and everyone working together.

John Rittenhouse, spoke in support of Harbor Soaring Society.

Jim Erickson, Costa Mesa, spoke on all the park users working together to steward the park.

Speaker, spoke on the clubs bringing people to the park, that the groups need to co-exist and all working together to preserve nature.

James Robertson, spoke in support of Harbor Soaring Society and being included in the Fairview Park Master Plan.

Kevin Coch, Costa Mesa, spoke in support of Harbor Soaring Society.

Caleb Hong, Costa Mesa, spoke in support of Harbor Soaring Society.

Speaker, spoke on the species that can only survive in Fairview Park, other options available to Harbor Soaring Society, and that everyone needs to keep an open mind.

Speaker, spoke on the sensitive habitat and that the Harbor Soaring Society does not fly during the wet season.

Angely Vallarta, Costa Mesa, stated the Harbor Soaring Society flying is in conflict with the preservation of Fairview Park.

Cynthia McDonald, Costa Mesa, spoke against Harbor Soaring Society as they impact the preservation of sensitive areas.

Speaker, spoke in support of the Harbor Soaring Society and they are good stewards of the park.

City Council discussed the staff presentation on the status of the Fairview Park Master Plan Update and provided feedback to staff. (04:13:48)

ADJOURNMENT – Mayor Stephens adjourned the open meeting at 9:28 p.m. and City Council recessed to Closed Session.

DRAFT

Minutes adopted on this 18th day of February, 2025.

John Stephens, Mayor

ATTEST:

Brenda Green, City Clerk

DRAFT



REGULAR CITY COUNCIL AND HOUSING AUTHORITY TUESDAY, FEBRUARY 4, 2025 - MINUTES

CALL TO ORDER – The Closed Session meeting was called to order by Mayor Stephens at 4:02 p.m.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Harper, Council Member Marr (Arrived 4:05p.m.), Council Member Reynolds, Mayor Pro Tem, and Mayor Stephens.

Absent: None.

PUBLIC COMMENTS – NONE.

CLOSED SESSION ITEMS:

1. THREAT TO SECURITY

Pursuant to California Government Code Section 54957(a)

Consultation with: Costa Mesa Director of Emergency Services/City Manager, Police Chief.

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATION OF LITIGATION - ONE CASE

Pursuant to California Government Code Section 54956.9 (d)(2), Potential Litigation.

3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to California Government Code Section 54956.8

APN: 424-211-01; Property: 695 W. 19th Street, Costa Mesa, CA 92627

Agency Negotiators: Lori Ann Farrell Harrison, City Manager

Negotiating Parties: Jamboree Housing

Under Negotiation: Price and Terms of Payment

4. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to California Government Code Section 54956.8

APN: 424-051-23; Property: 778 Shalimar Drive, Costa Mesa, CA 92627

Agency Negotiators: Lori Ann Farrell Harrison, City Manager

Negotiating Parties: Dominic Bulone

Under Negotiation: Price and Terms of Payment

Ms. Hall Barlow, City Attorney requested to add to the Closed Session agenda Kreza v. Costa Mesa Fire Department, Workers' Compensation Appeals Board (WCAB) No. ADJ12674446, due to the item requiring action prior to the next regularly scheduled City Council meeting and arose after the posting of the current agenda.

MOVED/SECOND: Mayor Stephens/Mayor Pro Tem Chavez

MOTION: Add WCAB No. ADJ12674446 item as requested by the City Attorney to the Closed Session agenda.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: Council Member Marr.

Abstain: None.

Motion carried: 6-0

5. Kreza v. Costa Mesa Fire Department
Pursuant to California Government Code Section 54956.9 (b)(1),
Workers' Compensation Appeals Board, WCAB No. ADJ12674446.

City Council recessed at 4:04 p.m. for Closed Session.

Closed Session adjourned at 6:00 p.m.

CALL TO ORDER - The Regular City Council and Housing Authority meeting was called to order by Mayor Stephens at 5:55 p.m.

NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE – A video was played of the National Anthem and the mayor led the Pledge of Allegiance.

MOMENT OF SOLEMN EXPRESSION – Led by Calvary Chapel Dave Manne, Pastor Emeritus.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, Mayor Pro Tem, and Mayor Stephens.

Absent: None.

CITY ATTORNEY CLOSED SESSION REPORT – The City Council gave staff direction, no reportable action.

PRESENTATIONS: NONE.

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Russell Toler, Costa Mesa, spoke on the daylighting law and traffic safety measures.

Frank Spitzer, Costa Mesa, spoke on problems regarding TESSA and obtaining permits and spoke on permit parking problems for guests who are receiving citations.

Joe Ferguson, Costa Mesa, expressed security and fire concerns in Canyon Park because homeless individuals are living in the park.

Mark Vukceovich, Costa Mesa, spoke on the daylighting law, spoke on traffic safety measures, spoke on better communication about the law and the one-year warning period.

Jose Toscano, Costa Mesa, spoke on the protestors on Victoria Street and the lack of law enforcement presence.

Speaker, spoke on Victoria Street and traffic concerns, bike lanes, and requested police presence for speeding vehicles.

Speaker, requested the 311 App be made available in Spanish and spoke on prohibiting gas powered leaf blowers.

COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

Council Member Marr requested an update on the daylighting measures and the technical problems with the permit parking program.

Council Member Reynolds spoke on the permit parking program and requested an update in March, spoke in support of a Spanish option for the 311 Application and requested physical signage on how to use the application, spoke on daylighting and requested an update on awareness of the law and a plan for markings on where not to park, spoke on the Lets Go Costa Mesa shuttle program and sharing information, requested an update from Chief Stefano on preventative practices for Canyon, Talbert, and Fairview Parks, and spoke on the Costa Mesa Sanitary District board room posting of the organizational values, and would like to post Costa Mesa's prominently in public spaces.

Council Member Pettis spoke on visiting Fairview Park and the Harbor Soaring Society, thanked staff for their efforts on the Eastside and for safety measures including a four-way stop sign on Westminster and 18th Street, and requested an overview of what is on upcoming agendas.

Council Member Buley spoke on emergency preparedness.

Council Member Gameros spoke on being available to the residents to address their concerns.

Mayor Pro Tem Chavez spoke on visiting Rea Elementary School to promote going to college and reading to students, requested adding left turns at 19th and Pomona near the Towers, requested a hawk signal on Wilson Street between Harbor Boulevard and Placentia Avenue, requested staff to resolve the permit parking program issues brought up during public comment, requested the Costa Mesa 311 Application in Spanish, acknowledged the youth in the community for protesting a day without an immigrant at the schools.

Mayor Stephens spoke on the Districts meeting and emergency preparedness, spoke on Chief Stefano hosting townhalls in the future, spoke on attending Mr. Murphy's memorial service, spoke on attending the Union of Vietnamese Student Association (UVSA) celebration at Garden Grove Park for Lunar New Year, spoke in support of putting the City's values in the Council Chambers and in the lobby, spoke in support of the 311 Application availability in Spanish, spoke on the implementation of daylighting and supports a warning and education period prior to ticketing, spoke on Canyon and Fairview Parks encampment enforcement, spoke on TESSA bottlenecks raised during public comments and requested a report on addressing the issues.

REPORT – CITY MANAGER – Ms. Farrell Harrison stated that staff will follow up on concerns raised during public and Council comments.

REPORT – CITY ATTORNEY – NONE.

CONSENT CALENDAR

MOVED/SECOND: Council Member Reynolds/Council Member Buley

MOTION: Approve the Consent Calendar except for item nos. 6, 7, and 8.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: Mayor Stephens recused himself on item 3 the Warrant Resolution due to campaign contributions received from Ware Disposal.

Motion carried: 7-0

1. PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS

ACTION:

City Council and Housing Authority approved the reading by title only and waived further reading of Ordinances and Resolutions.

2. READING FOLDER

ACTION:

City Council received and filed Claims received by the City Clerk and authorized staff to reject any and all Claims: Janie Dungan, Cindy Macfarland, Christina Morales-Tolentino, Mike Petrovic, Karen Wolf, California Auto Insurance Company of behalf of Shawn Ohearn.

3. ADOPTION OF WARRANT RESOLUTION

Mayor Stephens recused himself on the item due to campaign contributions received from Ware Disposal.

ACTION:

City Council approved Warrant Resolution No. 2727.

4. MINUTES

ACTION:

City Council approved the minutes of the regular meeting of January 21, 2025.

5. DESIGNATION OF VOTING DELEGATE FOR THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) 2025 REGIONAL CONFERENCE AND GENERAL ASSEMBLY

ACTION:

City Council appointed Council Member Arlis Reynolds as the delegate and Council Member Mike Buley as the alternate for the 2025 Annual Southern California Association of Governments (SCAG) Regional Conference and General Assembly.

ITEMS PULLED FROM THE CONSENT CALENDAR

6. ACCEPTANCE OF THE LED LIGHTING INSTALLATION AT CITY PARKS AND ATHLETIC FACILITIES PROJECT (JACK HAMMETT SPORTS COMPLEX, TEWINKLE ATHLETIC COMPLEX, COSTA MESA TENNIS CENTER, AND BARK PARK), CITY PROJECT NO. 23-09

Public Comments: None.

MOVED/SECOND: Mayor Stephens/Council Member Marr

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

1. City Council accepted the work performed by R&M Electrical Contracting, Inc. (RMF Contracting, Inc.) [RMF], 1523 North Harmony Circle, Anaheim, California 92807, for the Light-Emitting Diode (LED) Lighting Installation at City Parks and Athletic Facilities Project (Jack Hammett Sports Complex, TeWinkle Athletic Complex, Costa Mesa Tennis Center, and Bark Park), City Project No. 23-09, and authorized the City Clerk to file the Notice of Completion.

2. Authorized the City Manager to release the retention monies thirty-five (35) days after the Notice of Completion filing date; release the Labor and Material Bond seven (7) months after the filing date; and release the Faithful Performance Bond one (1) year after the filing date.

7. AWARD THE PURCHASE OF BATTING CAGES FOR THE TEWINKLE ATHLETIC COMPLEX

Public Comments: None.

MOVED/SECOND: Council Member Reynolds/Council Member Gameros

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

1. City Council authorized the purchase of materials for two (2) bullpen/batting cages to be installed at the TeWinkle Athletic Complex through Civic Buys Cooperative Agreement #3570 with The KYA Group.
2. Authorized the City Manager to execute the necessary documents for the purchase of bullpen/batting cage materials for \$154,246 from The KYA Group.

8. PROFESSIONAL SERVICES AGREEMENT FOR ON-CALL STAFF SUPPORT FOR GENERAL PLANNING SERVICES

Public Comments: None.

MOVED/SECOND: Mayor Pro Tem Chavez/Council Member Gameros

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

1. City Council approved and authorized the City Manager and City Clerk to execute a three-year Professional Service Agreement (PSA) with two one-year renewals in a form as approved by the City Attorney for on-call staff support for general planning services:
 - City Advisors, LLC
 - Community Catalyst, Inc.
 - Dudek
 - Interwest Consulting Group, Inc
 - Kimley-Horn and Associates, Inc.
 - MIG, Inc.
 - Placeworks, Inc.
 - The Code Group, Inc.

2. Authorized the City Manager, or designee, and City Clerk to execute the PSA and future amendments with the above listed firms including any potential increases in compensation as long as the amendments are within the annual budget.

-----**END OF CONSENT CALENDAR**-----

PUBLIC HEARINGS: NONE.

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

OLD BUSINESS: NONE.

NEW BUSINESS:

1. **AWARD OF THE GREENVILLE-BANNING CHANNEL HYDRODYNAMIC SEPARATOR (HDS) INSTALLATION PROJECT, CITY PROJECT NO. 25-02**

Presentation by Mr. Yang, City Engineer.

Public Comments: None.

MOVED/SECOND: Council Member Gameros/Mayor Pro Tem Chavez

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

1. City Council found a California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines Section 15301 and adopt plans, specifications, and working details for the Greenville-Banning Channel Hydrodynamic Separator (HDS) Installation Project, City Project No. 25-02.
2. Awarded a Public Works Agreement (PWA) for construction to the Zusser Company, Inc., 528 Palisades Drive, Suite 504, Los Angeles, California 90272 in the amount of \$811,750 (base bid and additive bid) and authorize an additional ten percent (10%) contingency, in the amount of \$81,175 for construction, as needed, for any unforeseen costs related to this project.
3. Authorized the City Manager and City Clerk to execute the PWA with the Zusser Company, Inc., and future amendments to the agreements within Council authorized limits.
4. Authorized \$270,280 from the Westside Storm Drain Improvements Project (550022) to supplement the remaining costs of this project.

ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS – NONE.

ADJOURNMENT – Mayor Stephens adjourned the meeting at 7:21 p.m.

Minutes adopted on this 18th day of February, 2025.

John Stephens, Mayor

ATTEST:

Brenda Green, City Clerk

DRAFT



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 25-168

Meeting Date: 2/18/2025

TITLE:

AWARD OF THE COSTA MESA CITY HALL TRAINING ROOM BASEMENT REMODEL PROJECT, CITY PROJECT NO. 24-11, AND FINDING OF CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CATEGORICAL EXEMPTION

**DEPARTMENT: PUBLIC WORKS DEPARTMENT/GENERAL SERVICES
DIVISION**

**PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR
CONTACT INFORMATION: PATRICK BAUER, DEPUTY PUBLIC WORKS DIRECTOR, (714)
754-5029**

RECOMMENDATION:

Staff recommends the City Council:

1. Make a finding of California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA guidelines Section 15301 and adopt plans, specifications, and working details for the Costa Mesa City Hall Training Room Basement Remodel Project, City Project No. 24-11.
2. Reject the bid submitted by Triangle DeCon Services, Inc., 25422 Adriana Street, Mission Viejo, California 92691 as non-responsive.
3. Award a Public Works Agreement (PWA) for construction to American Construction Company, LLC (ACC), 1130 North Kraemer Boulevard, No. 1, Anaheim, California 92806 in the amount of \$490,000 with an additional ten percent (10%) contingency in the amount of \$49,000, as needed for any unforeseen costs related to this project.
4. Authorize the City Manager and City Clerk to execute the PWA and future amendments to the agreement within Council authorized limits.

ENVIRONMENTAL DETERMINATION:

The proposed action is exempt from the California Environmental Quality Act (CEQA). The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment. In addition, the proposed action is exempt under Section 15301 relating to the operation, repair, maintenance, permitting, and/or minor alteration of existing public facilities.

BACKGROUND:

The City is in need of a facility capable of providing the necessary training and education to all City

staff from various departments Citywide. Up until now, such training and education classes have been accommodated in the Council Chambers (if available), individual conference rooms, personal offices, offsite facilities, or online classes, if available. Given the continual necessity for legally required training and other critical and time sensitive training and education for City staff, funding of \$480,000 was approved in the Fiscal Year 2022-23 CIP Budget. In addition, three offices for Information Technology (I.T.) staff will be built adjacent to the proposed training room to accommodate the growth in staffing of the I.T. Department authorized by the 5-Year Information Technology Strategic Plan and prior year's budgets.

The scope of work generally consists of demolition and remodel of the City Hall Basement storage areas to make room for the addition of the City Hall training room and offices. The basement remodel includes new walls; partitions; mechanical heating, venting, and air conditioning (HVAC); electrical; lighting; low voltage and data; fire alarm; finish paint; and flooring improvements as well as an advanced audio visual (AV) system for the classroom training room. All computer network equipment and cabling, office and classroom furniture, finishes, and fixtures & equipment will be procured, and constructed per the project specifications. A copy of the plans, specifications, and working details is available for review in the Office of the City Clerk.

Attachment 1 shows renderings for the proposed layout of the new I.T. offices and training room in the basement of City Hall.

ANALYSIS:

The City Clerk received and opened fourteen (14) bids for this project on December 5, 2024. One of the bids, submitted by FM Workspace Solutions, LLC, was invalidated for not attending the mandatory pre-bid meeting and not submitting and acknowledging the final bid addendum.

After the bid opening, Triangle DeCon Services (Triangle) was the initial apparent lowest bidder with a bid proposal of \$470,000. The average of the bids received, excluding the invalidated bid submitted by FM Workspace Solutions, amounted to \$640,557.15. The bid abstract for this project is included as Attachment 2.

American Construction Company (ACC), the next lowest bidder, submitted a protest letter challenging the apparent low bid submitted by Triangle (Attachment 3).

Staff completed a comprehensive review of the submitted bids and ACC's bid protest letter and determined that Triangle's bid proposal failed to meet the "Qualification of Bidders" requirement outlined in Paragraph 2 of SECTION B, INFORMATION FOR BIDDERS in the project specifications and Notice Inviting Bids. Specifically, Triangle did not include a completed list of construction projects and references demonstrating:

- 1) Five (5) years of continuous experience as a prime contractor on projects of comparable quality, size, complexity, and type; and
- 2) Completion of three (3) projects as a prime contractor that meet these criteria.

Staff subsequently requested that Triangle provide an updated list of qualifying projects and additional information that would substantiate their qualifications. In response to the City's request,

Triangle was unable to furnish any additional qualifying pre-requisite experience to support its bid proposal or meet its ability per the requirements outlined in the “Qualification of Bidders.”

Based on the City’s review and findings, Triangle’s bid is found to be non-responsive, and ACC, as the second-lowest bidder, is the lowest responsive and responsible bidder. Staff’s response to the bid protest was issued on January 2, 2025 (Attachment 4). Therefore, staff recommends awarding the project to ACC for its bid proposal amount of \$490,000.

The licenses and references from ACC have been checked, and staff has found them to be in good standing. In addition, ACC has performed substantially similar projects, such as the Norwalk Adult School Upgrades Project for the Norwalk-La Mirada Unified School District, Edison Community Center Improvements for the City of Huntington Beach, and the Riverside County District Attorney Offices Remodel in the City of Riverside.

Upon City Council award of the PWA (Attachment 5), ACC will furnish the necessary bonds for the project. After the award and subsequent execution of the agreement, a “Notice to Proceed” will be issued.

ALTERNATIVES:

The City Council could reject all bids, re-advertise, and re-bid the project for construction. Staff has determined that re-advertising and re-bidding the project will not result in lower bids and will delay the project.

FISCAL REVIEW:

The funding for this project is available in the Fiscal Year 2024-25 Capital Improvement Fund (Fund 401). A total of \$480,000 was originally appropriated with \$50,000 spent on design and analytical work with \$430,000 remaining. As such, an additional \$109,000 is needed to fund the \$490,000 required for the construction and 10% contingency of \$49,000. Sufficient funding is available in the CIP Fund 401 fund balance from accumulated savings in other completed projects.

LEGAL REVIEW:

The City Attorney’s Office has reviewed this agenda report, prepared the PWA, and approves them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

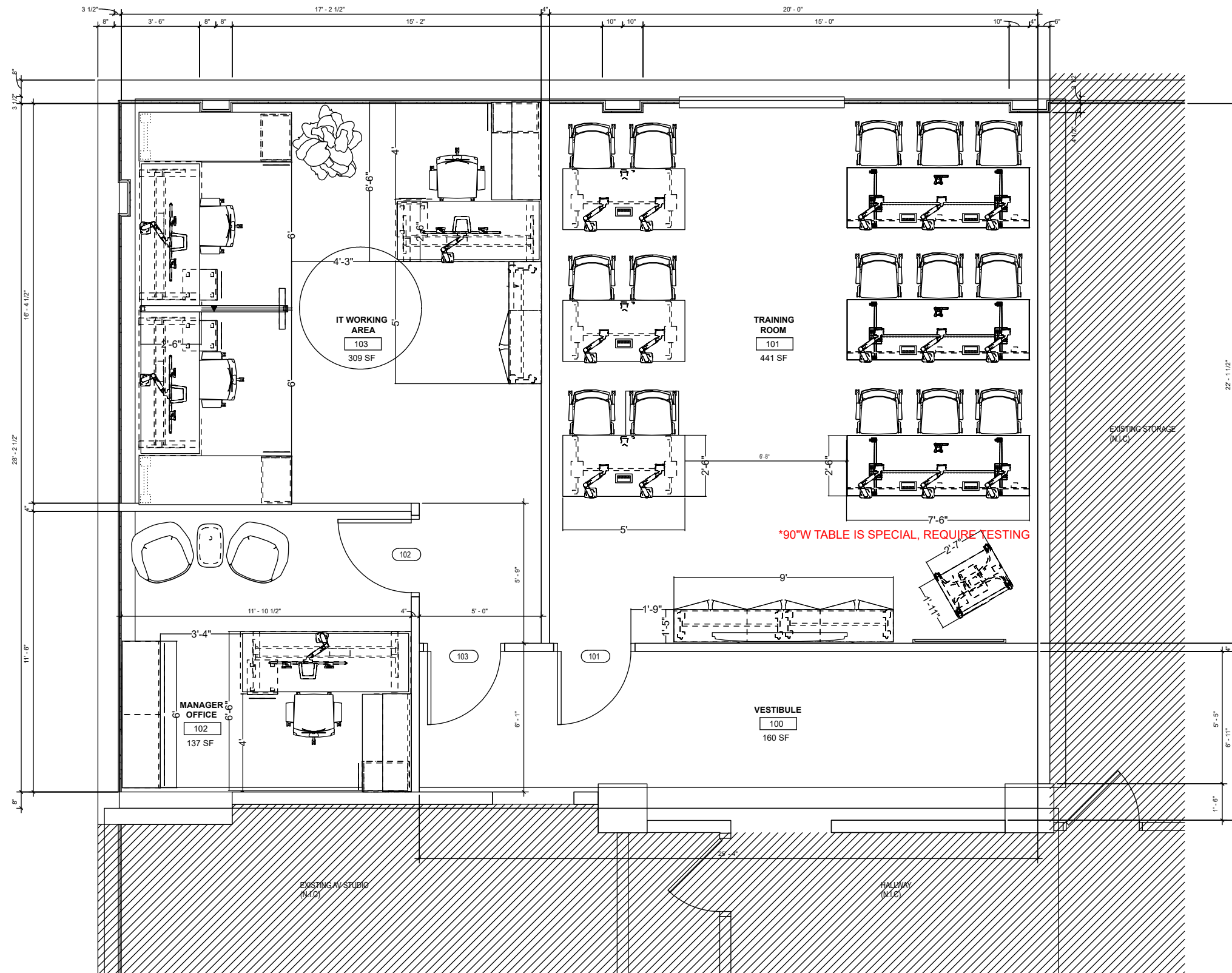
This project works toward achieving the following City Council goal:

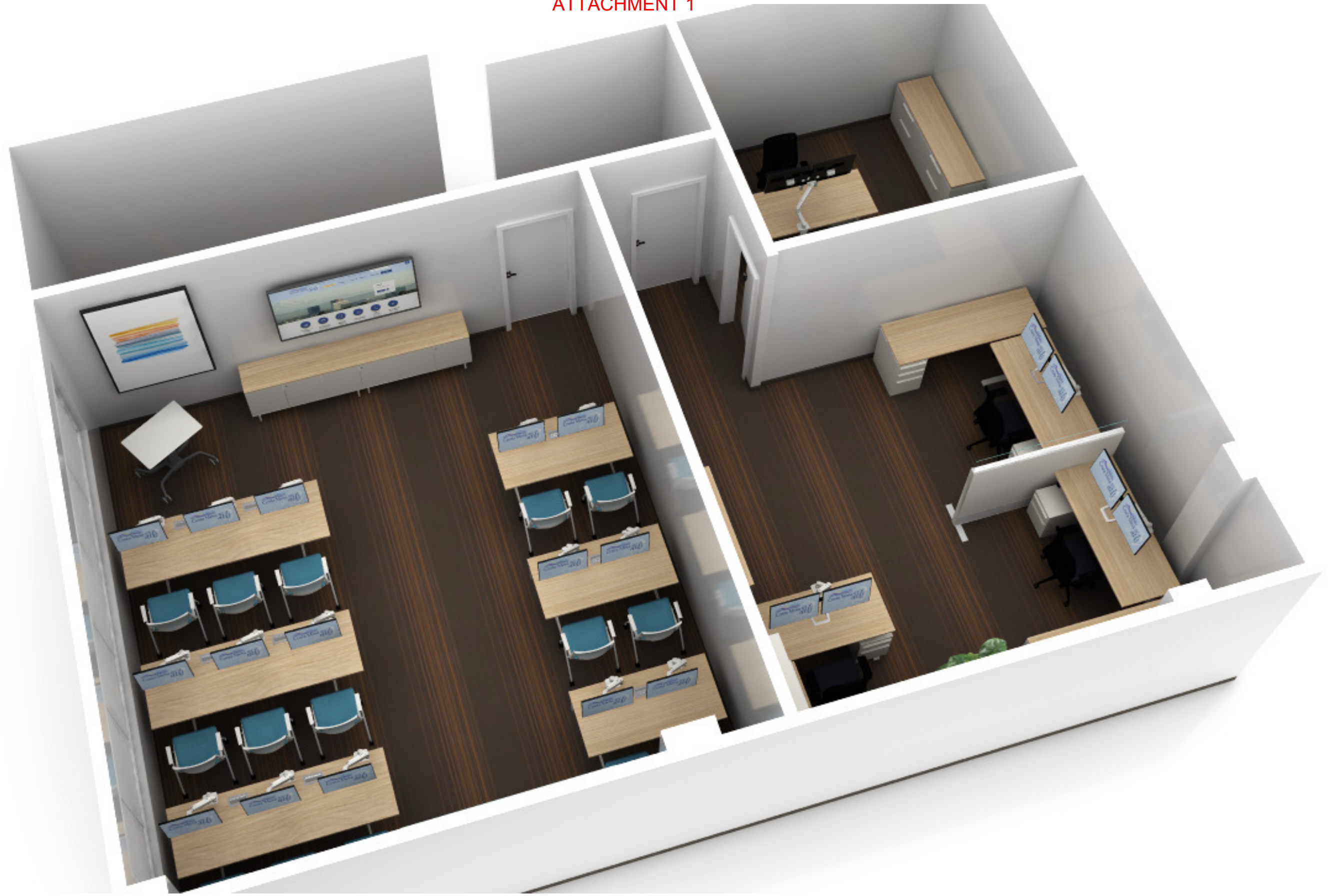
- Strengthen the Public’s Safety and Improve the Quality of Life.
- Maintain and Enhance the City’s Infrastructure, Facilities, Equipment and Technology.

CONCLUSION:

Staff recommends the City Council:

1. Make a finding of California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA guidelines Section 15301 and adopt plans, specifications, and working details for the Costa Mesa City Hall I.T. Offices and Training Room Basement Remodel Project, City Project No. 24-11.
2. Reject the bid submitted by Triangle DeCon Services, Inc., 25422 Adriana Street, Mission Viejo, California 92691 as non-responsive.
3. Award a Public Works Agreement (PWA) for construction to American Construction Company, LLC (ACC), 1130 North Kraemer Boulevard, No. 1, Anaheim, California 92806 in the amount of \$490,000 with an additional ten percent (10%) contingency in the amount of \$49,000, as needed for any unforeseen costs related to this project.
4. Authorize the City Manager and City Clerk to execute the PWA and future amendments to the agreement within Council authorized limits.





IDS GROUP

CITY OF COSTA MESA-OVERALL

Systems Source



IDS GROUP

CITY OF COSTA MESA-OVERALL

Systems Source



IDS GROUP

CITY OF COSTA MESA-TRAINING ROOM

Systems Source



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IDS GROUP

CITY OF COSTA MESA-TRAINING ROOM-CREDENZA-OPT.2

Systems Source





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IDS GROUP

CITY OF COSTA MESA-MANAGER OFFICE

Systems Source



IDS GROUP

CITY OF COSTA MESA-IT WORKING AREA

Systems Source

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IDS GROUP

CITY OF COSTA MESA-IT WORKING AREA

Systems Source

ATTACHMENT 2

**CITY OF COSTA MESA
PUBLIC WORKS DEPARTMENT**

**COSTA MESA CITY HALL IT OFFICES AND TRAINING ROOM BASEMENT REMODEL
CITY PROJECT NO. 24-11**

BID OPENING RESULTS: December 5, 2024

Bidder	City	Total Base Bid
1. Triangle DeCon Services, Inc	<i>Mission Viejo</i>	* \$470,000.00 Non-responsive
2. American Construction Company LLC	Anaheim	\$490,000.00
3. The Stone Collector	<i>Anaheim</i>	\$498,000.00
4. YMC	<i>Irvine</i>	\$549,000.00
5. Urban Professional Builders Inc.	<i>Pasadena</i>	\$584,000.00
6. Blackstone Builders Inc.	<i>Corona</i>	\$623,370.00
7. Empire Design & Build	<i>Irvine</i>	\$630,000.00
8. Ambit Construction and Design, Inc.,	<i>Pacoima</i>	\$648,250.00
9. Cal-City Construction, Inc.	<i>Cerritos</i>	\$714,300.00
10. Golden Gate Steel, Inc.	<i>Norwalk</i>	\$715,573.00
11. MLC Constructors Inc	<i>Corona</i>	\$725,207.00
12. Venture Construction & Management	<i>Corona</i>	\$763,500.00
13. D.F. Perez Construction, Inc.	<i>Anaheim</i>	\$916,043.00
14. FM Workspace Solutions LLC	<i>San Diego</i>	** Invalidated by Planet Bids

* Bid found non-responsive.

** Bid invalidated by Planet Bids. Bidder did not attend pre-bid meeting and submitted bid prior to final addendum.

AVERAGE BID: \$640,557.15

RESPONSIBLE LOW BIDDER: \$490,000.00
BY: American Construction Company LLC

Date: December 5, 2024

To:

Anna Baca

City of Costa Mesa

Email: anna.baca@costamesaca.gov

Subject: Protest of Award Recommendation – Project: Costa Mesa City Hall IT Offices and Training Room Basement Remodel (Project No. 24-11)

Dear Ms. Baca,

We are submitting this letter to formally protest the recommendation to award the Costa Mesa City Hall IT Offices and Training Room Basement Remodel (Project No. 24-11) to Triangle DECON Services Inc. Based on the bid documents, specifications, and applicable California laws, we believe the lowest bidder's submission is non-responsive. Below, we outline our concerns in detail with specific references for your review:

1. Non-Compliance with Public Contract Code Section 4100

Per Section P-6 "Designation of Subcontractors" in the bid specifications (page 68 of the attached documents), bidders must list subcontractors for any work exceeding **0.5% of the total bid amount or \$10,000, whichever is greater**. This includes specialty scopes such as electrical, low-voltage, and HVAC.

- Triangle DECON Services Inc., as a General Building Contractor with License B, did not list subcontractors for these specialty trades.
- As outlined in Section 4107 of the Public Contract Code, failure to designate subcontractors for these trades obligates the bidder to perform the work themselves. Without appropriate specialty licenses (e.g., C-10 for electrical, C-20 for HVAC), this violates the statutory requirements.

2. Non-Compliance with California Business and Professions Code Section 7057

Under Section 7057 of the California Business and Professions Code, a General Building Contractor may only self-perform specialty work if:

1. They hold the required specialty licenses.
2. They subcontract the work to licensed subcontractors.

This project includes specialty scopes for electrical, HVAC, and low-voltage systems, which are distinct from general carpentry or framing. Triangle DECON Services Inc. does not hold the required specialty licenses and failed to subcontract this work, making their bid non-compliant.

3. Alignment with the Subletting and Subcontracting Fair Practices Act

AFFILIATIONS

The Subletting and Subcontracting Fair Practices Act (Sections 4100–4113 of the Public Contract Code) strictly prohibits subcontracting specialty work post-bid submission unless under emergency conditions approved by the legislative body.

- The omission of subcontractors in Triangle DECON Services Inc.’s bid submission cannot be corrected post-award, as doing so would contravene the City’s own bid requirements.

Our Compliance

American Construction Company LLC has complied with all requirements set forth in the bid specifications.

- We hold both a General Building Contractor License (B) and a C-20 HVAC license, enabling us to perform or subcontract all specialty work as required.
- We listed qualified subcontractors for specialty scopes exceeding the 0.5% threshold in accordance with Section P-6 of the bid notice.

Our adherence to these requirements, combined with our proven track record in public works projects, ensures that we are fully capable of delivering this project efficiently and in compliance with all applicable laws and regulations.

Request for Consideration

We respectfully request the City of Costa Mesa to review the lowest bidder’s submission for compliance with the bid requirements and applicable laws. Based on this review, we believe Triangle DECON Services Inc.’s bid should be deemed non-responsive, and American Construction Company LLC should be considered for award as the next lowest responsive and responsible bidder.

Thank you for your attention to this matter. We are available to provide any additional documentation or clarification upon request. Please contact me directly at [Insert Phone Number] or [Insert Email Address].

Sincerely,

Ben Hamed, AM.ASCE, AIA, LEED-GA

Principal Engineer

CEO, ACC & ACC and Engineering

1130 N Kraemer BLVD. Unit# I, CA 92806

714-844-2140 ext. #104

AFFILIATIONS



CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

FROM THE DEPARTMENT OF PUBLIC SERVICES/ENGINEERING DIVISION

January 2, 2025

Sent by Certified Mail
and by E-Mail

Matt Pirayeh
Triange Decon Services, Inc.
25422 Adriana St
Mission Viejo, CA 92691
Matt Pirayeh, PE, PMP, DBIA mpirayeh@triangledcs.com

Ben Hamed
American Construction Company, LLC, DBA ACC
1130 N Kraemer Blvd #1
Anaheim, CA 92806
Ben Hamed, AM.ASCE, AIA ben@accandengineering.com

**SUBJECT: RESPONSE TO BID PROTEST
FINDINGS OF NON-RESPONSIVENESS
COSTA MESA CITY HALL IT OFFICES AND TRAINING ROOM
BASEMENT REMODEL, CITY PROJECT NO. 24-11**

Dear Bidders:

The City Clerk of the City of Costa Mesa ("City") received and opened fourteen (14) bids for the Notice Inviting Bids ("Notice") for the Costa Mesa City Hall IT Offices and Training Room Basement Remodel, City Project No. 24-11 ("Project") on December 5, 2024. On the same day, American Construction Company, LLC, DBA ACC ("ACC") submitted a protest letter (Attachment 1) challenging the apparent low bid submitted by Triangle Decon Services ("Triangle"). This letter addresses ACC's protest and explains why Triangle's bid has been deemed non-responsive, while ACC's bid is considered responsive. Based on this analysis, the City Engineer recommends awarding the Project to ACC, as detailed below.

The City has completed its review of the bids submitted in response to the Notice. ACC's protest alleges that Triangle failed to designate appropriately licensed specialty subcontractors for the electrical and HVAC scopes of work. ACC appears to have based its protest solely on the "Bid Results" section of the PlanetBids website. However, upon review of the complete uploaded bid proposal, it was confirmed that Triangle had indeed designated appropriately licensed specialty subcontractors.

ATTACHMENT 4

Despite this determination, a thorough review of Triangle's bid proposal revealed that it failed to meet the "Qualification of Bidders" requirements outlined in Paragraph 2 of SECTION B, INFORMATION FOR BIDDERS in the Notice. Specifically, Triangle did not include a completed list of construction projects and references demonstrating:

- 1) Five (5) years of continuous experience as a prime contractor on projects of comparable quality, size, complexity, and type; and
- 2) Completion of three (3) projects as a prime contractor that meet these criteria.

The City staff subsequently requested that Triangle provide an updated list of qualifying projects. However, Triangle was unable to furnish any substantial qualifying prerequisite experience to support its bid proposal and ability to meet the "Qualification of Bidders" requirements. They did send an email stating they started their business in 2019 but did not start any projects until 2023. Of the projects they had completed they also stated that only one could be considered comparable. As a result, the City Engineer concludes that Triangle's bid is non-responsive.

California Public Contract Code section 20162, which governs the City's award of the contract for this Project, requires that the contract be awarded, if at all, to the lowest responsible bidder. A bid is responsive if it promises to do what the bidding instructions demand. (See *D.H. Williams Construction, Inc. v. Clovis Unified School Dist.*, 146 Cal. App. 4th 757, 764 (5th Dist. 2007).) Responsiveness is determined from the face of the bid. (See *Great West Contractors, Inc. v. Irvine Unified School Dist.*, 187 Cal. App. 4th 1425, 1452-53 (4th Dist. 2010)

Based on the above analysis, Triangle's bid is non-responsive, and ACC, as the second-lowest bidder, is the lowest responsive and responsible bidder. Accordingly, the City Engineer recommends awarding the Project to ACC.

The Project is tentatively scheduled to be presented to the City Council on February 4, 2025, at 6:00 PM for award. If any bidder wishes to protest or object to these determinations and the intent to award the contract to ACC, they must attend the Council Meeting on February 4, 2025 and provide written objection and supporting evidence to the City Clerk's Office at City Hall, 77 Fair Drive, Costa Mesa, CA 92626, no later than January 28, 2025.

Sincerely,

Seung Yang

Seung Yang
City Engineer

Attachment 1 – December 5, 2024 protest from:
American Construction Company, LLC, DBA ACC (2 pages)

c: Raja Sethuraman, Public Works Director (*email only*)
Bobby Fouladi, Senior Engineer (*email only*)
Tarquin Preziosi, Assistant City Attorney (*email only*)
Lauren B. Stec – Attorney at Law, Lanak & Hanna (*email only*)
File:

**CITY OF COSTA MESA
PUBLIC WORKS AGREEMENT FOR
CITY PROJECT NO. 24-11**

THIS PUBLIC WORKS AGREEMENT (“Agreement”), dated February 18, 2025 (“Effective Date”), is made by the CITY OF COSTA MESA, a political subdivision of the State of California (“CITY”), and American Construction Company, LLC DBA ACC, a California Limited Liability Company (“CONTRACTOR”).

WHEREAS, CITY desires to construct the public improvements described below under Paragraph 1, Scope of Work (the “Project”); and

WHEREAS, CITY has determined that CONTRACTOR is the lowest responsible bidder; and

WHEREAS, CITY now desires to contract with CONTRACTOR to furnish construction and related services for the Project; and

WHEREAS, CITY and CONTRACTOR desire to set forth their rights, duties and liabilities in connection with the services to be performed.

NOW, THEREFORE, for and in consideration of the covenants and conditions contained herein, the parties hereby agree as follows:

1. SCOPE OF WORK.

The scope of work generally consists of demolition and remodel of the City Hall Basement storage areas to add a City Hall Training Room and IT Offices (the “Work”).

The Work is further described in the “Contract Documents” referred to below.

The Project is known as the Costa Mesa City Hall IT Offices and Training Room Basement Remodel Project, City Project No. 24-11 (the “Project”).

2. CONTRACT DOCUMENTS.

The complete Agreement consists of the following documents relating to the Project:

- (a) This Agreement;
- (b) CONTRACTOR’s bid, attached hereto as Exhibit A and incorporated herein;
- (c) Bid package, including, but not limited to, notice inviting bids, complete plans, profiles, detailed drawings and specifications, general provisions and special provisions. The bid package is attached hereto as Exhibit B and

incorporated herein;

- (d) Faithful Performance Bond and Labor and Material Bond, including agent's Power of Attorney for each bond, attached hereto as Exhibit C;
- (e) Drug-Free Workplace Policy, attached hereto as Exhibit D and incorporated herein; and
- (f) Provisions of the most current edition of The Greenbook: Standard Specifications for Public Works Construction ("The Greenbook"). Provisions of The Greenbook are incorporated by this reference as if fully set forth herein.

The documents comprising the complete Agreement will be referred to as the "Contract Documents."

All of the Contract Documents are intended to complement one another, so that any Work called for in one and not mentioned in another is to be performed as if mentioned in all documents.

In the event of an inconsistency in the Contract Documents, the terms of this Agreement shall prevail over all other Contract Documents. The order of precedence between the remaining Contract Documents shall be as set forth in The Greenbook.

The Contract Documents constitute the entire agreement between the parties and supersede any and all other writings and oral negotiations.

3. CITY'S REPRESENTATIVE.

The CITY's Representative is Bobby Fouladi referred to herein as the Project Manager ("Project Manager").

4. CONTRACTOR'S PROJECT MANAGER; PERSONNEL.

(a) Project Manager. CONTRACTOR's Project Manager must be approved by City. Such approval shall be at CITY's sole discretion.

(b) Personnel. CITY has the right to review and approve any personnel who are assigned to perform work under this Agreement. CONTRACTOR shall remove personnel from performing work under this Agreement if requested to do so by CITY.

This Paragraph 4 is a material provision of the Agreement.

5. SCHEDULE.

All Work shall be performed in accordance with the schedule approved on behalf

of CITY by the Project Manager, and in accordance with the time of performance set forth in Paragraph 11 (Time of Performance).

6. EQUIPMENT - PERFORMANCE OF WORK.

CONTRACTOR shall furnish all tools, equipment, apparatus, facilities, labor and materials necessary to perform and complete the Work in a good and workmanlike manner in strict conformity with the Contract Documents.

The equipment, apparatus, facilities, labor and material shall be furnished and such Work performed and completed as required in the plans and specifications to the satisfaction of the Project Manager or his or her designee, and subject to his or her approval.

7. COMPENSATION.

CITY shall pay CONTRACTOR in accordance with the fee schedule set forth in CONTRACTOR's bid. CONTRACTOR's total compensation shall not exceed Four Hundred Ninety Thousand Dollars (\$490,000.00).

8. ADDITIONAL SERVICES.

CONTRACTOR shall not receive compensation for any services provided outside the scope of the Contract Documents unless such additional services, including change orders, are approved in writing by CITY prior to CONTRACTOR performing the additional services.

It is specifically understood that oral requests or approvals of such additional services, change orders or additional compensation and any approvals from CITY shall be barred and are unenforceable.

9. PAYMENTS TO CONTRACTOR.

On or before the last Monday of each and every month during the performance of the Work, CONTRACTOR shall meet with the Project Manager or his or her designee to determine the quantity of pay items incorporated into the improvement during that month. A "Progress Payment Order" will then be jointly prepared, approved, and signed by the Project Manager and the CONTRACTOR setting forth the amount to be paid and providing for a five percent (5%) retention. Upon approval of the progress payment order by the Project Manager, or his or her designee, it shall be submitted to CITY's Finance Department and processed for payment by obtaining approval from the City Council to issue a warrant.

Within three (3) days following City Council's approval to issue a warrant, CITY shall mail to CONTRACTOR a warrant for the amount specified in the progress payment order as the amount to be paid. The retained five percent (5%) shall be paid to

CONTRACTOR thirty-five (35) days after the recording of the Notice of Completion of the Work by the CITY with the Orange County Clerk-Recorder and after CONTRACTOR has furnished releases of all claims against CITY by persons who furnished labor or materials for the Work, if required by CITY.

Upon the request of CONTRACTOR and at its expense, securities equivalent to the amount withheld pursuant to the foregoing provisions may be presented to CITY for substitution for the retained funds. If CITY approves the form and amount of the offered securities it will release the retained funds and will hold the securities in lieu thereof. CONTRACTOR shall be entitled to any interest earned on the securities.

In the event that claims for property damage or bodily injury are presented to CITY arising out of CONTRACTOR's or any subcontractor's work under this Agreement, CITY shall give notice thereof to CONTRACTOR, and CONTRACTOR shall have thirty-five (35) days from the mailing of any such notice to evaluate the claim and to settle it by whole or partial payment, or to reject it, and to give notice of settlement or rejection to CITY. If CITY does not receive notice within the above-mentioned 35-day period that the claim has been settled, and if the Project Manager, after consultation with the City Attorney, determines that the claim is meritorious, CITY may pay the claim or a portion of it in exchange for an appropriate release from the claimant, and may deduct the amount of the payment from the retained funds that would otherwise be paid to CONTRACTOR upon completion of the Work; provided, however, that the maximum amount paid for any one claim pursuant to this provision shall be One Thousand Dollars (\$1,000.00), and the maximum amount for all such claims in the aggregate paid pursuant to this provision shall be Five Thousand Dollars (\$5,000.00).

10. PROMPT PAYMENT OF SUBCONTRACTORS.

CONTRACTOR agrees to pay each subcontractor under this Agreement for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the CONTRACTOR receives from CITY.

CONTRACTOR agrees further to release retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed.

Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the CITY.

11. TIME OF PERFORMANCE.

CONTRACTOR shall commence Work by the date specified in CITY's Notice to Proceed, unless a later date is agreed upon in writing by the parties. The Work shall be completed within Ninety (90) working/calendar days from the first day of commencement of the Work.

12. TERMINATION.

- (a) Termination for Convenience. CITY may terminate this Agreement at any time, with or without cause, by providing thirty (30) days' written notice to CONTRACTOR.
- (b) Termination for Breach of Contract.
 - (i) If CONTRACTOR refuses or fails to prosecute the Work or any severable part of it with such diligence as will ensure its timely completion, or if CONTRACTOR fails to complete the Work on time, or if CONTRACTOR, or any subcontractor, violates any of the provisions of the Contract Documents, the Project Manager may give written notice to CONTRACTOR and CONTRACTOR's sureties of the CITY's intention to terminate this Agreement; and, unless within five (5) days after the serving of that notice, such conduct shall cease and arrangements for the correction thereof be made to the satisfaction of the CITY, this Agreement may be terminated at the option of CITY effective upon CONTRACTOR's receipt of a second notice sent by the CITY indicating that the CITY has exercised its option to terminate.
 - (ii) If CONTRACTOR is adjudged bankrupt or files for any relief under the Federal Bankruptcy Code or State insolvency laws, this Agreement shall automatically terminate without any further action or notice by CITY.
 - (iii) If CONTRACTOR is in breach of any material provision of this Agreement, CITY may immediately terminate this Agreement by providing written notice to CONTRACTOR of same.

13. LIQUIDATED DAMAGES.

In the event the Work is not completed, for any reason, within the time required including any approved extensions of time, and to the satisfaction of the Project Manager, CITY may, in addition to any other remedies, equitable and legal, including remedies authorized by Paragraph 12 (Termination) of this Agreement, charge to CONTRACTOR or its sureties, or deduct from payments or credits due CONTRACTOR, a sum equal to Nine Hundred Dollars (\$900.00) as liquidated damages for each calendar day beyond the date provided for the completion of such work.

The parties hereto agree that the amount set forth above, as liquidated damages constitutes a fair and reasonable estimate of the costs the CITY would suffer for each day that the CONTRACTOR fails to meet the performance schedule. The parties hereby agree and acknowledge that the delays in the performance schedule will cause CITY to incur costs and expenses not contemplated by this Agreement.

14. PERFORMANCE BY SURETIES.

In the event CONTRACTOR fails or refuses to perform the Work, CITY may provide CONTRACTOR with a notice of intent to terminate as provided in Paragraph 12 (Termination), of this Agreement. CITY shall immediately give written notice of such intent to terminate to CONTRACTOR and CONTRACTOR's surety or sureties, and the sureties shall have the right to take over and perform this Agreement; provided, however, that the sureties must, within five (5) days after CITY's giving notice of termination, (a) give the CITY written notice of their intention to take over the performance of this Agreement; (b) provide adequate assurances, to the satisfaction of the CITY, that the Work shall be performed diligently and in a timely manner; and (c) must commence performance thereof within five (5) days after providing notice to the CITY of their intention to take over the Work. Upon the failure of the sureties to comply with the provisions set forth above, CITY may take over the Work and complete it, at the expense of CONTRACTOR, and the CONTRACTOR and the sureties shall be liable to CITY for any excess costs or damages including those referred to in Paragraph 13 (Liquidated Damages), incurred by CITY. In such event, CITY may, without liability for so doing, take possession of such materials, equipment, tools, appliances, Contract Documents and other property belonging to CONTRACTOR as may be on the site of the Work and reasonably necessary therefor and may use them to complete the Work.

15. DISPUTES PERTAINING TO PAYMENT FOR WORK.

Should any dispute arise respecting whether any delay is excusable, or its duration, or the value of the Work done, or of any Work omitted, or of any extra Work which CONTRACTOR may be required to do, or respecting any payment to CONTRACTOR during the performance of this Agreement, such dispute shall be decided by the Project Manager, and his or her decisions shall be final and binding upon CONTRACTOR and its sureties.

16. SUPERINTENDENCE BY CONTRACTOR.

At all times during performance of the Work, CONTRACTOR shall give personal superintendence or have a competent foreman or superintendent on the worksite, with authority to act for CONTRACTOR.

17. INSPECTION BY CITY.

CONTRACTOR shall at all times maintain proper facilities and provide safe access for inspection by CITY to all parts of the Work and to all shops on or off-site where the Work or portions of the Work, are in preparation. CITY shall have the right of access to the premises for inspection at all times. However, CITY shall, at all times, comply with CONTRACTOR's safety requirements on the job site.

18. CARE OF THE WORK AND OFF-SITE AUTHORIZATION.

CONTRACTOR warrants that it has examined the site of the Work and is familiar

with its topography and condition, location of property lines, easements, building lines and other physical factors and limitations affecting the performance of this Agreement. CONTRACTOR, at CONTRACTOR's sole cost and expense, shall obtain any permission, and all approvals, licenses, or easements necessary for any operations conducted off the premises owned or controlled by CITY. CONTRACTOR shall be responsible for the proper care and protection of all materials delivered to the site or stored off-site and for the Work performed until completion and final inspection and acceptance by CITY. The risk, damage or destruction of materials delivered to the site or to Work performed shall be borne by CONTRACTOR.

19. CONTRACT SECURITY AND GUARANTEE.

CONTRACTOR shall furnish, concurrently with the execution of this Agreement, the following: (1) a surety bond in an amount equal to one hundred percent (100%) of the contract price as security for the faithful performance of this Agreement, and (2) a separate surety bond in an amount equal to at least one hundred percent (100%) of the contract price as security for the payment of all persons furnishing labor or materials in connection with the Work under this Agreement. Sureties for each of the bonds and the forms thereof shall be satisfactory to CITY. In addition, such sureties must be authorized to issue bonds in California; sureties must be listed on the latest revision to the U.S. Department of the Treasury Circular 570; and must be shown to have sufficient bonding capacity to provide the bonds required by the Contract Documents.

CONTRACTOR shall provide a certified copy of the certificate of authority of the surety issued by the Insurance Commissioner; a certificate from the clerk of the county in which the court or officer is located that the certificate of authority of the surety has not been surrendered, revoked, canceled, annulled, or suspended or, in the event that it has, that renewed authority has been granted; and copies of the surety's most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

CONTRACTOR guarantees that all materials used in the Work and all labor performed shall be in conformity with the Contract Documents including, but not limited to, the standards and specifications set forth in the most current edition of The Greenbook. CONTRACTOR shall, at its own expense, make any and all repairs and replacements that shall become necessary as the result of any failure of the Work to conform to the aforementioned Contract Documents, and/or standard specifications; provided, however, that CONTRACTOR shall be obligated under this provision only to the extent of those failures or defects of which CONTRACTOR is given notice within a period of twelve (12) months from the date that the Notice of Completion is recorded.

The rights and remedies available to CITY pursuant to this provision shall be cumulative with all rights and remedies available to CITY pursuant to statutory and common law, which rights and remedies are hereby expressly reserved, and neither the foregoing guarantee by CONTRACTOR nor its furnishing of the bonds, nor acceptance

thereof by CITY, shall constitute a waiver of any rights or remedies available to CITY against CONTRACTOR.

20. INDEMNIFICATION.

CONTRACTOR agrees to protect, defend, indemnify and hold harmless CITY and its elected and appointed boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury to or death of any person, and for injury or damage to any property, including consequential damages of any nature resulting therefrom, arising out of or in any way connected with the performance of this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the CONTRACTOR, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the CONTRACTOR, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the CITY, its elected officials, officers, agents and employees based upon the work performed by the CONTRACTOR, its employees, and/or authorized subcontractors under this Agreement, whether or not the CONTRACTOR, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the CONTRACTOR shall not be liable for the defense or indemnification of the CITY for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the CITY. This provision shall supersede and replace all other indemnity provisions contained either in the CITY's specifications or CONTRACTOR's proposal, which shall be of no force and effect.

CONTRACTOR shall comply with all of the provisions of the Workers' Compensation insurance laws and Safety in Employment laws of the State of California, including the applicable provisions of Divisions 4 and 5 of the California Labor Code and all amendments thereto and regulations promulgated pursuant thereto, and all similar State, Federal or local laws applicable; and CONTRACTOR shall indemnify and hold harmless CITY from and against all claims, liabilities, expenses, damages, suits, actions, proceedings and judgments, of every nature and description, including attorney fees, that may be presented, brought or recovered against CITY for or on account of any liability under or failure to comply with any of said laws which may be incurred by reason of any Work performed under this Agreement by CONTRACTOR or any subcontractor or others performing on behalf of CONTRACTOR.

CITY does not, and shall not, waive any rights against CONTRACTOR which it may have by reason of the above hold harmless agreements, because of the acceptance by CITY or the deposit with CITY by CONTRACTOR of any or all of the insurance policies described in Paragraph 21 (Insurance) of this Agreement.

The hold harmless agreements by CONTRACTOR shall apply to all liabilities, expenses, claims, and damages of every kind (including but not limited to attorneys' fees) incurred or alleged to have been incurred, by reason of the operations of CONTRACTOR

or any subcontractor or others performing on behalf of CONTRACTOR, whether or not such insurance policies are applicable. CONTRACTOR shall require any and all tiers of subcontractors to afford the same degree of indemnification to the CITY OF COSTA MESA and its elected and appointed boards, officers, agents, and employees that is required of CONTRACTOR and shall incorporate identical indemnity provisions in all contracts between CONTRACTOR and all tiers of its subcontractors.

In the event that CONTRACTOR and CITY are sued by a third party for damages caused or allegedly caused by negligent or other wrongful conduct of CONTRACTOR, or by a dangerous condition of CITY's property created by CONTRACTOR or existing while the property was under the control of CONTRACTOR, CONTRACTOR shall not be relieved of its indemnity obligation to CITY by any settlement with any such third party unless that settlement includes a full release and dismissal of all claims by the third party against the CITY.

21. INSURANCE.

(a) Minimum Scope and Limits of Insurance. CONTRACTOR shall not commence work under this Agreement until it has obtained all insurance required under this Paragraph 21 and CITY has approved the insurance as to form, amount, and carrier, nor shall CONTRACTOR allow any subcontractor to commence any Work until all similar insurance required of the subcontractor has been obtained and approved.

CONTRACTOR shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by CITY:

- (i) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (ii) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.
- (iii) Workers' compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. CONTRACTOR agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its

workers' compensation insurance policy against the CITY, its officers, agents, employees, and volunteers arising from work performed by CONTRACTOR for the CITY and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

- (iv) Umbrella or excess liability insurance that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:
- (1) A drop down feature requiring the policy to respond in the event that any primary insurance that would otherwise have applied proves to be uncollectable in whole or in part for any reason;
 - (2) Pay on behalf of wording as opposed to reimbursement;
 - (3) Concurrence of effective dates with primary policies;
 - (4) Policies shall "follow form" to underlying primary policies; and
 - (5) Insureds under primary policies shall also be insureds under the umbrella or excess policies.

(b) Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (i) Additional insureds: The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the CONTRACTOR pursuant to its contract with the City; products and completed operations of the CONTRACTOR; premises owned, occupied or used by the CONTRACTOR; automobiles owned, leased, hired, or borrowed by the CONTRACTOR."
- (ii) Notice: "Said policy shall not terminate, nor shall it be canceled nor the coverage reduced, until thirty (30) days after written notice is given to CITY."
- (iii) Other Insurance: "CONTRACTOR's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

(c) Reporting Provisions. Any failure of CONTRACTOR to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.

(d) Insurance Applies Separately. CONTRACTOR's insurance shall apply

separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(e) Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by CITY. No policy of insurance issued as to which the CITY is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

(f) Proof of Insurance. Prior to commencement of the Work, CONTRACTOR shall furnish CITY, through the Project Manager, proof of compliance with the above insurance requirements in a form satisfactory to City's Risk Management.

(g) Non-Limiting. Nothing in this Paragraph 21 shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

22. PREVAILING WAGE REQUIREMENTS.

(a) Prevailing Wage Laws. CONTRACTOR is aware of the requirements of Chapter 1 (beginning at Section 1720 et seq.) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000 et seq. of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. This Project is a "public works" project and requires compliance with the Prevailing Wage Laws. CONTRACTOR shall defend, indemnify and hold the CITY, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

(b) Payment of Prevailing Wages. CONTRACTOR shall pay the prevailing wage rates for all work performed under this Agreement. When any craft or classification is omitted from the general prevailing wage determinations, CONTRACTOR shall pay the wage rate of the craft or classification most closely related to the omitted classification. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is incorporated into this Agreement as if fully set forth herein. CONTRACTOR shall post a copy of such wage rates at all times at the project site(s).

(c) Legal Working Day. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. CONTRACTOR and any subcontractor(s) of CONTRACTOR shall comply with the provisions of the Labor Code regarding eight (8)-hour work day and 40-hour work week requirements, and overtime, Saturday, Sunday, and holiday work. Work performed by CONTRACTOR's or any subcontractor's employees in excess of eight (8) hours per day, and 40 hours during any one week, must include compensation for all hours worked in excess of eight (8) hours per day, or 40 hours during any one week, at not less than one and one-half times the

basic rate of pay. CONTRACTOR shall forfeit as a penalty to CITY Twenty-Five Dollars (\$25.00), or any greater penalty set forth in the Labor Code, for each worker employed in the execution of the Work by CONTRACTOR or by any subcontractor(s) of CONTRACTOR, for each calendar day during which such worker is required or permitted to the work more than eight (8) hours in one calendar day or more than 40 hours in any one calendar week in violation of the Labor Code.

(d) Apprentices. CONTRACTOR shall comply with the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. CONTRACTOR shall be responsible for ensuring compliance by its subcontractors with Labor Code Section 1777.5.

(e) Payroll Records. Pursuant to Labor Code Section 1776, CONTRACTOR and any subcontractor(s) shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by CONTRACTOR or any subcontractor in connection with this Agreement. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1881, and 1815 of the Labor Code for any work performed by his or her employees on this Project. The payroll records shall be certified and shall be available for inspection at all reasonable hours in accordance with the requirements of Labor Code Section 1776. CONTRACTOR shall also furnish each week to CITY's Project Administration Division a statement with respect to the wages of each of its employees during the preceding weekly payroll period.

(f) Registration with DIR. CONTRACTOR and any subcontractor(s) of CONTRACTOR shall comply with the provisions of Labor Code Section 1771 and Labor Code Section 1725.5 requiring registration with the DIR.

23. COMPLIANCE WITH ALL LAWS.

CONTRACTOR shall, at its own cost and expense, comply with all applicable local, state, and federal laws, regulations, and requirements in the performance of this Agreement, including but not limited to laws regarding health and safety, labor and employment, and wage and hours.

24. DRUG-FREE WORKPLACE POLICY.

CONTRACTOR, upon notification of the award of this Agreement, shall establish a Drug-Free Awareness Program to inform employees of the dangers of drug abuse in the workplace, the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace, and the employee assistance programs available to employees. Each employee engaged in the performance of a CITY contract must be notified of this Drug-Free Awareness Program, and must abide by its terms.

CONTRACTOR shall conform to all the requirements of CITY's Policy No. 100-5, attached hereto. Failure to establish a program, notify employees, or inform the CITY of a drug-related workplace conviction will constitute a material breach of contract and cause for immediate termination of the contract by the CITY.

25. NON-DISCRIMINATION.

In performing this Agreement, CONTRACTOR will not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status or sex, or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Section 1735 of the California Labor Code.

26. PROVISIONS CUMULATIVE.

The provisions of this Agreement are cumulative and in addition to, and not in limitation of, any other rights or remedies available to CITY.

27. NOTICES.

It shall be the duty and responsibility of CONTRACTOR to notify all tiers of subcontractors and material men of the following special notice provision; namely, all preliminary 20-day notices or stop notices shall be directed only to the City Clerk and to no other department, and shall be either personally delivered or sent by certified mail, postage prepaid.

All other notices shall be in writing and delivered in person or sent by certified mail, postage prepaid. Notices required to be given to CITY pursuant to this Agreement shall be addressed as follows:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Bobby Fouladi

Notices required to be given to CONTRACTOR shall be addressed as follows:

American Construction Company, LLC DBA ACC
1130 N. Kraemer Blvd., Suite 1
Anaheim, CA 92806
Attn: Ben Hamed, A.M.ASCE, AIA, CEO & Principal Engineer

Notices required to be given to CONTRACTOR's sureties shall be addressed as follows:

Attn: _____

28. INDEPENDENT CONTRACTOR.

The parties hereto acknowledge and agree that the relationship between CITY and CONTRACTOR is one of principal and independent contractor and no other. All personnel to be utilized by CONTRACTOR in the performance of this Agreement shall be employees of CONTRACTOR and not employees of the CITY. CONTRACTOR shall pay all salaries and wages, employer’s social security taxes, unemployment insurance and similar taxes relating to employees and shall be responsible for all applicable withholding taxes. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, employment relations, or any other relationship except as set forth between the parties. The parties specifically acknowledge and agree that CONTRACTOR is not a partner with CITY, whether general or limited, and no activities of CITY or CONTRACTOR or statements made by CITY or CONTRACTOR shall be interpreted by any of the parties hereto as establishing any type of business relationship other than an independent contractor relationship.

29. PERS ELIGIBILITY INDEMNIFICATION.

In the event that CONTRACTOR or any employee, agent, or subcontractor of CONTRACTOR providing services under this Agreement claims or 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 the CITY, CONTRACTOR shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR 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.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any 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 contribution and/or employee contributions for PERS benefits.

30. VALIDITY.

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any of the other provisions of this Agreement.

31. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws

of the State of California. Any legal action relating to or arising out of this Agreement shall be subject to the jurisdiction of the County of Orange, California.

32. NO THIRD PARTY BENEFICIARY RIGHTS.

This Agreement is entered into for the sole benefit of the CITY and CONTRACTOR and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

33. ASSIGNABILITY.

This Agreement may not be transferred or assigned by either party, or by operation of law, to any other person or persons or business entity, without the other party's written permission. Any such transfer or assignment, or attempted transfer or assignment, without written permission, may be deemed by the other party to constitute a voluntary termination of this Agreement and this Agreement shall thereafter be deemed terminated and void.

34. WAIVER.

No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought referring expressly to this Paragraph. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

35. HEADINGS.

Section and subsection headings are not to be considered part of this Agreement, are included solely for convenience, and are not intended to modify or explain or to be a full or accurate description of the content thereof.

36. CONSTRUCTION.

The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

37. COUNTERPARTS.

This Agreement may be executed in one or more counterparts by the parties hereto. All counterparts shall be construed together and shall constitute one Agreement.

38. CORPORATE AUTHORITY.

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA
A municipal corporation

Lori Ann Farrell Harrison
City Manager

Date: _____

CONTRACTOR

Signature

Date: _____

Ben Hamed, CEO & Principal Engineer

ATTEST:

Brenda Green
City Clerk

Date: _____

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

DEPARTMENTAL APPROVAL:

Raja Sethuraman
Public Works Director

Date: _____

Bobby Fouladi
Project Manager

Date: _____



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 25-180

Meeting Date: 2/18/2025

TITLE:

EMERGENCY GENERATOR UNITS FOR CITY HALL AND THE COMMUNICATIONS BUILDING

DEPARTMENT: PUBLIC WORKS DEPARTMENT/GENERAL SERVICES
DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: PATRICK BAUER, DEPUTY PUBLIC WORKS DIRECTOR, (714) 754-5029

RECOMMENDATION:

Staff recommends the City Council:

1. Authorize the use of Sourcewell's Cooperative Agreement #092222-CAT with Caterpillar Inc. for the purchase of two (2) diesel emergency generators, two (2) automatic transfer switches, and two (2) double wall day tanks for fuel for City Hall and the Communications Building through Quinn Power Systems totaling \$389,543.19.
2. Approve an appropriation of \$700,000 in the Capital Improvement Fund (Fund 401) fund balance to purchase the equipment outlined above totaling \$389,543.19, and an additional \$300,000 for a separate design and installation contract to be brought under separate cover in the future, ensuring sufficient funds are available to complete the project.

BACKGROUND:

The Costa Mesa City Hall and Communications Building both utilize generators to help power all electricity in their respective buildings in an emergency. On January 8, 2025, strong winds triggered a power outage at City Hall, disabling electronic door access, computers, lights, and elevators. The City Hall generator turned on for a short period and then failed, resulting in complete loss of power to the building. The current generator is several decades old, and the parts are difficult to obtain to keep it functional at all times. It is recommended that the generator be replaced to power the City Hall reliably in the event of Edison power failure.

The Police Department's Communication Center's generator, though it remained functional during the strong winds, has also exceeded its lifespan. In order to prevent potential disruptions to all dispatch activities, this unit should also be replaced.

ANALYSIS:

The existing generators at City Hall and Police Department Communication Center have exceeded their useful lives. The high winds that caused a blackout was a reminder of how vital it is to have reliable backup power supply sources at critical City facilities. It is recommended that the generators at both City Hall and the Police Department Communication Center be replaced as a safeguard against future power failures. The cost for the replacement and installation of two power generators is estimated at \$700,000. The cost for the project will be funded from the Capital Improvement Fund (Fund 401) undesignated fund balance.

A quote from Quinn Power Systems, Caterpillar, was received for two (2) new generators, two (2) fuel tanks, two (2) automatic transfer switches, and accompanying equipment. Due to an extensive lead time to receive the equipment, the generators should be purchased first while the labor for installation goes through the normal procurement process. Purchasing the generators and equipment material through Sourcewell meets all requirements set forth in the City of Costa Mesa's Purchasing Policy and all requirements set forth by the State of California in regard to regional cooperative purchasing agreements. This process confirms that the City still receives the lowest available pricing, and meets the competitive bid process requirements. The City has utilized Sourcewell successfully for several previous related purchases.

The quote is included as Attachment 1 and totals \$389,543.19, which includes all parts, equipment, tax, and delivery to include an extensive lead time of 30 - 60 weeks. During this time, the City will follow the procurement process to secure a separate contract for the design and installation of the generator equipment at City Hall and the Police Department Communications Center. The contract is estimated at approximately, \$300,000 and will be funded from the Capital Improvement Fund (Fund 401) undesignated fund balance.

ALTERNATIVES:

The alternative to this Council action would be to advertise the purchase of generators and related accompanying materials or advertise both the materials and the labor. Staff has determined that following this route will result in a markup from the contractor as well as extending the time it will take to receive the materials. In addition, formal bidding may not result in lower prices than the proposed Sourcewell pricing for the procurement of generators and related equipment.

FISCAL REVIEW:

The emergency purchase and installation of two (2) generator units, two (2) fuel tanks, two (2) automatic transfer switches, and accompanying equipment will be funded by the Capital Improvement Fund (Fund 401) undesignated fund balance for a total of \$389,543.19. In addition, to fund a separate contract for the design and installation of such equipment, and to secure sufficient funding for the entire project, an additional \$300,000 in appropriation authority is requested, for a total of \$700,000. A future contract will be brought to the City Council for consideration and approval once a qualified vendor for the design and installation is identified. As it takes approximately 30 to 60 weeks of lead time to receive the procured equipment, total funding for the project is requested at this time to secure all necessary funding to bring the project to completion.

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report and approves as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This project works toward achieving the following City Council goals:

- Maintain and enhance the City's facilities.
- Strengthen the public's safety and improve the quality of life.

CONCLUSION:

1. Authorize the use of Sourcewell's Cooperative Agreement #092222-CAT with Caterpillar Inc. for the purchase of two (2) diesel emergency generators, two (2) automatic transfer switches, and two (2) double wall day tanks for fuel for City Hall and the Communications Building through Quinn Power Systems totaling \$389,543.19.
2. Approve an appropriation of \$700,000 in the Capital Improvement Fund (Fund 401) fund balance to purchase the equipment totaling \$389,543.19, and an additional \$300,000 for a separate design and installation contract to be brought under separate cover in the future, ensuring sufficient funds to complete the project.



BUDGETARY QUOTATION

Attachment 1
NO. 250058

3500 Shepherd Street, City of Industry, California 90601
Box 226789, Los Angeles, California 90022-0744
(562) 463-6000 Fax: (562) 463-7156

Date: **February 10, 2025**

Page: **1 of 4**

To: Contact: _____
Company: _____
Address: _____
City, Zip: _____
Phone: _____ Email: _____

Terms: **Net Cash, see T&C's**
F.O.B. **Jobsite, unloading by others**
Sales Rep.: **Cameron Early**
Contact #: **(949) 395 1127**
Email: **Cameron.early@quinnpower.com**

Project Name: **BUDGETARY 250058 Costa Mesa Comms Bldg and City Hall Gensets
Sourcewell Contract #0922220-CAT**

Qty:	Description	Unit Price	Extension
1	CITY HALL New Caterpillar, Model 15 Diesel Standby Generator Set. Rated 500kW, w/fan, 60Hz, 3Ph, 277/480V at 1800 RPM. EPA Tier 2(Budget)	\$ 165,455.00	\$ 165,455.00
1	CITY HALL New Caterpillar , Automatic Transfer Switch, Open Transition. Rated 1200A, 4P, 277/480V, 60Hz, 3Ph, NEMA 1 Enclosure.(Budget)	\$ 17,034.00	\$ 17,034.00
1	CITY HALL New 2500 Gallon UL-2085 Double Wall Outdoor Rated Day Tank, (Budget)	\$ 57,529.00	\$ 57,529.00
1	Comm. Building New Caterpillar, Model D100-8 Diesel Standby Generator Set. Rated 100kW/, w/fan, 60Hz, 3Ph, 277/480V at 1800 RPM EPA Tier 3 (Budget)	\$ 62,831.00	\$ 62,831.00
1	Comm. Building New Caterpillar , Automatic Transfer Switch, Open Transition. Rated 600A, 4P, 277/480V, 60Hz, 3Ph, NEMA 1 Enclosure. (Budget)	\$ 11,617.00	\$ 11,617.00
1	Comm. Building New 1000 Gallon UL-2085 Double Wall Outdoor Rated Day Tank,(Budget)	\$ 47,059.00	\$ 47,059.00
1	Approximate Sales Tax 7.75%	\$ 28,018.19	\$ 28,018.19

Quote Valid for 30 Days From Date Listed In Quote Header.
After 30 Days Please Contact Your Quinn Sales Representative to Update Quote
Optional adders listed below.

Pricing is budgetary, Single Lines, Feeder Schedule and Specifications needed for final price.

Includes standard features as listed in product data sheet and additional accessories as listed herein...

SALES TAX NOT INCLUDED. Buyer responsible for all taxes including any applicable tire fees. The quotation provided herein is for information only, and is not a valid offer to sell unless signed by an officer of Quinn Power Systems in the space provided below. Any offer to sell or any offer accepted shall be subject to the Terms and Conditions page. Unless expressly stated on the face of this quotation, all prices, delivery schedules and product specifications are subject to change without notice. Quotation is good for 30 days from quote date above, expires after that duration.	Total Price :	\$ 389,543.19
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BUDGETARY QUOTATION

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Accessories and/or modifications

- Initial fill of coolant and lube oil
- (1 set) Operation & Maintenance manuals (electronic copy) * **(additional sets, at additional cost)**
- Factory standard warranty - 2 years from startup service
- Spare Parts * (set of filters)
- Fuel Tank Normal Vent Extension (12'ft above grade) *
- Extended Service Coverage - 5 year / 2500 hour, Platinum w/ \$0 deductible from startup service

QPS field work

- Delivery to jobsite (**offload/crane service by others**)
- Level 3 Startup Service [**incl. generator inspection & 4hr load bank test**] ~
- On-site Training Session [**single, 4 hour day**]
- CSA (Preventative Maintenance) -1 year, Annual
- ** See adder price below for a separate training session**

Optional adders

SCAQMD Permits to Operate Not Quoted. If Permits are needed to be obtained by Quinn ADD \$30,780.00 (Budget number)

Not included

- Sales tax
- Air, building or construct permits
- Offloading/crane service of equipment off delivery truck
- Installation, wiring, piping, plumbing or anchoring of equipment
- Diesel fuel, initial fill or for testing

Availability:

Submittals: Estimated (10 Weeks) on receipt and approval of purchase order. (1 electronic copy) Submittal approval is expected not exceed 60 days, additional time may impacted delivery schedule and equipment price increases.

Equipment: Estimated (Varies but about 20-40 Weeks) for factory build time after submittal approval. Subject to change at time of order.

Modifications: Estimated (Additional time TBD) additional time will vary depending on 3rd party or Quinn shop schedule and scope of work.

Not included: Unforeseen factory delays, transit time from factory or vendor and/or delays due to project site readiness.

**** Equipment prices and lead times are subject to change without notice.****

NOTES, EXCEPTIONS, CLARIFICATION

- > Quinn Power Systems is not a general, electrical or installing contractor. Providing equipment and services as described above only.
- > The equipment offered in this proposal is CAT standard product (with modifications) as listed above based on written request. No specifications or drawings provided for review. No other written details, plans, specification sections, contract documents, general or supplementary conditions apply to this quotation. Equipment is as stated above, call for any revisions to equipment quoted. Exception taken to anything not included in this proposal and as listed below.
- > Quotation does not include any Sales Tax, Air District or Building Permits, Off-loading or Crane Services, Installation or Anchoring, Initial Fuel fill or Test fuel, Major Testing unless otherwise specified in the Bill of Materials.
- > Depending on final height of installed generator set, a working platform may be required to access the control panel and maintenance doors. Platforms are not included in this proposal, unless stated above. Call for revised quotation if required.
- > Startup/Commissioning Services are provided for CAT factory/QPS supplied equipment only. Scope of work for Startup Services available upon request. Out of Scope services are billed on a Time & Material basis in the field at purchaser's expense. QPS standard labor rates apply. Technician services are provided during normal business hours Monday through Friday.
- > Exception taken to any NETA 3rd party or independent testing requirements. Any and all testing as listed above to be provided by QPS technicians.
- > Quinn Group, Inc. dba Quinn Power Systems provides equipment and startup services only. All equipment is installed by others

EMISSIONS NOTE

- > "California Air Resources Board (CARB) has approved alignment with the federal New Source Performance Standards (NSPS). Such alignment allows for emergency standby engines to be exempt from Tier 4 emissions standards; however, local air districts can require more stringent emissions control. The prospective buyer of the equipment quoted above is hereby notified the NSPS exemption does not apply to non-emergency standby engines (e.g. prime power applications such as peak shaving, parallel operation with the grid, or storm avoidance), or portable engines, even if used for emergency standby. Consult the local air district for permitting requirements and required emissions

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controls. Presently, South Coast Air Quality Management District (SCAQMD) Rule 1470 requires the use of a particulate filter if an engine is located within 100 meters of a school, and may require either a diesel particulate filter or an oxidation catalyst, depending upon engine size, if the installation is within 50 meters of a sensitive receptor. Particulate filters may also be required for Title V and major polluting facilities. For emissions requirements specific to the project for which this engine is being quoted, please contact SCAQMD at 909-396-2000. Unless otherwise listed above a DPF is not included in this proposal, please call for quotation if a DPF is required for this project."

➤ Caterpillar engines require a minimum of 30% load to prevent engine damage due to wet-stacking. Depending upon the permit and site specific conditions, SCAQMD emergency engine permits will only allow between 20 and 50 hours of runtime per year for non-emergency applications such as testing and exercising. Passive Diesel Particulate Filter systems depend on generator loading of a minimum of 50-60% to achieve minimum exhaust temperature threshold to keep soot regeneration and the filter backpressure within acceptable levels. If the engine will be operated consistently at low loads/low exhaust temperatures, the customer should make provisions to add load via facility operations or a load bank. Active Diesel Particulate Filter systems require no external load in order to regenerate. If listed above, Passive DPF option pricing, does not include a load bank or a load bank circuit breaker. If a load bank is needed for this project, please call for quotation.

TERMS AND CONDITIONS

1. Acceptance of Order.

This Quotation is for Buyer's information only and is not a valid offer to sell unless signed by an authorized representative of Seller in the place provided on the face of this Quotation. Prices, terms and conditions in an order from Buyer, which are inconsistent with the prices, terms and conditions of this Quotation, will be rejected by Seller, and are of no force and effect unless accepted in writing by Seller. Prices, delivery schedules and the scope of work on this Quotation are subject to change at Seller's discretion.

2. Liability.

Seller's liability on any claim of any kind, including claims for negligence, or for any loss or damage arising out of or connected with the manufacture, sale, delivery, installation, resale or use of any products covered by or furnished under any order connected with this Quotation shall be limited to those claims arising solely from the acts of Seller and Seller shall in no way be liable for any special, indirect, incidental or consequential damages. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, loss of use, revenue, reputation and data, costs incurred, including without limitation, for capital, fuel, power and loss or damage to property or equipment. Buyer expressly acknowledges and agrees that Seller has set its prices in reliance upon the limitations of liability and other terms and conditions specified herein, which allocate the risk between Seller and Buyer and form a basis of this bargain between the parties. Any claims against Seller for shortages in shipments shall be made in writing to Seller within fifteen (15) days of receipt of shipment by Buyer. Unless otherwise provided for in writing, Seller's responsibility for shipment ceases upon delivery to carrier, and any claims for shortage, delays or damage occurring thereafter shall be made direct to carrier by Buyer. Seller shall not be liable for any delays in delivery attributable to strikes, labor disputes, lockouts, accidents, fires, delays in manufacture or in transportation, delays in delivery of component materials, floods, severe weather, or Acts of God, embargoes, governmental actions, or any other cause beyond the reasonable control of Seller. Seller shall not indemnify nor be liable to Buyer, Buyer's assigns, successors, purchasers, lessees or licensees, or to any person or entity for any claims, losses, expenses or judgments arising out of or resulting in any way from the product or integration of compatibility of the product with any other components, processes, facilities or equipment that does not comply with the equipment manufacturer(s)'s recommendations.

3. Shipments.

Unless otherwise specified, all risk of loss from the goods shall shift to Buyer at such time as the goods are delivered to a carrier for shipment to Buyer. Unless otherwise specified, shipment dates are approximate and all quoted prices exclude shipping costs. Shipment of goods under any order accepted by Seller shall be subject to the approval by Seller of Buyer's financial condition at the time of shipment. Whether or not terms of payment are specified elsewhere, Seller may, at its option, condition shipments under any order accepted by Seller upon receipt of satisfactory security or of cash prior to shipment. If, at Buyer's request, shipment of goods under any order accepted by Seller is delayed more than thirty (30) days after the shipment date specified in the order, or the date the goods are ready for shipment, whichever is later, Seller will require immediate payment in full and/or assess additional charges for the expenses incident to such delay.

4. Termination.

In the absence of a written agreement between Buyer and Seller expressing different terms and conditions as to termination, any order accepted by Seller may be terminated prior to completion by Buyer only upon written notice to Seller and payment of Seller's termination charges. If notice of termination is received by Seller after Seller has committed to buy the principal components for any order, termination charges shall include all direct and indirect costs incurred by Seller and the total profit anticipated by Seller. Additionally, Buyer's instruction to Seller to stop work for thirty (30) days during the time specified for performance in any order may be construed by Seller as the equivalent of written notice of termination from Buyer and previous stipulations will be in effect.

5. Taxes.

Unless expressly stated, Seller's prices do not include sales, use, excise or similar taxes, which Seller may be required to pay in filing Buyer's order. The amount of any applicable tax shall be paid by Buyer as an additional charge unless specifically included in any order accepted by Seller, or in lieu thereof, Buyer shall provide Seller with a tax exemption certificate acceptable to the taxing authorities.

6. Patents.

Seller shall, at its own expense, defend and save Buyer harmless from the expenses and consequences of any suit or procedure brought against Buyer, based on a claim that the use or sale of goods specified in any order accepted by Seller constitutes an infringement of any United States letters of patent in existence on the date of any such order; provided Buyer promptly notifies Seller in writing of such claim and gives the necessary authorization, information and assistance for the defense of such a claim.

7. Changes.

Seller, and Seller's suppliers, may, at any time, without notice to Buyer, make changes (whether in design, materials, the addition of improvements, or otherwise) in any goods specified in any order accepted by Seller without incurring any obligation of any kind as a result thereof, but only to the extent that such change does not cause the goods specified to fail to meet Buyer's requirements. Buyer may, in its order, provide for changes in its requirements with provision for a corresponding equitable change in the price, if any; but in no instance shall Buyer make changes, which are substantially different from the scope of the original order accepted by Seller.

8. Export Sales.

In the event the goods and services specified in any order accepted by Seller are for export, the Buyer shall be responsible for securing export, import and other licenses or authorizations as may be required. The conditions specified in this Section apply to all export transactions. This transaction is only for the sale of the equipment requested and detailed in this Quotation. Not included is any startup assistance, field-testing, training or any other services that might be required on site. Also not included is any installation, installation audits, sea trials (if applicable), or installation materials. To ensure proper application, installation, and warranty integrity, Buyer is encouraged to contact the applicable Caterpillar Dealer for these services. The costs of these services are not included in the sale price nor will Seller be responsible for any such related costs.

9. Permits for Equipment Design, Installation and Operation.

As a supplier of equipment, disclaims responsibility for any and all permits or licenses necessary to design, install and operate the equipment due to zoning, air quality, environmental, safety, building or construction codes or use permits pertaining to Buyer's particular application of such equipment or any similar type of permit. Special attention should be given to the requirements of local air district rules and California Air Resources Board (CARB) regulations pertaining to permit requirements. Seller is quoting on equipment based on the specifications set forth in this Quotation. If additional equipment or engine modifications are required beyond the specifications, such as additional equipment required for compliance by a local air district or CARB, those items are not included and are the responsibility of Buyer. For example, South Coast AQMD (SCAQMD) Rule 1470 may require controls and limits on particulate matter, especially when the engine installation is within 100-meters from a school, or within 50 meters of a sensitive receptor (defined in Rule 1470). Ultra low sulfur fuel is required for particulate filters. CARB Diesel Fuel, or other CARB-approved alternative fuel, is also required for compression ignition (CI) engines operated in California. When indicated in the bill of materials, the proposed equipment may be SCAQMD pre-approved as Certified Equipment. This certification does not eliminate the permit process or responsibility of others to obtain a permit. Procurement of certified equipment assures permitability, reduces the permit processing fees and reduces the time necessary to obtain the permit through SCAQMD.

10. Start-up, Commissioning and Operating Requirements.

Equipment provided in this Quotation may require start-up and commissioning, including inspection(s), to ensure the equipment is installed in accordance with manufacturer(s)'s recommendations and specifications. If Seller has commissioned the equipment, Buyer agrees not to modify the design or components of the installation such that the modifications would violate any legal requirements of the installation, or would cause the installation to deviate from manufacturer(s)'s recommendations and specifications. Buyer acknowledges and agrees that, with respect to products sold to Buyer in connection with this Quotation, Buyer shall have the sole responsibility to ensure the products are properly installed, operated and maintained in accordance with the manufacturer(s)'s recommendations and specifications, and to determine and comply with all applicable Federal, state, local and regulated use restrictions and requirements, including, without limitation, the continuing responsibility to ensure that the use of product is in full compliance with all applicable environmental laws and regulations. Failure to install, operate and maintain the products in accordance with the manufacturer(s)'s recommendations and specifications will invalidate any applicable manufacturer's warranty.

11. Additional material.

Only those items listed in this Quotation are included with any order. For example, unless specifically identified in this Quotation, the following items are not included with any purchased equipment: any exhaust or fuel piping, main fuel tank, fuel, duct work, special tools, insulation, wiring, cable, bus duct, concrete, anchor bolts, rigging or any material or labor incidental to the installation itself. Buyer specifically assumes responsibility for the provision of any such items if not specifically identified in the Quotation.



BUDGETARY QUOTATION

NO. 250058

3500 Shepherd Street, City of Industry, California 90601
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Date: February 10, 2025

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12. Hours of services.

When included, delivery, startup assistance, field testing, training or any other services required on site will be provided during the normal weekday working hours of 7:00 am to 4:30 pm. Delivery or services occurring at any other time, weekends or holidays is subject to premium charges.

13. Warranty.

The equipment manufacturer's warranty is the only warranty provided in connection with the equipment described in this Quotation. Buyer is responsible for operating and maintaining the equipment as specified by the manufacturer. The manufacturer's warranties are exclusive and in lieu of all other warranties either oral or written, express or implied, including but not limited to any warranty of merchantability or fitness for a particular purpose. Seller is not a manufacturer and makes no warranty and shall not, under any circumstances, be liable for any indirect or special, incidental or consequential damages including but not limited to loss of production, loss of profit, loss of use or business interruption, or any other economic loss, whether arising from contract, tort, strict liability or any other theory of law. Buyer, Buyer's assigns, successors, purchasers or any other person designated to operate the equipment as the end user, is responsible for operating the equipment in accordance with manufacturer(s)'s recommendations and specifications. Failure to perform all scheduled maintenance may result in damage to the equipment, and may be grounds to deny warranty coverage.

14. Terms.

Terms of payment are due upon receipt of invoice with no deductions of any kind for retentions, setoffs, discounts or other similar items. A finance charge of 1.5% per month (not to exceed the maximum allowed by law) will be charged on all past due invoices. When necessary Seller will file a California "Preliminary 20-day notice" pursuant to Section 3097 of the California Civil Code.

15. Cost additives.

A: Unit Cost.

Quotation prices are valid for 30 days only and are based on current market prices as of date of quotation. The Seller reserves the right to adjust the final invoice with a price escalation up to 6% due to 1) purchase orders being received after expiration of quotation, 2) fluctuations in raw materials market prices at time of order, 3) labor rate increases at time of scheduled field services, 4) delays in submittal approvals and/or release of equipment or 5) additional items or services provided that were not included as part of the original quotation. Since final invoicing can and may take place up to a year or more from original quotation date.

B: Delays.

If delivery is delayed by customer Buyer beyond original shipment date, purchase price is due 30 days after original shipment date and a storage and handling charge will be applied and is due each month until delivery. Finance charge of 1.5% per month (not to exceed the maximum allowed by law) is applicable on any amounts arising hereunder or in connection herewith that are not paid when due.

C: Start up.

If construction of the facility or other delays are experienced or expected, which prohibit the initial startup of the equipment beyond one year from delivery additional costs may be imposed including, but not be limited to, long term storage preparation, inspection charges, parts, service, etc.

16. Lead Times.

Lead times are based on manufactures estimated timetables. Project completion time may vary due to delays in receipt of purchase orders, submittal approval, release of equipment, manufactures unforeseen delays in production or holiday schedules. Project completion time frame cannot be guaranteed. Back orders will be processed as soon as available. Part number changes may be made to provide latest improved interchangeable items of equipment.

17. Governing Law and Venue.

The rights and obligations of the parties with respect to the transactions contemplated by this Quotation shall be governed in all respects by the laws of the State of California. The parties hereto irrevocably agree that the exclusive venue for any litigation arising in connection with the transactions specified in this Quotation shall be in the courts located in the County of Los Angeles, California.

18. Attorneys' Fees and Costs.

In the event of any legal action, controversy, claim, or dispute between the parties involving the transactions contemplated by this Quotation, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs.

19. Additional Conditions.

Buyer shall furnish to Seller, at no cost, suitable working space, storage space, adequate heat, telephone, light, ventilation, regulated electric power and outlets for testing purposes (if applicable). The facilities shall be within a reasonable distance from where any applicable services are to be provided. Seller and its representatives shall have full and free access to the equipment in order to provide any applicable services. Buyer shall provide the means to shut-off and secure electric power to the equipment and provide safe working conditions. Buyer shall not require Seller or its employees, as a condition to site access or otherwise, to further agree or enter into any agreement, which waives, releases, indemnifies or otherwise limits or expands any rights or obligation whatsoever. Any such agreements shall be null and void. Seller is under no obligation to remove or dispose of parts or equipment unless specifically agreed upon in Seller's scope of work. Seller-removed parts become the property of Seller. Seller must not perform any electrical power switching unless specifically requested by Buyer, under the supervision of Buyer, and subject to procedures jointly agreed to in advance. Notwithstanding Buyer's request, Seller may refuse to perform power switching, if in the opinion of Seller, such action would be unsafe. IN THE EVENT THAT SELLER PERFORMS POWER SWITCHING, TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER SHALL INDEMNIFY, DEFEND, AND HOLD SELLER HARMLESS FROM ANY AND ALL LIABILITY, ACTIONS, SUITS, CLAIMS, DEMANDS, DAMAGES, COSTS, AND EXPENSES ("LOSSES") ARISING OUT OF OR IN ANY WAY CONNECTED WITH OR RESULTING FROM SELLER'S PERFORMANCE OF POWER SWITCHING, REGARDLESS OF WHETHER THE LOSSES RESULT FROM SELLER'S NEGLIGENCE (WHETHER ACTION OR PASSIVE, AND WHETHER SOLE, JOINT, OR CONCURRENT), AND EVEN THOUGH CAUSED IN WHOLE OR IN PART BY A PRE-EXISTING DEFECT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF SELLER. THIS INDEMNITY SHALL APPLY TO ANY ACTS OR OMISSIONS OR NEGLIGENT CONDUCT, WHETHER ACTIVE OR PASSIVE, ON THE PART OF EITHER SELLER OR BUYER. If OSHA or any other federal, state or local government, trade association, or contractual regulations or standards require a "safety person" to be on site during the performance of services, or in the event of a trade union jurisdictional dispute where trade union represented personnel are required to assist or stand by during the performance of services by Seller, Buyer shall be responsible for providing for and paying for any charge or wages for such person(s), as applicable. Buyer shall immediately inform Seller, in writing, at the time of order placement and thereafter, of any unsafe or hazardous substance or condition at the site, including, but not limited to, the presence of asbestos or asbestos-containing materials, and shall provide Seller with any applicable Material Data Safety Sheets regarding the same. Any losses, costs, damages, claims and expenses incurred by Seller as a result of Buyer's failure to advise Seller shall be borne by Buyer. Seller, in its sole discretion and without cost or penalty, reserves the right to cancel its performance under this Agreement or any order immediately upon written notice to Buyer following Seller's discovery of unsafe or hazardous site substance or condition or any other circumstance altering Seller performance of Services. Buyer shall appoint a representative familiar with the site and the nature of the Services to be performed by Seller to be accessible at all times that Seller personnel are at the site. Seller shall not be liable for any expenses incurred by Buyer in removing, replacing or refurbishing any Buyer equipment or any part of Buyer's building structure that restricts Seller's access. Buyer's personnel shall cooperate with and provide all necessary assistance to Seller. Seller shall not be liable or responsible for any work performed by Buyer.

ACCEPTED BY:

By: _____

Company: _____

Date: _____

P.O. #: _____

SUBMITTED BY:

By: Cameron Early

Quinn Power Systems

Phone: (949) 395 1127

Sourcewell Quote

Sourcewell Contract #092222-CAT

From focus program letter OIL2019 (See Discounts Below)

Last Update 1/8/2025

Total Quote \$ **17,034**

Cat Generator	0
Generator List Price	\$ -
SW Member Discount %	0%
SW Member Discount \$	\$ -
Sub-Total	\$ -
Net Priced items*	\$ -
Sub-Total	\$ -

*CAT ATS	
List Price	\$ 16,351
SW Member Discount (20%)	\$ 3,270
Total	\$13,081

**Net Priced Items are subject to no further discounts (see Price Lists).*

Services / Source Goods	List Price
Freight	\$ 2,972
Start up	\$ 1,189
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
Sub Total	\$ 4,161
SW Member Discount	5%
SW Member Discount	\$ 208
Services Total	\$ 3,953

Sourcewell Quote

Sourcewell Contract #092222-CAT

From focus program letter OIL2019 (See Discounts Below)

Last Update 1/8/2025

Total Quote \$ 11,617

Cat Generator	0
Generator List Price	\$ -
SW Member Discount %	0%
SW Member Discount \$	\$ -
Sub-Total	\$ -
Net Priced items*	\$ -
Sub-Total	\$ -

*CAT ATS	
List Price	\$ 10,169
SW Member Discount (20%)	\$ 2,034
Total	\$ 8,135

**Net Priced Items are subject to no further discounts (see Price Lists).*

Services / Source Goods	List Price
Start up	\$ 1,189
Freight	\$ 2,477
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
Sub Total	\$ 3,666
SW Member Discount	5%
SW Member Discount	\$ 183
Services Total	\$ 3,482

Sourcewell Quote

Sourcewell Contract #092222-CAT

From focus program letter OIL2019 (See Discounts Below)

Last Update 1/8/2025

Total Quote \$ **165,455**

Cat Generator	C15
Generator List Price	\$ 215,091
SW Member Discount %	37%
SW Member Discount \$	\$ 79,584
Sub-Total	\$ 135,507
Net Priced items*	\$ 2,127.00
Sub-Total	\$ 137,634

**Net Priced Items are subject to no further discounts (see Price Lists).*

Services / Source Goods	List Price
Freight	\$ 16,718
CVA	\$ 1,486
Start up	\$ 8,862
Training	\$ 2,219
0	\$ -
0	\$ -
0	\$ -
0	\$ -
Sub Total	\$ 29,285
SW Member Discount	5%
SW Member Discount	\$ 1,464
Services Total	\$ 27,821

Sourcewell Quote

Sourcewell Contract #092222-CAT

From focus program letter OIL2019 (See Discounts Below)

Last Update 1/8/2025

Total Quote \$ **47,059**

Cat Generator	0
Generator List Price	\$ -
SW Member Discount %	0%
SW Member Discount \$	\$ -
Sub-Total	\$ -
Net Priced items*	\$ -
Sub-Total	\$ -

*CAT ATS	
List Price	\$ -
SW Member Discount (20%)	\$ -
Total	\$ -

**Net Priced Items are subject to no further discounts (see Price Lists).*

Services / Source Goods	List Price
1000 Gal Day Tank	\$ 38,390
Freight	\$ 11,146
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
Sub Total	\$ 49,536
SW Member Discount	5%
SW Member Discount	\$ 2,477
Services Total	\$ 47,059

Sourcewell Quote

Sourcewell Contract #092222-CAT

From focus program letter OIL2019 (See Discounts Below)

Last Update 1/8/2025

Total Quote \$ **62,831**

Cat Generator	D100-8
Generator List Price	\$ 62,302
SW Member Discount %	31%
SW Member Discount \$	\$ 19,313
Sub-Total	\$ 42,988
Net Priced items*	\$ 1,393.00
Sub-Total	\$ 44,381

**Net Priced Items are subject to no further discounts (see Price Lists).*

Services / Source Goods	List Price
Freight	\$ 9,536
CVA	\$ 1,115
Start up	\$ 6,551
Training	\$ 2,219
0	\$ -
0	\$ -
0	\$ -
0	\$ -
Sub Total	\$ 19,420
SW Member Discount	5%
SW Member Discount	\$ 971
Services Total	\$ 18,449

Sourcewell Quote

Sourcewell Contract #092222-CAT

From focus program letter OIL2019 (See Discounts Below)

Last Update 1/8/2025

Total Quote \$ **57,529**

Cat Generator	0
Generator List Price	\$ -
SW Member Discount %	0%
SW Member Discount \$	\$ -
Sub-Total	\$ -
Net Priced items*	\$ -
Sub-Total	\$ -

**Net Priced Items are subject to no further discounts (see Price Lists).*

Services / Source Goods	List Price
2500Gal Day Tank	\$ 46,935
Freight	\$ 13,622
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
0	\$ -
Sub Total	\$ 60,557
SW Member Discount	5%
SW Member Discount	\$ 3,028
Services Total	\$ 57,529



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 25-193

Meeting Date: 2/18/2025

TITLE:

EXTENSION OF OPTION TO LEASE AGREEMENT TO CONSTRUCT AND OPERATE A 70-UNIT AFFORDABLE SENIOR AND SUPPORTIVE HOUSING PROJECT LOCATED AT THE CITY'S SENIOR CENTER, 695 WEST 19TH STREET

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES
DEPARTMENT/PLANNING DIVISION**

PRESENTED BY: CECILIA GALLARDO-DALY, ASSISTANT CITY MANAGER

**CONTACT INFORMATION: CARRIE TAI, ECONOMIC AND DEVELOPMENT SERVICES
DIRECTOR**

RECOMMENDATION:

Staff recommends the City Council review and approve the proposed "Extension of Option to Lease Agreement" for an additional 60-day term that will expire on April 30, 2025 to finalize lease negotiations with appropriate affordable housing terms and complete assembling funding for the project.

BACKGROUND:

The property is located within the 19 West Urban Plan. Existing development on the subject property includes the City of Costa Mesa Senior Center which was constructed in the 1990s (approved under Conditional Use Permit PA-90-60). The Senior Center is an approximate 20,000-square-foot, two-story building with a 145 space surface parking lot. The original vision and concept for the Senior Center several decades ago included a senior housing component with 46 units. However, at the time of development, the City Council decided to not proceed with the senior housing component.

The proposed development would include a new 70-unit senior residential building to be developed on a portion of the Senior Center's existing surface parking lot. The project does not propose any changes to the existing Senior Center building.

On July 21, 2020, the City Council approved an Exclusive Negotiating Agreement (ENA) with Jamboree Housing Corporation (JHC) to study and determine the feasibility for the right to acquire a long-term leasehold for an affordable senior housing project to be developed on a portion of the City's Senior Center parking lot. The original ENA expired in 2022. Staff continued to work diligently with JHC to submit for entitlements.

On February 20, 2024, the City Council reviewed a project screening for the proposed senior and supportive housing development, in accordance with the 19 West Urban Plan. The purpose of the screening review is to receive City Council comments on the merits and appropriateness of the

proposed development before the applicant submits the formal planning application(s). The City Council indicated that they supported the project moving forward with a suggestion that JHC consider adding more residential units. The project application for 70 units has been submitted to and considered by the Planning Commission, which recommended approval to the City Council. Staff is working with Jamboree to complete the necessary documents to move the item forward to the City Council for consideration.

On July 16, 2024, the City Council approved an “Option to Lease Agreement” for a term that expired on October 31, 2024, with one 120-day extension. The purpose of the agreement was for Jamboree Housing to apply for Project Based Vouchers issued by the County of Orange for the affordable senior housing development. Jamboree Housing exercised their option to extend the agreement and the City authorized the extension to February 28, 2025.

As currently proposed, the JHC project includes a 41,592 square-foot, four-story building with a total of 70 residential units. The development focuses on providing affordable housing for seniors, offering primarily one-bedroom units and several two-bedroom units, including one unit designated for the site manager. The units, excluding the manager's unit, will be available to seniors with income levels ranging from 30% to 60% of the Area Median Income (AMI). Out of the 70 units, 34 are proposed as permanent supportive housing for seniors. Ground-level amenities facing 19th Street will include office spaces, a community room, media lounge, and a dog run, with podium parking located behind. Above the ground floor, the project proposes an outdoor courtyard, fitness center, laundry room, and library. The current site has 145 parking spaces available. However, due to the building's placement on a portion of the parking lot, the number of parking spaces will be reduced to 133.

ANALYSIS:

The proposed “Extension of Option to Lease Agreement” would allow Jamboree Housing additional time to complete a lease with appropriate affordable housing terms and complete assembling funding for the project. The Option to Lease is a mechanism to demonstrate site control for eligibility of affordable housing funding, until they receive approval from the City Council of a fully negotiated “Ground Lease”.

Jamboree Housing Corporation has obtained a variety of funding sources for the Project, but additional funding is necessary. In addition, City staff and Jamboree are working on finalizing a lease agreement and affordable housing agreement associated with the Project. The final lease and affordable housing agreement is subject to City Council approval and will be brought to Council concurrently with the final review of the project.

California Environmental Quality Act (CEQA)

The City Council review of the option to lease is exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule), in that there is no possibility that the approval of the option to lease will have a significant impact on the environment. The Planning Commission has determined that the proposed project is exempt from environmental review under the California Environmental Quality Act.

ALTERNATIVES:

The City Council can approve the proposed extension of option to lease agreement, or not approve the agreement. If the extension is not approved, development of the project could be subject to significant delays in that funding would not be available at the time the project receives local approval.

FISCAL REVIEW:

There is no fiscal impact to the City associated with the proposed extension of the option to lease agreement.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and extension of option to lease agreement and approves them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

- Diversify, stabilize and increase housing to reflect community needs.

CONCLUSION:

Public funding is a critical component of the development of affordable and supportive housing. JHC has requested the approval of the extension of option to lease agreement to finalize project documentation with City staff which are necessary for City Council approval and to complete the assembly of funding for project development.

SECOND AMENDMENT TO OPTION TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO OPTION TO LEASE AGREEMENT ("**Amendment**") is entered into effective as of March 1, 2025 ("**Effective Date**"), by and between CITY OF COSTA MESA, a California municipal corporation ("**Optioner**" or "**City**"), and JHC- ACQUISITIONS, LLC, a California limited liability company ("**JHC**"). Optioner and JHC are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. Optioner and JHC, entered into that certain Option to Lease Agreement dated July 16, 2024 ("**Option to Lease**"), for certain real property located at 695 W. 19th Street (APN 424-211-01), in the City of Costa Mesa ("**City**"), County of Orange ("**County**"), State of California, as more particularly described on Exhibit "A, (the "**City Property**") attached to the Option to Lease.

B. The First Amendment to Option to Lease Agreement extended the term of The Option to Lease through February 28, 2025.

C. JHC desires to extend the Option to Lease another sixty one (61) days to April 30, 2025 and Optioner consents to the extension.

D. The Parties desire to amend the Option to Lease in the manner hereinafter set forth.

NOW, THEREFORE, for valuable consideration, the tender, receipt and sufficiency of which are hereby acknowledged, the Option to Lease is hereby amended as follows:

TERMS

1. **Recitals.** The foregoing recitals are true and correct and incorporated herein by reference.
2. **Option to Lease Extension.** Section 2 (a), "Term of Option," is amended as follows: Option to Lease term ("**Term**") shall expire on April 30, 2025 ("**Expiration Date**"), unless sooner terminated pursuant to the terms of this Second Amendment.
3. **Defined Terms.** Defined terms not otherwise specifically defined in this Amendment shall have the same meaning in the Option to Lease.
4. **Effective Date.** This Second Amendment shall be effective upon March 1, 2025 after (2) copies are executed by JHC and delivered to Optioner.

5. **Attorney's Fees.** If any legal action is commenced to enforce any of the terms of this Second Amendment, the prevailing party will have the right to recover its reasonable attorney's fees and costs from the other Party.
6. **Effect of Second Amendment.** Except as provided in this Second Amendment, all other terms of the Option to Lease are unamended and shall remain in full force and effect. In case of any inconsistencies between the terms and conditions contained in the Option to Lease and the terms and conditions contained herein, the terms and conditions of this Second Amendment shall control.
7. **Counterparts.** This Second Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.
8. **Authorization.** The person(s) executing this Second Amendment on behalf of JHC represents and warrants that (i) JHC is duly organized and existing under the laws of California; (ii) they are duly authorized to execute and deliver this Second Amendment on behalf of JHC; (iii) upon execution, this Second Amendment is binding upon JHC; and (iv) entering into this Second Amendment does not violate any provision of any other agreement to which JHC is bound.

[Signatures on next page]

IN WITNESS WHEREOF, this Second Amendment is entered into by the parties as of the day and year first above written.

"Optioner"

CITY OF COSTA MESA,
a California municipal corporation

Lori Ann Farrell, City Manager

ATTEST:

"JHC"

JHC-ACQUISITIONS, LLC,
a California limited liability company

By: Jamboree Housing Corporation, a California limited

Name: Michael Massie
Title: Executive Vice President and Chief
Development Officer



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 25-149

Meeting Date: 2/18/2025

TITLE:

PROFESSIONAL SERVICES AGREEMENT WITH DUDEK FOR HOUSING ELEMENT REZONING PROGRAM AND ENVIRONMENTAL IMPACT REPORT

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: ANNA MCGILL, PLANNING & SUSTAINABLE DEVELOPMENT MANAGER AND MICHELLE HALLIGAN, SENIOR PLANNER

CONTACT INFORMATION: ANNA MCGILL, PLANNING & SUSTAINABILITY DEVELOPMENT MANAGER, (714) 754-5609

RECOMMENDATION:

Staff recommends the City Council:

1. Approve a Professional Services Agreement (PSA) to Dudek (an environmental, planning and engineering firm) in the amount of \$1,850,611 for consulting services, for a three-year term, with up to two one-year extensions, if necessary, with the initial three-year term effective February 18, 2025 - February 17, 2028.
2. Authorize a ten percent (10%) contingency in the amount of \$185,061 for unforeseen costs related to the project.
3. Authorize the City Manager, or designee, and City Clerk to execute the PSA and any future amendments to the agreement.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

Item #: 25-149

Meeting Date: 02/18/2025

TITLE: PROFESSIONAL SERVICES AGREEMENT WITH DUDEK FOR HOUSING ELEMENT REZONING PROGRAM AND ENVIRONMENTAL IMPACT REPORT

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

**PRESENTED BY: ANNA MCGILL, PLANNING & SUSTAINABLE DEVELOPMENT MANAGER
MICHELLE HALLIGAN, SENIOR PLANNER**

CONTACT INFORMATION: ANNA MCGILL, PLANNING & SUSTAINABLE DEVELOPMENT MANAGER, (714) 754-5609

RECOMMENDATION:

Staff recommends the City Council:

1. Approve a Professional Services Agreement (PSA) to Dudek (an environmental, planning and engineering firm) in the amount of \$1,850,611 for consulting services, for a three-year term, with up to two one-year extensions, if necessary, with the initial three-year term effective February 18, 2025 – February 17, 2028.
2. Authorize a ten percent (10%) contingency in the amount of \$185,061 for unforeseen costs related to the project.
3. Authorize the City Manager, or designee, and City Clerk to execute the PSA and any future amendments to the agreement.

BACKGROUND:

The City's Housing Element is the strategic blueprint for addressing Costa Mesa's existing and projected housing needs through 2029. The City is required to update the Housing Element in accordance with State-indicated timelines. State law requires that the Housing Element comply with State Housing Element Law and be found in substantial compliance (certified) by the California Department of Housing and Community Development (HCD). In response to State-mandated housing regulations and in accordance with the City's Strategic Objectives relating to housing, the City endeavors to increase residential development capacity, provide more clarity and certainty in the development process, and reduce potential impacts on existing neighborhoods.

In November 2022, the City Council adopted the City's 6th Cycle Housing Element. Following technical edits, the Housing Element was submitted to HCD on March 1, 2023, for formal review. The Housing Element included 47 implementation programs and the Housing Element Sites Inventory with 97 housing opportunity sites and planned development capacity to accommodate the

City's Regional Housing Needs Assessment (RHNA) allocation. The RHNA allocation assigned to Costa Mesa for this planning period is 11,760 units, the largest in the City's history.

Also, in November 2022, voters approved Measure K, which allows amendments to City land use regulations to accommodate housing in a variety of existing commercial and industrial corridors, with associated requirements like community engagement. Many Measure K sites are in the Housing Element Sites Inventory.

On May 9, 2023, HCD issued a letter stating that the adopted Housing Element met the statutory requirements of State Housing Element Law but could not be certified until the City had completed necessary rezones of the identified opportunity sites to accommodate the City's RHNA. Rezoning is necessary to implement the planned development capacity of the Housing Element sites, which are located primarily along commercial and residential corridors. Rezoning also includes updating the City's zoning regulations to comply with State law.

Housing Element Implementation Progress since May 2023

The HCD letter also indicated the State's expectation that the City would "continue timely and effective implementation of all programs" to address the RHNA. Since May 2023, the City has completed and made progress toward several key programs.

Staff dedicated a significant area of focus on the State-owned 109-acre Fairview Developmental Center (FDC) site, a critical location for new housing to potentially accommodate 20-35% of the RHNA. In September 2022, the City received a \$3.5 million grant to implement the FDC community outreach and land use planning efforts within a 3-year period, which the City made a priority. The City also supported community concerns and coordinated with the California Office of Emergency Services on the proposed Emergency Operations Center. The draft FDC specific plan and Environmental Impact Report are now underway and have included substantial collaboration with multiple State agencies, public outreach in English and Spanish, completing the constraints and opportunities analysis, work on an economic demand and feasibility analysis, and preparation of land use alternatives. (Program 3B)

The City's Development Services Department experienced staffing shortages throughout 2023-2024, which limited the City's ability to initiate the substantial rezoning effort. Despite this, staff advanced and completed Housing Element Programs efforts, briefly summarized below:

- Confirmed that 75 affordable housing units identified as being at risk of converting to market rents remain under an affordability covenant (Program 1C);
- Adopted the City's first Inclusionary Housing Ordinance, which requires affordable housing on certain housing developments as of September 6, 2024 (Program 2A);
- Processed an entitlement for an affordable senior housing project at the City-owned Senior Center site through Planning Commission in December 2024 (Programs 2D and 4A);
- Began accepting accessory dwelling unit (ADU) plans from architects and engineers for the City's new pre-engineered ADU program (Program 3E);
- Implemented Project Homekey remodeling projects to allow the adaptive reuse of two motels for affordable housing (Programs 3F and 4A);

- Preparing the Regional Assessment of Fair Housing/Five-Year Consolidated Plan strategy required for utilizing Community Development Block Grant and HOME Investment Partnership Program funds (Program 4A);
- Assisted the Bungalows Project, which remodeled six residences and constructed two accessory dwelling units that are affordable rental units (Program 4A); and
- Utilizing State funding, the City is providing an additional 15 behavioral health beds and associated services at the Bridge Homeless Shelter (Program 4F);

The City Council received more detailed Housing Element implementation information, as well as an overview of residential projects that were recently approved or in the entitlement process, from staff on October 15, 2024. Previously, the City Council received an update on Housing Element programs at a Study Session on December 12, 2023.

- December 12, 2023 Study Session Agenda Report:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6447567&GUID=63280D11-8166-44E4-90A1-0F691DA8BF0F>
- October 15, 2024 City Council Agenda Report:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6891890&GUID=DD2DA70E-884A-4A93-A22F-A60A8D8D0444>

ANALYSIS:

On October 22, 2024, the City issued Request for Proposal (RFP) No. 25-10, for qualified consultants to provide services for this complex rezoning effort, including:

- Community engagement
- Updating the Zoning Code, and portions of the General Plan to accommodate the development capacity needed to meet the RNHA
- Updating planning policies and procedures
- Develop objective design standards, which are clear standards for site planning, building design, and architectural features without need for interpretation
- Economic studies to evaluate the feasibility of proposed development standards; and
- Preparing an Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA)

Of the 47 programs identified in the City's 2021-2029 Housing Element, rezoning activities will account for notable progress in implementing 18 programs over the course of a multi-year and multi-faceted effort as mandated by State law. This concentrated effort will further the City's ability to successfully seek Housing Element certification from HCD.

The RFP invited experienced consultants with innovative ideas to:

- Develop and implement a community engagement strategy;
- Analyze existing regulations, procedures, and plans;

- Develop and implement objective design standards
- Rezone housing opportunity sites/Measure K sites;
- Complete amendments to Urban Plans, Specific Plans, and the Zoning Code to incorporate new standards, procedures, and densities as needed;
- Complete a focused General Plan update for consistency with zone changes and legal adequacy;
- Prepare technical studies including a market analysis;
- Assessment of capacity and demand for public services, including public safety, water supply, sanitation; and
- Prepare a legally defensible CEQA document at a programmatic level that future projects can use to streamline future review.

In response to the RFP, the City received five proposals. Proposals were reviewed for compliance with the City's RFP specifications and draft "scope of work." Consultants were evaluated based on method of approach, qualifications and experience, references, and key personnel. After careful review and evaluation of the proposals, as well as confirming references, staff finds Dudek the most qualified to complete the City's Housing Element implementation rezoning effort including public engagement, objective design standards, process, a variety of code and plan amendments, geographic information systems analyses, various technical studies, and CEQA compliance.

Consultant Qualifications

Dudek is an environmental, planning and engineering consulting firm with more than 40 years of experience. The firm's proposal demonstrated a thorough understanding of the project, including exhibiting Dudek's innovative thinking by providing several options for the rezoning methodology and organizing tasks based on urgency for compliance with State law. Their compelling response to the RFP exhibited the team's creative approach to problem solving, and a critical mindset when working for a dynamic and unique community such as Costa Mesa. Dudek also provided extensive examples of similar project experiences and work products including, but not limited to, the following:

- Analyzing existing conditions, adopted plans, and site capacity
- Community engagement in English and Spanish (in-person and virtual)
- Market demand, economic feasibility, and fiscal impact analyses
- Creation of residential and mixed-use overlays or new zones
- Zoning code amendments
- General Plan updates
- Citywide and area-specific objective design standards for residential and mixed-use projects
- Evaluating feasibility of proposed objective design standards including use of 3-D modeling
- Environmental Impact Reports and other technical studies

Supportive services such as Geographic Information Systems mapping, analyses, and storytelling, graphic design, and website design

Some highlights of Dudek's experience includes the City of San Diego Mira Mesa Community Plan Update, City of Fullerton Housing Incentive Overlay Zone, City of Newport Beach General Plan Update, City of Rancho Palos Verdes Housing Element Implementation Programs and CEQA Analysis, and City of Pico Rivera Comprehensive Zoning Code Update. All of these efforts involved complex analyses and conveying information through text, graphics, and mapping. Dudek's proposal identifies an experienced project manager, Catherine Tang Saez, AICP, who has led similar efforts such as developing objective design standards, community plans, specific plans, and zoning code updates.

The Dudek team includes community outreach experts Kearns & West, led by former Costa Mesa Planning Commissioner Jenna Tourjé-Maldonado, AICP. Community engagement will be designed for inclusivity and effectiveness by originating materials in both Spanish and English, and will feature workshops, pop-up events, social media campaigns, in person and online surveys, and collecting input at popular community events. The Dudek team also features Pro Forma Advisors, experts in market analysis, financial feasibility, and impact studies. Pro Forma Advisors will assess current opportunities for housing and mixed-use development in Costa Mesa, forecast market potential, and develop a local fiscal impact model to evaluate selected development prototypes to explore how the rezoning program will impact the City's long-term fiscal sustainability. Both Kearns & West and Pro Forma Advisors have partnered with Dudek on a variety of advanced planning projects including creating housing overlay zones and General Plan updates.

Project Approach

The proposal demonstrated that Dudek has a thorough understanding of the scope of work and the prioritizing the City's efforts to obtaining HCD certification. The proposed scope of work addresses the necessity for a high-quality, comprehensive approach to accelerate future housing production in Costa Mesa while maintaining a State-compliant General Plan and complying with CEQA.

The proposed approach would amend existing adopted plans and overlays where appropriate and create a new overlay or overlays to provide the required increase in residential development opportunities without necessitating a change of a property's underlying base zone. This method will satisfy the State's requirement to rezone the necessary sites as outlined in the Housing Element but do so in a way that allows for regulatory flexibility. The consultant will also prepare the environmental clearance documentation necessary to accommodate increased residential development potential.

Rezoning will also include a targeted effort to amend the necessary sections of the zoning code to remove governmental constraints to housing, such as updating relevant sections of the code regarding permitted uses, development standards, and development review procedures. Streamlining development review procedures would include creating developer guidance documents, as well as amending the Zoning Code to reduce discretionary actions for qualifying affordable housing projects.

Project Schedule

The proposed project schedule prioritizes implementing Housing Element programs that are necessary for HCD to certify the Housing Element. The rezoning effort is anticipated to take 18 months, with the public hearings occurring in summer 2026, enabling the required rezoning and revised Housing Element to be submitted to HCD no later than November 2026. This timeline prioritizes an effort to complete the rezoning and environmental clearance necessary for HCD certification.

The proposed schedule also includes important additional tasks in a later phase, such as completing the objective development standards and additional zoning code amendments to further support housing production beyond the Housing Element Sites Inventory. These efforts will still require additional community engagement to finalize and refine objective development standards, an environmental review process, and Planning Commission/City Council hearings for adoption. While these later phase tasks are important for housing design in Costa Mesa, they are not tasks specifically required by HCD for Housing Element certification. Therefore, they are included as later phase tasks in order for staff to prioritize Housing Element certification.

Following the approval and execution of this PSA, the consultant has committed to kicking off the project in March 2025 and maintaining the following schedule:

- Spring 2025: analyze adopted plans, overlays, and Housing Element sites, establish the Community Outreach and Engagement Plan, launch the project website, and begin the market demand analysis.
- Summer 2025: begin community outreach, rezoning effort focusing on adopted plans, existing overlays, and new overlay(s), economic feasibility analyses, and CEQA compliance.
- Fall 2025: analyze pertinent sections of the Zoning Code and conduct fiscal impact analysis.
- Winter 2025/2026: draft Zoning Code amendments and analyze objective design standard options.
- Spring 2026: draft development process streamlining amendments, objective design standards, and technical updates to the Housing Element and General Plan
- Summer 2026: public hearings for adopting overlay and Urban Plan/Specific Plan amendments and a new overlay(s), Zoning Code amendments, and Environmental Impact Report
- No later than November 2026: Submit the revised Housing Element to HCD for review.
- Winter 2026/2027: modify Housing Element, Zoning Code, and General Plan and objective design standards as needed for certification, additional zoning code amendments to support housing production, and entitlement review/process improvement updates.

Note that community outreach and engagement would take place at strategic points throughout the project schedule and customized to specific areas.

Staff and the consultant deliberated over several approaches to the project schedule, including conducting the rezoning effort by neighborhood, broader area, or by amending each Urban Plan or Specific Plan at a time. This segmented approach would have required proceeding with

environmental review in stages, which would increase the total schedule, cost, and staff resources. Furthermore, HCD requires that rezoning for all areas be completed to be considered for certification.

RECOMMENDATION:

Based on the above, staff recommends award of a PSA with Dudek for five years in the amount of \$1,850,611 and authorize a ten percent (10%) contingency of \$185,061 for unforeseen costs related to the project. The proposed contract term of five years is to provide flexibility for unanticipated items that arise either during the planning process or during the Housing Element certification process, which can be very iterative and require revisions.

ALTERNATIVES:

The City Council may select another consultant to complete the Housing Element implementation rezoning effort and EIR; however, this is not recommended based on the RFP process and evaluation results.

FISCAL REVIEW:

Funding for the proposed agreement is budgeted in the Fiscal Year 2024-25 Housing Authority Fund (Fund 222) budget in the amount of \$2,400,000 for the full-term of the professional services agreement.

LEGAL REVIEW:

The attached PSA was prepared by the City Attorney's Office and the staff report has been reviewed and approved as to form by the City Attorney's Office.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goals:

- Diversify, stabilize, and increase housing to reflect community needs.
- Advance environmental sustainability and climate resiliency.

CONCLUSION:

Staff recommends the City Council:

1. Approve a Professional Services Agreement (PSA) for five years in the amount of \$1,850,611 to Dudek (an environmental, planning and engineering firm) for consulting services; and
2. Authorize a ten percent (10%) contingency in the amount of \$185,061 for unforeseen costs related to the project; and
3. Authorize the City Manager, or designee, and City Clerk to execute the PSA and any future amendments to the agreement within Council authorized limits.

**CITY OF COSTA MESA
PROFESSIONAL SERVICES AGREEMENT
WITH DUDEK**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 18th day of February 2025 (“Effective Date”), by and between the CITY OF COSTA MESA, a municipal corporation (“City”), and DUDEK, a California corporation (“Consultant”).

RECITALS

A. City proposes to utilize the services of Consultant as an independent contractor to implement several of the City’s Housing Element programs, that will involve rezoning portions of the City, and updating, and/or creating new policies, procedures, and development standards to encourage and facilitate housing development, as more fully described herein; and

B. Consultant represents that it has that degree of specialized expertise contemplated within California Government Code section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. City and Consultant desire to contract for the specific services described in Exhibit “A” and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. No official or employee of City has a financial interest, within the provisions of sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in City’s Request for Proposals, attached hereto as Exhibit “A,” and Consultant’s Proposal, attached hereto as Exhibit “B,” both incorporated herein.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant’s performance of this Agreement.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;

- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement. Consultant's total compensation shall not exceed One Million Eight Hundred Fifty Thousand Six Hundred Eleven Dollars (\$1,850,611.00).

2.2. Additional Services. Consultant shall not receive compensation for any services

provided outside the scope of services specified in the Consultant's Proposal unless the City Manager or designee, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after termination of this Agreement.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. Unless otherwise agreed to in writing by the parties, the professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth on pages 26-27 in Exhibit "B," attached hereto and incorporated herein. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, pandemics (excluding COVID-19), material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party (each, a "Force Majeure Event"). If a party experiences a Force Majeure Event, the party shall, within five (5) days of the occurrence of the Force Majeure Event, give written notice to the other party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance shall be of no greater scope and of no longer duration than is reasonably required and the party experiencing the Force Majeure Event shall use best efforts without being obligated to incur any material expenditure to remedy its inability to perform; provided, however, if the suspension of performance continues for sixty (60) days after the date of the occurrence and such failure to perform would constitute a material breach of this Agreement in the absence of such Force Majeure Event, the parties shall meet and discuss in good faith any amendments to this Agreement to permit the other party to exercise its rights under this Agreement. If the parties are not able to agree on such amendments within thirty (30) days and if suspension of performance continues, such other party may terminate this Agreement immediately by written notice to the party experiencing the Force Majeure Event, in which case neither party shall have any liability to the other except for those rights and liabilities that accrued prior to the date of termination.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of Sixty (60) months, ending on February 17, 2030, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent A.M. Best's Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) general aggregate.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers'

compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance

showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-Limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: (a) at the time of delivery if such communication is sent by personal delivery, and (b) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Dudek
605 Third Street
Encinitas, CA 92024
Tel: 760-479-4858
Attn: Joseph Monaco, President

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5609
Attn: Anna McGill

Courtesy copy to:

City of Costa Mesa

77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

6.5. Drug-Free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "D" and incorporated herein. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. If litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. Conflicts with Independent Contractor. Contractor/consultant's duties and services under this Agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering into this Agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. Contractor/consultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. Contractor/consultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by contractor pursuant to this Agreement.

6.12. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or 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 the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant 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.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any 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 contribution and/or employee contributions for PERS benefits.

6.13. Cooperation. In the event any claim or action is brought against City relating to

Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.14. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.15. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 7920.000 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 7924.510, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.16. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, *et seq.*) and Government Code section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.17. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.18. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.19. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.20. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.21. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.22. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.23. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.24. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.25. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.26. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.27. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.29. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONSULTANT

Signature

Date: _____

Joseph Monaco, AICP – President/CEO

CITY OF COSTA MESA

Lori Ann Farrell Harrison
City Manager

Date: _____

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

Anna McGill
Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Carrie Tai
Economic and Development Services Director

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

EXHIBIT A
REQUEST FOR PROPOSALS



REQUEST FOR PROPOSAL 25-10

FOR

HOUSING ELEMENT REZONING PROGRAM & ENVIRONMENTAL IMPACT REPORT



Economic and Development Services Department

CITY OF COSTA MESA

Released on October 22, 2024

REQUEST FOR PROPOSAL FOR HOUSING ELEMENT REZONING PROGRAM & ENVIRONMENTAL IMPACT REPORT

The City of Costa Mesa (hereinafter referred to as the “City”) is requesting Proposals from qualified consultants for the Housing Element Rezoning Program and Environmental Impact Report for the Economic and Development Services Department. The awarded Contractor, (hereinafter referred to as “Contractor”) shall be in accordance with the Sample Professional Service Agreement, **Appendix B** terms, conditions, and scope of work. Prior to submitting a Proposal, Proposers are advised to carefully read the instructions below, including the Sample Professional Service Agreement and any solicitation appendix/exhibits. The term is expected to be for 5 years. The City reserves the right to award one or more contracts for this service.

I. GENERAL INFORMATION

The City of Costa Mesa is a general law city, which operates under the council/manager form of government with an annual General Fund budget of over \$189.9 million and a total budget of over \$240.10 million for fiscal year 2024-2025.

The City of Costa Mesa, incorporated in 1953, has an estimated population of 115,000 and has a land area of 16.8 square miles. It is located in the northern coastal area of Orange County, California, and is bordered by the cities of Santa Ana, Newport Beach, Huntington Beach, Fountain Valley and Irvine.

The City is a “full service city” providing a wide range of services. These services include: police and fire protection; animal control; emergency medical aid; building safety regulation and inspection; street lighting; land use planning and zoning; housing and community development; maintenance and improvement of streets and related structures; traffic safety maintenance and improvement; and full range of recreational and cultural programs.

The City of Costa Mesa is home of the Segerstrom Center for the Arts, Orange County Fairgrounds, South Coast Repertory Theater and the South Coast Plaza Shopping Center, which is the single largest commercial activity center in the city. The volume of sales generated by South Coast Plaza secures its place as the highest volume regional shopping center in the nation.

The successful Proposer shall have experience in the types of services described in **Appendix A – Scope of Work**. All Proposers responding to this Request for Proposal (RFP) will be evaluated on the basis of their expertise, prior experience on similar projects, demonstrated competence, ability to meet the requested services, adequate staffing, reference checks, understanding of services, cost and responsiveness to the needs and concerns of the City of Costa Mesa.

1. **Important Notice:** The City has attempted to provide all information available. It is the responsibility of each Proposer to review, evaluate, and, where necessary, request any clarification prior to submission of a Proposal. **Proposers are not to contact other City personnel with any questions or clarifications concerning this Request for Proposal (RFP).** The City’s Purchasing Department contact set out in RFP, Section II, Subsection 2, Inquires, will provide all official communication concerning this RFP. Any City response relevant

to this RFP other than through or approved by City's Purchasing Department is unauthorized and will be considered invalid.

If clarification or interpretation of this solicitation is considered necessary by the City, a written addendum shall be issued, and the information will be posted on PlanetBids. Any interpretation of, or correction to, this solicitation will be made only by addendum issued by the City's Purchasing Department. It is the responsibility of each Proposer to periodically check PlanetBids website to ensure that it has received and reviewed any and all addenda to this solicitation. The City will not be responsible for any other explanations, corrections to, or interpretations of the documents, including any oral information.

2. Schedule of Events: This Request For Proposal shall be governed by the following schedule:

Release of RFP	October 22, 2024
Mandatory Pre-Proposal Conference	November 5, 2024, at 10:00am
Deadline for Written Questions	November 7 at 11:00am
Responses to Questions Posted	November 12, 2024
Proposals are Due	November 19, 2024, at 2:00pm
Approval of Contract	TBD

**All dates are subject to change at the discretion of the City.

Pre-Proposal Conference: A **MANDATORY** Pre-Proposal conference will be held on **November 5, 2024, at 10:00 a.m.** via ZOOM. An addendum will be released on PlanetBids with a link. A pre-proposal conference is held to allow for questions and clarification concerning the City's RFP process, scope of services and subsequent contract award.

3. Proposer's Minimum Requirements: Interested and qualified Proposers that can demonstrate their ability to successfully provide the required services outlined in **Appendix A – Scope of Work**, of this RFP are invited to submit a proposal, provided they meet the following requirements. All requirements must be met at the time of the proposal due date. **If these requirements are not met, the proposal may not receive further consideration, as determined in the sole discretion of the City.**

a) The Proposer must have a Project Manager assigned to the Contract with at least eight years of experience within the last ten years, providing services equivalent to the services identified in **Appendix A**.

b) The Proposer must provide three references indicating a key role in the delivery of municipal projects of similar scope that have been completed within the last six years in California. Projects may include zoning code updates, general plan updates, creating objective design standards, and major rezoning programs such as those to address housing mandates.

c) The Proposer must have a local office (within 90 miles) with a competent representative who can be reached during normal working hours or emergencies who is authorized to make decisions on matters pertaining to this contract with the City.

II. GENERAL INSTRUCTIONS AND PROVISIONS

1. **Proposal Format Guidelines:** Interested entities or contractors are to provide the City of Costa Mesa with a thorough Proposal using the following guidelines: Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, graphic exhibits and pricing forms. Each Proposal will adhere to the following order and content of sections. Proposal should be straightforward and concise. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected. The following Proposal sections are to be included in the Proposer's response:

- **Cover Letter:** A cover letter, not to exceed three pages in length, should summarize key elements of the Proposal. An individual authorized to bind the Contractor must sign the letter. Indicate the address and telephone number of the contractor's office located nearest to Costa Mesa, California, and the office from which the project will be managed. Also, include proposed working relationship among the offering agency and subcontractors, if applicable.
- **Background and Project Summary Section:** The Background and Project Summary Section should briefly describe your understanding of the city, the work to be done, and the objectives to be accomplished. Refer to **Appendix A** of this RFP.
- **Project Approach and Methodology:** Provide a detailed description of the approach and methodology that will be used to fulfill each requirement listed in the Scope of Work of this RFP. The section should include:
 1. Describes the Proposer's approach to the project in a manner that demonstrates understanding of the work and issues that may arise, methodology for soliciting and documenting views of internal and external stakeholders, and project management and implementation strategies or techniques that the respondent intends to employ in carrying out the work.
 2. Detailed description of efforts the firm will undertake to achieve client satisfaction and to satisfy the requirements of the Scope of Work section.
 3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.
 4. Explain what the respective roles of City staff and consultant staff would be to complete the tasks specified in the Scope of Work.
 5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing services that will maximize efficient, safe, and cost-effective operations or increased performance capabilities.

- **Qualifications & Experience of the Firm:** Describe the qualifications and experience of the organization or entity performing services/projects within the past eight years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:
 1. Relevant experience, specific qualifications, and technical expertise of the firm and sub-consultants to complete all the tasks described in **Appendix A – Scope of Work**.
 2. Proposed team members, as demonstrated by enclosed resumes, have relevant experience for their role in the project.
 3. Team is managed by an individual with appropriate experience from similar projects. This person needs to have the availability to remain committed to this project.
 4. Team organization provides adequate capacity to perform both volume and quality of work within the project schedule, including meeting milestones.
 5. If the owner is a corporation please provide: Name of corporation, corporate office street address, city, state, and zip code, state where incorporated, date of incorporation, first and last name of officers, local office address, city, state & zip, and the date local office opened its doors for business.
 6. If the owner is a partnership or joint venture, please provide: Name of partnership or joint venture, principal office street address, city, state, and zip code, state of organization, date of organization, first and last name of general partner(s), local office address, city, state, and zip code, and date local office opened its doors for business.
 7. Provide a list of current and previous contracts similar to the requirements for Costa Mesa, including all public agencies served (if any). For select contracts, provide a brief description of the scope of work performed and the name, title, and telephone number of the person who may be contacted regarding your organization's service record.
 8. Submit a description of the organization's qualifications, experience and abilities that make it uniquely capable to provide the services specified in the Scope of Work.
- **Financial Capacity:** The City is concerned about bidders' financial capability to perform, and therefore, may request sufficient data to allow an evaluation of firm's financial capabilities.
- **Key Personnel:** It is essential that the Proposer provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Proposer must agree to assign specific individuals to the key positions.
 - Identify the members of the staff who would be assigned to act for Proposer's firm in key management positions providing the services described in the Proposal, and the functions to be performed by each.
 - Include brief resumes or curriculum vitae of each key staff member, including name, position, email address, education, and years and type of experience.

Describe for each such person, the relevant transactions on which they have worked.

- **Cost Proposal:** Provide a structured cost proposal in a separate cost file. The cost file shall include hourly rates of the proposed key personnel, inclusive of all anticipated applicable fees for the types of support described in this RFP. Cost proposals shall be valid for a minimum of 180 days following submission.
- **Disclosure:** Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. **Any past or current business relationship may not disqualify the firm from consideration.**
- **Sample Professional Service Agreement:** The firm selected by the City will be required to execute a Professional Service Agreement with the City. A sample of the Agreement is enclosed as **Appendix B** but may be modified to suit the specific services and needs of the City. **If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the Proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement.**
- **Checklist of Forms to Accompany Proposal:** As a convenience to Proposers, following is a list of the forms, **Appendix C** included in this RFP, which should be included with Proposals:
 1. Vendor Application Form
 2. Company Profile & References
 3. Ex Parte Communications Certificate
 4. Disclosure of Government Positions
 5. Disqualifications Questionnaire
 6. Bidder/Applicant/Contractor Campaign Contribution
 7. Cost Proposal

2. Process for Submitting Proposals:

- **Content of Proposal:** The Proposal must be submitted using the format as indicated in the Proposal format guidelines.
- **Preparation of Proposal:** Each Proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.
- **Cost for Preparing Proposal:** The cost for developing the Proposal is the sole responsibility of the Proposer. All Proposals submitted become the property of the City. Cost proposal shall be submitted in a **separate** file containing the following:
 - ✓ Cover letter stating the total lump sum fee.
 - ✓ A worksheet with a detailed fee schedule of the proposed costs. Each fee schedule shall depict the cost for individual project tasks (including optional tasks), number of

hours assigned for specific personnel and their basic hourly rates. Cost proposal shall reflect anticipated wage increases during the contract duration.

- **Forms to Accompany Proposal:** Appendix C forms shall be attached at the end of the Proposal. The Cost Proposal which shall be submitted in a separate file.
- **Number of Proposals:** Submit one (1) PDF file format copy of your proposal in sufficient detail for thorough evaluation and comparative analysis.
- **Submission of Proposals:** Complete written Proposals must be submitted electronically in PDF file format via the planetbids.com website not later than **2:00pm (P.S.T) on November 19, 2024**. Proposals will not be accepted after this deadline. Bids received after the scheduled closing time will not be accepted. It shall be the sole responsibility of the Bidder to see that the bid is received in proper time. Faxed or e-mailed Proposals will not be accepted. **NO EXCEPTIONS.**
- **Inquiries:** Questions about this RFP must be posted in the Q & A tab on PlanetBids no later than **November 7, 2024, at 11:00am**. The City reserves the right not to answer all questions.

The City reserves the right to amend or supplement this RFP prior to the Proposal due date. All addendum(s), responses to questions received, and additional information will be posted to the Costa Mesa Procurement Registry, Costa Mesa-Official City Web Site, Business-Bids & RFP's. Proposers should check this web page daily for new information.

From the date that this RFP is issued until a firm or entity is selected and the selection is announced, firms or public entities are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any Proposal for violation of this provision. No questions other than posted on PlanetBids will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance:** This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all Proposals received as a result of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any Proposal. All Proposals will become the property of the City of Costa Mesa, USA. If any proprietary information is contained in the Proposal, it should be clearly identified.
- **Insurance & W-9 Requirements:** Upon recommendation of contract award, Contractor will be required to submit the following documents with ten (10) days of City notification, unless otherwise specified in the solicitation:
 - **Insurance** - City requires that licensees, lessees, and vendors have an approved Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a permit or contract. Within ten(10) consecutive calendar days of award of contract, successful Bidder must furnish

the City with the Certificates of Insurance proving coverage as specified in the sample contract.

- **W-9** – Current signed form W-9 (Taxpayer Identification Number & Certification) which includes Contractor's legal business name(s).

3. Evaluation Criteria: The City's evaluation and selection process will be conducted in accordance with Chapter V, Article 2 of the City's Municipal Code (Code). In accordance with the Code, the responsive responsible proposer shall be determined based on evaluation of qualitative factors in addition to cost. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub-criteria that logically fit within a particular evaluation criteria may also be considered even if not specified below.

1. **Project Approach and Methodology----40%**
2. **Qualifications & Experience of the Firm ---- 25%**
3. **Key Personnel----20%**
4. **Cost Proposal ---- 10%**
5. **References ---- 5%**

4. Evaluation of Proposals and Selection Process: In accordance with its Municipal Code, the City will adhere to the following procedures in evaluating Proposals. An Evaluation Committee, which may include members of the City's staff and possibly one or more outside experts, will screen and review all Proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

- A. Responsiveness Screening:** Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any Proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their Proposals.
- B. Initial Proposal Review:** The Committee will initially review and score all responsive written Proposals based upon the Evaluation Criteria set forth above. The Committee may also contact Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any Proposal in which a Proposer's approach, qualifications, or price is not considered acceptable by the City. An unacceptable Proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the lowest responsible bidder. Alternatively, the City may elect to negotiate directly with one or more Proposers to obtain the best result for the City prior to making a recommendation or selection.

C. Interviews, Reference Checks, Revised Proposals, Discussions: Following the initial screening and review of Proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral interview. Interviews, if held, are tentatively scheduled for the week of **December 16, 2024**. They will be conducted at City of Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, CA 92626 or via Zoom. The date is subject to change. The individual(s) from Proposer's organization that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the Proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any current users of a Proposer's services, solicit information from any available source concerning any aspect of a Proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point, and make a recommendation for award, or it may request Best and Final Offers from Proposers. The City may accept the Proposal or negotiate the terms and conditions of the agreement with the highest ranked organization. The City may recommend award without Best and Final Offers, so Proposers should include their best Proposal with their initial submission.

Recommendation for award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time period determined by the City, the City may terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

5. Protests: Failure to comply with the rules set forth herein may result in rejection of the protest. Any proposals awarded pursuant to the formal procurement procedure set forth in the Proposal procedure may be appealed in accordance with the following procedure:

- The Proposer shall file the written notice of appeal with the purchasing officer at least ten (10) working days prior to proposal award date specified in the notice of recommendation to award.
- The Proposer shall file the written notice of appeal with the purchasing officer at least ten (10) working days prior to proposal award date specified in the notice of recommendation to award.
- The written notice of appeal must include specifics as to the nature of the appeal.
- The Proposer must provide any and all documentation to support the appeal.
- The purchasing officer will respond in writing to the Proposer within five (5) working days.
- In the event the appeal is denied by the purchasing officer, the Proposer may appeal the purchasing officer's ruling to the city council at the next available council meeting.

6. Accuracy of Proposals: Proposers shall take all responsibility for any errors or omissions in their Proposals. Any discrepancies in numbers or calculations shall be interpreted to reflect the cost to the City.

If prior to contract award, a Proposer discovers a mistake in their Proposal which renders the Proposal unwilling to perform under any resulting contract, the Proposer must immediately notify the facilitator and request to withdraw the Proposal. It shall be solely within the City's discretion as to whether withdrawal will be permitted. If the solicitation contemplated evaluation and award of "all or none" of the items, then any withdrawal must be for the entire Proposal. If the solicitation provided for evaluation and award on a line item or combination of items basis, the City may consider permitting withdrawal of specific line item(s) or combination of items.

7. Responsibility of Proposers: The City shall not be liable for any expenses incurred by potential Contractors in the preparation or submission of their Proposals. Pre-contractual expenses are not to be included in the Contractor's Pricing Sheet. Pre-contractual expenses are defined as, including but not limited to, expenses incurred by Proposer in:

- Preparing Proposal in response to this RFP;
- Submitting that Proposal to the City;
- Negotiating with the City any matter related to the Proposal; and,
- Any other expenses incurred by the Proposer prior to the date of the award and execution, if any, of the contract.

8. Confidentiality: The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public. The City intends to release all public portions of the Proposals following the evaluation process at such time as a recommendation is made to the City Council.

If Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire Proposal as confidential nor designate its Price Proposal as confidential.

Submission of a Proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees and costs that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

9. Ex Parte Communications: Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's Proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications Form, **Appendix C** with their Proposals certifying that they have not had or directed prohibited communications as described in this section.

10. Conflict of Interest: The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code Sections 1090 et seq., or Sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

11. Disclosure of Governmental Position: In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their Proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached Disclosure of Government Positions Form, **Appendix C**.

12. Conditions to Agreement: The selected Proposer will execute a Professional Service Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as **Appendix B** to this RFP, which may be modified by the City.

All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement. **The terms of the agreement, including insurance requirements have been mandated by the City and can be modified only if extraordinary circumstances exist.**

Submittal of a Proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample agreement for services unless the Proposer includes with its Proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement.

- 13. Disqualification Questionnaire:** Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has **ever** been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A Proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation, **Appendix C**.
- 14. Standard Terms and Conditions:** The City reserves the right to amend or supplement this RFP prior to the Proposal due date. All addendum(s) and additional information will be posted via PlanetBids. Proposers should check this web page daily for new information.

APPENDIX A

SCOPE OF WORK FOR HOUSING ELEMENT REZONING PROGRAM AND ENVIRONMENTAL IMPACT REPORT

Project Context & Goals

The City of Costa Mesa (City) is in the process of implementing the [2021-2029 Housing Element](#); a challenging effort to address a State-mandated growth target while also preserving the wonderful quality of life enjoyed by Costa Mesans today.

The City is seeking a team of qualified, innovative, and dependable multidisciplinary consultants to collaborate with the Economic and Development Services Department to implement several Housing Element programs that will involve rezoning portions of the City, and updating, and/or creating new policies, procedures, and development standards to encourage and facilitate housing development. Portions of the zoning code, General Plan, and other adopted plans must be amended as part of this effort.

The City anticipates a 2- to 3-year time frame for project completion. Responses to this RFP should demonstrate the availability of key team members and highlight past successes in community engagement planning, facilitation, and visioning; State housing law compliance; user-friendly zoning code and General Plan update preparation; graphic design and GIS mapping; and fiscal economic studies related to land use changes; and environmental compliance including technical studies.

6th Cycle 2021-2029 Housing Element

The adopted Housing Element is the strategic blueprint for addressing Costa Mesa's existing and projected housing needs for the identified eight-year planning period. The Regional Housing Needs Assessment (RHNA) growth projection assigned to Costa Mesa for this planning period is the largest in the City's history 11,760 units. By comparison, the city is currently developed with approximately 40,000 units which results in a planned City growth of approximately 29 percent. As such, the planning period and additional years following are anticipated to be a transformative time for the community. The City's 2021-2029 RHNA allocation is as follows:

- 2,919 units - Very low income (0-50% County MFI)
- 1,794 units - Low income (51-80% of County MFI)
- 2,088 units - Moderate income (81-120% of County MFI)
- 4,959 units - Above moderate income (120% or more of County MFI)
- Total units: 11,760

The Housing Element identified 97 "housing opportunity sites" to accommodate projected housing needs, primarily along commercial and industrial corridors. Only three of the sites are vacant. Presently, residential and mixed-use development on 90 of the opportunity sites are guided by aging Specific Plans and Urban Plans. The City seeks a thorough work plan to address potential shortcomings in those adopted plans and creative solutions to rezone necessary portions of the city, mainly in

commercial and industrial corridors for housing and economic revitalization opportunities (refer to Housing Element Programs 3C, 3D, 3H, 3I, 3J, 3N, and 3R):

- Hyland Avenue, Sunflower Avenue and South Coast Drive
- North Costa Mesa Specific Plan Area
- Harbor Boulevard
- Newport Boulevard
- Placentia Avenue
- West 17th, 18th, and 19th Streets
- South Bristol Entertainment and Cultural Arts (SoBECA) Area

Responses to this RFP should demonstrate understanding of housing element regulations and the following local housing “guiding principles” from the adopted Housing Element:

- The City will plan for future housing primarily along major commercial, industrial, and mixed-use corridors within Costa Mesa that are compatible with growth, while preserving established residential neighborhoods;
- Each neighborhood, community, and district within Costa Mesa has its own unique characteristics and needs. Future housing growth will build upon Costa Mesa’s history and complement the diversity and unique characteristics that already exist within each area; and,
- The City will plan for a diverse range of housing forms, types, and densities to address the housing needs of an inclusive and diverse community and provide housing opportunities that meet the needs of all residents, including low-income households, seniors, multi-generational families, larger households, and special needs groups.

Note that at the time of the release of this Request for Proposal, there are active planning applications in progress to increase capacity on Housing Opportunity Site no. 38 Fairview Developmental Center and Site no. 96 Hive.

Measure Y and Measure K

Costa Mesa residents are extremely engaged in the City’s community planning efforts. For example, in 2016, residents of Costa Mesa voted to pass Measure Y, a resident initiative measure to require voter approval on development projects involving certain legislative actions (i.e., projects that amend, change, or replace part of the General Plan, the Zoning Code, a specific plan, or an overlay) which:

- Add 40 or more dwelling units or 10,000 SF of nonresidential uses;
- Generates over 200 additional average daily trips;
- Increases intersection capacity or changes the intersection level of service;
- Where the proposed project, combined with other projects within 8 years and a half-mile of each other, meet the above criteria;
- Changing a public use to a private use under specified conditions;
- Land designated as utility right of way under specified circumstances;
- Land donated or bequeathed to the City or owned or managed by the City; and
- Land used or designated for a Costa Mesa school property.

It is likely that the additional cost, time, and risk associated with conducting a citywide vote discouraged certain types of development (including housing); and since approximately 2016, very few housing developments have been submitted. In 2022, Costa Mesa residents voted for [Measure K](#), a ballot measure to reduce governmental constraints to housing development by allowing zone changes, mainly along nonresidential corridors, without a citywide vote. The Measure K [map](#) identifies sites where rezoning for residential development would not be subject to voter approval. All of the housing opportunity sites (except for the state-owned Fairview Developmental Center site) are Measure K sites and would not be subject to voter approval. Housing Element Program 3G stipulates that city-sponsored land use amendments within Measure K corridors shall include community outreach.

City Team

This project will be a collaborative effort between City staff and the consultant. An Economic and Development Services Department staff member will be assigned as the Project Manager for the overall effort and will serve as the day-to-day consultant team contact. Economic and Development Services staff will be responsible for the preparation of staff reports and resolutions. Staff engagement in the public outreach, data analysis, and the work product review process will enable a smoother transition from theory to application. The City Manager's Office will also provide input and high-level direction. City attorney staff will provide guidance on the legal parameters of the work. Staff from various divisions including Public Works, Fire, Parks, and others will contribute and be available as necessary.

Community Profile

The City of Costa Mesa is located in Orange County, adjacent to the Santa Ana River and just one mile from the Pacific Ocean. Since its incorporation in 1953, Costa Mesa has grown from a successful agricultural community to a bustling city featuring a diversity of neighborhoods, a variety of recreational and open space amenities, world-class shopping and restaurants, headquarters for action sports and other innovative industries, Orange Coast Community College, and a thriving arts scene. Known as "The City of the Arts," Costa Mesa is home to the Orange County Museum of Art and Segerstrom Center for the Arts among other cultural facilities and programs.

Today, Costa Mesa encompasses 15.8 square miles and is home to approximately 114,000 residents. Costa Mesa is bisected by the San Diego Freeway (I-405), the Costa Mesa Freeway (SR-55), and the Corona Del Mar Freeway (SR-73). Orange County John Wayne Airport, located along the eastern edge of the city, provides connections far beyond the region.

Reference Documents and Webpages

- 6th Cycle 2021-2029 Housing Element:
<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/housing-element-update>
- Municipal Code Title 13 Planning, Zoning and Development
<https://ecode360.com/42616379#42616379>
- 2015-2035 General Plan
<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/general-plan/2015-2035-general-plan>
- 2015-2035 General Plan EIR
<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/general-plan/2015-2035-general-plan-eir>

- Specific Plans and Urban Plans
<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/approved-plans-for-city>
- Residential Design Guidelines
<http://ftp.costamesaca.gov/costamesaca/council/agenda/2013/2013-12-03/PH-1-Attach-1.pdf>
- Affordable Housing Ordinance
<https://www.costamesaca.gov/trending/affordable-housing-ordinance>
- Measure K webpage
<https://www.costamesaca.gov/trending/measure-k>

In response to the State mandated local projected housing needs, the City of Costa Mesa endeavors to increase residential development capacity, provide more clarity and certainty in the development process, and reduce potential impacts on existing neighborhoods. The purpose of this RFP is to invite experienced, dependable consultants with innovative ideas to:

- Develop and implement robust community engagement strategy for the project (visioning);
- Analyze existing conditions, procedures, and plans;
- Develop and implement a work plan to establish objective residential design standards, improved procedures, and rezone Housing Element Opportunity Sites/Measure K sites (a housing overlay should also be considered);
- Complete amendments to Urban Plans, Specific Plans, and Zoning Code to incorporate the new standards, procedures, and densities;
- Complete a focused General Plan update for consistency and legal adequacy;
- Prepare technical studies including a market analysis and water supply assessment; and
- Prepare a legally defensible California Environmental Quality Act document.

The update process will be a collaborative multi-year engagement of the City's community members, other stakeholders, decision makers, various City department staff, and a highly skilled consultant. The City has prepared a recommended scope of work with suggested deliverables, but welcomes alternative approaches, optional tasks, and creative strategies to help reach the community's housing goals.

Project Management and Coordination

The consultant is expected to manage project and coordination activities, including coordination of subconsultants and administrative tasks. Proposals should include a primary point of contact that has extensive comprehensive planning and project management experience. This task covers coordination between the consultant and City staff, including meetings, phone calls, emails, and other communications to ensure staying on schedule and within the budget. The schedule should be maintained and refined throughout the course of the project. The proposal shall describe practices to ensure effective project management and collaboration with City staff.

Suggested minimum deliverables:

- *Project schedules with milestones;*
- *Project status memoranda;*
- *Meeting agendas and summaries; and*

- *Develop/Maintain Project Website.*

Project Initiation

The consultant will facilitate a project kickoff meeting with City staff. The kickoff meeting will include discussion of project goals, communication protocols, refined scope and schedule, project background information, and identification of potential challenges. City staff will present information on various documents that will be updated as part of the proposed project. City staff will coordinate with the consultant to establish an agenda and plan a tour(s) of the City. The kick-off meeting may be a multiple day event.

Suggested minimum deliverables:

- *Kick-off meeting agenda;*
- *Refined scope of work;*
- *Refined project schedule;*
- *Invoice format;*
- *Outstanding data needs; and*
- *Meeting and tour summary notes with key takeaways.*

Community Engagement

Based on the City's Sixth Cycle expanded RHNA, it is imperative to include the community in the process of exploring new residential design guidelines and product types to implement the Housing Element. Visioning may be carried out by neighborhood or by areas otherwise defined in the city to ascertain values and characteristics unique to each location. A successful proposal must include an equitable, robust, and creative engagement strategy to keep the community interested, accommodate a variety of schedules and lifestyles, and avoid losing momentum. Separately, the City has been engaging the community for over 12 months regarding Housing Opportunity Site no. 38 (Fairview Developmental Center), and outreach may continue through November 2024. Therefore, the selected consultant must be cognizant of not overtasking the community and interested stakeholder involvement for persons interested in both efforts.

Consultants are encouraged to include optional tasks/meetings. Staff will collaborate with the consultant to develop a comprehensive community engagement strategy that will be:

- **Effective.** Be cohesive, organized, utilize compelling graphics, and creative tools to help the community visualize design options, tradeoffs, and provide meaningful feedback;
- **Transparent.** Ensure that the community is well informed of the purpose of the project, the parameters we must work within, and keep them apprised of milestones along the journey;
- **Consistent.** Provide consistent opportunities for engagement with the community throughout the process;
- **Accommodating.** Incorporate a variety of formats and techniques, including short informational videos, to ensure that community members with varying communication comfort levels, availability, and needs are able to participate;
- **Inclusive and Respectful.** Provide opportunities for people of all ages, English and Spanish speakers, and groups that are not frequent participants in planning processes. Ensure that activities are managed so organizers and participants are respectful of all points of view.

Evaluate regularly throughout the process that all community members are provided an opportunity to be involved; and

- Purposeful. Result in productive and actionable outcomes that are incorporated into the Objective Residential Design Standards and Rezoning Program to address the RHNA.

Suggested minimum deliverables:

- *A draft(s) and final comprehensive community engagement strategy that:*
 - *Shall engage the public, underrepresented groups, and other stakeholders;*
 - *Shall notify all Housing Opportunity Site property owners;*
 - *Introduce the concepts of density, residential and mixed-use development types, urban design, community benefits, objective design standards;*
 - *Meetings to vet and refine draft Objective Residential Design Standards and land use alternatives for the Rezoning Program;*
- *Engagement summary report identifying opportunities, challenges, and recommendations for both the Objective Residential Design Standards and overall Rezoning Program to meet community and Housing Element goals; and*
- *Project website to be maintained and updated by consultant.*

Existing Conditions Analysis

For this effort to move forward, the consultant must have a clear understanding of the City's past. The consultant and City will collaborate to review the City's existing design guidelines including those in Urban Plans and Specific Plans and development review procedures. The consultant will be expected to identify and document characteristics of various neighborhoods in the city, including prominent architectural styles, building types, streetscape pattern, building materials and articulation, landscaping, and other characteristics. The consultant will also categorize all existing applicable standards for residential/mixed-use development as either subjective or objective and recommend modifications.

The consultant should identify opportunities to streamline and otherwise improve the City's procedures and standards for the development of housing. Consider identifying select case studies from California cities with innovative and streamlined procedures and clear and objective residential design standards that can achieve densities necessary to meet Costa Mesa's RHNA.

Suggested minimum deliverables:

- *Existing Conditions Analysis memorandum (in preparation for public engagement) resulting from auditing the adopted documents and procedures;*
- *Draft Existing Conditions Report; and*
- *Final Existing Conditions Report including opportunities and recommended amendments to entitlement procedures, Urban Plans, Specific Plans, Zoning Ordinance, and technical updates to the General Plan (incorporate public input into the final document).*

Market Demand and Economic Feasibility Analysis

The Rezoning Program will increase the City's land use capacity to provide additional housing to meet its share of the regional housing needs while reducing the City's capacity to incubate businesses. The City wants to ensure that the Rezoning Program includes policies that will lead to the production of housing that meets affordability targets and ensures future development includes a mixture of uses, including nonresidential uses, that will support the City's economic vitality and job base ("work/housing balance").

The consultant will prepare an analysis of market demand and feasibility for housing opportunities along the City's commercial/industrial corridors, as well as mixed-use and mixed-income housing for several example sites including and not limited to, housing for the workforce, students, veterans, and seniors. The analysis will include preliminary proformas for examples of mixed-use/mixed-income housing projects to explore the economic challenges and opportunities for mixed-use projects to encourage sustainability of local commercial use types in conjunction with housing development (either vertical or horizontal mixed-use types) as well as below-market rate housing construction in the city. The intent of this proforma analysis is to better understand the combination of land cost adjustments, density of market-rate housing and/or intensity of other development that may be necessary to offset affordable housing costs in the city, while continuing to support local businesses and the vitality of existing commercial uses along key corridors.

A fiscal impact analysis shall be prepared to ensure that the Rezoning Program supports the fiscal well-being of the city. Alternative or supplemental analyses/approaches recommended by the consultant are highly encouraged.

Suggested minimum deliverables:

- *Market Demand and Economic Feasibility Analysis;*
- *Pro Forma for the Project Area;*
- *Economic Development Benefit/Cost Analysis; and,*
- *Fiscal Impact Model and Analysis.*

Rezoning Program

The City is committed to ensuring housing development opportunities as indicated in the Housing Element sites inventory. The Rezoning Program will include amendments to various land use regulatory documents to allow residential development to meet the affordability targets set forth in the RHNA. The consultant will modify the Objective Design Standards, amend Specific Plans and Urban Plans, and prepare a focused/technical update of the General Plan and Zoning Ordinance to ensure consistency and legal adequacy. Staff welcomes ideas on how to approach this complex process with efficiency and timeliness. For example, what are the benefits and drawbacks of creating a residential overlay as a first phase of the rezoning process to enable acceleration of housing production and ensure the City is Housing Element compliant? How would creating an overlay impact the environmental compliance process? How would a phased approach (overlay) compare to one comprehensive rezoning process including reimagining the urban plans? Respondents are encouraged to demonstrate experience working with HCD and provide examples of assisting cities in obtaining Housing Compliance through implementation programs.

Objective Residential Design Standards

The consultant will work with City staff to craft the preferred Objective Residential Design Standard concepts to encourage and facilitate housing types that will meet the RHNA. The document should feature a variety of building types (e.g., courtyard bungalows, townhomes, multistory apartments with surface parking, wrapped products with structured parking, etc.) and architectural styles that are appropriate for Costa Mesa. Additionally, it will address topics such as site planning, sustainability, building massing, building frontages, entrances, exterior materials, landscaping, outdoor lighting, mechanical equipment, screening, parking structures, etc. The document should be visually rich, with

a user-friendly format, and include clear, concise text and example imagery. The consultant will present the Draft Objective Design Standards to the community through workshops described in the community engagement strategy and a City Council/Planning Commission joint study session. Consultant shall ensure consistency with Draft Objective Design Standards and other efforts of the Rezoning Program (Specific/Urban Plans, General Plan and Zoning Ordinance).

The Objective Residential Design Standards must specifically address:

- Density, intensity, and massing for residential and mixed-use developments;
- Site placement/positioning, screening, or other standards to accommodate solar energy systems, EV charging facilities, and other sustainable/green building architectural design elements;
- Accommodations and site planning for housing for seniors and persons with disabilities or supportive needs;
- Allowed exceptions or incentives to some standards for projects that include a high percentage of deed restricted affordable housing units;
- Provisions that are both objective and easily understood. Where provisions become technical, focused illustrations examples shall be further utilized to simplify design objectives; and
- Recommendations on appropriate place to put clear, objective standards (e.g., what standards should live in zoning ordinance as opposed to objective design standards document and what should live in the General Plan).

Suggested minimum deliverables:

- *Administrative Draft Objective Residential Design Standards with graphics/illustrations;*
- *Final Administrative Draft Objective Residential Design Standards;*
- *Public Review Draft Objective Residential Design Standards;*
- *Joint Study Session presentations and related materials; and*
- *Final Objective Residential Design Standards (including Planning Commission recommendation hearing and City Council final action hearing).*

Housing Opportunity Site Verification

Following the creation of objective standards and identification of key areas for increased densities from the community engagement process, the consultant shall provide a thorough update to the housing opportunity sites analysis [Housing Element Appendix B Table B-5] to ensure adequacy to exceed the RHNA.

Suggested minimum deliverables:

- *Updated Housing Element Appendix B Table B-5; and*
- *Draft and final additional amendments to the Housing Element necessary for consistency.*

Amendments to the General Plan, Zoning Code, Specific Plans and Urban Plans

Many of the City's adopted plans are 20 or more years old and may no longer reflect the community's vision for housing, allow adequate densities to meet the RHNA, or meet current legislative requirements. The consultant will prepare a focused, technical update to specific elements of the General Plan as well amend the Zoning Code, Specific Plans and Urban Plans, to achieve densities and affordability targets necessary to meet or exceed the RHNA. This effort should also include

reviewing planning entitlement application types, review processes, and provide recommendations for more efficient review and approval of housing. Respondents should consider if a phased approach to increasing density would benefit the City in achieve Housing Element compliance more effectively or if the focus should remain on completing the rezoning program.

Additionally, the consultant should consider that some commercial and industrial development standards may also warrant updating to ensure that the future developments on the housing opportunity sites and corridors are compatible, scaled accordingly and continue to support the economic vitality of local businesses.

Suggested minimum deliverables:

- *Multiple draft amendments to all applicable regulatory documents;*
- *Summary of proposed amendments;*
- *Draft and final maps;*
- *GIS layers; and*
- *Draft and final Land Use Entitlement Workflows.*

Prepare Final Amendments & Public Hearings for Rezoning Plan and EIR

The consultant will attend and present at public hearings conducted by the Planning Commission and City Council to consider the review of draft documents and adoption of final documents pertaining to amending the General Plan, Specific Plans, Urban Plans, Zoning Ordinance, re-zoning, and adoption of the Environmental Impact Report (EIR). City staff will be responsible for staff reports, resolutions, and public notification.

Suggested minimum deliverables:

- *Draft and final presentation materials;*
- *Presentation/attendance;*
- *Public review documents; and*
- *Digital format General Plan, Specific Plans, Urban Plans, Zoning Code, and GIS maps/files.*

Environmental Scoping

The consultant shall collaborate with City staff to prepare a draft project description that describes all actions undertaken by the proposed project to initiate the environmental review process. City staff expects that a Program EIR will be the appropriate document for environmental compliance, however the consultant will determine if an initial study is necessary and if a different CEQA document would be better suited to this project, particularly if it is decided to phase the overall Rezoning Program and implement a residential overlay first. The City welcomes guidance from responding consultants as to the appropriate CEQA documentation if City pursues a residential overlay, as well as cost and time implications associated with phasing. The consultant shall prepare a Notice of Preparation (NOP) in consultation with staff. After incorporating City review comments on the preliminary Project Description, the consultant will prepare the NOP, conduct required Noticing, and will conduct a Public Scoping Meeting for the EIR. The consultant is expected to respond to this RFP with a thorough work plan for environmental scoping.

The consultant is expected to respond to this RFP with a thorough scoping work plan and deliverables to meet legal requirements.

Environmental Impact Report

The consultant will prepare, in accordance with CEQA, an administrative draft of the EIR or other appropriate CEQA document including project objectives, existing conditions, impact analysis, mitigation measures, cumulative analysis, alternatives analysis, and all associated technical studies for review by City staff. The EIR will specifically address environmental concerns identified during plan development and outreach. Prior to beginning any technical analyses for individual subject areas, the consultant will provide an annotated outline and a memorandum describing the methods and assumptions to be used in the analysis (such as software, modeling techniques, significance thresholds, etc.). City staff will meet with the consultant as needed to discuss comments and will provide comments in one consolidated format. To optimize efficiency and avoid redundant efforts, the CEQA analysis should be collaboratively developed alongside the Rezoning Plan, with mitigation measures built into the plan where possible. The EIR should also be structured to facilitate the streamlining of the CEQA review process for future projects and proposals that align with the updated Zoning Code and General Plan.

The consultant is expected to respond to this RFP with a thorough CEQA work plan and deliverables to meet legal requirements.

Suggested minimum deliverables:

- *Prepare the Project Description and Notice of Preparation;*
- *Facilitate the Scoping Meeting;*
- *Prepare Technical Studies as needed (including Water Supply Assessment);*
- *Prepare Administrative Draft EIR;*
- *Prepare Screen-Check Draft EIR;*
- *Prepare Published Draft EIR;*
- *Prepare Notice of Availability/Completion;*
- *Prepare Administrative Final EIR;*
- *Prepare Screen-Check Final EIR;*
- *Prepare Published Final EIR;*
- *Prepare Mitigation, Monitoring and Reporting Program;*
- *Prepare draft CEQA Findings;*
- *Prepare Notice of Determination; and*
- *Attend a minimum of five CEQA-related community meetings/hearings.*

Rezoning Program Implementation

The consultant will finalize the land use entitlement workflow that clearly outlines development review process for new housing application types. It will include a list of all documents requirement from an applicant to initiate and streamline development review process, including applicable checklists for State Density Bonus Law (SDBL) request, and SB 35 and SB 330 streamlined housing applications. The document will also list applicable Development Impact Fees, and applicable project review timelines. The document will be posted online, available to share with applicant and provide transparency for the wider community. Staff will prepare an updated site inventory in excel format for tracking housing opportunity site inventory, pursuant to Senate Bill 166, in conjunction with this effort.

Suggested minimum deliverables:

- *Land use Entitlement Workflow document; and*
- *Applicant handouts for development review of housing projects.*

EXHIBIT B
CONSULTANT'S PROPOSAL

Housing Element Rezoning Program and Environmental Impact Report

City of COSTA MESA



1 Cover Letter

January 30, 2025

Stephanie Urueta
City of Costa Mesa, Economic and Development Services Department
77 Fair Drive, 1st Floor
Costa Mesa, California 92626

Subject: Revised Proposal for City of Costa Mesa Housing Element Rezoning Program and Environmental Impact Report

Dear Stephanie Urueta:

Dudek is pleased to submit a revised proposal to assist the City of Costa Mesa (City) to implement several of its Housing Element programs. This proposal reflects our updated approach to efficiently and effectively conduct the scope of work to address the City’s needs and priorities.

Dudek, along with its subconsultant partners Kearns & West and Pro Forma Advisors, is a team of qualified, innovative, and dependable multidisciplinary consultants. We are expertly qualified to deliver the services needed to help the City successfully implement its Housing Element and better and more realistically facilitate housing development. Our team offers the following strengths:

Proven housing element (and implementation) expertise.

Dudek is currently leading similar housing element implementation efforts in jurisdictions nearing the finish line to obtain final Housing Element certification from the California Department of Housing and Community Development (HCD), and we are concurrently implementing various programs to ensure that compliance. In the Cities of Rancho Palos Verdes and Fullerton, for example, we are assisting City staff in developing and implementing individual rezones and residential and mixed-use overlay zones to ensure adequate capacity to meet each city’s Regional Housing Needs Assessment (RHNA). Dudek is also leading a comprehensive zoning code update, inclusive of citywide objective design standards, for the City of Pico Rivera to better facilitate residential and mixed-use development in compliance with state law and allow for a more efficient, effective, and transparent review and approvals process for all new development. Elsewhere in the Cities of Manhattan Beach, Concord, Indio, and Rialto, our team has successfully prepared Housing Elements to ensure substantial HCD compliance on time.

A multidisciplinary team with first-hand knowledge of the City and the region. Dudek has worked in Orange County for more than three decades to provide a variety of planning, economic, community

LOCAL OFFICE

27271 Las Ramblas, Suite 340
Mission Viejo, California 92691
949.450.2525

PROJECT MANAGEMENT OFFICE

225 South Lake Avenue,
Suite M210
Pasadena, California 91101
Ph: 626.204.9800


engagement, and environmental services to improve the livability of our communities, including market-feasible and legally sound housing elements, General Plans, zoning codes, and environmental reviews, as well as effective and inclusive community outreach and engagement campaigns. We are intimately familiar with the City and region’s local and regional landscape, culture, challenges, and opportunities. Notably, we were recently selected to prepare the City’s first Climate Action Adaptation Plan that will prioritize climate actions to enhance resiliency. Through this work, Dudek will further advance our familiarity with the City’s policies, regulations, City staff, and leaders, positioning us a valuable partner in the City’s implementation of its planning initiatives.

A thoughtful and inclusive approach to community outreach and engagement. At Dudek, we are not just planners and designers, but skilled outreach specialists who recognize that a plan without public support has no chance of affecting real change. Leading our outreach and community engagement will be **Kearns & West** who specializes in effective community engagement throughout Southern California. Together, we will design an effective, transparent, consistent, accommodating, inclusive, respectful, and purposeful public process to solicit meaningful input while building consensus within the community. Our outreach approach is proactive, goes where the people are, and reaches a broad audience through multilingual workshops, pop-up events, walking tours, social media campaigns, surveys, interviews, focused discussions, and other methods that have proven to be effective and fun.

Regulatory expertise for real-world implementation. We prioritize preparing regulatory documents that are usable and implementable because we know that even the best plans fail when they lack legally sound underpinnings. We have deep in-house technical expertise across zoning, land use, policy, and objective design and development standards to address and analyze all issues that arise during the preparation of regulatory documents while working directly with architects, developers, and property owners to unlock potential in underutilized sites. We are adept at translating community visions into user-friendly, streamlined, and legally defensible regulatory documents. For this effort, we have partnered with **Pro Forma Advisors** to frame our work in the realities of the market and develop market-driven and pragmatic implementation strategies to result in swift and visible outcomes.

Should you have any questions regarding this proposal, please contact Project Manager Catherine Tang Saez, AICP at 626.204.9846 or ctangsaez@dudek.com.

Sincerely,



Joseph Monaco
President/CEO



Catherine Tang Saez, AICP
Project Manager

Joseph Monaco is authorized to sign on behalf of Dudek.

Table 1 details how Dudek meets the minimum requirements in the City’s Request for Proposal (RFP).

Table 1. Minimum Qualifications

RFP Requirement	Dudek Response
<p>a) The Proposer must have a Project Manager assigned to the Contract with at least eight years of experience within the last ten years, providing services equivalent to the services identified in Appendix A.</p>	<ul style="list-style-type: none"> ▪ Dudek Project Manager Catherine Tang Saez has 16 years’ experience with urban design, comprehensive planning, and project management. ▪ Catherine will be the primary point of contact for the City.
<p>b) The Proposer must provide three references indicating a key role in the delivery of municipal projects of similar scope that have been completed within the last six years in California. Projects may include zoning code updates, general plan updates, creating objective design standards, and major rezoning programs such as those to address housing mandates.</p>	<ul style="list-style-type: none"> ▪ Dudek’s references for similar projects can be found on the Company Profile & References form. Our reference projects include: <ul style="list-style-type: none"> ▪ Housing Incentive Overlay Zone, City of Fullerton ▪ Housing Element Implementation Programs, City of Rancho Palos Verdes ▪ Specific Plan Updates, City of Burbank ▪ Brookhurst Corridor Study, City of Anaheim ▪ Mira Mesa Community Plan Update, City of San Diego
<p>c) The Proposer must have a local office (within 90 miles) with a competent representative who can be reached during normal working hours or emergencies who is authorized to make decisions on matters pertaining to this contract with the City.</p>	<ul style="list-style-type: none"> ▪ Dudek has two local offices: <ul style="list-style-type: none"> ▪ Pasadena (within 55 miles): 225 South Lake Avenue, Suite M210 Pasadena, CA 91101 <ul style="list-style-type: none"> ▪ Project Manager Catherine Tang Saez is based in Pasadena and is authorized to make decisions on matters pertaining to this contract. ▪ Mission Viejo (within 19 miles): 27271 Las Ramblas, Suite 340 Mission Viejo, CA 92691



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APPENDIX

A	Resumes
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BACKGROUND AND PROJECT SUMMARY

2 Background and Project Summary

Our team understands that the City of Costa Mesa (City) is seeking a team of qualified, innovative, and dependable multidisciplinary consultants to collaborate with the Economic and Development Services Department to implement several Housing Element programs that will involve rezoning portions of the City, and updating, and/or creating new policies, procedures, and development standards to encourage and facilitate housing development. We also understand that portions of the zoning code, General Plan, and other adopted plans must be amended as part of this effort. After careful review of the City’s RFP, scope of work to be done, expected goals and



objectives, and latest draft of the Housing Element, we understand that undertaking this work will be a complex exercise and the community expectations will be deservedly high.

Of the 47 programs identified in the City’s 2021-2029 Housing Element, we understand that this effort will account for implementing 18 of them over the course of a multiyear and multifaceted effort as mandated by state law. In addition, and more importantly, we respect the City’s care to do so in a way that will realistically expand accessibility to more housing choices while improving the quality of life for all Costa Mesans in the years to come. While every other jurisdiction in California is tasked with essentially the same goal, we recognize that the City is under challenging scrutiny to implement its rezones as soon as possible in order to achieve official Housing Element certification by the California Department of Housing and Community Development (HCD). Without it, the City remains open to certain risks, such as Builder’s Remedy, litigation, and loss of state funding. This particularly urgent and

necessary action item coupled with the City’s other required but less urgent programs comprises a comprehensive multiprong effort that our team is expertly equipped and excited to support.

To minimize risk, we recognize the City’s urgency to implement the necessary rezones to obtain HCD certification as soon as possible.

In the following section, our team has outlined our proposed approach and methodology to efficiently and effectively navigate the complexities of this effort.



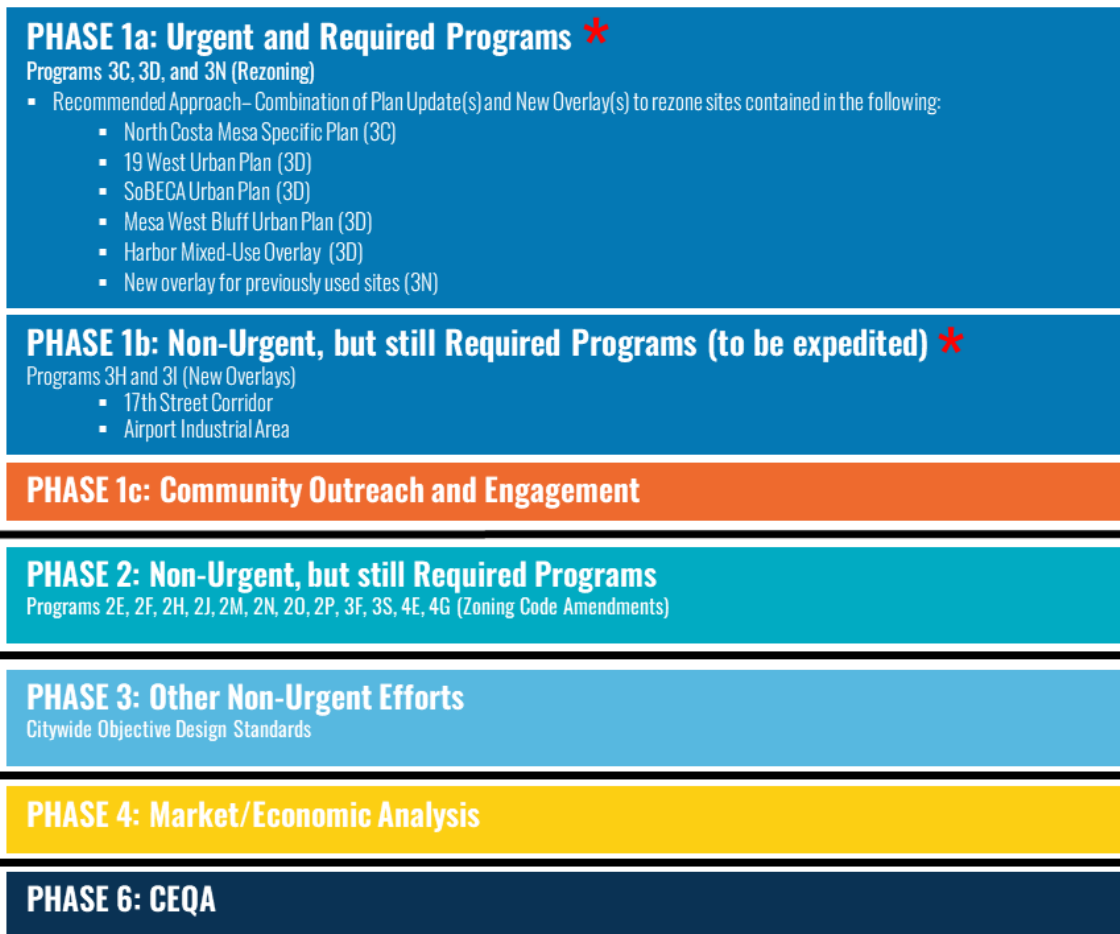
PROJECT APPROACH AND METHODOLOGY

3 Project Approach and Methodology

Proposed Project Approach and Methodology

As mentioned in Section 2, we have identified 18 Housing Element programs to be addressed in this effort. While seemingly overwhelming and complex, this effort can be better understood, managed, and addressed if broken down into discrete phases and tasks. Based on our understanding of the City’s needs and priorities to ensure immediate compliance with HCD but also leverage this work effort to set the City up for ease of future compliance and maximize opportunities for housing, we recommend a hybrid approach to this effort. This approach will satisfy the State’s timebound requirement to rezone the necessary sites as outlined in the Housing Element but do so in a way that allows for regulatory flexibility and context specificity utilizing the City’s existing regulatory tools. An overview of how those tasks can be grouped and phased according to their urgency and relevance is provided below, illustrated in **Figure 1**, and detailed in our proposed scope of work on the following pages.

Figure 1. Proposed Methodology



* Recommend combining into one immediate effort to maximize opportunities for regulatory streamlining

PHASE 1A – URGENT AND REQUIRED HOUSING ELEMENT PROGRAMS

To address the City’s lack of Housing Element certification, we recommend first focusing on the programs that HCD requires for immediate preparation and adoption: the rezones identified in Programs 3C (Update the North Costa Mesa Specific Plan), 3D (Update the City’s Urban Plans and Overlays), and 3N (Candidate Sites Used in Previous Housing Elements).

In this first phase of work, our team recommends a hybrid approach to the rezoning, which consists of a combination of both updates to select plans and creation of new and/or reuse of existing overlays. This approach is based on our understanding that implementing Programs 3C, 3D, and 3N as currently written in the Housing Element is likely infeasible given that the level of effort to independently update 1 specific plan, 3 urban plans, and 1 overlay, and create one new additional overlay will likely not meet the City’s current time and budget constraints.

Instead, a hybrid approach takes advantage of the many benefits that an overlay, as a zoning tool, has to offer. Because an overlay would not change a property’s underlying base zone (it would simply add another zoning classification on top of its existing classification), it would still constitute as a “rezone” without needing to make permanent modifications to a property’s base zone. In this case, our team will assess the advantages and disadvantages of creating a new overlay and/or making use of the City’s existing overlays (R-I or Residential Incentive Overlay District and M-U or Mixed-Use Overlay District) for the same purpose, but with tailored specificity to identified sites.

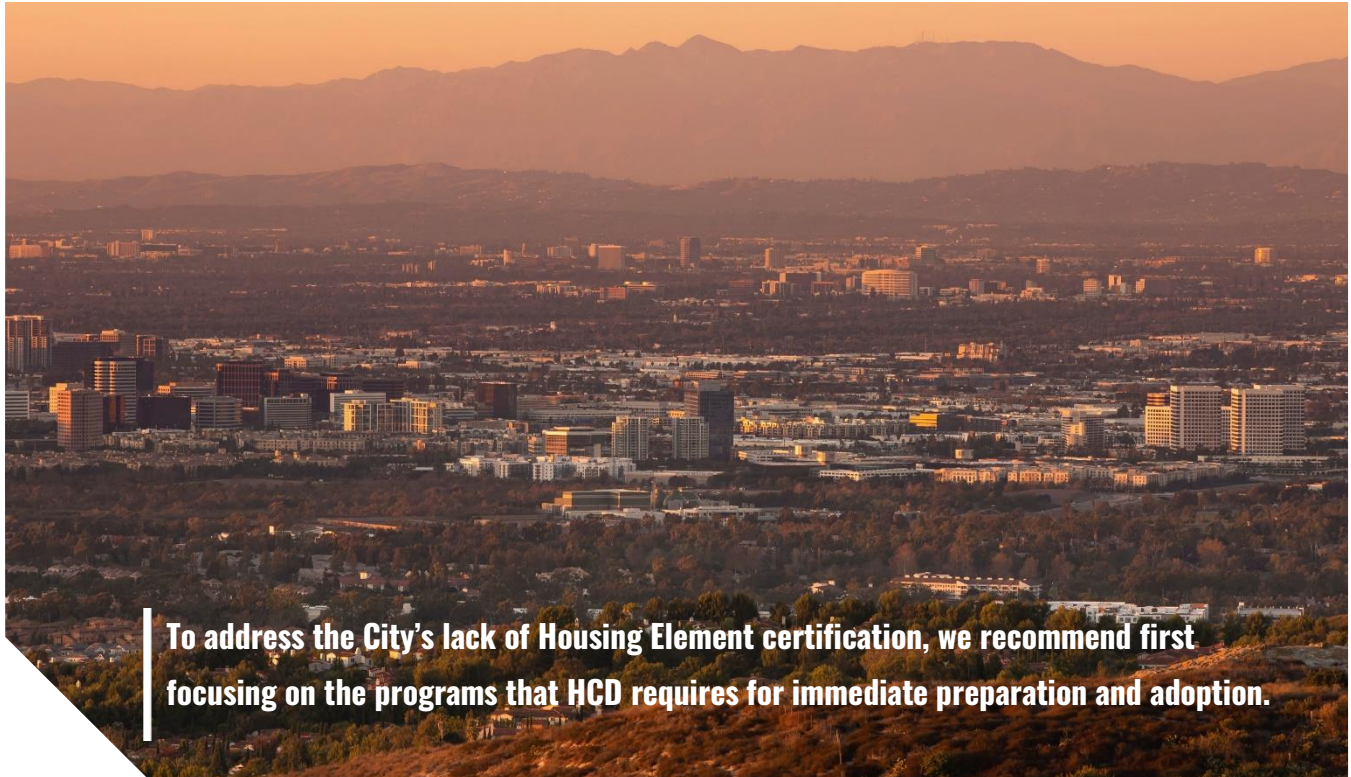
PHASE 1B – NON-URGENT, BUT STILL REQUIRED PROGRAMS TO BE EXPEDITED

In developing the overlay as mentioned above, we also recommend combining the work necessary to implement Programs 3H and 3I to assess the 17th Street Corridor and Airport Industrial Areas for new housing. Programs 3H and 3I are required, but non-urgent programs, and do not identify any Housing Element sites. Yet, our team recognizes that there are efficiencies to conduct this work concurrently with that of the overlay to potentially set the City up for ease of future HCD compliance by further maximizing opportunities for housing in areas where it makes the most sense.

Coupled with the overlay would also be an effort to independently update one or more of the City’s existing plans. Our initial assessment suggests that the North Costa Mesa Specific Plan may be most appropriate given its recent adoption and standalone applicability to a unique portion of the City. However, the age and condition of the City’s other plans may suggest that an update is not appropriate.

Depending on our findings from our diagnostic analysis and in collaboration with City staff, our team will devise an agreed-upon strategy that implements an overlay for some sites, and reserves updating select plans for other sites where it makes the most sense.

Depending on the agreed-upon approach, this first phase would also include the corresponding updates to the General Plan, development review processes/procedures, and Housing Element.



PHASE 1C – COMMUNITY OUTREACH AND ENGAGEMENT

Community outreach and engagement comprises an equally urgent and necessary effort that will need to be commenced as part of Phase 1 as well. Although it will span across all phases of work, we propose executing a comprehensive, equitable, and inclusive community outreach and engagement strategy to inform, educate, and engage stakeholders and the community throughout the entirety of the effort. To minimize public confusion and outreach fatigue (i.e., overloading of seemingly similar information and requests for input), we recommend a singular, but multifaceted, outreach and engagement campaign. This one-stop-shop will enable the public to associate the City's multiple zoning, land use, design/development, housing, mixed-use, etc. efforts with a singular name, purpose, and identity to better facilitate discussions and expectations. The campaign will be comprised of multiple methods of engagement, events, meetings, formats, locations, and languages to expand the reach and maximize meaningful participation.

PHASE 2 – NON-URGENT, BUT STILL REQUIRED HOUSING ELEMENT PROGRAMS

With the first phase of work in full swing and on track for expedited completion, the City can then address the remaining Housing Element programs that are not urgent but nevertheless required to be implemented. This second phase of work includes multiple zoning code amendments to remove regulatory barriers to new housing development (Programs 2E, 2F, 2H, 2J, 2M, 2N, 2O, 2P, 3F, 3S, 4E, and 4G). Depending on the agreed-upon approach, we may find efficiencies in conducting this work concurrently with the third phase of work.

PHASE 3 – OTHER NON-URGENT EFFORTS

The least urgent phase of work includes the preparation of citywide objective design standards. While not explicitly called out as stand-alone or required Housing Element Implementation Program, the preparation of citywide objective design standards for residential and mixed-use development will allow the City to streamline the production of housing while ensuring quality in design as envisioned by the community. Because objective design standards will be necessary for the updates to existing plans and overlays, there is an opportunity to coordinate these efforts so that they inform each other.

PHASE 4 – MARKET ANALYSIS

Spanning across all phases of work will be a market-driven analysis of the opportunity for new housing and mixed-use development on identified Housing Element sites as well as commercial and industrial corridors. This analysis will help inform our approach to rezoning via a citywide market analysis, pro forma of various development prototypes, as well as a fiscal impact analysis.

PHASE 5 – CEQA

Also spanning across all phases of work will be the preparation of the Environmental Impact Report (EIR) pursuant to CEQA. To maximize efficiencies and flexibility, our team proposes preparing one EIR for the entirety of the project, inclusive of the various rezones, updates to/creation of new Specific Plans, urban plans, and overlays, including the General Plan and zoning code. The EIR prepared for this effort is likely to be a Program EIR that analyzes the impact and buildout of the various programs on a programmatic level. It is our intent that the Program EIR will include sufficient level of detail, analysis, and mitigation to allow future streamlining for project applicants to efficiently tier-off the Program EIR as development of each particular site is proposed.



Whittier Elementary School on Whittier Ave is adjacent to a cluster of 6th Cycle Housing Element sites identified in West Costa Mesa.

Proposed Scope of Work

Our team proposes the following scope of work to reflect the proposed approach and methodology based on the City's expectations and priorities as gathered from the RFP. Our team is amenable to refinements to maximize efficiencies in timing and resources such that the City ultimately achieves HCD certification and successful implementation of its required Housing Element programs.

TASK 1. Project Management and Coordination

Task 1.1. Project Initiation

Dudek will conduct an in-person kickoff meeting within 2 weeks of receiving a notice to proceed. The first half of the meeting will be structured as a partnering session with City staff to confirm project expectations and goals; establish team responsibilities; discuss the scope of work, schedule, and list of deliverables as contracted; and discuss considerations to keep in mind as Dudek conducts the work. The second half of the meeting will consist of an in-person tour. The tour will provide Dudek with more context of the City's character and provide the team with a forum to discuss issues and opportunities. Curated by Dudek with input from City staff, the tour can focus on select study areas, corridors, and/or recent development projects. By gaining a clear understanding of the City's expectations at the project outset, Dudek will avoid rework and delays, delivering a product that explicitly responds to the City's needs.



Task 1.2. Ongoing Project Management and Coordination

Dudek will facilitate ongoing check-in calls/virtual meetings with City staff. Meeting frequency (e.g., monthly or biweekly) will be confirmed with the City’s project manager. City and Dudek project managers may invite other participants to this call as needed (such as the City’s current Housing Element consultant to ensure an efficient and effective process of implementing the required programs for HCD certification). These ongoing check-in meetings will chart the status of ongoing work, reaffirm project milestones and deliverables, and flag any anticipated issues that may impact the schedule or budget. Dudek will host these virtual meetings via Zoom, but we can also be made available to attend in-person meetings at City offices as needed. For each meeting, Dudek will prepare an agenda and meeting notes, inclusive of action items and project status.

Task 1. Deliverables

- Facilitation of a kickoff meeting
- Agenda and meeting/tour summary with key takeaways
- List of requested client-supplied data, documents, and other relevant information
- Refinements to the project schedule and scope of work, if necessary
- Invoice template for approval
- Facilitation of check-in meetings
- Agenda and meeting notes, inclusive of action items
- Monthly (or other agreed-upon frequency) project invoice and progress report

TASK 2. Initial Assessment and Strategy

To provide a solid foundation of understanding of the City’s obligations made in the Housing Element, Dudek will conduct an initial assessment of the Housing Element and related documents to be able to strategize with City staff the best path forward to rezoning (and subsequent implementation programs). Dudek will perform a review and assessment across the following subtasks:

Task 2.1. Review of Housing Element

Dudek will conduct a thorough review of the City’s current draft of the 2021–2029 Housing Element (and relevant HCD comment letters and City Council and Planning Commission meetings regarding its status update) to better understand its policies and implementation programs, including the 18 out of 45 programs that are the subject of this effort:

Programs regarding rezoning (deemed urgent and required, and applicable to Housing Element sites):

- **Program 3C:** Update the North Costa Mesa Specific Plan
- **Program 3D:** Update the City’s Urban Plans and Overlays
- **Program 3N:** Candidate Sites Used in Previous Housing Elements

Programs regarding zoning code amendments (deemed non-urgent, but still required, and not applicable to Housing Element sites):

- **Program 2E:** Encourage Development of Housing Options for Large-Family Households
- **Program 2F:** Persons with Physical and Developmental Disabilities
- **Program 2H:** Farmworker Housing

- **Program 2J:** Transitional and Supportive Housing
- **Program 2M:** Parking Standards for Residential Developments
- **Program 2N:** Reasonable Accommodation
- **Program 2O:** Definition of Single Housekeeping Unit
- **Program 2P:** Group Homes
- **Program 3F:** Motel Conversions, Efficiency Units, and Co-Living Housing Types
- **Program 3S:** Review and Revise Findings (Conditional Use Permits, Design Review, Master Plan)
- **Program 4E:** Low Barrier Navigation Centers
- **Program 4G:** Assembly Bill 139 (Parking for Emergency Shelters)

Programs regarding assessing the potential of new overlays and specific plans updates (deemed not-urgent, but required and not applicable to Housing Element sites):

- **Program 3J:** Analyze the Potential of Modifying the Newport Boulevard Specific Plan to Promote Residential Uses along Newport Boulevard
- **Program 3H:** Analyze the Potential of Establishing an Overlay to Permit Residential Uses in the Airport Industrial Area
- **Program 3I:** Analyze the Potential of Establishing an Overlay to Permit Residential Uses in the 17th Street Corridor Area

Task 2.2. Confirmation of Housing Element Sites

In collaboration with City staff and the City's Housing Element consultant, Dudek will confirm and assess the identified Housing Element sites to better understand their existing conditions, such as existing uses, context/adjacencies, underlying base zone and associated regulations, and their anticipated densities per the Housing Element. In conjunction with a diagnostic analysis of the relevant plans, Dudek will identify the challenges and opportunities in how they may be rezoned, whether by updates to their plans, overlay, or a combination of the two.

Task 2.3. Diagnostic Analysis of Existing Specific Plans, Urban Plans, and Overlays

Dudek will perform a diagnostic analysis of the relevant existing Specific Plans, urban plans, and overlays to assess the feasibility of updating the documents as identified in the Housing Element:

- **North Costa Mesa Specific Plan** (per Program 3C), which requires the rezoning of 16 sites
- **19 West Urban Plan** (per Program 3D), which requires the rezoning of 12 sites
- **SoBECA Urban Plan** (per Program 3D), which requires the rezoning of 18 sites
- **Mesa West Bluff Urban Plan** (per Program 3D), which requires the rezoning of 16 sites
- **Harbor Mixed-Use Overlay** (per Program 3D), which requires the rezoning of 27 sites
- **Newport Boulevard Specific Plan** (per Program 3J), which does not require the rezoning of any sites. As a result, an immediate update to this document is not required for HCD certification.



The diagnostic will assess the entirety of each document to identify the sections that would need updating and will gauge the extent of work necessary as it may vary based on the document’s condition (age of the Specific Plan, availability of working files, etc.), with the focus being on those necessary updates to meet HCD requirements, including the following:

- Permitting residential development at the allowable densities identified in the Housing Element
- Updating development standards to promote residential development at the allowable densities—note that this work may coincide with the work to create new citywide objective design standards
- Updating the development review procedures to streamline the development of housing
- Possibly amending the boundaries of the Specific Plan areas
- Possibly updating other areas of the documents to ensure consistency with the updates listed above, the documents’ visions, goals, principles, land use plans, mobility plans, infrastructure plans, and implementation strategies

Task 2.4. Summary of Findings and Recommended Approaches

After conducting a thorough review and analysis as described in this task, Dudek will prepare a summary of findings that identifies issues, considerations, challenges, and opportunities to discuss and address with City staff, inclusive of a set of options for how the rezoning (and subsequent programs)

may be implemented. Dudek acknowledges that this is a critical step to be able to chart the best path forward in conducting the work in this effort in the most efficient and effective way..

Task 2. Deliverables

- Review of relevant Housing Element policies and programs
- Diagnostic analysis of applicable Specific Plans, urban plans, and overlays
- Confirmation Housing Element sites slated for rezoning
- Summary of findings and recommended approaches to rezoning for presentation and discussion with City staff

Task 3. Community Outreach and Engagement

This task comprises the work to develop and execute a comprehensive community outreach and engagement strategy meant to span across all tasks in this effort.

Task 3.1. Community Outreach and Engagement Plan

With input from City staff, Kearns & West will prepare a Community Outreach and Engagement Plan that will establish a comprehensive, equitable, and inclusive strategy for engaging the community and stakeholders. The plan will specifically include a strategy dedicated to community-wide equity and inclusive engagement, focusing on segments of the community that have been historically left out of the planning process. This strategy will include a more focused analysis to identify underserved communities, the best ways to engage with those communities, and identifying the depth of languages and translation needs. The plan will establish goals and objectives, a communications strategy, schedule of events, and establishment of roles and responsibilities. For each outreach and engagement event, a purpose, target audience, participation goal, timeline, and other logistics will be identified. After the finalization of the plan, Kearns & West will host and facilitate a training session with staff and consultant team to review the plan, provide an overview of all public-interfacing activities, and lay out strategies for successful conflict resolution and de-escalation in anticipation of potentially challenging community discussions and dynamics.

Task 3.2. Project Messaging

To facilitate a coordinated effort for messaging in outreach and engagement, our team will execute the Community Outreach and Engagement Plan’s communications strategy, including the development of a graphic identity for the project, project website, social media campaign, and event noticing. To minimize public confusion and outreach fatigue (i.e., overloading of seemingly similar information and requests for input), we recommend a singular graphic identity for the entire project, rather than an individual one for each portion of the



project. The graphic identity will include a logo, tagline, color palette, typeface, and messaging for public-facing collateral. The project website will be developed, hosted, and maintained as a stand-alone project website for project information, upcoming events, and work products. The social media campaign will consist of a strategy and content for posting to the City's existing social media accounts. Dudek assumes close coordination with the City's public information officer and/or media managers on this effort.

Task 3.3. Stakeholder Meetings

In collaboration with City staff, our team will facilitate a series of stakeholder interviews/focus groups as virtual or in-person meetings. These conversations are important to hold at the beginning of the process for buy-in and to hear insight from key group as the project unfolds. The focus of the stakeholder interviews is to have individual or small group conversations with key stakeholders on planning considerations on the multiple programs and plans that this effort will address. Stakeholder groups could include appointed City Commissioners or Board Members, community based organizations (CBOs), residents, business owners, property owners, and developers. Kearns & West has developed and maintained relationships with various CBOs in Costa Mesa, such as Trellis. Our team will proactively engage them and others to maximize outreach and target stakeholders, specifically underrepresented groups, that are impacted by the effort.

Task 3.4. Community Events

Given the extent of areas of the City impacted by this effort, our team proposes a series of community events in different formats and locations to maximize outreach and engagement across the project's multiple programs. Our team proposes a combination of the following methods as agreed upon with City staff based on an effective strategy relative to timing, reach, audience, and topic of discussion:

POP-UP EVENTS: Our team will host a series of pop-up workshop events to provide hands-on opportunities for input. The pop-up events will take place in locations where residents gather and engage a broad sector of the community, such as piggybacking off existing community events or assets, like farmer's markets, festivals, parks, etc. The pop-up events will provide the opportunity for participants to provide feedback on the vision, goals, opportunities/challenges, and draft plan materials, emphasizing redevelopment options in areas subject to change.

WALKING TOURS: Our team will organize and host up to three walking tours of select areas of interest and change to learn from community members about their insights for change in their immediate neighborhoods. These tours may be conducted in conjunction with pop-up events if opportunities for efficiency exist, as agreed upon by staff.

OPEN HOUSES: After the development of draft materials (across the multiple specific plans, urban plans, overlays, and objective standards, etc.), our team will host a series of open house or showcase events to present draft materials before proceeding into finalization.

VIRTUAL MEETINGS: In addition to these strategies, our team will also host a series of virtual meetings to provide an online platform for sharing progress and obtaining community input.

Task 3. Deliverables

- A draft and final Community Outreach and Engagement Plan

- Draft and final versions of project graphic identity, project website, and social media content
- Draft and final stakeholder outreach list
- Facilitation of up to 10 stakeholder meetings
- Event logistics plan and coordination with City staff for each event
- Event materials, event noticing, and summary of engagement for each event
- Event facilitation and staffing of at least four engagement specialists for each event, including at least one Spanish speaking facilitator
- Event facilitation of up to 10 community events, consisting of a combination of walking tours, pop-up workshops, open houses, and/or virtual meetings as agreed upon with City staff
- Draft and final versions of a community online survey as agreed upon with City staff, including summary of results
- Spanish translation of public-facing materials

TASK 4. Market Demand and Economic Feasibility Analysis

To inform a market-feasible strategy for how best to implement the various programs of the Housing Element, Pro Forma Advisors will conduct a comprehensive analysis across the following subtasks:

Task 4.1. Citywide Market Demand Analysis

To inform the best approach to the rezoning, Pro Forma will assess the opportunity for housing while balancing the need to retain and grow the city's economic vitality which encourages the growth of nonresidential land uses. We will assess the market conditions for residential only and mixed-use development across the identified sites and commercial/industrial corridors. We will review real estate market fundamentals to document recent and future competitive developments, recent sales and comparable transactions, asking rents, vacancy rents, and capitalization rates within the city and larger market area. Based upon the market assessment, we will forecast market potential for residential and mixed-use development, the timing of the demand, and the projected absorption rates.

Task 4.2. Physical Development Feasibility Analysis

In tandem with the financial feasibility analysis, Dudek will conduct a physical feasibility analysis for up to five hypothetical redevelopment scenarios. In collaboration with City staff, Dudek will select typical parcels/sites to represent hypothetical development programs and uses. The study will test-fit typical housing and mixed-use developments on identified sites to illustrate density, height, setbacks, façade modulation/articulation, parking/loading, open space, and access/circulation. In tandem with the financial feasibility analysis, these studies will test and reveal the impact that new regulations might have on the physical feasibility of market-typical residential and mixed-use developments (e.g., live/work, podium, wrap, subterranean parking, horizontal versus vertical mixed-use). The findings will determine the feasibility of the sites and usability of new regulations in that they do not inadvertently prevent buildings that are typically market-supported and/or create environments that the community does not support. As such, the studies will also test the potential modifications to any constraining regulations to better support physical and market feasibility and consider the physical impact of applying incentives, such as flexibility in height, density, parking, and open space requirements, etc.

Task 4.3. Financial Development Feasibility Analysis

In tandem with the physical feasibility analysis, Pro Forma will explore the financial feasibility of up to five residential and/or mixed-use development prototypes. The analysis will test the various typologies and analyze the underlying economics that will impact their development. The analysis will use assumptions from the Citywide Market Analysis to evaluate the prototype’s demand, likely price points, occupancy, etc. With revenue assumptions in hand, Pro Forma will evaluate contemporary land prices, operating assumptions, and capitalization rates. After estimating relative order of magnitude (ROM) cost estimates for the alternatives, a financial analysis will be conducted to determine if the development options are feasible from a developer’s perspective.

Task 4.4. Fiscal Impact Analysis

Pro Forma will develop a fiscal impact model to evaluate selected development prototypes. To address the issue of growth, the City needs to evaluate how the rezoning program will impact its long-term fiscal sustainability. The first part of our work will focus on gaining an understanding of the city’s current fiscal health, identifying key near-term and long-term issues faced by the city, and evaluating how future growth can impact levels of service offered by the city. The second part of the study will focus on developing a model to assess the fiscal implications of the proposed new development typologies. The fiscal impact model will be used to ensure that the selected development prototypes will support the long-term fiscal well-being of the city by allowing for new development without adversely affecting the ability to provide municipal services to residents through the city’s General Fund.



West 17th Street, a hybrid industrial-residential street, offers a variety of unexpected street experiences.

Task 4.5. Summary of Findings and Recommended Approaches

After conducting a thorough review and analysis as described in this task, Dudek and Pro Forma Advisors will prepare a summary of findings that identifies the opportunities and challenges to introducing new housing and mixed-use across the identified sites and other areas of the City. These findings will most importantly help to inform how the rezoning may be implemented, and will continue to inform the work to implement subsequent programs.

Task 4. Deliverables

- Citywide Market Analysis Report
- Physical and Financial Development Feasibility Analysis Report
- Fiscal Impact Analysis
- Summary of Analysis Report for presentation and discussion with City staff

TASK 5. Rezoning

Based on the agreed-upon approach, Dudek will conduct the rezoning. Dudek recommends a hybrid approach which consists of a combination of both updates to select plans and creation of new and/or reuse of existing overlays, as described below.

Task 5.1a. Updates to Select Plans

Depending on the agreed-upon approach, Dudek will update the necessary sections of select Specific Plans and/or Urban Plans. The updates will be targeted and surgical rather than wholesale, with a focus on only those sections and content that are necessary to implement the rezones as required by HCD. Dudek assumes that the City will provide the original working files (e.g., Word, InDesign) of each of the documents and applicable maps, figures, graphics, and tables for updating. For documents without original working files, Dudek assumes only recreating from scratch those sections that are necessary for updating. For purposes of initial scope and budget estimation, Dudek assumes updating up to one plan – the North Costa Mesa Specific Plan.

Task 5.1a. Deliverables

- One administrative draft of updated plan (red-lined Word document) for City review
- One public review draft of updated plan for public review
- One final draft of updated plan for adoption

Task 5.1b. Creation of New and/or Reuse of Existing Overlays

Depending on the agreed-upon approach, Dudek will prepare an overlay for identified Housing Element sites. This overlay may also apply to potential sites in the 17th Street Corridor and Airport Industrial Areas. To identify these sites, we will analyze the area's appropriateness for future residential use, based on an objective methodology that will be developed in partnership with City staff. The overlay will be entirely new or be an amendment to one or both of the City's existing overlays (R-I and/or M-U). In either case, the overlay will consist of new provisions, procedures, design/development standards, as well as necessary maps, figures, and tables. Preparation of this overlay may require reference and/or updating of associated sections of the zoning code.

Task 5.1b. Deliverables

- Confirmation of sites in the 17th Street Corridor and Airport Industrial Areas
- One administrative draft of overlay zone for City staff review
- One public review draft of overlay zone for public review
- One final draft of overlay zone for adoption

Task 5.2. Update to Existing General Plan

Regardless of the strategy selected to address the rezones, Dudek will prepare the necessary updates to the General Plan. This may include amending the underlying General Plan land use designations for the sites to be rezoned, updates the Land Use Map and other associated descriptions, figures, and tables, as well as strategic updates to the Community Design Element where applicable.

Task 5.2 Deliverables

- One administrative draft of relevant General Plan sections (red-lined Word document) for City staff review
- One public review draft of relevant General Plan sections for public review
- One final draft of relevant General Plan sections for adoption

Task 5.3. Streamlined Development Process

Regardless of the strategy selected to address the rezones, Dudek will work with City staff to streamline the City’s development process. Dudek understands the City’s request to prepare a streamlined development process (land use entitlement workflow) for qualifying housing projects consistent with state law, such as the state density bonus law, Senate Bill 35, and Senate Bill 330. Dudek recognizes that this effort could be executed in one of two ways. The first is to directly amend Chapter III. Planning applications of the zoning code to reflect recent state law that allows for a streamlined development process for qualifying housing projects given varying criteria, such as density bonus, provision of affordable housing, and other triggers. This option would codify the process ensuring regulatory applicability citywide. The second option is to prepare a standalone guidance document in a checklist format illustrating the same information. Note that this second option does not codify the process, but merely provides guidance to both City staff and project applicants. Dudek proposes to discuss the pros and cons of each option with City staff prior to commencing this task to ensure consistency with City goals and expectations.

Task 5.3 Deliverables

- Option 1 – Amendment to the Chapter III Planning Applications of the zoning code
- Option 2 – Standalone guidance document and project checklist for applicants

Task 5.4. Update to Housing Element

If it is agreed-upon that the rezones be prepared in a way that is different than what is currently identified in the Housing Element, Dudek will work with City staff and the City’s Housing Element consultant to update the Housing Element to ensure consistency between the Housing Element and the actuality of the rezones. This may require a revision to Programs 3D, 3C, and 3N (and/or others) inclusive of their description, selection of sites, assumed densities, etc., as well as a revision to the Housing Element Sites Inventory table. This is a critical task that will provide the City with the necessary documentation to obtain HCD certification for its Housing Element and required rezones.



Mobile home villages add to the diversity of housing stock in West Costa Mesa.

Task 5.4. Deliverables

- Draft and final content to be able to update Programs 3D, 3C, and 3N (and/or other programs) in the Housing Element, including text, tables, and maps

Task 6. Zoning Code Amendments

Outside of the required rezones, this task addresses the necessary zoning code amendments to implement Programs 2E, 2F, 2H, 2J, 2M, 2N, 2O, 2P, 3F, 3S, 4E, and 4G.

Task 6.1. Diagnostic Analysis of Applicable Sections of Existing Zoning Code

Dudek will perform a diagnostic analysis of the relevant sections of the zoning code to develop options for how best to amend the zoning code in meeting HCD requirements. The diagnostic will focus on confirming the applicable sections of the zoning code and identifying non-compliant, subjective, or constraining code language that must be amended to be consistent with state law. Dudek will prepare a Summary of Analysis Report that summarizes our understanding and key findings. The report will identify issues and considerations to be discussed and addressed with City staff and present a recommended approach to implementing the zoning code amendments as identified in the Housing Element. Dudek will present and discuss the report with City staff and, after consensus on an approach, will then proceed with the zoning code amendments.

Task 6.2. Zoning Code Amendments

Based on an agreed-upon approach with City staff, Dudek will amend the necessary sections of the zoning code to remove governmental constraints to housing, such as updating relevant sections of the code regarding permitted uses, development standards, and development review procedures. The amendments will be targeted and surgical rather than wholesale, with a focus on only those sections and content that are necessary as identified in the relevant Housing Element Implementation Programs. The amendments will focus on language that is objective, concise, clear, and consistent with state law, and may include necessary tables and figures.

Task 6. Deliverables

- Diagnostic analysis of applicable sections of the zoning code slated for amendments
- Summary of Analysis Report for presentation and discussion with City staff
- One administrative draft of zoning amendments (red-lined Word document) for City staff review
- One public review draft of zoning amendments for public review
- One final draft of zoning amendments for adoption

Task 7. Objective Design Standards

Outside of the required rezones, this task includes the work to create new citywide objective design standards applicable to residential and mixed-use development.

Task 7.1. Analysis to Inform Objective Design Standards

Task 7.1a. Diagnostic Analysis of Existing Residential and Mixed-Use Standards

Dudek will perform a diagnostic analysis of the existing regulations pertaining to residential and mixed-use development, specifically Chapter V, Development Standards of the zoning code. Dudek will identify the issues and opportunities as they relate to the incorporation of new citywide objective design standards into the zoning code, such as current and future organization and application of regulations, cross-referencing across chapters, usability by both staff and applicants, transition from subjective to objective standards consistent with state law, applicability of design review, etc. The diagnostic will identify strategies for how best to incorporate the new objective design standards into the zoning code consistent with state law.

Task 7.1b. Existing Built Environment Analysis

Dudek will review and analyze the City’s existing character as seen through its buildings and public realm, including residential and mixed-use developments with a focus on typical footprint and building type (e.g., townhouse, tuck-under, podium, wrap, etc.), predominant architectural styles (e.g., Spanish, Ranch, etc.), and open space types (e.g., streetscapes, parks, plazas, squares, courtyards, etc.). This analysis will be conducted via a “windshield survey,” any available architectural or historic resource plans or studies, and other relevant information provided by City staff.

Task 7.1c. Current/Recent Development Projects Analysis

Dudek will review current and/or recent residential-only or mixed-use development projects in the City to better understand the City’s project review process, including staff comments, conditions of



approval, request for deviations or variances, usability and feasibility of existing standards, and inclusion of community feedback, if applicable. The review will consider existing processes through the lens of state legislative requirements to determine where existing provisions and procedures may conflict with state requirements and help to identify opportunities for streamlining to maximize effectiveness, efficiency, and transparency in the development process. Dudek assumes that City staff will provide building permit data, project applications, staff review materials, and any other relevant material for mixed-use developments throughout the City.

Task 7.1d. Case Study Analysis

Dudek will research relevant zoning regulations (with regards to development review procedures to streamline housing production) and objective design standards in cities with similar markets. Other jurisdictions may offer us lessons learned in the ways that housing and mixed-use have been successfully regulated and incentivized, especially in recent years, given changing state housing law. At a minimum, Dudek will coordinate with City staff to determine the list of case studies and pull from lessons learned from cities for which Dudek is currently implementing similar housing element programs (Fullerton, Rancho Palos Verdes, and Pico Rivera).

Task 7.1e. Summary of Analysis Report

After conducting a thorough review and diagnostic analysis, Dudek will prepare a Summary of Analysis Report that summarizes our understanding and key findings. The report will identify issues and considerations to be discussed and addressed with City staff and present a recommended approach to preparing new objective design standards. Dudek will present and discuss the report with City staff and, after consensus on an approach, will then proceed with the objective design standards.

Task 7.2. Objective Design Standards

Based on an agreed-upon approach with City staff, Dudek will prepare new objective design standards to regulate the design of residential and mixed-use development citywide. It is not the intent of this effort to overhaul existing development standards that are considered fundamental to development (e.g., height, setbacks, density, etc.), but instead to compliment them by creating new objective design standards that affect the “look and feel” of residential and mixed-use development, such as massing/bulk, facade modulation and articulation, ground floor design, windows and doors, and other design elements as agreed upon with City staff. Dudek will also perform a “reality check” by testing the development feasibility for residential and mixed use on select real world parcels. This analysis will ensure the realistic usability of the proposed design standards. To ensure consistency with state law and streamline the development process, the new design standards will be objective, clear, concise, user-friendly, and realistic, and will include figures/graphics as necessary in plan, section, and/or 3D to provide further clarity and description.

Task 7. Deliverables

- Diagnostic analysis of applicable sections of the zoning code
- Analysis of existing residential building/streetscape types and architectural styles
- Review of up to five current and/or recent residential-only or mixed-use development projects
- Analysis of up to three case studies

- Summary of Analysis Report for presentation and discussion with City staff
- One administrative draft of objective design standards for City staff review
- One public review draft of objective design standards for public review
- One final draft of objective design standards for adoption

Task 8. CEQA

This task comprises the work to conduct the corresponding environmental review as required by CEQA for all necessary tasks in this effort.

Task 8.1. Project Description

Dudek will prepare a project description with project-specific details to prepare a comprehensive project description for submittal to the City. Upon receipt of the reviewed project description from the City, Dudek will provide the complete, finalized project description to the project team for use in application materials.

Task 8.1 Deliverables

- Project description (Microsoft Word)

Task 8.2. Notice of Preparation

Dudek will prepare a draft Notice of Preparation (NOP) for the project using the City-approved noticing format that is consistent with the procedural and substantive provisions of Sections 15063 and 15082 and Appendices C, G, and I of the 2024 CEQA Guidelines. The date on which the NOP is circulated will serve as the baseline for existing conditions while preparing the EIR. Dudek will provide the City with an Administrative Draft NOP and incorporate all comments and submit (electronically only) a Final Draft NOP to the City.

Once approved, Dudek will print and mail the NOP to responsible agencies, trustee agencies, and any other interested parties pursuant to the mailing list provided to us by the City. Dudek will also coordinate with the State Clearinghouse to provide the NOP for posting on their website. Dudek would be responsible for transmittal of the Final NOP to the Orange County Clerk, along with payment of any applicable filing fees. If required, the City would be responsible for publication of the NOP in a local newspaper. During the 30-day public review period of the NOP, Dudek will begin preparation of a Program EIR, consistent with CEQA Guidelines Section 15168. This scope of work does not include the preparation of an Initial Study.

The Dudek CEQA project manager will attend one scoping meeting for the project. It is assumed that the City will coordinate and facilitate the scoping meeting, including arranging a venue, and that presentation materials describing or illustrating the project will be provided by the City and the Planning and Urban Design team. Dudek will provide relevant meeting handouts, including a summary of the NOP, a CEQA process flowchart, the purpose of the scoping meeting, environmental issue areas, and a sign-in sheet. Dudek will also take detailed notes regarding the issues raised by commenting individuals that should be addressed in the Program EIR. In addition, Dudek will be available to present the purpose of the scoping meeting, provide an overview of the CEQA process, and answer questions raised by the public regarding the CEQA process and/or general questions regarding technical and

analytic methods, as needed. Dudek’s primary role in the scoping meeting is to solicit and record public input regarding the scope and content of the EIR. Following the scoping meeting, a summary of all comments recorded at the meeting will be provided to the City.

Task 8.2 Deliverables

- Administrative Draft and Final NOP: one electronic copy (Microsoft Word)
- Mail the NOP to applicable agencies and interested parties pursuant to the City’s mailing list
- Post the NOP package to the State Clearinghouse
- File the NOP with the Orange County Clerk
- Presentation materials and attendance at the scoping meeting
- Scoping meeting summary report: one electronic copy (Microsoft Word)



West 17th Street is a primary artery serving the communities of West Costa Mesa.

Task 8.3. Administrative Draft EIR

Dudek will prepare a comprehensive, accurate, and objective Program EIR for the project in compliance with CEQA and the CEQA Guidelines (both as amended throughout submittal of the EIR), and all applicable guidance and procedures established by the City for the purpose of environmental review.

The main purpose of the Program EIR is to thoroughly and accurately analyze the environmental impacts of the proposed project as a comprehensive examination that involves a series of related actions. The document will, as far as is possible, be free of industry jargon so that the information it contains is accessible to the City, decision makers, and the public. The methodology and criteria used for determining the impacts of the project will be clearly and explicitly described in each section of the Program EIR, including any assumptions, models, or modeling techniques used in the analysis.

Dudek assumes that the project description prepared at the outset and approved by City prior to circulating the NOP, will not change once the Program EIR analysis commences. In our experience, developing an accurate, finite, and stable project description prior to beginning substantial work on the environmental document has proven to greatly expedite the preparation and processing of a Program EIR.

The following outlines Dudek's approach to each chapter for the Administrative Draft Program EIR.

- **Table of Contents.** The table of contents will contain a list of Program EIR contents, including text discussions and lists of tables and exhibits. It will also include a list of appendices.
- **Executive Summary.** Pursuant to Section 15123 of the CEQA Guidelines, the summary will contain an overview of the proposed project, including a list of required discretionary approvals. The summary will also include impacts and mitigation measures; known areas of controversy, including issues raised by other agencies and the public; and alternatives to the proposed project.
- **Introduction.** The Introduction chapter of the Program EIR will define the purpose, scope, and legislative authority of the Program EIR; the requirements of CEQA; and other pertinent environmental rules and regulations. This section will also describe the environmental procedures used to prepare the analysis. The intended uses of the Program EIR will be outlined. A list of discretionary approvals will also be included. In addition, a list of related agencies and approvals will be included. Major known issues or issues of controversy will be summarized. Finally, a summary of the document organization will be included.
- **Project Description.** The bulk of this chapter will be prepared prior to circulating the NOP. However, a list of relevant projects to be utilized throughout the cumulative impacts analysis will be included at this stage, as will be a summary of the cumulative impact assessment approach.
- **Environmental Analysis.** Dudek will conduct analyses to evaluate the proposed project at a programmatic level. If mitigation measures would be required to reduce environmental impacts associated with the proposed project, these mitigation measures would be incorporated into each section of the environmental analysis.
- **Cumulative Effects.** The cumulative analysis will be qualitative in nature and will be based upon known projects, either approved, proposed (applications on file), or reasonably foreseeable, within a defined area around the proposed project, as determined by the factors relevant to

each environmental issue area. The cumulative impact assessment will be based on potential development projects that may, in combination with the proposed project, create cumulatively considerable environmental impacts, as required by Section 15130 of the CEQA Guidelines.

- **Alternatives to the Proposed Project.** To accurately define alternatives, Dudek will work with the City to clearly articulate project objectives. The Program EIR can then most effectively assess alternatives in light of the CEQA mandate to reduce significant project impacts while meeting the project’s basic objectives.

Dudek proposes a two-tiered approach to the alternatives analysis: (1) describe the alternatives screening process, and (2) describe and analyze those alternatives selected for detailed study. This will allow the Program EIR to demonstrate the consideration given to a sufficiently broad range of alternatives. The alternatives screening process will provide an opportunity for the Program EIR to describe the process used to identify alternatives. The section will describe a range of alternatives initially considered, including their ability to meet “screening criteria.” Alternatives not carried forward for detailed analysis will be identified, and the reason for rejection of these alternatives will be specified.



For those alternatives described in detail, the Program EIR will qualitatively address the environmental impacts that would result. Dudek will work closely with the City and Planning team to develop a reasonable set of alternatives, which are likely to include (1) a no-project alternative (as outlined in CEQA Guidelines Section 15126.6), (2) development at alternate sites, and (3) a modified development scenario tied to the reduction or avoidance of significant impacts. Additional alternative(s) would be determined once key project impacts have been further defined. For cost-estimating purposes, Dudek assumes that three alternatives, inclusive of the no-project alternative, will be evaluated in the Program EIR.

The alternatives will be described in a sufficient level of detail to allow meaningful comparison with the proposed project. Each alternative will be evaluated with respect to each key impact category. The advantages and disadvantages of each alternative and the reasons for rejecting or recommending the alternative will also be discussed, and the environmentally superior alternative will be identified. During the environmental analysis, minor variations to the proposed project that could have the effect of reducing or eliminating environmental concerns may become apparent. These variations will be recommended, where feasible.

- **Other CEQA Considerations.** This chapter of the Program EIR will briefly summarize the impacts of the proposed project, the level of significance of impacts, recommended mitigation measures, and the level of significance after mitigation. Long-term term implications of the

project will be discussed, including any potential growth-inducing and irreversible impacts of the proposed project. Potential sources of growth inducement and their corresponding impacts, such as removal of obstacles to growth, will be qualitatively analyzed, to the extent that they are applicable. This section will also include a list of all significant irreversible environmental changes that would occur as a result of the project (these changes would be involved in the proposed action should it be implemented).

- **Preparers and Contributors.** This chapter will contain a list of organizations and persons consulted during preparation of the Program EIR and will list all persons involved in the preparation of the document and their title and role, as well as contributors to the content of the Program EIR.
- **References and Acronyms.** The Program EIR will include a list of all references cited during preparation of the Program EIR. It should be noted that it is Dudek's standard policy that a digital copy of all references used to prepare the Administrative Draft Program EIR can be submitted to the Project Applicant and the City, if necessary, during the time of initial review. The Program EIR will also provide a list of acronyms and their definitions as used in the Program EIR.
- **Technical Appendices.** All technical studies, survey results, data, and public and agency comments will be included as appendices to the Program EIR.

Task 8.3 Deliverables

- Administrative Draft Program EIR: one electronic copy (Microsoft Word)

Task 8.4. Screencheck Draft EIR

Upon receipt of a consolidated set of review comments from the City, Dudek will revise the Administrative Draft Program EIR to be responsive to comments raised. This scope of work assumes that no new or revised technical studies will be required. Dudek will provide the City with a Screencheck Draft of the Program EIR for final review and comment.

Task 8.4 Deliverables

- Screencheck Draft EIR: two electronic copies (Microsoft Word and PDF)

Task 8.5. Public Draft EIR

Dudek will prepare a Draft Program EIR for a 45-day public review period that incorporates all the comments on the Screencheck Draft Program EIR. For cost-estimating purposes, Dudek assumes that the final round of review, comment, and revisions will only require minor text edits and changes.

Dudek will prepare drafts of both the Notice of Availability (NOA) and the Notice of Completion (NOC) for City review. Upon receipt of City review comments, Dudek will finalize these documents for City signature and distribution. Dudek will be responsible for providing the NOC and Draft Program EIR to the State Clearinghouse. Dudek will also be responsible for posting the NOA with the Orange County Clerk and providing filing fees. Dudek assumes that the City will be responsible for distributing the NOA to interested stakeholders, agencies, and the public. In the event the City would like to publish the NOA in a paper of local circulation, Dudek assumes that the City will take the lead on posting the notice with the paper.

Task 8.5 Deliverables

- Draft Program EIR (electronic only)
- State Clearinghouse package (NOC, Draft EIR)
- NOA: one electronic copy; one stamped copy from Orange County Clerk (and payment of applicable filing fees)

Task 8.6. Final EIR

Dudek will prepare a Final Program EIR, including the following chapters: Response to Comments, Revisions to the Draft Program EIR, and mitigation monitoring and reporting program (MMRP). For cost-estimating purposes, Dudek assumes two rounds of review, comment, and revisions by the City and Dudek.

Dudek will assist the City with providing the Final Program EIR at least 10 days prior to consideration for certification by the City to any commenting public agency and any member of the public who has requested the document. Once the Program EIR has been certified, Dudek will prepare a Notice of Determination (NOD) and assist the City with filing with the State Clearinghouse and the Orange County Clerk.

Response to Comments

The Response to Comments chapter of the Final Program EIR will include comments received on the Draft Program EIR, responses to those comments, and standard introductory material. All comments will be numbered (to indicate comment letter and comment number), and the responses to those comments will be similarly numbered to allow easy correlation. For purposes of this scope of work and cost estimate, Dudek assumes that no more than 20 substantive discrete comments will be received on the Draft Program EIR; note that one comment letter can contain multiple substantive comments. Since the actual scope and extent of public comments cannot be definitively determined at this time, if additional staff hours are needed to prepare responses to comments, the scope of work and budget provided in this proposal would be amended.

Revisions to the Draft EIR

Dudek will complete revisions to the Draft Program EIR text and provide a complete updated Program EIR document, with additions shown in double underline and deletions shown in ~~strikeout~~. Dudek assumes that these revisions would be captured by listing in an errata to the Draft Subsequent EIR.

MMRP

The MMRP will be in table format and will specify project-specific mitigation measures and standard conditions of approval that are applicable to the project. Mitigation timing and responsible parties will also be identified. The objective of the MMRP is to comply with California Public Resources Code, Section 21081.6, as mandated by Assembly Bill 3180, which requires that a lead agency adopt an MMRP at the time an EIR is certified. Dudek assumes that the City will be responsible for preparing the Findings of Fact, and if necessary, the Statement of Overriding Considerations for the project. In the event the City would like Dudek to prepare these documents, an amendment will be provided for these additional services.

Task 8.6 Deliverables

- Administrative Final Program EIR: one electronic copy (Microsoft Word)
- Final Program EIR: electronic copy (Microsoft Word files and PDF file with OCR searchable text)
- NOC: one copy (submitted to State Clearinghouse)
- NOD: stamped copy by the Orange County Clerk; copy submitted to State Clearinghouse (and payment of filing fees, including CDFW filing fee)

Task 9. Public Hearings

This task addresses the work to engage the City Council and Planning Commission at public hearings for review, approval, and adoption of each of the tasks in this effort.

Task 9.1. Public Hearings

Dudek will assist City staff with the public hearings necessary to review and adopt the rezones, zoning code amendments, new overlays, new objective design standards, General Plan amendment, EIR certification, and a potential Housing Element amendment. Dudek will prepare presentation materials, as well as the public review and final versions of the applicable documents to attend and present at public hearings conducted by the Planning Commission and City Council. Dudek assumes that City staff will be responsible for drafting staff reports, resolutions, ordinances, and public notification.

Task 9.1. Deliverables

- Draft and final presentation materials
- Attendance and presentation at eight Planning Commission and eight City Council meetings. Dependent on the agreed upon approach and timeline, Dudek recommends consolidating public hearings across tasks where it makes sense to improve efficiencies.



Infill development has seen the addition of housing stock on underperforming parcels.

Achieving Client Satisfaction

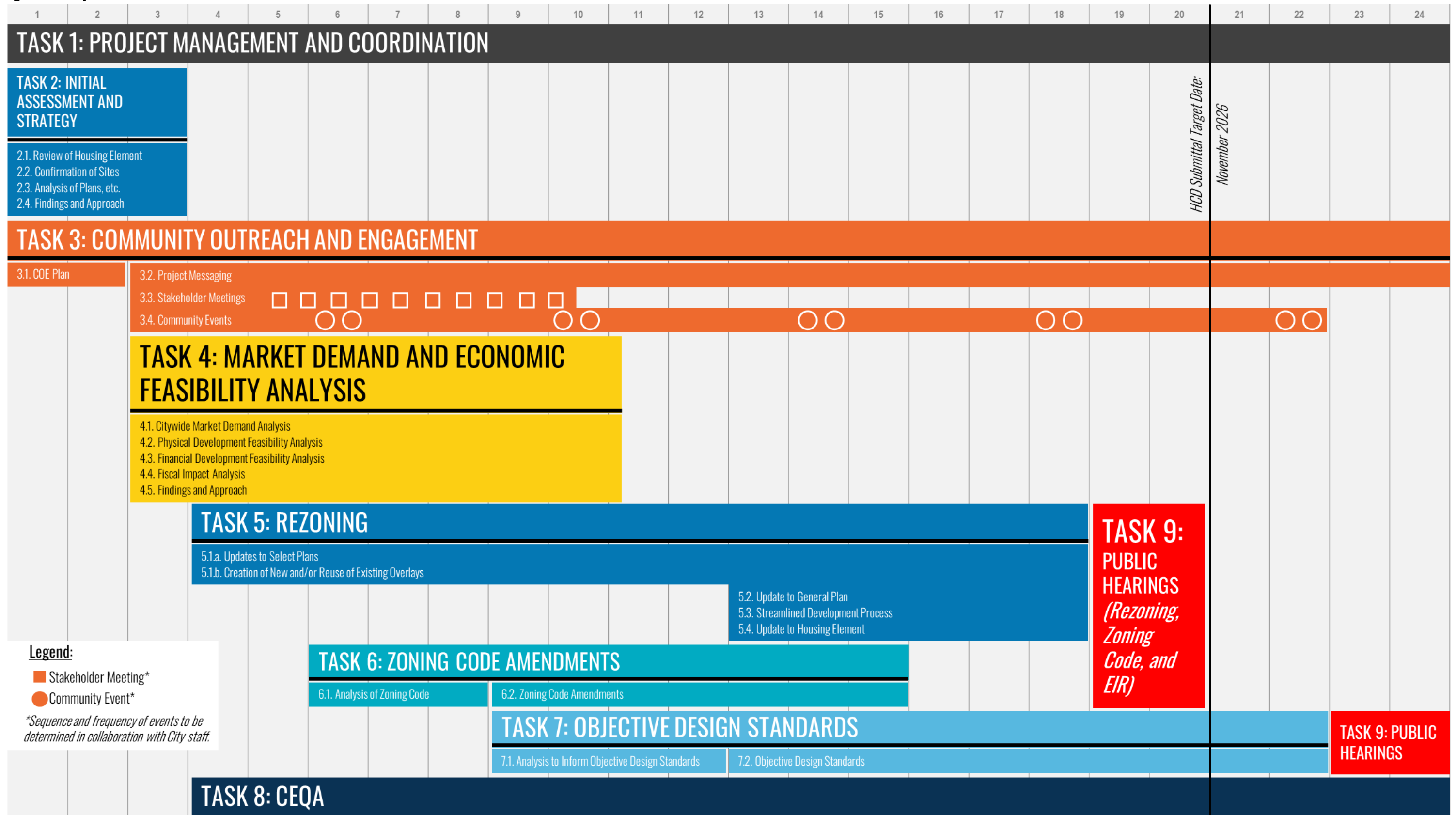
Dudek facilitates critical thinking, careful questions, and productive discussion during kickoff meetings and initial materials review to consider any possible risks and challenges of each project. We believe in frequent and ongoing communication as the key to identifying problems as they arise. Dudek will work collaboratively to develop solutions, offering counsel on resolution of various technical issues and controlling document quality and schedule. Catherine will coordinate with the City via video conferences, phone, email, and in-person meetings, as needed. Frequent communication helps both parties identify potential revisions to each project at the earliest possible stage, allowing maximum time to adjust and refocus the project to maintain both cost and schedule.

Dudek's organizational structure places clients at the top, with our project management directly supporting you. There is no middle management to slow decision-making processes or hinder your project progress. Project managers are well informed, practiced, and empowered to harness the full resources of our firm. Whether it is a quick phone call or an additional scope element, Catherine can quickly mobilize new approaches, resources, and team members to meet your needs. Our depth of staff allows us to be responsive to a variety of needs on multiple, concurrent tasks and remain flexible to changing requirements and unforeseen issues.

Project Schedule

Figure 2 details our project schedule. For this effort, we are assuming a 24-month timeline, with the required rezones and revised Housing Element to be submitted to HCD no later than November 2026. This timeline assumes an expedited effort to implement and adopt the rezones for HCD certification but recognizes that other non-urgent efforts (such as the Objective Design Standards) may require additional time beyond November 2026. Depending on the agreed-upon approach to the rezoning, there may be opportunities to more efficiently stagger the tasks and/or conduct them concurrently.

Figure 2. Project Schedule



Legend:
■ Stakeholder Meeting*
● Community Event*
**Sequence and frequency of events to be determined in collaboration with City staff.*

Roles of City Staff and Consultant Staff

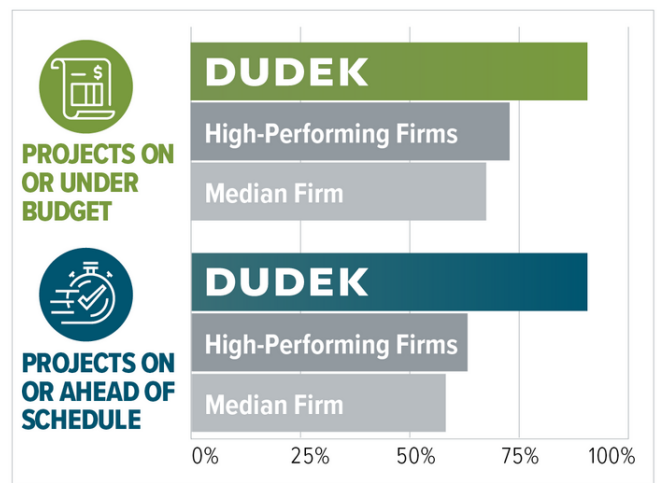
Dudek will perform the consultant work and will serve as extension of City staff as needed. We will rely on City staff for guidance, review, and coordination with the Costa Mesa City Council. Please refer to the organization chart in **Section 6, Key Personnel** for Dudek staff roles.

Innovative, Creative Approaches

Dudek’s success in executing client tasks on time and within budget (**Figure 3**) is driven by open team communication initiated by the contract manager and the designated task lead. Project staff will be kept apprised of any project changes and schedule demands communicated by the City, keeping environmental resource staff engaged with a sense of team purpose in carrying out our work in support of your goals.

To ensure project success, we engage in clear communication and cooperation with the City, holding regular conference calls and preparing agendas to assist teams in clarifying any issues and proceeding with the work in a unified manner. We use check-in meetings with our project teams to allocate resources properly and according to the City’s schedule constraints. When working on several concurrent projects, we identify areas where information sharing can reduce the time, budget, or work needed to produce deliverables.

Figure 3. Record of Delivery On Time and Within Budget



Based on firms’ self-reported data for the 2021 Deltek Clarity Architecture & Engineering Industry Report



QUALIFICATIONS AND EXPERIENCE OF THE FIRM

4 Qualifications and Experience of the Firm

Relevant Experience

The Dudek team has extensive experience providing urban design, planning, economic and market analysis, environmental review, and public outreach and engagement services for communities throughout Southern California. Specifically, Dudek is currently assisting multiple jurisdictions in improving or developing new zoning regulations to allow residential only and mixed-use development along major commercial corridors to fulfill the commitments identified in their most recent housing element updates. Please see a details of our relevant experience under Similar Current and Previous Contracts. In addition to references with our relevant experience, further references are included on the Company Profile & References form.

DUDEK EXPERTISE

Dudek is well positioned to provide consulting services for the Housing Element Rezoning Update and EIR for the City’s Economic and Development Services Department. Founded in 1980, Dudek is a California corporation with 14 California offices, including one in Pasadena. We are staffed by more than 900 planners, urban designers, outreach specialists, geographic information system (GIS) experts, California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) practitioners, environmental specialists, civil engineers, contractors, and support staff. We assist developers, nonprofits, and agency clients on a broad range of projects that improve our clients’ communities, infrastructure, and natural environment. From planning, design, and permitting through construction, we move projects through the complexities of regulatory compliance, budgetary and schedule constraints, and conflicting community interests.

Our Planning and Urban Design Studio

Our Planning and Urban Design studio is a boutique service at Dudek where we focus on creating vibrant, sustainable, and equitable communities. Our city planners, policy planners, and urban designers work collaboratively with clients on plans, both large and small. By quickly leveraging our comprehensive in-house technical expertise, we can balance and prioritize urban design, land use, infrastructure, sustainability, and transportation objectives to address short- and long-term planning challenges. We emphasize the importance of rigorous analysis in successful problem-solving and

demonstrate that accurately defining the problem is the crucial foundation to solving it. Our plans are realistic, bold, and stand the test of time. A description of our planning and urban design services specific to the City's needs are provided below.

Conducting Design and Development Feasibility Tests

Our team has deep and varied backgrounds in design, architecture, construction, and development. Having trained and practiced as architects, our urban designers are adept at reading the built environment and are passionate about elevating the quality of its design. Our understanding of building typologies, development patterns, and building construction techniques are rooted in best practices, principles of good urban design, and current market and regulatory conditions. This insight enables us to study sites with care. We study and develop concepts for prototypical developments and improvements—from multifamily residential to mixed-use and accessory dwelling units (ADUs)—to help inform good policy. We have conducted site capacity/feasibility studies to ground-truth market assumptions and confirm the applicability of new codes and standards that will incentivize the production of housing. By exploring in 3D the variations in scale and massing of building typologies, capacity of housing units, and effects on adjacent uses and the public realm, for example, we can identify physical site constraints and regulatory barriers that can hinder desired new construction. Our studies, though robust, can be simplified for public use and shared in user-friendly graphic formats.

Evaluating and Amending Zoning Codes and Design and Development Standards

Dudek has assisted cities in creating new and updating existing zoning codes to respond to changing development and construction trends and typologies, while also incorporating mandates that flow down from state and federal legislation. Our team is adept at zoning and regulatory research, assessments, revisions, and preparing new language resulting in comprehensive zoning code updates, zoning overlays, and minor zone text amendments. Our approach to zoning builds in flexibility where appropriate and prevents unintended consequences. Beginning with a comprehensive diagnostic analysis of existing code regulations, our approach to zoning revisions is straightforward:

- Make it simple: The zoning code should easily be understood by all (from novice property owners to design professionals).
- Do not duplicate: The code should not repeat—or worse—conflict with standards elsewhere in the municipal code.
- Verify its objective: Development standards must be unambiguous in intentions.
- Act in good faith: Zoning code revisions that are triggered by revisions in state law should respect both the letter and spirit of the law and not resort to loophole seeking.
- Make it endure: Zoning amendments should not be overly prescriptive to allow room for the natural evolution of building types over time.

Preparing Regulatory Documents

Dudek has extensive experience preparing General Plans, Community Plans, Specific Plans, zoning codes, overlay zones, and more. Our approach to land use planning relies on robust public input backed by data to assess and understand land use needs, issues, and opportunities comprehensively. Our team works to understand and enhance areas with the greatest opportunity to increase intensity by assessing existing and planned infrastructure, proximity to key employment centers, and access to community resources, such as transit, bicycle and pedestrian facilities, parks, grocery stores, and other

amenities that are needed in day-to-day life. Where key challenges are identified, our team provides key pathways to overcome such challenges, such as identified needed public infrastructure to support changes in land use and intensity. We communicate the results of the planning process through regulatory documents that are user-friendly and implementable, keeping in mind that community aspirations can be realized only when enabled by sound policy and regulations.

Public Communication

Dudek understands that the success of a project requires careful coordination and open communication with a variety of interested parties, including agencies, departments, decision makers, elected officials, staff, stakeholders, and the community. Our team has extensive experience facilitating and leading public presentations, meetings, and hearings with decision-making bodies, such as city councils, planning commissions, committees, and boards. With demonstrated expertise in writing, speaking, presentation, and negotiation, we can effectively communicate in public settings, sometimes in a contentious setting, toward a common purpose. We can relay complex technical information in a way that is easy to understand and are able to gain the trust of a wide range of constituents. Many of Dudek's planners also have prior experience working in the public sector and are familiar with the procedures and efforts needed in preparation of public hearings. Our team can prepare clear and compelling presentation materials tailored to the audience, support in preparing staff reports, and actively engage in public discussions to inform and educate, as well as listen and learn.

SUBCONSULTANT EXPERTISE

Kearns & West

Kearns & West partners with municipal leaders and stakeholders to formulate strategies for citywide community engagement projects. Cities rely on Kearns & West to help establish more effective communication channels, create proactive processes for identifying and resolving issues and concerns, and ensure that public involvement has a place in shaping the future. In addition to work in Costa Mesa, the Kearns & West team is leading engagement for planning, housing, and zoning projects in Santa Ana, Irvine, Newport Beach, Anaheim, Mission Viejo, and Laguna Niguel.

Orange County Principal Jenna Tourjé-Maldonado has a long history and experience in the City. She lived in Westside Costa Mesa for 20 years, and during that time served as Executive Director and board member with the former Mika CDC. Her work in community development helped launch Trellis and other Costa Mesa community groups. Jenna served as co-chair of the Planning Commission representing District 4. Jenna is committed to Costa Mesa—while she was a lecturer for the University of California at Irvine Graduate School of Urban Planning and Public Policy, she had her students focus their practicum projects on planning challenges in Costa Mesa.

Pro Forma Advisors

Pro Forma Advisors LLC is a partnership committed to providing objective, unbiased economic analysis of real estate development projects. They specialize in land use economics consulting for developers, owners, operators, investors, cultural institutions, nonprofits, and government. They apply extensive experience, creative thinking, new business approaches, and data-driven analysis to their projects. Pro Forma Advisors are highly experienced in working within multidisciplinary project teams, alongside

allied professional service firms in the areas of design, planning, architecture/engineering, and operations. Pro Forma Advisors offers market analysis, concept/business model development, financial feasibility, economic and fiscal impacts, valuations, and economic development strategies.

Proposed Team Members

The Dudek team specifically chosen for this contract has the availability and capacity to provide services on upcoming City projects. We are a one-stop shop and have a wide range of planning professionals with different specialties, including environmental, architectural historians, biologists, hydrologists, acousticians, transportation planners, and geographic information system (GIS) specialists.

Figure 4 in the Key Personnel Section outlines Dudek's proposed team organization. Resumes for proposed key personnel are provided in **Appendix A** for the City's review.

Project Management

CATHERINE TANG SAEZ, AICP

This project will be managed by Dudek's Catherine Tang Saez, AICP, who is committed and empowered to provide responsive, efficient, and high-quality services to the City. Catherine will be the main point of contact responsible for managing the contract and assigning the most appropriate staff for each task, in addition to leading the planning technical work. Catherine believes that successful technical practitioners make successful project managers given their nuanced understanding of the work required of projects. She has 16 years' experience coordinating multidisciplinary teams. She will be supported by Gaurav Srivastava, AICP, the Dudek Urban Design director, as principal in charge.

Effective project management is the crucial ingredient of Dudek's success, and more importantly, that of the clients and communities we serve. The best idea, the most innovative approach, and every thoughtful policy we craft ultimately relies on our ability to complete and deliver our contracted scope of work within budget and on time. We hire people who are client-focused, self-driven, and enjoy their work. Our organizational structure is flat and nimble, designed to empower our project managers to be flexible, decisive, and quickly assemble resources to meet client and project needs.

Team Organization and Capacity

The Dudek team has the capacity and necessary resources to ensure that qualified personnel will be made available to the City for the duration of the contract period. Our team is structured to be flexible to client needs, and we quickly execute tasks amid ongoing client commitments.

Our IT capabilities allow us to efficiently collaborate with staff in other offices, and our deep as-needed staffing pool supplements us with trusted professionals at a moment’s notice. We have internal coordination protocols, including weekly meetings, to efficiently reassign or reprioritize staff to address immediate staffing needs. Along with our project manager and task leads, our support staff, accounting professionals, and contract coordinators will remain 100% dedicated to this contract.



The team presented in this proposal will be 100% dedicated to this contract and up to 100% available.

Corporate Information

Table 2 details Dudek’s corporate information.

Table 2. Dudek Identification Information

Legal Form of Company	California Corporation (100% Employee-Owned)
Name of Corporation	Dudek
Corporate Office Address	605 Third Street, Encinitas, California 92024
State and Date of Incorporation	California; September 1, 1983
Company Officers	Joseph Monaco, AICP – President/CEO Eric Wilson – Executive Vice President Robert Ohlund, PE – Vice President Pete Campbell – Vice President, Federal Services Danielle Voss – Vice President, Human Resources; Assistant Secretary Helder Guimarães – Chief Financial Officer/Treasurer Michael McGrattan – Chief Information Officer Amy Paul – General Counsel; Secretary
Local Office Address and Information	2721 Las Ramblas, Suite 340, Mission Viejo, California 92691 Our Mission Viejo office open its doors for business on July 1, 1996.

Similar Current and Previous Contracts

Dudek

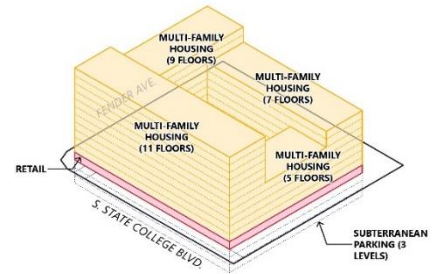
FULLERTON HOUSING INCENTIVE OVERLAY ZONE

Client: City of Fullerton

Reference: Sunayana Thomas Community & Economic Development Director, sunayana.thomas@cityoffullerton.com, 714.738.6837

Period of Performance: 2020–Ongoing

Dudek is currently developing a Housing Incentive Overlay Zone (HIOZ) for select parcels with underlying commercial and industrial zoning designations in the City of Fullerton. The HIOZ is a program identified in the city’s Housing Element update and is meant to incentivize the development of more housing, especially affordable housing, by expanding its allowability and reducing regulatory burdens. Dudek and Pro Forma Advisors are testing the physical and financial feasibility of housing on these parcels and is updating the city’s existing multifamily and mixed-use development standards for both citywide and HIOZ use. The overlay zone will rely on a hybridized approach to development standards by incorporating the easy-to-understand format of Euclidian zoning and layering in the design aspirations of a form-based code. Integral to this project is a capacity-building effort that aims to educate and inform a group of Fullerton stakeholders, the “Housing Champions,” of the economic and regulatory landscape of housing policy. In addition, Dudek is preparing the EIR and supporting technical studies for the overlay zone



RANCHO PALOS VERDES HOUSING ELEMENT IMPLEMENTATION PROGRAMS AND CEQA ANALYSIS

Client: City of Rancho Palos Verdes

Reference: Brandy Forbes, Community Development Director, bforbes@rpvca.gov, 310.544.5227

Period of Performance: 2021–Ongoing

Dudek is currently assisting the City of Rancho Palos Verdes in implementing multiple programs from its 2021–2029 Housing Element Update, including a Mixed-Use Overlay District, a Residential Overlay District, accessory dwelling unit ordinance update, and other rezones. In particular, the overlay districts will enable the city to accommodate its RHNA requirement along the city’s two primary commercial corridors. Dudek is testing the physical feasibility of a variety of mixed-use building typologies while considering unique sightline and topographical constraints specific to the peninsula. Recognizing that housing is usually a contentious topic in community discussions, the project takes an educational approach to outreach by focusing messaging around the social, economic, and environmental benefits of mixed use and soliciting feedback on the various types of mixed-use amenities the public aspires to as appropriate for the community. In addition, Dudek is preparing the EIR and supporting technical studies for the overlay zone.



PICO RIVERA COMPREHENSIVE ZONING CODE UPDATE

Client: City of Pico Rivera

Reference: Estefany Franco, Planner, efranco@pico-rivera.org, 562.801.4026

Period of Performance: 2023–Ongoing

Dudek is currently conducting a Comprehensive Zoning Code Update (CZCU) for the City of Pico Rivera. The city’s current zoning code has not been comprehensively updated since 1993. Although it has been amended over the years, the resulting zoning code has gradually become outdated, and the CZCU will ensure that the zoning code effectively implements the policies of the General Plan while also addressing recent state law to facilitate housing, set clear expectations for the design of new development (known as Objective Design Standards), and streamline the review and approvals processes. The CZCU will modernize the city’s approach to development regulations to reflect current development best practices and provide an illustrated and user-friendly set of regulations. Dudek is providing design, planning, and community engagement services to facilitate the completion of the CZCU.



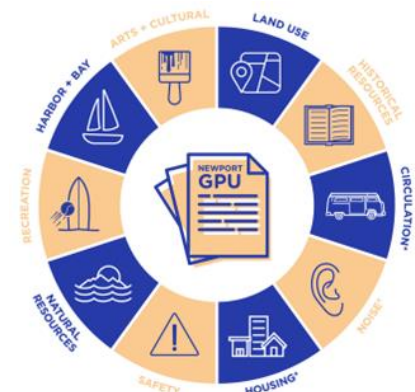
NEWPORT BEACH GENERAL PLAN UPDATE

Client: City of Newport Beach

Reference: Benjamin Zdeba, AICP, Principal Planner, bzdeba@newportbeachca.gov, 949.644.3253

Period of Performance: 2023–Ongoing

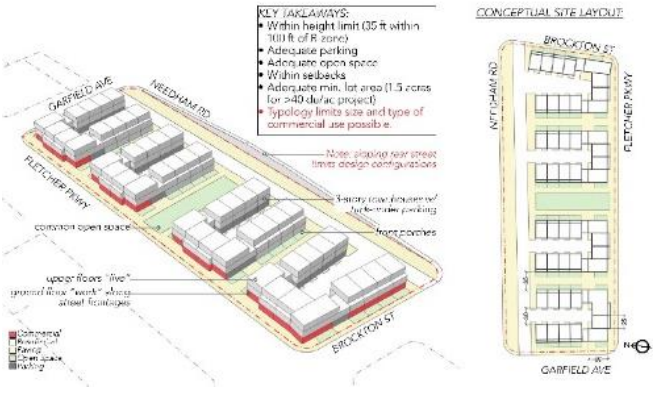
Dudek is preparing a comprehensive update to the City of Newport Beach’s General Plan, including robust outreach, branding, extensive technical analysis, and updates to the General Plan elements, with a focus on safety, community resources, sustainability, and climate resilience. The effort focuses on developing an implementable General Plan that the city’s departments and the community will take on as their own. In partnership with Kearns & West, we are emphasizing communication and consensus building and are actively involving and considering all input from the community and interested parties to develop a collective vision for the city over the next 20 to 30 years. Our expert planners, urban designers, and community engagement specialists are approaching this project with a sustainability-focused lens to result in a plan that meets the community’s needs and the state’s regulatory requirements and blends community-driven and cost-effective ideas into policy recommendations and implementable actions. Dudek is also preparing the supporting CEQA documentation in the form of a Supplemental EIR.



EL CAJON HOUSING AND MIXED-USE STRATEGIES

Client: City of El Cajon
Reference: Michael Viglione, Senior Planner, mviglione@elcajon.gov, 619.441.1773
Period of Performance: 2021–2023

Dudek updated the City of El Cajon’s regulations and procedures for the provision of residential and mixed-uses. Dudek undertook a multifaceted approach that included an in-depth analysis of and update to existing regulations pertaining to residential and mixed-use development and accessory dwelling unit development, as well as internal permit processing procedures. The project resulted in updated objective residential development and design ordinances paired with easy-to-understand graphics; updated permit processes to increase understanding of regulations and ease of permit review; an updated accessory dwelling unit ordinance; an interactive ESRI StoryMap for the availability of developable sites; and guides and marketing materials to assist staff as well as developers in understanding updated regulations and procedures.



BURBANK SPECIFIC PLAN PEER REVIEW AND UPDATES

Client: City of Burbank
Reference: Amanda Landry, Principal Planner, alandry@burbankca.gov, 818.238.5250
Period of Performance: 2024–Ongoing

Dudek is currently supporting the City of Burbank to truth-test and refine two concurrent Specific Plans: the Media District Specific Plan and the Golden State Specific Plan. The districts are distinct from one another, requiring different, but tailored approaches to design and development standards; the Media District is a dense business district that encompasses the global epicenter of media production offices and various studio lots, while the Golden State District is home to Burbank Airport and the future High-Speed Rail Station, making it especially prime for TOD. The city contracted Dudek to perform a peer review of the plans, inclusive of a thorough diagnostic analysis of both document structure and regulatory content. The analysis included rigorous site feasibility testing of development standards to ensure the plans’ real-world effectiveness and identified recommendations to better align the two plans with best practices and with one another to facilitate the effective, efficient, and transparent use of the standards by developers and city staff alike.



ADDENDUM TO THE LOS ANGELES COUNTY HOUSING ELEMENT PROGRAM EIR FOR THE GATEWAY PLANNING AREA REZONING

Client: County of Los Angeles

Reference: Connie Chung, AICP, Deputy Director, Advance Planning Division, cchung@planning.lacounty.gov, 213.893.7038

Period of Performance: 2020–2024

Dudek prepared the Gateway Planning Area Rezoning Program Addendum to the Los Angeles County Housing Element Update Program EIR. Dudek worked closely with the Department of Regional Planning to determine the appropriate CEQA document for the project. The Gateway Planning Area Rezoning Program included upzoning certain parcels to accommodate more housing options, rezoning certain parcels to ensure consistency across the General Plan Land Use Map and the Zoning Code, and an Alternate Parcel Component, which allowed for flexibility in the rezoning program. The Rezoning Program implements the Revised Housing Element Program 17: *Adequate Sites for RHNA*, which addresses the rezoning effort that would be undertaken to meet the RHNA shortfall. Dudek prepared an analysis of the Rezoning Program, including the realistic potential buildout or 2,238 dwelling units, as well as the potential rezoning of any of the alternate parcels.



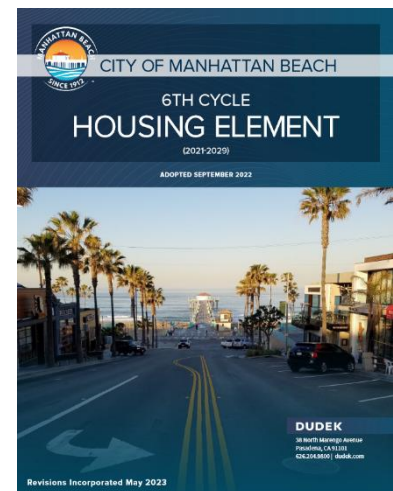
CITY OF MANHATTAN BEACH HOUSING ELEMENT UPDATE AND INITIAL STUDY/MITIGATED NEGATIVE DECLARATION

Client: City of Manhattan Beach

Reference: Talyn Mirzakhania, City Manager, tmirzakhania@citymb.info, 310.802.5000

Period of Performance: 2021–2023

Dudek prepared the 6th Cycle Housing Element for the City of Manhattan Beach and ensured final certification from HCD. Our team evaluated the outcomes of the prior Housing Element’s programs and objectives and analyzed current governmental and market constraints to develop goals, policies, and programs for the Housing Element update, emphasizing targeted municipal code amendments and the creation of a new mixed-use overlay to promote new residential and mixed-use development opportunities in the City. Dudek also prepared the initial study/mitigated negative declaration for the update to the Housing Element, which analyzed potential impacts to address issues such as traffic, air quality, greenhouse gas emissions, noise, land use compatibility, and fire hazards. The Housing Element was officially certified by HCD in 2023.



CITY OF CONCORD HOUSING ELEMENT UPDATE

Client: City of Concord

Reference: Mindy Gentry, Planning Manager, mindy.gentry@cityofconcord.org, 925.671.2489

Period of Performance: 2021–2023

Dudek prepared the 6th Cycle Housing Element including an assessment of all parcels in the city to identify sites with housing capacity for the Sites Inventory Analysis, the Affirmatively Furthering Fair Housing Analysis, and an assessment of the city’s current development regulations. Our team also led a robust outreach and engagement strategy coordinating with various Community Based Organizations, holding city council and planning commission study sessions, and community workshops. The Housing Element was certified in 2023 and resulted in a bold housing strategy to facilitate housing production and to address the need for robust tenant protections and anti-displacement strategies.



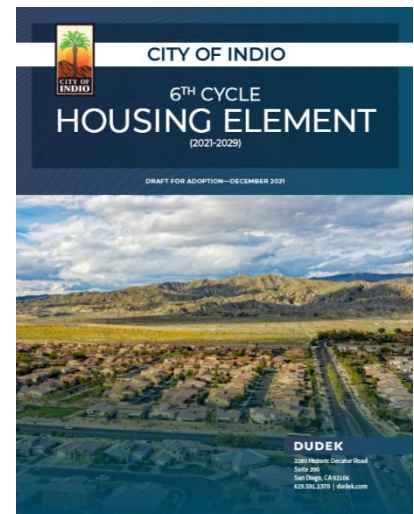
CITY OF INDIO HOUSING ELEMENT UPDATE AND PRO-HOUSING POLICIES

Client: City of Indio

Reference: Kevin Snyder, Development Services Director, Chandler, Arizona (former Community Development Director, City of Indio), kevin.snyder@chandleraz.gov, 480.782.3410

Period of Performance: 2020–2022

Dudek prepared the 6th Cycle Housing Element for the City of Indio, which was the first housing element to be certified in the Coachella Valley. Dudek evaluated “pro-housing” policies focused on financial issues, including direct financial incentives, alternative or enhanced housing delivery organizational strategies, city and regional fee strategies, potential local or regional housing trust fund options and gap financing alternatives for workforce, and affordable housing to facilitate the planning, approval, and construction of housing. In partnership with London Moeder Advisors, Dudek defined issues, pinpointed constraints, and provided recommendations that accompanied a toolkit of strategies to bridge the funding gap. Dudek also prepared an addendum to the City’s General Plan EIR for this project.



Kearns & West

CITY OF NEWPORT BEACH “LISTEN & LEARN” CIRCULATION AND HOUSING ELEMENT UPDATE AND GENERAL PLAN UPDATE – OUTREACH AND COMMUNITY ENGAGEMENT

Client: City of Newport Beach

Reference: Seimone Jurjis, Assistant City Manager, Community Development Department, sjurjis@newportbeachca.gov, 949.644.3231

Period of Performance: 2019–Ongoing

Kearns & West is leading the community outreach and engagement effort (“Listen and Learn”) for the City of Newport Beach’s Circulation and Housing Element Updates and now comprehensive General Plan Update in partnership with Dudek. In this highly engaged community, transparent and thoughtful engagement has helped build consensus. Kearns & West created branding reflecting Newport Beach’s coastal character and culture, developed an interactive website, prepared materials about the existing General Plan, and hosted both a daylong community festival and community meetings in the City Councilmembers’ districts. Kearns & West implemented a robust virtual engagement, including continued online engagement and multiple workshop series. In 2023, Newport Beach launched its General Plan Update. Kearns & West is continuing to work closely with city staff, consultants, and the General Plan Advisory Committee to develop and conduct a comprehensive engagement and outreach process to inform the community about the General Plan Update and solicit community input, vision, and feedback.



SANTA ANA ZONING CODE AND FOCUS AREA PUBLIC REALM PLANS - OUTREACH AND COMMUNITY ENGAGEMENT

Client: City of Santa Ana

Reference: Siri A. Champion, Senior Planner, Planning Division, schampion@santa-ana.org, 714.667.2751

Period of Performance: 2023–Ongoing

Kearns & West developed a Public Involvement Plan to provide a framework for stakeholder and community involvement in the City of Santa Ana’s Zoning Code Update. The plan included an overview of planned outreach, engagement methods (e.g., surveys, community workshops), and other outreach strategies. The plan included detailed information for each activity, a schedule, target group, purpose, and public participation goal. The Plan also incorporated goals for participation, stakeholder analysis, programs and activities, roles and responsibilities, community-specific engagement strategies, and a schedule. Kearns & West support has included hosting six community workshops at various locations across various council districts during the first phase of public engagement for the Zoning Code Update. The purpose of the workshops was to provide informative, interactive, and accessible engagement as part of the Zoning Code Update. Phase two of public engagement is currently being planned with additional workshops and interviews.



Pro Forma

CORONA DEL MAR IMPLEMENTATION OVERLAY ZONE

Client: City of Newport Beach

Reference: Liz Westmoreland, AICP, Principal Planner, 949.644.3234, lwestmoreland@newportbeachca.gov

Period of Performance: 2024–Ongoing

Teaming with Dudek, Pro Forma Advisors is assisting with the preparation of the Corona Del Mar Implementation Overlay Zone. Work has included evaluating case studies on comparable corridors to better understand the potential development in the project area. Specifically, the research focused on existing benchmark corridors in beach community in Orange County and the larger Southern California region. Pro Forma Advisors is also tasked to evaluate mixed-use development prototypes appropriate for the commercial corridor. The analysis will test desired mixed-use housing typologies and analyze the underlying economics that will impact their development.



Unique Qualifications, Experience, and Abilities

Dudek experts are committed to applying the latest, most reliable, and most inventive approaches to solving complex planning problems. Our practitioners seek out multiple forums and avenues to stay abreast of the latest approaches and techniques. Our staff regularly moderate and participate on panels at state and national planning conferences, which address a variety of cutting-edge issues. We are serious about our professional responsibility to learn from our peers and, in turn, share lessons from our own experience.

Several of our Dudek staff serve as lecturers and instructors at universities. Project Manager Catherine Tang Saez teaches planning and design at the University of Southern California Sol Price School of Public Policy. Principal Gaurav Srivastava is a lecturer at University of California, Los Angeles, and has taught the second-year graduate urban design studio on transit-oriented design for the last 8 years at the UCLA Luskin School of Public Affairs. In addition, members of the Dudek air quality team teach at the University of California, Davis extension program.



FINANCIAL CAPACITY

5 Financial Capacity

Dudek is a 100% employee-owned corporation that has been profitable each year since its founding in 1980. The firm is in sound financial condition and has no financial issues that would impede our ability to provide the services sought for this contract. We have a strong, experienced, fiscally responsible management team.



KEY PERSONNEL

6 Key Personnel

Dudek verifies that it has adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. We agree to assign the following specific individuals to the key positions.

Figure 4. Dudek Team Organization



Key Personnel

PROJECT MANAGER

Catherine Tang Saez, AICP | ctangsaiez@dudek.com

Catherine Tang Saez is an urban design principal and certified planner with 16 years' experience in urban design, urban planning, and architecture. Catherine utilizes good design to inform good policy in support of vibrant, sustainable, and healthy communities. Her diverse expertise ranges across plans big and small, including site planning feasibility studies, vision plans, transit-oriented development (TOD) plans, streetscape plans, complete streets plans, specific plans, and community/area plans. She is adept at updating zoning codes, drafting objective development standards and design guidelines, and conducting community outreach and engagement.

Select Relevant Transactions

- Housing Incentive Overlay Zone, City of Fullerton
- Housing Element Implementation Programs, City of Rancho Palos Verdes
- Comprehensive Zoning Code Update, City of Pico Rivera



Education

Harvard University
MAUD, Urban Design
University of Southern California
BArch, Architecture

Certifications

AICP

PRINCIPAL IN CHARGE

Gaurav Srivastava, AICP | gsrivastava@dudek.com

Gaurav Srivastava is an urban designer with 22 years' experience. Gaurav leads the Dudek urban design practice and has authored plans that range from grassroots neighborhood visions to comprehensive downtown redevelopments. His award-winning work for both private- and public-sector clients is driven by twin passions: to reduce the footprint of human habitation via compact redevelopment of city centers, and to always reinforce the importance of the pedestrian experience as the defining experience of cities. Mr. Srivastava is adept at facilitating workshops and shaping discussions before a variety of audiences. He is an accomplished project manager and experienced at directing complex, multidisciplinary teams.

Select Relevant Transactions

- Housing Incentive Overlay Zone, City of Fullerton
- Housing Element Implementation Programs, City of Rancho Palos Verdes
- Media District Specific Plan, City of Burbank



Education

Massachusetts Institute of Technology
MCP, City Planning
School of Planning and Architecture, Delhi
BArch, Architecture

Certifications

AICP

COMMUNITY OUTREACH AND ENGAGEMENT LEAD

Jenna Tourjé-Maldonado, AICP (Kearns & West) | jtourje@kearnswest.com

Jenna Tourjé-Maldonado is a Vice President at Kearns & West with 17 years' experience in stakeholder facilitation, public involvement, and planning. She develops collaborative community outreach and engagement campaigns that include multipronged techniques and that scale engagement to engage even the hardest-to-reach community members. She is passionate about partnering with communities on the path to creating healthy, whole, and equitable places where people love where they live and have a voice and a stake in the future.

Select Relevant Transactions

- Listen & Learn, Housing Element and Comprehensive General Plan Update, City of Newport Beach
- Zoning Code and Focus Area Public Realm Plans, City of Santa Ana
- General Plan Update, City of Irvine



Education

University of California, Irvine
MURP, Urban and Regional Planning BA, International Development

Certifications

AICP

MARKET ANALYSIS LEAD

Lance Harris (Pro Forma Advisors) | lance.harris@proformaadvisors.com

Lance Harris is a Partner at Pro Forma Advisors with 19 years' experience providing provides clients with market demand and feasibility studies, mixed-use programming recommendations, financial analysis, economic and fiscal impact assessments, and economic development strategies. Integral to Mr. Harris's work is the premium placed on developing analysis techniques to gather data at the micro level for market analysis. Using a combination of public data sources, private secondary data sources, first-person interviews, GIS data, and on-the-ground site inspection, he can construct various models of analysis to effectively determine a development's market area, capture rate, and absorption, which determine overall demand and feasibility.

Select Relevant Transactions

- Housing Incentive Overlay Zone, City of Fullerton
- Implementation Overlay Zone, Corona Del Mar
- General Plan Update, City of Newport Beach



Education

Trinity College
BA, Political Science
University of Southern California
MA, Urban Planning

REZONING LEAD

Asha Bleier, AICP | ableier@dudek.com

Asha Bleier is a principal planner with 19 years' experience managing complex planning and development projects throughout California. Asha leads Dudek's Planning and Urban Design practice. Her multidisciplinary expertise includes a full range of planning efforts such as regional and general plans, community plans, corridor/transit-oriented development, resilience planning, and design guidelines. Asha's background in design, development, and sustainability allows her to make sound policy recommendations relative to the interaction between users and their built environments. She is skilled at managing large, multidisciplinary teams; developing creative strategies for complex projects; and facilitating meaningful stakeholder and public dialogue.

Select Relevant Transactions

- General Plan Update, Newport Beach
- General Plan Update, City of Lomita
- Addendum to the Los Angeles County Housing Element Program EIR for the Gateway Planning Area Rezoning



Education

University of California,
Santa Barbara
BA, Environmental
Studies (Geography/
Urban Planning
emphasis)

Certifications

AICP

ZONING CODE UPDATE LEAD

Janet Rodriguez | jrodriguez@dudek.com

Janet Rodriguez is an urban planner with 6 years' professional experience in land use planning, current planning and zoning, and community outreach. She has experience conducting housing development land feasibility and constraints analyses, updating general plan and community plans, updating zoning ordinances, and analyzing policies' effect on the built environment.

Select Relevant Transactions

- Housing Element Update and Prohousing Plan, City of Indio
- General Plan Update, City of Newport Beach
- Urban Design and Housing Strategies, City of El Cajon



Education

University of Southern
California
MA, Urban Planning/
Design and Graduate
Certificate in Real
Estate Development
University of California,
Los Angeles
BA, Geography/
Environmental Studies

HOUSING ELEMENT UPDATE LEAD

Elizabeth Dickson, AICP | edickson@dudek.com

Elizabeth Dickson is a planner with 9 years' experience in housing policy development, zoning codes, and the analysis and creation of tools that incentivize development. Her experience includes General Plan updates and amendments, housing element updates, community plan updates, community planning, housing incentive program development, and zoning code updates. She is experienced in working collaboratively with local community groups, navigating California State legislation, and developing implementation-focused policies and ordinances that promote development

Select Relevant Transactions

- Housing Element Update and Prohousing Plan, City of Indio
- Housing Element Update, City of Concord
- Urban Design and Housing Strategies, City of El Cajon



Education

San Diego State University
MA, City Planning
University of Montevallo
BA, Business Administration

Certifications

AICP

ENVIRONMENTAL SCOPING LEAD

Nicole Cobleigh | ncobleigh@dudek.com

Nicole Cobleigh is a senior project manager with 26 years' experience in environmental planning and land use development in Southern California. She manages all phases of the project planning and environmental review process, including budget allocations and monitoring, project team and subconsultant oversight, scheduling, presentations at hearings, and public outreach.

Select Relevant Transactions

- Sand Canyon Resort Project EIR, City of Santa Clarita
- 7811 Santa Monica Boulevard EIR, City of West Hollywood
- 417 N. Madison Avenue Project, City of Pasadena



Education

California Polytechnic State University,
San Luis Obispo
MCRP, City and Regional Planning
University of California, Los Angeles
BA, Geography/
Environmental Studies



COST PROPOSAL

7 Cost Proposal

Dudek's cost proposal is submitted as a separate file.



DISCLOSURE

8 Disclosure

To the best of our knowledge, Dudek does not have any personal relationships to disclose. The following includes our current business with the City:

- City of Costa Mesa On-Call Environmental, Technical, and Staffing Consultant
- City of Costa Mesa Climate Action and Adaptation Plan

Dudek does not believe our current contracts will impact the outcome of the selection process or our performance on this project.



SAMPLE PROFESSIONAL SERVICE AGREEMENT

9 Sample Professional Service Agreement

Dudek proposes the following modifications to the City's Sample Professional Service Agreement:

- 1.3. Performance to Satisfaction of City: Revise "complete satisfaction of the City" to "reasonable satisfaction of the City."
- 6.9. Indemnification and Hold Harmless: Add the following sentence to the end of the paragraph: "Notwithstanding the foregoing, with respect to any professional liability claim or lawsuit, this indemnity does not include providing the primary defense of City, provided, however, Consultant shall be responsible for City's defense costs to the extent such costs are incurred as a result of Consultant's negligence, recklessness, or willful misconduct."



FORMS

RFP 25-10.C06385

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
Joseph Monaco, AICP	President/CEO/Board of Directors	760.479.4296
Bob Ohlund, PE	VP/Board of Directors	949.373.8313
Eric Wilson	Executive VP/Board of Directors	626.204.9821
Sarah Lozano, AICP	Board of Directors	760.479.4251
Jill Weinberger, PhD, PG	Board of Directors	760.479.4116
Tom Larkin (Outside Director)	Board of Directors	760.942.5147
Bob Kelleher (Outside Director)	Board of Directors	760.942.5147
Meg Lassarat (Outside Director)	Board of Directors	760.942.5147
Pete Campbell	VP, Federal Services	760.479.4285
Helder Guimarães	CFO/Treasurer	626.204.9815
Michael McGrattan	Chief Information Officer	760.601.3421
Amy M. Paul	General Counsel/Secretary	760.479.4242
Danielle Voss	VP, HR/Asst. Secretary	760.479.4828

Federal Tax Identification Number: 95-3873865City of Costa Mesa Business License Number: 56670

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: 5/31/2025

RFP 25-10.C06385

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer’s representatives have not had any communication with a City Councilmember concerning informal **RFP No. 25-10 for HOUSING ELEMENT REZONING PROGRAM & ENVIRONMENTAL IMPACT REPORT** at any time after **October 22, 2024**.



Signature

Date: November 19, 2024

Joseph Monaco, President/CEO
Print

OR

I certify that Proposer or Proposer’s representatives have communicated after **October 22, 2024**, with a City Councilmember concerning informal **RFP No. 25-10 for HOUSING ELEMENT REZONING PROGRAM & ENVIRONMENTAL IMPACT REPORT**. A copy of all such communications is attached to this form for public distribution.

Signature

Date: _____

Print

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No

If the answer is yes, explain the circumstances in the following space.

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of Contractor currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

Employee Name	Position	Current or Within Last 12 Months
Jane Gray	Central Coast Regional Water Quality Control Board	Current
Jen Kerschbaum	Vallecitos Water District Board of Directors	Current
Carey Fernandes	SDSU Alumni Board of Advisors	Current
Doug Nickles	Director for the Conejo Recreation and Park District in Thousand Oaks	Current through 12/31/24
Nicole Cobleigh	City of Pasadena Mayor's environmental advisory commission	Ended July 2023
Elora Babbini	Mendocino County Planning Commission and Airport Land Use Commission	Current through 12/31/24
Patricia Ambacher	City of Sacramento Preservation Commission	Term ends 1/1/25; she re-applied for 2-year term
Lisa Chou	City of Irwindale Associate Planner	Ended 1/4/24

COMPANY PROFILE & REFERENCES (Continued)

Submit the company names, addresses, telephone numbers, email, contact names, and brief contract descriptions of at least three clients, preferably other municipalities for whom comparable projects have been completed or submit letters from your references which include the requested information.

Company Name:

City of Fullerton

Contact Name: Sunayana Thomas, 714.738.6837

Contract Amount: \$553,570

Email: Sunayana.Thomas@cityoffullerton.com

Address: 303 W. Commonwealth Ave., Fullerton, CA 92832

Brief Contract Description: Dudek is developing a Housing Incentive Overlay Zone for select parcels

Company Name: with underlying commercial and industrial zoning designations.

City of Rancho Palos Verdes

Telephone Number: 310.544.5227

Contact Name: Brandy Forbes, AICP

Contract Amount: \$675,900

Email: bforbes@rpvca.gov

Address: 30940 Hawthorne Blvd., Rancho Palos Verdes, CA 90275

Brief Contract Description: Dudek is implementing multiple Housing Element implementation

Company Name: programs and CEQA analysis.

City of Burbank

Telephone Number: 818.238.5250

Contact Name: Amanda Landry, AICP

Contract Amount: \$125,600

Email: alandry@burbankca.gov

Address: 275 East Olive Ave., Burbank, CA 91510

Brief Contract Description: Dudek is supporting the city to refine the Media District Specific Plan and the Golden State Specific Plan concurrently.

Company Name:

City of Anaheim

Telephone Number: 714.765.4627

Contact Name: Sergio M. Ramirez

Contract Amount: \$199,450

Email: sramirez@anaheim.net

Address: 200 S. Anaheim Blvd., Anaheim, CA 92805

Brief Contract Description: Dudek developed the Brookhurst Corridor Master Plan.

Company Name:

City of San Diego

Telephone Number: 619.236.6006

Contact Name: Alex Frost

Contract Amount: \$650,000

Email: afrost@sandiego.gov

Address: 9485 Aero Drive, M.S. 413, San Diego, CA 92123

Brief Contract Description: Dudek prepared the Mira Mesa Community Plan Update.

RFP25-08.C06348.Addendum 1



**ADDENDUM NO. 1
REQUEST FOR PROPSAL
FOR
HOUSING ELEMENT REZONING PROGRAM & ENFIRONMENTAL IMPACT
REPORT
RFP NO. 25-10**



**DEVELOPMENT SERVICES
CITY OF COSTA MESA**

Addendum Released on October 31, 2024

The referenced document has been modified as per the attached Addendum No. 1

Please sign this Addendum where designated and return the executed copy with submission of your proposal. This addendum is hereby made part of the referenced RFP.

- **Mandatory Pre-Proposal Conference: November 5, 2004 @ 10:00am, see details below:**

Microsoft Teams
Join the meeting now
Meeting ID: 210 862 261 068
Passcode: TbfPse

Dial in by phone
+1 312-667-7181,,235569704# United States, Chicago
Find a local number
Phone conference ID: 235 569 704#
For organizers: Meeting options | Reset dial-in PIN

All other provisions of the request for proposal shall remain in their entirety.

Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your proposal.

 11/19/2024
Signature **Date**

Joseph Monaco, President/CEO
Typed Name and Title

Dudek
Company Name

225 South Lake Avenue, Suite M210
Address

Pasadena, CA 91101
City **State** **Zip**

RFP25-08.C06348.Addendum 2



**ADDENDUM NO. 2
REQUEST FOR PROPSAL
FOR
HOUSING ELEMENT REZONING PROGRAM & ENVIRONMENTAL IMPACT
REPORT
RFP NO. 25-10**



**DEVELOPMENT SERVICES
CITY OF COSTA MESA**

Addendum Released on November 4, 2024

The referenced document has been modified as per the attached Addendum No. 2

Please sign this Addendum where designated and return the executed copy with submission of your proposal. This addendum is hereby made part of the referenced RFP.

- **CORRECY YEAR: Mandatory Pre-Proposal Conference: November 5, 2024 @ 10:00am, see details below:**

Microsoft Teams
Join the meeting now
Meeting ID: 210 862 261 068
Passcode: TbfPse

Dial in by phone
+1 312-667-7181,,235569704# United States, Chicago
Find a local number
Phone conference ID: 235 569 704#
For organizers: Meeting options | Reset dial-in PIN

All other provisions of the request for proposal shall remain in their entirety.

Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your proposal.

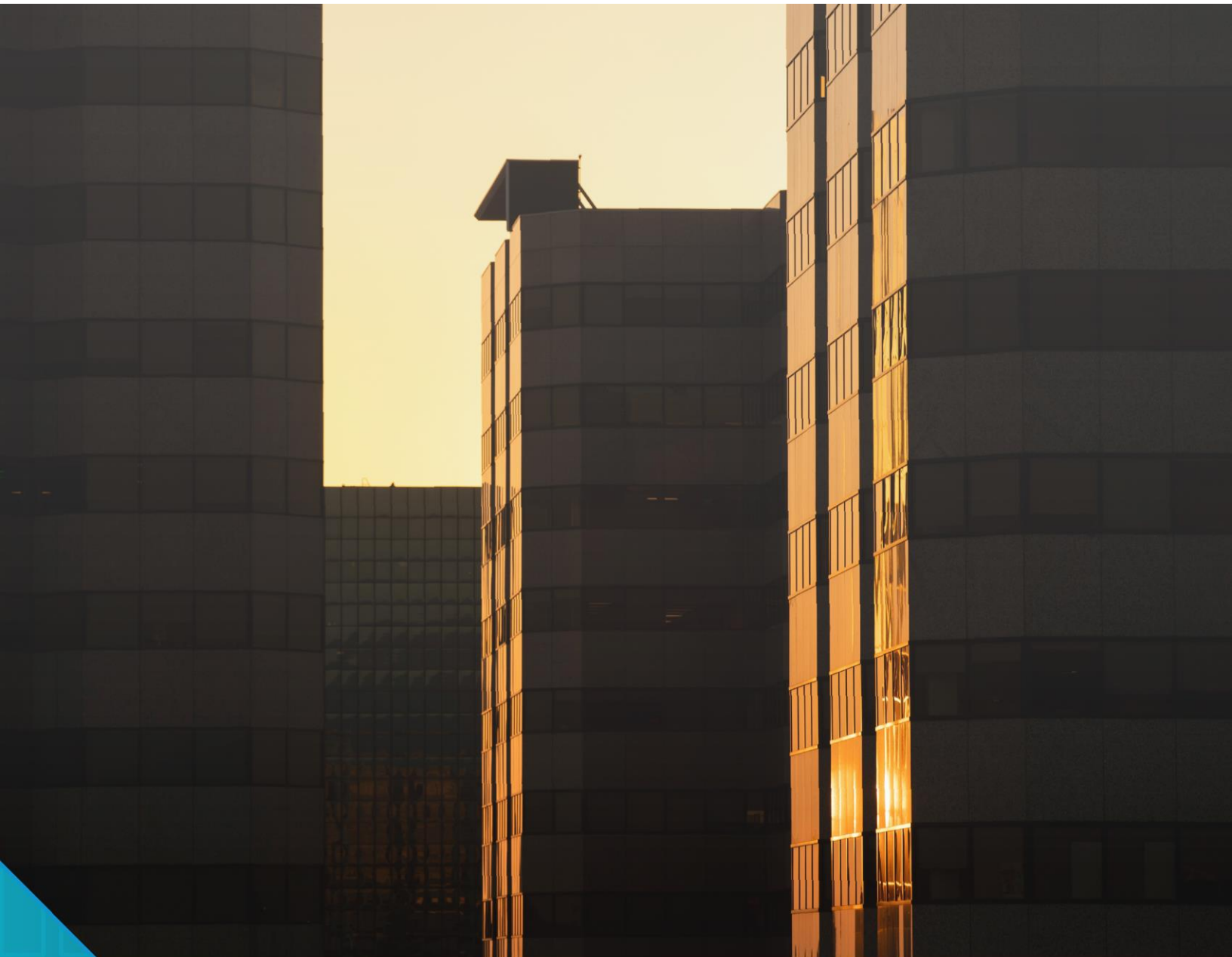
 11/19/2024
Signature **Date**

Joseph Monaco, President/CEO
Typed Name and Title

Dudek
Company Name

225 South Lake Avenue, Suite M210
Address

Pasadena, CA 91101
City State Zip



APPENDIX A: RESUMES

Catherine Tang Saez, AICP

PROJECT MANAGER | CTANGSAEZ@DUDEK.COM

Catherine Tang Saez (*KATH-er-in TAYNG SIGH-ez; she/her*) is an urban design principal and certified planner with 16 years' experience in urban design, urban planning, and architecture. Catherine works at the intersection of design and policy to create vibrant, sustainable, and healthy communities. Her expertise ranges across plans big and small, including site planning feasibility studies, vision plans, transit-oriented development plans, streetscape plans, complete streets plans, Specific Plans, and community/area plans. She is adept at updating zoning codes, drafting objective development standards and design guidelines, and conducting community outreach and engagement. Additionally, Catherine teaches planning and design at the University of Southern California Sol Price School of Public Policy.

Select Project Experience

Comprehensive Zoning Code Update, Pico Rivera, California. Serving as urban designer/planner to conduct a comprehensive update to the City's existing zoning code. The Comprehensive Zoning Code Update will ensure that the zoning code effectively implements the policies of the General Plan while also addressing recently approved state law to facilitate housing, set clear expectations for the design of new development (known as Objective Design Standards), and streamline the review and approvals process. The Comprehensive Zoning Code Update will modernize the City's approach to development regulation to reflect current development uses and best practices and provide an illustrated and user-friendly set of regulations. (2023–Present)

Housing Element Implementation Programs, City of Rancho Palos Verdes, California. Serving as urban designer/planner to assist the City in implementing multiple programs from its 2021–2029 Housing Element Update, including a Mixed-Use Overlay District, a Residential Overlay District, accessory dwelling unit ordinance update, and other rezones. The effort includes site feasibility testing given the unique sightline and topographical constraints specific to the peninsula, preparation of new objective standards consistent with state law, and outreach and engagement centered around community education. (2022–Present)

Housing Incentive Overlay Zone, City of Fullerton, California. Serving as urban designer/planner to develop a housing incentive overlay zone plan for selected nonresidential parcels citywide. The effort includes evaluation of the feasibility of residential development on these parcels and establishes the development standards along with market-tested inclusionary goals. (2020 Present)



Education

Harvard University
MAUD, Urban Design,
2012

University of Southern
California
BArch, Architecture,
2009

Certifications

American Institute of
Certified Planners
(AICP)

Professional Affiliations

American Planning
Association (APA)

Rancho Specific Plan, City of Burbank, California. Serving as urban designer/planner to prepare a Specific Plan for Burbank’s Rancho Neighborhood, a rare remnant of urban equestrianism located along the banks of the Los Angeles River adjacent to Griffith Park (one of the largest municipal parks in the country) and the Burbank Media District (one of the highest concentrations of entertainment companies in the world). The effort will address the neighborhood’s desire for preservation and protection amidst local and state pressures in housing and sustainability. (2024–Present)

Specific Plan Peer Review and Updates, City of Burbank, California. Serving as urban designer/planner to peer review, truth-test, and refine two ongoing Specific Plan updates in the City: the Media District Specific Plan for the 544-acre global epicenter of media production and studio uses, and the Golden State Specific Plan for the 630-acre district encompassing Burbank Airport and the future High-Speed Rail Station. The effort includes a diagnostic analysis of the current plans, site feasibility testing, and rewriting of objective design and development standards. (2024–Present)

Corona del Mar Implementation Overlay Zone, City of Newport Beach, California. Serving as urban designer/planner to prepare an implementation overlay zone for Pacific Coast Highway in Corona del Mar to enhance the vibrancy of the 1-mile commercial corridor as the City’s “main street.” The effort includes analysis, site feasibility testing, preparation of objective design and development standards, and outreach and engagement. (2024–Present)

Firearm and Ammunitions Retailer Regulations, City of Burbank, California. Served as urban designer/planner to prepare new regulations for firearm and ammunition retail uses citywide. Following community concerns over the proximity of a new gun store to a local school, Dudek worked closely with City staff to draft new business licensing requirements; objective design standards for storage, barriers, and lighting; and buffer/separation distance requirements from sensitive uses such as schools, parks, libraries, and residential uses. The effort required in-depth research of state and federal law to ensure compliance, collaboration with the Giffords Law Center, coordination with the police department, and extensive outreach and engagement with the community and interested parties, including existing firearm and ammunition businesses in the City. (2023–2024)

Mira Mesa Community Plan Update, City of San Diego, California. Served as urban designer/planner to update the Mira Mesa Community Plan, a transit-priority effort. Mira Mesa—with 10,500 acres; 80,000 residents; and 80,000 jobs—is the largest and most populous of San Diego’s 50 community plan areas. This effort included corridor planning and conceptual urban design studies for four focus areas within the community. The studies tested and illustrated new approaches to land use, development standards, and mobility improvements to revitalize the focus areas and retrofit suburban shopping malls with transit-supportive uses and development typologies. (2019–2022)

Residential Development Standards, City of El Cajon, California. Served as urban designer/planner to update the City’s regulations and procedures for the provision of residential uses. The effort included an in-depth analysis of the City’s existing regulatory framework, physical feasibility studies for hypothetical development typologies, and an update to the City’s development and design standards to be consistent with state requirements for objectivity. (2022–2022)

Gaurav Srivastava, AICP

PRINCIPAL IN CHARGE | GSRIVASTAVA@DUDEK.COM

Gaurav Srivastava (GORE-uv shree-VAAS-thuv; he/him) is an urban designer with 22 years' experience. Gaurav leads Dudek's urban design practice and has authored plans that range from grassroots neighborhood visions to comprehensive downtown redevelopments. His award-winning work, for both private and public-sector clients, is driven by twin passions: to reduce the footprint of human habitation via compact redevelopment of city centers, and to always reinforce the importance of the pedestrian experience as the defining experience of cities. Gaurav is adept at facilitating workshops and shaping discussions before a variety of audiences. He is an accomplished project manager and experienced at directing complex, multidisciplinary teams. In addition, Gaurav serves as a lecturer and teaches urban design at the University of California, Los Angeles' Luskin School of Public Affairs.

Select Project Experience

Housing Incentive Overlay Zone, City of Fullerton, California. Project manager for a citywide effort to analyze and test the feasibility of new multi-family residential developments on Fullerton parcels currently zoned for non-residential uses. The Housing Incentive Overlay Zone Plan is funded via California Senate Bill 2 grant funds and aims to facilitate and incentivize the production of housing within the city. Integral to the planning effort is a capacity-building exercise that aims to educate and inform a group of Fullerton stakeholders, the "Housing Champions," of the economic and regulatory landscape of housing policy.

Old Town Newhall Specific Plan, City of Santa Clarita, California.

Project Manager for Specific Plan update for Newhall, the historic core of the City. The targeted Plan update aims to test new development types, simplify the existing form-based code, and extend the usability and legibility of the Plan.

Citywide Complete Streets Plan, City of Burbank, California. Project manager for Citywide Complete Streets Plan called the Complete Our Streets Plan (www.CompleteOurStreets.com). With a strong focus on urban design and the city's built form, the plan analyzes the entire city street network and proposes improvements through prioritized projects to address the needs of street users of all modes, ages, and abilities, including pedestrians, bicyclists, individuals with disabilities, transit users, and automobile users.



Education

Massachusetts
Institute of Technology
MCP, City Planning
School of Planning and
Architecture, Delhi
BArch, Architecture

Certifications

American Institute of
Certified Planners
(AICP)

Professional Affiliations

American Planning
Association
ULI Rose Center for
Public Leadership,
Faculty Advisor

Mixed-Use Overlay Zone District, City of Rancho Palos Verdes, California. Project manager for a citywide effort to establish a mixed-use overlay on non-residential parcels to expand the city’s multi-family and missing middle housing supply. Efforts tests the feasibility of new developments and establishes user-friendly development standards. The plan is is funded via California Senate Bill 2 grant funds. (2021 – present)

Mira Mesa Community Plan Update, San Diego, California. Urban Design lead for a City of San Diego transit-priority plan effort as part of the Mira Mesa Community Plan Update. Mira Mesa, at 10,500 acres and 80,000 residents, is the largest and most populous of San Diego’s 50 community plan areas. This effort includes corridor planning and conceptual urban design studies for four focus areas within the community. The studies test and illustrate new approaches to land use, development standards, and mobility improvements to revitalize the focus areas and retrofit suburban shopping malls with transit-supportive uses and development typologies.

South Colton Livable Corridors Plan, Colton, California. Project Manager for urban design, land use planning, market analysis, and community outreach services in support of the South Colton, a long-standing Latino working-class neighborhood in Colton, California. Residents with few resources have used their imagination and resourcefulness to alter landscapes in ways that are intimate in scale and personal in nature. The Plan aims to strengthen these grassroots tactical urbanist approaches and create guidelines and policies that will provide a regulatory framework for formalizing a DIY approach to neighborhood amenities and improvements.

Randall Preserve, Orange County, California. Leading the Public Access Plan component of a comprehensive master plan for a 400-acre site that previously operated as an oilfield. Located adjacent to Costa Mesa (with primary access off the City’s 17th Street corridor), proposed Randall Preserve is one of the last pieces of remaining open space in coastal Southern California. Formerly known as Newport Banning Ranch, this former oil field retains significant natural resources. It is also the homeland of several Tribal Nations that will have input and a major role in the long-term management of the property. Led by the Coastal Corridor Alliance (Formerly Banning Ranch Conservancy), and the Mountain Recreation and Conservation Authority, the land will be restored to support a balanced ecosystem with opportunities for public access and education.

Skid Row and Central City East Vision Plan, City of Los Angeles, California. Central City East lies in the heart of downtown Los Angeles, adjacent to and overlapping Skid Row, the nation’s largest cluster of homelessness. The plan addresses a growing concern, “how does a downtown industrial district address the dramatic changes that are occurring at its doorstep, while also being subject to long-standing policies that make it the primary location of homeless services for the entire region?”

Sunset Strip Specific Plan Update, West Hollywood, California. Led the effort to update the existing Specific Plan with new standards and guidelines for off-site signs on the Sunset Strip (i.e., billboards, tall walls, and digital signs). The Strip is arguably the most iconic urban boulevard on the west coast, if not the entire United States. Situated entirely within the City of West Hollywood, it is the epitome of a bright-lights, big-signs corridor. The Strip has a long-established tradition of innovative signage, while simultaneously also creating value for property owners.

JENNA TOURJÉ-MALDONADO, AICP

COMMUNITY OUTREACH AND ENGAGEMENT LEAD



📍 Orange County, CA

✉ JTOURJE@kearnswest.com

📞 760-296-9355

EXPERTISE

- Public Involvement
- Stakeholder Facilitation
- Urban and Environmental Planning

EDUCATION & CERTIFICATIONS

MURP, Urban and Regional Planning

University of California, Irvine, 2011

BA, International Development

University of California, Irvine, 2007

AICP

American Planning Association

Certificate, Public Participation

International Association of Public Participation (IAP2)

SUMMARY OF QUALIFICATIONS

Jenna Tourjé-Maldonado is a Principal at Kearns & West with over 17 years of experience in community outreach, stakeholder facilitation, and planning. Jenna designs collaborative projects that include multi-pronged techniques and scale engagement to engage even the hardest-to-reach community members. She is passionate about partnering with communities on the path to creating healthy, whole, and equitable places, where people love where they live and have a voice and a stake in the future. Through her experience as an outreach professional, urban planner, and educator, Jenna's unique expertise informs each one of her projects.

Throughout her career, she has led community engagement for general plans throughout California and is currently conducting outreach for several general plan updates and housing elements. In the past year, Jenna has led outreach for general plans, specific plans, housing elements, and open space plans in diverse communities in California, incorporating beautiful design, branding, and communication to communicate what zoning and planning changes look like in communities. She is developing a Community Planning Collaborative (Planning 101) for the City of Santa Ana in partnership with community-based organizations to implement the zoning code update. Jenna's previous work in Boston led to the creation of Boston's first Eco District in the Talbot Norfolk Triangle (TNT).

Jenna is certified by the International Association of Public Participation (IAP2). She has served as Planning Commissioner for the City of Costa Mesa and co-instructed the Graduate Planning Practicum for the Master of Urban Planning and Public Policy department at UC Irvine from 2014 to 2020.

EXAMPLES OF RECENT EXPERIENCE

City of Newport Beach – Multiple Projects; Housing, Circulation, and Land Use Elements, Listen & Learn, and General Plan Update

City of Irvine – General Plan Update

City of Burbank – Citywide Complete Streets Plan

City of Oxnard – Sustainable Transportation Plan

City of Santa Clarita – Old Town Newhall Specific Plan Update

City of Concord – Housing Element Update

City of Mission Viejo – Oso Creek Golf Course and Open Space Vision Plan

LA County Parks & Recreation – Earvin "Magic" Johnson Recreation Master Plan and Equestrian Center

City of Long Beach – Successor Agency North Atlantic Boulevard Plan

20+ General and Community Plans for Southern California Counties and Cities



Pro Forma

Advisors LLC

Lance Harris, Market Analysis Lead

lance.harris@proformaadvisors.com

With nearly 20 years of experience in land use economics, Mr. Harris provides clients with market demand and feasibility studies, mixed-use programming recommendations, financial analysis, economic and fiscal impact assessments, and economic development strategies.

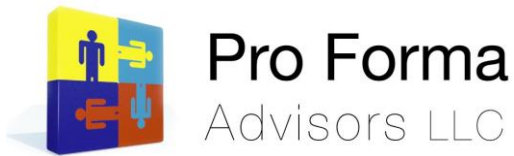
Integral to Mr. Harris's work is the premium placed on developing analysis techniques to gather data at the micro level for market analysis. Using a combination of public data sources, private secondary data sources, first person interviews, GIS data, and on-the-ground site inspection, he is able to construct various models of analysis to effectively determine a development's market area, capture rate, and absorption, which determine overall demand and feasibility.

His broad range of experience working with cities, counties, redevelopment agencies, land planning/urban design firms, and real estate development interests allows him to effectively evaluate projects from both the private and public perspective.

Market/Financial Analysis

Mr. Harris' work in market analysis has included analysis of variety of land uses including residential, industrial, retail, office, hotel, recreational, and mixed-use development. Illustrative projects for private developers and municipal clients are included below.

- ▶ Grantville Redevelopment Area
Community Plan Economics (San Diego, California)
- ▶ Transit Village Specific Plan Economics (El Monte, California)
- ▶ Fresno High Speed Rail TOD Plan Economics (Fresno, California)
- ▶ Economic Futures Analysis of Nodes & Corridors (Los Angeles, California)
- ▶ The Shoppes Phase II Compass Blueprint Project (Chino Hills, California)
- ▶ Feasibility of Alternative TOD Concepts (Los Angeles, California)
- ▶ Bob Hope Master Plan Mixed-Use TOD Analysis (Burbank, California)
- ▶ TOD Financial Analysis (Santa Monica, California)
- ▶ SunCal's Proposed Waterfront Mixed-Use Project (Redondo Beach, California)
- ▶ San Diego Incentive Zoning Economics (San Diego, California)
- ▶ Sunroad Enterprises Confidential Market Analysis (San Diego, California)
- ▶ The Howard Hughes Development Corporation Confidential Market Analysis (Dallas, Texas)



Impact Analysis

Mr. Harris' work in economic impact analysis has included analysis of variety of land uses including real estate development, gaming, themed attractions, sporting venues, and special events. Illustrative projects are included below.

- ▶ NIKE, Inc.'s Corporate Headquarter Operations (Beaverton, Oregon)
- ▶ Proposed Los Angeles Football Stadium at Grand Crossing (City of Industry, California)
- ▶ Coachella Music Festival (Indio, California)
- ▶ AMGEN Tour of California (Santa Clarita, California)

Previous Experience

Prior to joining Pro Forma Advisors, Mr. Harris was an Associate Director of Economics at AECOM. He was also a Senior Associate at Economics Research Associates (ERA) prior to the company's acquisition.

Education

Lance received an M.A. in Urban Planning from the USC Price School of Public Policy specializing in real estate and economic development. He also has a B.A. degree in Political Science from the Trinity College in Hartford, Connecticut.

Professional Affiliations

Mr. Harris represents Pro Forma Advisors in the American Planning Association. Mr. Harris is the former Chair of the APA's Economic Development Division.

Asha Bleier, AICP

REZONING LEAD | ABLEIER@DUDEK.COM

Asha Bleier is a principal planner with 19 years' experience managing complex planning and development projects throughout California. Asha leads Dudek's Planning and Urban Design practice. Her multidisciplinary expertise includes a full range of planning efforts such as regional and general plans, community plans, corridor/transit-oriented development, resilience planning, and design guidelines. Asha's background in design, development, and sustainability allows her to make sound policy recommendations relative to the interaction between users and their built environments. She is skilled at managing large, multidisciplinary teams; developing creative strategies for complex projects; and facilitating meaningful stakeholder and public dialogue.

Asha currently serves as the professional development AICP Exam coordinator for the California state chapter of the American Planning Association, and is an active member of the Diversity, Equity & Inclusion subcommittee.

Select Project Experience

General Plan Update, City of Newport Beach, California. Serves as the principal in charge for a comprehensive update to the General Plan. Tasks include an extensive community outreach and engagement program; analysis of both quantitative and qualitative data; visioning, goal, and policy development; and management of technical staff, planning staff, and subconsultants. The update has a heightened focus on resilience strategies and includes technical analysis of challenges faced by a coastal community such as sea level rise and coastal erosion.

Urban Design and Housing Strategies, City of El Cajon, California. Served as the principal in charge for the Urban Design and Housing Strategies project. This project consisted of a multifaceted approach to update the City's regulations and procedures for the provision of residential and mixed uses. The team created objective development standards paired with easy-to-understand graphics informed by an in-depth analysis of existing regulations pertaining to mixed use, residential, and accessory dwelling unit development, as well as internal permit processing procedures; updated permit processes to increase understanding of regulations and ease of permit review; an updated accessory dwelling unit ordinance; an interactive web-based tool for development opportunity sites and incentives; and guides and marketing materials to assist staff and developers in understanding updated regulations and procedures.



Education

*University of California,
Santa Barbara
BA, Environmental
Studies (Geography/
Urban Planning
emphasis), 2005*

Certifications

*American Institute of
Certified Planners
(AICP), issued 2012*

Professional Affiliations

*American Planning
Association*

*American Institute of
Architects*

*U.S. Green Building
Council*

Women in Architecture

South Bay Area Plan, Los Angeles County Department of Regional Planning, California. Served as principal planner. Led the development of several background briefs for the project focused on land use, zoning, historic and cultural resources, and equity, as well as the zoning and Area Plan land use recommendations. Led the development of the Area Plan's goals, policies, and implementation programs, including the creation of a policy crosswalk to ensure policies complement existing Countywide policies while providing targeted direction for the South Bay Planning Area. Assisting in the management of economic and transportation subconsultants (Pro Forma and Intersecting Metrics, respectively), as well as internal management across environmental, historic preservation, and planning disciplines. A key project goal was to implement the County's housing element.

Metro Area Plan, Los Angeles County Department of Regional Planning, California. Served as project manager/principal for the Los Angeles County Metro Area Plan, which is a planning document intended to guide regional-level growth and development within the eight unincorporated communities of the Metro Planning Area. The Area Plan proposes to implement land use and zone changes to facilitate the development of 30,968 dwelling units and 1,124,731 square feet of industrial building area, including instances of neighborhood-scale commercial use within residentially zoned parcels. The project provides the County with the opportunity to consider broad policy alternatives and program-wide mitigation measures and to comprehensively address potential environmental impacts. A key project goal was to implement the County's housing element.

General Plan Update, City of Lomita, California. Served as principal in charge for the comprehensive update of the City of Lomita's Housing and Safety Elements and associated CEQA process. Dudek staff prepared a detailed assessment of the hazards affecting the City, when they will occur, where the City is most vulnerable, and what communities are most impacted by hazards. Dudek prepared a Vulnerability Assessment and Capability Assessment to support the planning effort.

General Plan Update, City of Highland, California. Served as project manager overseeing the comprehensive update of the City of Highland's Housing, Safety, and Environmental Justice Elements and associated CEQA process. Dudek staff prepared a detailed assessment of the hazards affecting the City, when they will occur, where the City is most vulnerable, and what communities are most impacted by hazards. Dudek prepared a Vulnerability Assessment and Capability Assessment to support the planning effort. Dudek is also collaborated with the City to create a virtual outreach hub, including news/events, resources, three online public workshops, and other project details.

General Plan Update, City of Carlsbad, California. Served as a member of the planning team to assist in the process of a General Plan Update for the City of Carlsbad. Prepared working papers that served as a foundation for updating the goals, policies, and programs in the open space and natural environment, history, arts, and cultural resources elements of the City's General Plan. Provided direction regarding potential environmental constraints for the formulation of land use alternatives in accordance with CEQA requirements and worked closely with the planning team on policy development.

Janet Rodriguez

**ZONING CODE UPDATE LEAD |
JRODRIGUEZ@DUDEK.COM**

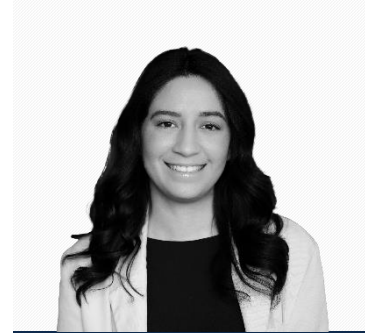
Janet Rodriguez (*JAN-it rohd-REE-geh-z; she/her*) is an urban planner with 5 years’ professional experience in land use planning, current planning and zoning, community outreach, and geographic information system (GIS). Ms. Rodriguez has experience conducting housing development land feasibility and constraints analyses, updating general plan and community plans, updating zoning ordinances, and analyzing policies’ effect on the built environment. Ms. Rodriguez understands the importance of balancing project priorities with community needs and identifying ways to solicit feedback that can be meaningfully incorporated into the planning process to effectively provide context-specific and implementable recommendations and actions.

Select Project Experience

Comprehensive Zoning Code Update, City of Pico Rivera, California.

Serving as the project manager for the City of Pico Rivera’s Zoning Code Update project. Tasks include collaboration with City staff to identify opportunities and challenges with the zoning code’s organization, use-specific regulations, development review procedures, and development and design standards. Input and findings from consultant-led zoning code diagnostic (which includes a thorough review of the City’s code including General Plan consistency analysis, City staff interviews, and feedback from the robust public outreach as well as focused study sessions with a community advisory group and Planning Commission) will inform the development of the new zoning code to create a streamlined and user-friendly code and also new design standards and guidelines for residential, commercial, industrial, and mixed-use developments to achieve high-quality design.

General Plan Update, City of Newport Beach, California. Serves as the task lead for a comprehensive update to the General Plan’s Recreation and Land Use Elements. Tasks include analyzing existing conditions, developing an updated inventory of existing recreation facilities using GIS data from the City’s Recreation Facilities Dashboard to perform a quality assessment to evaluate the adequacy of parkland and recreational opportunities, and identifying key outreach opportunities within the greater outreach program to inform recreation and land use policy changes for inclusion into the General Plan update.



Education

*University of Southern California
MA, Urban Planning/
Design and Graduate
Certificate in Real
Estate Development,
2019*

*University of California,
Los Angeles
BA, Geography/
Environmental Studies,
2016*

Professional Affiliations

*American Planning
Association*

Metro Area Plan, County of Los Angeles Department of Regional Planning, California. Served as planner for the development of the Metro Area Plan. Managed outreach plan, coordinated schedule of meetings, and facilitated interested party outreach events. Assisted with background reports and existing conditions. Drafted economic development policies for the Metro Area Plan communities, comprehensively and tailored specific policies applicable to the seven individual communities based on market and demographic studies.

Urban Design and Housing Strategies, City of El Cajon, California. Served as the deputy project manager to the City of El Cajon’s Urban Design and Housing Strategies project. Tasks included in-depth analysis of existing regulations pertaining to residential and accessory dwelling unit development, a review of internal permit processing procedures, and targeted outreach with community members including developers and architects to develop new objective design standards that promote high-quality design that meets the City’s vision for various development typologies while allowing for flexibility and innovative design.

Indio Housing Element Update and Pro Housing Strategies and Program Implementation, City of Indio, California. Served as the Housing Element planner for the comprehensive update to the City of Indio’s Housing Element. Led bilingual interested party outreach. Developed maps and graphics for the City’s regional housing needs assessment and identification of sites. Ms. Rodriguez is currently assisting the City with implementing a pro-housing assessment and policy strategy that the project team created with the City, which included a detailed analysis of development trends in the city and region, direct financial incentives, and gap financing alternatives to facilitate affordable housing production. Additionally, Dudek is assisting the City with implementing programs from its Housing Element. Tasks include density bonus assessment and developing a no-net-loss site inventory tracking system.

Relevant Previous Experience

Art Rodriguez Associates, Arcadia, California. Served as an associate planner managing land use entitlement applications, primarily in cities within Los Angeles County. Tasks included site research and due diligence; developing project proposals; interpreting zoning codes; reviewing local regulations to ensure code compliance; preparing project findings reports; leading community outreach with interested parties including neighborhood groups, council representatives, and police departments; and representing projects at public hearings.

Center for Economic Development, Los Angeles, California. Served as the lead graduate research assistant for the Center for Economic Development at the University of Southern California. Developed and analyzed an extensive dataset of journals and publications for a literature review focusing on transit-oriented development trends over the decades. Examined policy documents, such as land use elements, specific plans, and overlays, of every city with a Metro rail-stop in Los Angeles County to develop an inventory of policies that incentivize development around transit stations; tracked development patterns near transit stations; and assisted in the analysis of identifying trends between policy incentives and actual development. Oversaw the graphics and maps and assisted with the preparation of the final report for publication submittal review.

Elizabeth Dickson, AICP

**HOUSING ELEMENT UPDATE LEAD |
EDICKSON@DUDEK.COM**

Elizabeth Dickson (*ee-LIH-zuh-beth DIK-suhn; she/her*) is a planner with 9 years' experience specializing in long-range planning, community planning, housing policy development, zoning codes, and the analysis and creation of tools that facilitate and incentivize development. Elizabeth's diverse range of experiences includes General Plan updates and amendments, housing element updates, community plan updates, community planning, housing incentive program development, and updates and amendments to zoning codes. She has experience working collaboratively with local community groups, navigating California State legislation, and developing implementation-focused policies and ordinances that promote housing accessibility and affordability.

Elizabeth sits on the board of the California Chapter of the American Planning Association and has spoken as a panelist at multiple American Planning Association conferences. Her expertise in housing data analysis led her to serve as a panelist at the Institute for Innovative Governance's 2019 Forum on Housing and Inequality in San Diego.

Select Project Experience

General Plan Update, City of Newport Beach, California. Serves as the project manager for a comprehensive update to the General Plan. Tasks include an extensive community outreach and engagement program; analysis of both quantitative and qualitative data; visioning, goal, and policy development; and management of technical staff, planning staff, and subconsultants. The update has a heightened focus on resilience strategies and includes technical analysis of challenges faced by a coastal community such as sea level rise and coastal erosion.

Comprehensive Zoning Code Update, City of Pico Rivera, California. Serves as the task lead for the development of use regulations for the Comprehensive Zoning Code Update. Tasks include new regulations for outdoor dining, massage establishments, drive-throughs, automobile serving uses, and a variety of housing uses such as transitional housing, emergency shelters, supportive housing, home occupations, and family day-care homes. This project will provide permitting staff and the development community with a comprehensive zoning code that is easily navigable and contains clear and objective standards.

Housing Element Implementation Program, City of Indio, California. Serves as the task lead for the Housing Element Implementation Program, which includes the development of local ordinances, housing resources for community members, and guidance and informational materials for



Education

San Diego State
University
MA, City Planning,
2019

University of
Montevallo
BA, Business
Administration, 2009

Certifications

American Institute of
Certified Planners
(AICP), No. 34733

Professional Affiliations

American Planning
Association

permitting staff and the development community. Additionally, this program includes an application for the State’s Prohousing Designation Program and coordination with the City Council and the State’s Department of Housing and Community Development.

General Plan Update, City of Rialto, California. Served as the task lead for the update to the Land Use Element and a member of the planning team for the overall General Plan Update. Through the General Plan Update, Dudek is prepared amendments to the General Plan for the City’s Land Use, Safety, and Environmental Justice Elements. The update to the Land Use Element included policy and legislative crosswalks identifying key needed changes, a comprehensive existing conditions analysis establishing a baseline for what is on the ground, and establishing goals and policies as a part of a robust community and interested party engagement program. Additionally, Elizabeth also served as the task lead on consistency amendments to the Zoning Code and Zoning Map.

Urban Design and Housing Strategies, City of El Cajon, California. Served as the project manager for the Urban Design and Housing Strategies project. This project consisted of a multifaceted approach to update the City’s regulations and procedures for the provision of residential and mixed uses. This included the development of objective development standards paired with easy-to-understand graphics informed by an in-depth analysis of existing regulations pertaining to mixed use, residential, and accessory dwelling unit development, as well as internal permit processing procedures; updated permit processes to increase understanding of regulations and ease of permit review; an updated accessory dwelling unit ordinance; an interactive web-based tool for development opportunity sites and incentives; and guides and marketing materials to assist staff and developers in understanding updated regulations and procedures.

San Bernardino Regional Housing Trust Fund, San Bernardino Council of Governments, California. Serves as the task lead for the Regional Housing Trust Fund through the San Bernardino County Transportation Authority/San Bernardino Council of Governments on-call contract. Prepared a Housing Trust white paper, which provides an analysis of best practices and recommendations for enacting a regional housing trust fund, and a Strategic Plan, which outlines outreach findings, priority projects, and key recommendations. Developed and managed a comprehensive outreach program, including presentations to City Councils across San Bernardino County. Current tasks include the development of an administrative plan for the implementation of a regional housing trust fund, based on the recommendations of the Housing Trust white paper.

Housing Element Update and Prohousing Plan, City of Indio, California. As a part of the General Plan Update, served as the task lead for the comprehensive sixth cycle update to the City of Indio’s Housing Element. As a first step in implementation of the Housing Element, conducted a prohousing assessment, including direct financial incentives, enhanced housing permitting organizational strategies, City and regional fee strategies, local and regional housing trust fund options and gap financing alternatives for workforce and affordable housing to facilitate the planning, approval, and construction of housing. Current tasks include a prohousing application and coordination with local decision makers and the State Department of Housing and Community Development.

Housing Element Update, City of Concord, California. Served as planning lead for the sixth cycle update to the Housing Element. The Concord Housing Element Update is unique in that it has an extensive focus on tenant protections and anti-displacement strategies. Tasks include robust community engagement, subconsultant management, decision-maker education, and coordination with the State Department of Housing and Community Development. This plan has been adopted and was certified by the State.

Nicole Cobleigh

**ENVIRONMENTAL SCOPING LEAD |
NCOBLEIGH@DUDEK.COM**

Nicole Cobleigh (*nick-KOHL KOB-lee; she/her*) is a senior project manager with 25 years' experience in environmental planning and land use development in Southern California. Ms. Cobleigh manages all phases of the project planning and environmental review process, including budget allocations and monitoring, project team and subconsultant oversight, scheduling, presentations at hearings, and public outreach. She has produced numerous California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) documents, including environmental impact reports (EIRs); environmental impact statements (EISs); and technical reports for visual resources and aesthetics, cultural resources, and other environmental resources.

Ms. Cobleigh applies her comprehensive understanding of policy, planning, and environmental issues to meet clients' needs on a variety of projects. She has extensive experience working on complicated projects involving multiple regulatory agencies.

Select Project Experience

Indio Housing Element Update ND, City of Indio, California. Managed the preparation of the IS/ND for the Housing Element Update as part of the 6th Cycle of the Regional Housing Needs Assessment.

Lomita Housing Element Update ND, City of Lomita, California. Managed the preparation of the IS/ND for the Housing Element Update as part of the 6th Cycle of the Regional Housing Needs Assessment.

South El Monte Housing, Safety and Environmental Justice Element Updates ND, City of South El Monte, California. Managed the preparation of the IS/ND for the Housing Element Update as part of the 6th Cycle of the Regional Housing Needs Assessment. The effort also included updates to the City's Safety Element and a new Environmental Justice Element.

Manhattan Beach Housing Element Update ND, City of Manhattan Beach, California. Managed the preparation of the IS/ND for the Housing Element Update as part of the 6th Cycle of the Regional Housing Needs Assessment.

Fullerton Housing Implementation Overlay Zone Program EIR, City of Fullerton, California. The City of Fullerton must adopt an updated Housing Element as part of the 6th Cycle of Regional Housing Needs Assessment. The City's Housing Element relies heavily on adopting a Housing Implementation



Education

*California Polytechnic State University, San Luis Obispo MCRP, City and Regional Planning
University of California, Los Angeles BA, Geography/
Environmental Studies (Public Policy/Urban Planning Minor)*

Professional Affiliations

Association of Environmental Professionals

Overlay Zone that would allow housing projects to be constructed on 759 parcels throughout the City. Currently managing the preparation of the Program EIR for this implementation overlay zone program. Key project issues include evaluating air quality impacts and vehicle miles traveled.

Sand Canyon Resort Project EIR, City of Santa Clarita. This project involves the redevelopment of a former golf course into a resort hotel project. Key issues associated with this project include potential impacts to sensitive biological resources, development within a Very High Fire Hazard Zone formerly subject to wildfire and mud and debris flows, and the rezoning of Open Space to Commercial within a community sensitive to the loss of Open Space. Serving as the Project Manager for the Environmental Impact Report (EIR) and supporting technical analyses for the proposed project.

7811 Santa Monica Boulevard EIR, City of West Hollywood, California. Managing the preparation of an EIR for a hotel and residential 265,853-square-foot mixed-use development project along Santa Monica Boulevard in the City of West Hollywood. The project would involve the demolition of a fitness center and one multifamily residential structure and the construction of a new six-story building with 74 hotel rooms and 82 residential units. Ground floor commercial/restaurant use would also be included a part of the project. Key issues associated with this project include construction air quality, noise and traffic impacts to the Fountain Day School, which is located immediately to the north of the site and operates as a year-round preschool.

417 N. Madison Avenue Project, City of Pasadena, California. Managed the preparation of an IS/mitigated negative declaration (MND) for a residential infill project in the City of Pasadena. The project involved the construction of 39 residential units within a multifamily, high-density residential area of the City. The use is permitted by right; but the minimum required set back requires a minor variance from the City so an expedited IS/MND is being prepared.

K4 Warehouse and Cactus Channel Improvements Project, March Joint Powers Authority, California. Lewis Companies is proposing to construction a new approximately 720,000 square foot industrial warehouse/e-commerce fulfillment center. One component of the project involves the installation of an underground box culvert within the existing Cactus Avenue Drainage Channel. Managing an EIR for the proposed project, and key issues associated with this project include coordination with multiple agencies and jurisdictions, traffic impacts, impacts to biological resources, and greenhouse gas emission impacts.

Meridian West Campus-Lower Plateau Project, March JPA, California. Managed the preparation of a comprehensive EIR for a large-scale business and warehouse development project in the western portion of the March JPA jurisdiction. The project, approved by the Board Commissioners in 2017, would result in the construction of approximately 2.3 million square feet of industrial warehouse and business park uses. Key issues associated with this project included visual and aesthetic impacts to distant mountain views, air and greenhouse gas emissions within proximity of single-family residential homes, increases in truck traffic in the project vicinity, and overall traffic impacts in the Riverside County area.

DUDEK

800.450.1818 | HELLO@DUDEK.COM

DUDEK.COM



EXHIBIT C
FEE SCHEDULE

Housing Element Rezoning Program and Environmental Impact Report

City of COSTA MESA



Dudek Cost Proposal

January 24, 2025

Stephanie Urueta
City of Cost Mesa
Economic and Development Services Department
77 Fair Drive, 1st Floor
Costa Mesa, California 92626

Subject: Revised Proposal for City of Costa Mesa Housing Element Rezoning Update and EIR

Dear Stephanie Urueta:

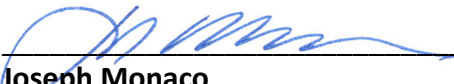
Dudek’s revised cost proposal reflects our updated approach and understanding of the work to most efficiently and effectively address the City’s needs and priorities. This cost proposal reflects anticipated wage increases during the contract duration.

- Subtotal Lump Sum of \$1,850,611
- + 10% Contingency of \$185,061
- Total Lump Sum of \$2,035,672

On the follow pages, Table 1 illustrates a top-level summary of our cost proposal, and Table 2 shows a detailed breakdown by staff by hour.

This fee estimate is valid for 180 days from the date of this proposal; after 180 days, Dudek reserves the right to reassess the fee estimate, if necessary.

Sincerely,



Joseph Monaco
President/CEO



Catherine Tang Saez, AICP
Project Manager

Joseph Monaco is authorized to sign on behalf of Dudek.

Table 1 illustrates a top-level summary by task.

Table 1. Cost Proposal Summary

		DUDEK LABOR COSTS	Subconsultant Fees		OTHER DIRECT COSTS	TOTAL FEE
			Outreach	Economics		
			Kearns & West Fee	Pro Forma Advisors Fee		
Task 1	Project Management and Coordination					
1.1	Project Initiation	\$5,944.00				\$5,944.00
1.2	Ongoing Project Management and Coordination	\$41,200.00	\$36,800.00			\$78,000.00
	Subtotal Task 1	\$47,144.00	\$36,800.00			\$83,944.00
Task 2	Initial Assessment and Overall Strategy					
2.1	Review of Housing Element	\$3,664.00				\$3,664.00
2.2	Confirmation of Housing Element Sites	\$11,228.00				\$11,228.00
2.3	Diagnostic Analysis of Existing Plans, etc.	\$16,860.00				\$16,860.00
2.4	Overall Strategy	\$8,424.00				\$8,424.00
	Subtotal Task 2	\$40,176.00				\$40,176.00
Task 3	Community Outreach and Engagement					
3.1	Community Outreach and Engagement Plan	\$4,840.00	\$7,245.00			\$12,085.00
3.2	Project Messaging	\$21,200.00	\$20,355.00			\$41,555.00
3.3	Stakeholder Meetings	\$38,880.00	\$23,575.00			\$62,455.00
3.4	Community Events	\$99,560.00	\$186,300.00		\$11,500.00	\$297,360.00
	Subtotal Task 3	\$164,480.00	\$237,475.00		\$11,500.00	\$413,455.00
Task 4	Market Demand and Economic Feasibility Analysis					
4.1	Citywide Market Demand Analysis			\$18,400.00		\$18,400.00
4.2	Physical Development Feasibility Analysis	\$26,400.00				\$26,400.00
4.3	Financial Development Feasibility Analysis			\$11,500.00		\$11,500.00
4.4	Fiscal Impact Analysis			\$16,100.00		\$16,100.00
4.5	Summary of Analysis Report	\$9,660.00		\$3,450.00		\$13,110.00
	Subtotal Task 4	\$36,060.00		\$49,450.00		\$85,510.00
Task 5	Rezoning					
5.1a	Updates to Select Plans	\$250,540.00				\$250,540.00
5.1b	Creation of New and/or Reuse of Existing Overlays	\$439,020.00				\$439,020.00
5.2	Update to General Plan	\$12,480.00				\$12,480.00
5.3	Streamlined Development Process	\$10,560.00				\$10,560.00
5.4	Update to Housing Element	\$40,560.00				\$40,560.00
	Subtotal Task 5	\$753,160.00				\$753,160.00
Task 6	Zoning Code Amendments					
6.1	Diagnostic Analysis of Zoning Code	\$12,556.00				\$12,556.00
6.2	Draft and Final Zoning Code Amendments	\$33,720.00				\$33,720.00
	Subtotal Task 6	\$46,276.00				\$46,276.00
Task 7	Objective Design Standards					
7.1	Diagnostic Analysis of Existing Standards	\$14,492.00				\$14,492.00
7.2	Existing Built Environment Analysis	\$13,312.00				\$13,312.00
7.3	Current/Recent Development Projects Analysis	\$11,092.00				\$11,092.00
7.4	Case Study Analysis	\$10,052.00				\$10,052.00
7.5	Summary of Analysis Report	\$3,464.00				\$3,464.00
7.6	Draft and Final Objective Design Standards	\$52,900.00				\$52,900.00
	Subtotal Task 7	\$105,312.00				\$105,312.00
Task 8	CEQA					
8.1	Project Description	\$8,950.00				\$8,950.00
8.2	Notice of Preparation	\$16,040.00				\$16,040.00
8.3	Administrative Draft EIR	\$202,480.00				\$202,480.00
8.4	Screencheck Draft EIR	\$38,040.00				\$38,040.00
8.5	Public Draft EIR	\$19,940.00				\$19,940.00
8.6	Final EIR	\$14,440.00				\$14,440.00
	Subtotal Task 8	\$299,890.00				\$299,890.00
Task 9	Public Hearings					
9.1	Public Hearings	\$22,888.00				\$22,888.00
	Subtotal Task 9	\$22,888.00				\$22,888.00
	Total Hours					
	Total	\$1,515,386.00	\$274,275.00	\$49,450.00	\$11,500.00	\$1,850,611.00
	<i>Percent of Hours (Base)</i>					
					Contingency Percent	10%
					Contingency Total	\$185,061.00
					Total with Contingency	\$2,035,672.00



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-133

Meeting Date: 2/18/2025

TITLE:

CITY OF COSTA MESA, COSTA MESA FINANCE AUTHORITY, AND COSTA MESA HOUSING AUTHORITY AUDITED FINANCIAL STATEMENTS, AND HOUSING SUCCESSOR ANNUAL REPORT FOR THE PERIOD ENDING JUNE 30, 2024.

DEPARTMENT: FINANCE DEPARTMENT

PRESENTED BY: CAROL MOLINA, FINANCE DIRECTOR

CONTACT INFORMATION: CAROL MOLINA, FINANCE DIRECTOR, (714) 754-5243

RECOMMENDATION:

1. Staff recommends the City Council receive and file the following reports for the fiscal year ended June 30, 2024:
 - a. Annual Comprehensive Financial Report (ACFR) (Attachment 1).
 - b. Air Quality Improvement Fund Compliance Report (Attachment 2).
 - c. Audit Communication Letter (Attachment 3).
 - d. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets (Attachment 4).
2. Staff recommends the City Council and Costa Mesa Financing Authority receive and file the Costa Mesa Financing Authority audited financial statements for the fiscal year ended June 30, 2024 (Attachment 5).
3. Staff recommends the City Council and Housing Authority receive and file the following reports for the fiscal year ended June 30, 2024:
 - a. Independent Financial Audit of the Costa Mesa Housing Authority, including the Low and Moderate-Income Housing Asset Fund (Attachment 6); and
 - b. The Fiscal Year 2023-24 Housing Successor Annual Report prepared under the California Health and Safety Code section 34176.1 as the housing successor and section 34328 as a housing authority (Attachment 7).

BACKGROUND:

Federal Single Audit guidelines require a recipient of federal funds to have an independent annual financial audit and compliance audit of the federal programs. As such, the City has retained an independent public accounting firm of licensed certified public accountants, Davis Farr LLP, to

complete an audit of the City's financial records.

The goal of the financial statement audit is to provide users with reasonable assurance from an independent source that the information presented in the financial statements is reliable and free of material misstatements. All the financial reports received unmodified opinions from Davis Farr LLP signifying that, without exception, the financial statements fairly present in all material respects the financial position of the City.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

The ACFR is an audited summary report of the financial transactions of the City for Fiscal Year 2023-24 ending on June 30, 2024. The report is presented to the City Council and designed to provide summary financial information.

The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) as set by the Governmental Accounting Standards Board (GASB). The specific financial documents on which the auditor expresses an opinion include (1) the financial statements, and, (2) notes to the basic financial statements, which include required supplementary information. These documents, along with the auditor's opinion letter and management's discussion and analysis form the core of the ACFR. The additional documents within the ACFR include: the letter of transmittal from the City Manager and Finance Director, the combining and individual fund statements, and a supplemental statistical section presenting detailed information to assist the reader in assessing the economic condition of the City.

The City's audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Such audits utilize sampling of data, inquiries of staff and management, testing of procedures and transactions, confirmation with outside parties, checking of certain internal files and documents, review of meeting minutes, specialized audit checklists, and other accounting techniques. The auditors considered the City's internal controls in determining what procedures to use and the size of samples to be selected and reviewed. In their report, the auditors indicated the financial statements were free of material misstatements and all significant transactions were recognized in the proper period.

AIR QUALITY IMPROVEMENT FUND COMPLIANCE REPORT

Assembly Bill 2766 (AB2766) authorized the South Coast Air Quality Management District (SCAQMD) to impose an annual vehicle registration fee and to distribute a portion of the revenue to all local jurisdictions within the South Coast Air Basin. These revenues are to be used solely to reduce air pollution from motor vehicles by implementing new programs and studies necessary for the implementation of the California Clean Air Act. The City's Air Quality Improvement Fund accounts for the use of these funds received from CSAQMD. The Air Quality Improvement Fund Compliance Report received an unmodified (clean) audit opinion.

AUDIT COMMUNICATION LETTER

Audit clarity standards (AU-C) Section 260 requires defined and documented communications between the auditors and the City Council or Audit Committee. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and explain their role. They provide commentary on management's responsibilities for accounting policies, and they stated that there was a delayed receipt of audit schedules that added to the timing of the audit as it relates to the performance of the audit, and that no disagreements occurred with management. Staff will implement additional project management controls and deadlines earlier in the audit process to avoid any future delays.

INDEPENDENT ACCOUNTANT'S REPORT ON AGREED UPON PROCEDURES APPLIED TO APPROPRIATION LIMIT WORKSHEETS

Section 1.5 of Article XIIB of the California Constitution requires that the City follow the procedures agreed upon by the State of California and the League of California Cities (as presented in the League publication entitled "Article XIIB Appropriations Limitation Uniform Guidelines") to determine the annual appropriations limit (known as the Gann Limit), which sets forth the maximum amount of special tax revenues an agency is allowed to spend. The auditors perform an "Agreed-Upon Procedure" whereby they recalculate the Gann Limit. They determined that the City has correctly calculated the Gann Limit.

COSTA MESA HOUSING AUTHORITY FINANCIAL STATEMENTS AND HOUSING SUCCESSOR ANNUAL REPORT

On January 17, 2012, under the California Housing Authorities Law (HAL), Health and Safety Code (HSC) section 34200, et seq., the City Council established the Costa Mesa Housing Authority (Housing Authority). Also on that date, the City Council selected the Housing Authority to be the housing successor and, as of February 1, 2012, to assume the housing assets, duties, functions, and obligations of the former Costa Mesa Redevelopment Agency (Former Agency). These actions occurred as a result of the dissolution of the Former Agency under Assembly Bill x1 26, the California Supreme Court's decision in California Redevelopment Association v. Matosantos, Assembly Bill 1484, and other subsequent dissolution legislation (together, "Dissolution Law"), which laws regulate the administration of successor agencies and housing successors due to the dissolution of all California redevelopment agencies. Further, under Section 34328 of the HAL, the Housing Authority also prepares and presents an annual report on its activities for the preceding year.

Under Section 34176, added by AB x1 26 and amended by AB 1484, the State Department of Finance (DOF) issued a decision letter in January 2013 that confirmed the Housing Authority holds all affordable housing assets of the Former Agency as listed in a Housing Asset Transfer schedule prepared by the Housing Authority and submitted to the DOF prior to August 1, 2012.

Since dissolution, all housing assets are held and administered by the Housing Authority in the Low to Moderate Income Housing Asset Fund (LMIHAF) under the Dissolution Law, as per Sections 34176 and 34176.1. Under Section 34176.1(f), the Housing Successor is required to conduct an independent financial audit of LMIHAF and prepare an annual report for each fiscal year, and provide

such reports to the governing body.

From its inception, the Housing Authority's primary function had been to serve as the Housing Successor to the former Agency. Beginning in Fiscal Year (FY) 2018-19, the Housing Authority expanded services beyond the scope of LMIHAF by consolidating the City's existing Homeless Outreach Program and establishing a new Bridge Shelter operation for individuals experiencing homelessness.

ANALYSIS:

Based on the results of their audit, Davis Farr LLP provided the City with an unmodified opinion on the financial statements, which indicates that the City's financial statements are free of material misstatements and are in accordance with GAAP. This is the best and highest audit opinion the City could receive.

GENERAL FUND FINANCIAL RESULTS

FY 2023-24 General Fund revenues (before transfers) totaled \$183.9 million, an increase of \$6.2 million over the prior fiscal year. Summary is as follows:

- Property tax increased by \$3.0 million due to a steady housing market, an increase in the City's single-family homes median sales price, and an increase in overall property assessed valuations from new developments and improvements on properties.
- Cannabis tax revenues increased by \$2.3 million due to an increase in the full annual receipts of new Measure Q Cannabis businesses.
- Transient occupancy tax (hotel tax) slightly increased by \$0.3 million due to room rate increases and a shift from consumer spending to experiences, travel, and leisure.
- Sales tax revenue decreased by \$3.5 million compared to last fiscal year. This can be attributed to high inflation and interest rates on debt that have driven consumers to reduce discretionary spending.

General Fund expenditures (before transfers) totaled \$166.9 million, approximately \$1.5 million below the budget. General Fund transfers out totaled \$16.5 million and included \$7.2 million to the Capital Improvements Funds for capital improvement projects and the transfer for the 5% Capital Assets Needs (CAN) Ordinance, \$2.8 million to the Finance Authority Debt Service Fund for bond service payments, \$1.5 million to the Housing Authority for the Rental Assistance Program, \$1.3 million for the Bridge Shelter and related Homeless Services Program, and \$3.7 million to the Internal Service Funds for various equipment, technology and vehicle purchases as well as a true-up per the City's Information Technology Needs Ordinance.

GENERAL FUND - FUND BALANCE

The General Fund's fund balance (i.e.reserves) increased by \$1.3 million. General Fund expenditures of \$166.9 million, plus Transfers Out of \$16.5 million, totaled \$183.4 million, which was

an increase of \$7.1 million compared to last fiscal year. This was offset by \$183.9 million in General Fund revenues, plus Transfers In of \$0.9 million, for a total of \$184.8 million, reflects an increase of \$7.2 million compared to last fiscal year.

As of June 30, 2024, the City has a total of \$60.3 million in General Fund balances (reserves) as follows: 1) A total of \$25.1 million committed for declared disasters, self-insurance, and economic uncertainty; 2) A total of \$14.4 million assigned for compensated absences, the Police Retirement 1% Supplemental Plan, workers compensation claims, a facilities reserve, strategic plan projects, prepaid items, and inventory; 3) An allocation of \$3.4 million for the Section 115 Trust for post-retirement benefits; and, 4) \$17.7 million in unassigned fund balance for a total of \$60.3 million. This amount is \$5.3 million above the City Council's adopted reserve policy of \$55.0 million.

STATEMENT OF NET POSITION

Change in Net Position

On June 30, 2024, the Statement of Net Position which is in essence the City's overall balance sheet and reflects the City's total assets and liabilities on an All Funds basis, reflects a positive \$2.3 million increase across All Funds, including the General Fund.

Pensions and Retiree Medical Liabilities

The City's net pension liability increased by \$14.8 million to \$347.2 million primarily due to CalPERS' rate of return earnings of 5.8%, falling short by 1.0% of the rate of return target of 6.8%. Three of the City's four pension plans are administered by CalPERS. The Police 1% Supplemental Plan is administered by the City and is paid on a pay-as-you-go basis.

In addition, FY 2023-24 is the seventh year the City is required to record the Other Post Employment Benefits (OPEB) net liability for retiree health care on its financial statements, similar to the pension liability above. The City's net OPEB liability decreased by \$6.9 million to \$45.5 million due to greater than expected mortality changes in the retired population. This plan is administered by the City and is paid to retirees on a pay-as-you-go basis.

COSTA MESA FINANCING AUTHORITY FINANCIAL STATEMENTS

The Costa Mesa Financing Authority received an unmodified opinion from the auditors, Davis Farr LLP. This is the highest and cleanest attestation report given by independent auditors. The reports that deal with compliance information also received unmodified opinions and no findings were noted.

In Fiscal Year 2023-24, the Financing Authority continued to support debt service payments for the 2017 Lease Revenue Bonds, which were originally issued in October 2017 to fund the Donald Dungan Library, Norma Hertzog Neighborhood Community Center, and Lions Park projects; and to advance the refund of the 2007 Certificates of Participation. On June 30, 2024, the 2017 bonds outstanding principal was \$19.4 million.

COSTA MESA HOUSING AUTHORITY FINANCIAL STATEMENTS AND HOUSING SUCCESSOR ANNUAL REPORT

An audit of the Housing Authority’s financial activities, consisting of the LMIHAF activities and homeless assistance programs, was completed as part of the City’s overall financial audit by an independent certified public accounting firm, Davis Farr, LLP. The Housing Authority received an unmodified opinion. This is the highest attestation report given by independent auditors. The reports that deal with compliance information also received unmodified opinions with no findings. The audit results are incorporated as part of the City’s Annual Comprehensive Financial Report (ACFR). The section in the City’s audit/ACFR relating to the LMIHAF Audit is entitled: Costa Mesa Housing Authority (A Component unit of the City of Costa Mesa) Financial Statements Year ended June 30, 2024 (Attachment 6).

In FY 2023-24, the Housing Authority received approximately \$2.2 million in revenues and incurred \$6.1 million in expenditures. The General Fund provided a budgeted \$2.8 million transfer to the Homeless Outreach, and Rental Assistance programs, which includes \$1.3 million for the Homeless Services Program. On June 30, 2024, the Housing Authority’s available fund balance was \$8.3 million, which is restricted and allocated primarily for previously approved City Council priorities and projects.

ALTERNATIVES:

Not applicable. The reports are for receive and file purposes.

FISCAL REVIEW:

There is no fiscal impact associated with receiving and filing the audited financial statements and reports.

LEGAL REVIEW:

The City Attorney’s Office has approved this report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Achieve Long-Term Fiscal Sustainability
- Strengthen the Public’s Safety and Improve the Quality of Life
- Diversify, Stabilize and Increase Housing to Reflect Community Needs
- Maintain and Enhance the City’s Facilities, Technology and Equipment
- Advance Environmental Sustainability and Climate Resiliency
- Recruit and Retain High Quality Staff

CONCLUSION:

1. Staff recommends the City Council receive and file the following reports for the fiscal year ended June 30, 2024:
 - a. Annual Comprehensive Financial Report (ACFR) (Attachment 1);
 - b. Air Quality Improvement Fund Compliance Report (Attachment 2);
 - c. Audit Communication Letter (Attachment 3); and
 - d. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets (Attachment 4).
2. Staff recommends the City Council and Costa Mesa Financing Authority receive and file the Costa Mesa Financing Authority audited financial statements for the fiscal year ended June 30, 2024 (Attachment 5).
3. Staff recommends the City Council and Housing Authority receive and file the following reports for the fiscal year ended June 30, 2024:
 - a. Independent Financial Audit of the Costa Mesa Housing Authority, including the Low and Moderate-Income Housing Asset Fund (Attachment 6); and
 - b. The Fiscal Year 2023-24 Housing Successor Annual Report prepared under the California Health and Safety Code section 34176.1 as the housing successor and section 34328 as a housing authority (Attachment 7).

THE CITY OF COSTA MESA ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024 CAN BE FOUND AT THE LINK BELOW:

[City of Costa Mesa - ACFR Draft - 01-14-2025](#)



**Independent Auditor’s Report on Internal Control Over Financial Reporting
 and on Compliance and Other Matters Based on an Audit of the Air Quality
 Improvement Special Revenue Fund Performed
 in Accordance with Government Auditing Standards**

The Honorable Mayor and City Council
 City of Costa Mesa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the City of Costa Mesa, California (the City) including the Air Quality Improvement Special Revenue Fund (the Fund) of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated January 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Fund’s financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Such provisions include those provisions of laws and regulations identified in Assembly Bill 2766 Chapter 1705 [Health and Safety Code Sections 44220 through 44247] (the Guide).

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Guide in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Farr LLP

Irvine, California
January 16, 2025



The Honorable Mayor and City Council
City of Costa Mesa, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Costa Mesa ("City") as of and for the year ended June 30, 2024, and have issued our report thereon dated January 16, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 3, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to the Mayor.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We identified self-review threats to independence as a result of non-attest services provided. Those non-attest services included recording journal entries detected during the audit process and preparing the financial statements. To mitigate the risk, management has reviewed and accepted responsibility for journal entries and has compared the draft financial statements and footnotes to the underlying accounting records to verify accuracy and has reviewed a disclosure checklist to ensure footnotes are complete and accurate.

Significant Risks Identified

We have identified the following significant risks:

- Risk of errors in construction in progress. We reviewed projects included within the balance of construction of progress to determine if they were properly classified at fiscal year-end.
- Compliance with Federal Grant Requirements. We reviewed the City's schedule of federal expenses and selected major programs to test for compliance with federal grant requirements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements include:

- Management's estimate of amounts recorded as claims and liabilities is based on management's reliance on a third-party claims administrator. We evaluated the key factors and assumptions used to develop the amounts by the third-party claims administrator and determined that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of transactions related to net pension and OPEB liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of investment fair value in note 2 to the financial statements
- The disclosure of pensions in note 11 to the financial statements
- The disclosure of OPEB in note 14 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered during the Audit

We experienced difficulties in the performance of the audit due to the delayed receipt of audit schedules and subsequent journal entries, which added to the timing of the audit.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no unusual transactions noted as a result of our audit procedures.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. Management has determined that the effect of the following uncorrected adjustment are immaterial, both individually and in the aggregate, to the financial statements as a whole:

- To adjust ambulance receivables, revenues and related bad debt
- To account for accrued interest earned in the balance reported for the OC Sheriff's Investment Pool
- To record a prior period adjustment for projects in service in prior fiscal years and the related accumulated depreciation
- An adjustment to increase the claims payable liability.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There was a material adjustment to beginning fund balances that we identified as a result of our audit procedures, brought to the attention of, and corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management in a letter dated January 16, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information Included in the Annual Comprehensive Financial Report

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Davis Farr LLP

Irvine, California
January 16, 2025



INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and City Council
City of Costa Mesa, California

We have performed the procedures enumerated below on the City of Costa Mesa, California (City) appropriations limit worksheets for compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution for the year ended June 30, 2024. The City is responsible for compliance with Section 1.5 of Article XIII B of the California Constitution.

The City has agreed to and acknowledged that these procedures are appropriate to meet the intended purpose of evaluating compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution and the League of California Cities publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines* for the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote.

Results: No exceptions were noted as a result of our procedures.

2. We recalculated the mathematical computations reflected in the City's worksheets.

Results: No exceptions were noted as a result of our procedures.

3. We compared the current year information used to determine the current year limit and agreed it to worksheets prepared by the City and to information provided by the State Department of Finance.

Results: No exceptions were noted as a result of our procedures.

4. We compared the amount of the prior year appropriations limit presented in the worksheets to the amount adopted by the City Council for the prior year.

Results: No exceptions were noted as a result of our procedures.

The Honorable Mayor and City Council
City of Costa Mesa, California
Page Two

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the worksheets referred to above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Management of the City of Costa Mesa, California and is not intended to be, and should not be, used by anyone other than the specified party.

Davis Farr LLP

Irvine, California
January 16, 2025

**COSTA MESA
FINANCING AUTHORITY
(A Component Unit of the
City of Costa Mesa)
Financial Statements
Year Ended June 30, 2024**

COSTA MESA FINANCING AUTHORITY

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Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Costa Mesa Financing Authority
Costa Mesa, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and the major fund of the Costa Mesa Financing Authority (the Authority), a component unit of the City of Costa Mesa, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As described more fully in Note 1A, the basic component unit financial statements present only the Authority and are not intended to present fairly the financial position and results of operations of the City of Costa Mesa, California in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Report on Summarized Comparative Information

We have previously audited the Authority’s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2025, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.



Irvine, California
January 16, 2025

COSTA MESA FINANCING AUTHORITY

Statement of Net Position

June 30, 2024

(With comparative totals for June 30, 2023)

	Governmental Activities	
	2024	2023
ASSETS:		
Cash and investments with fiscal agent (Note 2)	\$ 17,449	\$ 7,278
Lease interest receivable	207,888	254,763
Leases receivable (Note 3)	19,360,000	21,280,000
TOTAL ASSETS	19,585,337	21,542,041
LIABILITIES:		
Interest payable	207,888	254,763
Noncurrent liabilities:		
Due within one year (Note 3)	2,162,767	2,067,767
Due in more than one year (Note 3)	19,893,978	22,056,745
TOTAL LIABILITIES	22,264,633	24,379,275
NET POSITION:		
Restricted for debt service	17,449	7,278
Unrestricted	(2,696,745)	(2,844,512)
TOTAL NET POSITION	\$ (2,679,296)	\$ (2,837,234)

See accompanying notes to financial statements.

COSTA MESA FINANCING AUTHORITY

Statement of Activities

**Year Ended June 30, 2024
(With comparative totals for the year ended June 30, 2023)**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2024	2023
Governmental Activities:						
Interest on long-term debt	\$ 731,783	-	-	-	\$ (731,783)	(825,533)
Total governmental activities	\$ 731,783	-	-	-	(731,783)	(825,533)
		General revenues:				
		Investment income			889,721	980,574
		Total general revenues			889,721	980,574
		Changes in net position			157,938	155,041
		NET POSITION AT BEGINNING OF YEAR			(2,837,234)	(2,992,275)
		NET POSITION AT END OF YEAR			\$ (2,679,296)	(2,837,234)

See accompanying notes to financial statements.

COSTA MESA FINANCING AUTHORITY

**Balance Sheet
Governmental Fund**

**June 30, 2024
(With comparative totals for June 30, 2023)**

	Total Government Fund	
	<u>2024</u>	<u>2023</u>
ASSETS:		
Cash and investments with fiscal agent	\$ 17,449	\$ 7,278
Leases receivable	<u>19,360,000</u>	<u>21,280,000</u>
TOTAL ASSETS	<u>\$ 19,377,449</u>	<u>\$ 21,287,278</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:		
DEFERRED INFLOWS OF RESOURCES:		
Unavailable lease revenue	<u>\$ 19,360,000</u>	<u>\$ 21,280,000</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>19,360,000</u>	<u>21,280,000</u>
FUND BALANCE:		
Restricted for debt service	<u>17,449</u>	<u>7,278</u>
TOTAL FUND BALANCE	<u>17,449</u>	<u>7,278</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 19,377,449</u>	<u>\$ 21,287,278</u>

See accompanying notes to financial statements.

COSTA MESA FINANCING AUTHORITY

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position**

June 30, 2024

Fund balances for governmental fund	\$ 17,449
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Accrued interest receivable for the current portion of interest due on lease payments has not been reported in the governmental funds.	
Interest receivable	207,888
Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.	
Revenue bonds	(19,360,000)
Premium on bonds	(2,696,745)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	
Interest payable - revenue bonds	(207,888)
Revenues relating to leases receivable are measurable but not available and, accordingly, are recorded as unavailable revenue in the governmental funds under the modified accrual basis of accounting.	<u>19,360,000</u>
Net position of governmental activities	<u>\$ (2,679,296)</u>

See accompanying notes to financial statements.

COSTA MESA FINANCING AUTHORITY

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund**

**Year Ended June 30, 2024
(With comparative totals for the year ended June 30, 2023)**

	Total Governmental Fund	
	2024	2023
REVENUES:		
Other interest	\$ 10,171	\$ 7,274
Lease payments	2,799,550	2,803,300
TOTAL REVENUES	<u>2,809,721</u>	<u>2,810,574</u>
EXPENDITURES:		
Debt service:		
Principal	1,920,000	1,830,000
Interest	879,550	973,300
TOTAL EXPENDITURES	<u>2,799,550</u>	<u>2,803,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,171</u>	<u>7,274</u>
NET CHANGE IN FUND BALANCE	10,171	7,274
FUND BALANCE AT BEGINNING OF YEAR	<u>7,278</u>	<u>4</u>
FUND BALANCE AT END OF YEAR	<u>\$ 17,449</u>	<u>\$ 7,278</u>

See accompanying notes to financial statements.

COSTA MESA FINANCING AUTHORITY

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2024

Net change in fund balances - total governmental fund	\$ 10,171
Amounts reported for governmental activities in the Statement of Activities are different because:	
The Statement of Net Position includes accrued interest on leases receivable. The net change in accrued interest for the current period is reported on the Statement of Activities.	207,888
Repayment of long-term principal is an expenditures in the governmental and, thus, has the effect of reducing the fund balances because current funds resources have been used. For the Authority as a whole, however, the principal financial payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.	
Debt service principal	1,920,000
Amortization of bond premium	147,767
The Statement of Net Position includes accrued interest on long-term debt. The net change in accrued interest for the current period is reported on the Statement of Activities.	(207,888)
Revenues relating to leases receivable that do not meet the "availability" criteria for revenue recognition and therefore are not reported as revenue in the funds.	<u>(1,920,000)</u>
Change in net position of governmental activities	<u>\$ 157,938</u>

See accompanying notes to financial statements.

COSTA MESA FINANCING AUTHORITY

Notes to the Basic Financial Statements

Year Ended June 30, 2024

1. Reporting Entity and Summary of Significant Accounting Policies

A. Description of the Reporting Entity:

The Costa Mesa Financing Authority (the Authority) was created by a joint powers agreement between the City of Costa Mesa (the City) and the Costa Mesa Housing Authority (the Housing Authority), dated August 1, 2017. It was created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title of the Government Code of the State of California (the "JPA Act").

The Authority is an integral part of the reporting entity of the City. The financial activity of the Authority has been included within the scope of the basic financial statements of the City because the City Council of the City of Costa Mesa is the governing board over the operations of the Authority. Only the financial activity of the Authority is included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

B. Basis of Accounting and Measurement Focus:

The *basic financial statements* of the Authority are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The Authority has no business-type activities or discretely presented component units.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. *Measurement focus* indicates the type of resources being measured. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 33.

Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

COSTA MESA FINANCING AUTHORITY

Notes to the Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures.

When both restricted and unrestricted resources are combined, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Fund Financial Statements

The underlying accounting system of the Authority is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds primarily represent assets held by the Authority in a custodial capacity for other individuals or organizations. The Authority has no fiduciary funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as fund balances. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Authority uses a sixty-day availability period. Unavailable revenues are reported as deferred inflows of resources in the governmental funds.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Imposed non-exchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

COSTA MESA FINANCING AUTHORITY

Notes to the Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on the balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent available fund balance. Recognition of governmental fund type revenues represented by noncurrent receivables are reported as unavailable revenues. Noncurrent portions of other long-term receivables are offset by deferred inflows of resources - unavailable revenue.

Because of the spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as fund liabilities. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

C. Activities in Major Fund:

The following debt service fund is presented as a major fund in the accompanying basic financial statements:

2017 Lease Revenue Bonds Fund - To account for the accumulation of resources for the payments of debt service for lease revenue bond principal and interest relating to the 2017 Lease Revenue Bonds.

D. Cash and Investments:

Investments are reported in the accompanying financial statements at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

COSTA MESA FINANCING AUTHORITY
Notes to the Basic Financial Statements
(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

E. Net Position:

Restricted net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the remaining balance of net position.

F. Deferred Outflow/Inflows of Resources:

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that. The Authority does not have any applicable deferred outflows of resources.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority reports unavailable lease revenue as deferred inflows of resources in the governmental fund.

G. Budgetary Reporting:

Formal budgetary integration is not employed for the Authority because effective control is alternatively achieved through the debt indenture provisions.

H. Fund Balance:

The fund balances are reported in the fund statements in the following classification:

Restricted Fund Balance - this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Board action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

I. Long Term Obligations:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as prepaid insurance costs related to bond issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

COSTA MESA FINANCING AUTHORITY
Notes to the Basic Financial Statements
(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

J. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Fair Value Measurements:

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Authority's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Authority's own data.

L. Prior Year Data:

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's prior year financial statements, from which this selected financial data was derived.

COSTA MESA FINANCING AUTHORITY

Notes to the Basic Financial Statements

(Continued)

2. Cash and Investments:

Cash and investments at June 30, 2024 are classified in the accompanying Statement of Net Position as follows:

Cash and investments with fiscal agent	\$ <u>17,449</u>
--	------------------

Cash and investments held at June 30, 2024 consisted of the following:

Investments:	
Money market mutual funds	\$ <u>17,449</u>

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government code or the City’s investment policy. The table on the following page identifies the investment types that are generally authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investments</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Securities	None	None	None
Federal Agency Securities	1 year	None	None
Banker’s Acceptances	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Agreements	None	None	None
Interest-Bearing Time Deposits	30 days	None	None
Repurchase Agreements	270 days	None	None
Local Agency Investment Fund	None	None	None
State Obligations	None	None	None
Pre-refunded Municipal Obligations	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

COSTA MESA FINANCING AUTHORITY

Notes to the Basic Financial Statements

(Continued)

2. Cash and Investments (Continued):

Information about the sensitivity of the fair values of the Authority’s investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority’s investments by maturity:

Investment Type	Remaining Maturity (in Months)		Total
	12 Months or Less	13 Months or More	
Money market mutual funds	\$ 17,449	\$ -	\$ 17,449

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s investment policy, or debt agreements, and the Standard & Poor’s actual rating as of year-end for each investment type:

Investment Type	Minimum Legal Rating	Total	Rating
			AAA
Money market mutual funds	AAA	\$ 17,449	\$ 17,449

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in anyone issuer beyond that stipulated by the California Government Code. No investments in anyone issuer (other than mutual funds and external investment pools) represent 5% or more of total investments by reporting unit (governmental activities or major fund).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by the state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

COSTA MESA FINANCING AUTHORITY

Notes to the Basic Financial Statements

(Continued)

3. Long-Term Liabilities:

The following is a summary of changes in long-term liabilities of the Authority for the year ended June 30, 2024:

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024	Amount Due Within One Year	Amount Due Beyond One Year
2017 Lease Revenue						
Bonds	\$ 21,280,000	\$ -	\$ (1,920,000)	\$ 19,360,000	\$ 2,015,000	\$ 17,345,000
2017 Bond Premium	2,844,512	-	(147,767)	2,696,745	147,767	2,548,978
 Total	 \$ 24,124,512	 \$ -	 \$ (2,067,767)	 \$ 22,056,745	 \$ 2,162,767	 \$ 19,893,978

2017 Lease Revenue Bonds:

On October 1, 2017, the Authority issued \$29,735,000 in 2017 Lease Revenue Bonds to finance certain capital improvements of the City of Costa Mesa and to advance refund \$16,765,000 of outstanding Costa Mesa Public Financing Authority 2007 Certificates of Participation (2007 Certificates). The bond issue also included a bond premium of \$3,694,172. The bonds mature from October 1, 2018 through October 1, 2042 in annual installments ranging from \$570,000 to \$2,220,000. Interest is payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2018 at a rate ranging from 2.0% to 5.0%. As of June 30, 2024, the principal outstanding is \$19,360,000 and the unamortized bond premium balance is \$2,696,745.

The lease agreement requires the City to make lease payments to the Authority on each April 1 and October 1 preceding the debt service payment date, commencing April 1, 2018. Lease payments are paid by the City directly to the Trustee.

The Authority's source of payment on the certificates will be from lease payments received from its lease with the City. This lease receivable has been recorded on the balance sheet of the related debt service fund. Unavailable revenue has been recorded in an equal amount in the fund financial statements because this lease revenue, although measurable, is not considered available to finance expenditures of the fiscal year reported upon. Lease revenues are pledged toward payment of these bonds. The amount of anticipated future lease payments is equal to the amount of future principal and interest installments due on the debt.

Future debt requirements for the 2017 Lease Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 2,015,000	\$ 781,175	\$ 2,796,175
2026	2,115,000	677,925	2,792,925
2027	2,220,000	569,550	2,789,550
2028	570,000	499,800	1,069,800
2029	600,000	470,550	1,070,550
2030-2034	3,485,000	1,858,875	5,343,875
2035-2039	4,345,000	1,011,462	5,356,462
2040-2043	4,010,000	265,850	4,275,850
Total	<u>\$ 19,360,000</u>	<u>\$ 6,135,187</u>	<u>\$ 25,495,187</u>

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Costa Mesa Financing Authority
Costa Mesa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the governmental activities and the major fund of the Costa Mesa Financing Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise of the Authority's basic financial statements, and have issued our report thereon dated January 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Irvine, California
January 16, 2025

**COSTA MESA HOUSING
AUTHORITY**

**(A Component Unit of the
City of Costa Mesa)**

Financial Statements

Year ended June 30, 2024

COSTA MESA HOUSING AUTHORITY

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Year ended June 30, 2024

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INDEPENDENT AUDITOR’S REPORT

Board of Directors
Costa Mesa Housing Authority
Costa Mesa, California

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Costa Mesa Housing Authority (Authority), a component unit of the City of Costa Mesa, California, as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described more fully in Note 1A, the basic financial statements present only the Authority and are not intended to present fairly the financial position and results of operations of the City of Costa Mesa, California, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Authority’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s

ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability and related ratios, the schedule of pension plan contributions, the schedule of proportionate share of the Other Post Employment Benefit liability and related ratios, and the schedule of revenues, expenditures and changes in fund balance - budget and actual, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the

limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Report on Summarized Comparative Information

We have previously audited the Authority’s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2025, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.



Irvine, California
January 16, 2025

Costa Mesa Housing Authority
Statement of Net Position
June 30, 2024
(With comparative totals for June 30, 2023)

	Governmental Activities	
	2024	2023
ASSETS:		
Cash and investments (Note 2)	\$ 7,725,840	\$ 6,904,364
Cash and investments with fiscal agent (Note 2)	25,487	24,493
Accounts receivable	43,341	38,549
Due from other governments	345,528	1,220,209
Rent receivable	16,448	20,064
Interest receivable	6,966	5,050
Loans receivable, net of allowance (Note 3)	1,295,210	496,064
Lease receivable (Note 5)	1,355,038	1,434,726
Capital assets (Note 4):		
Not depreciated	2,063,865	2,063,865
Being depreciated, net	1,977,480	2,142,270
TOTAL ASSETS	14,855,203	14,349,654
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related (Note 6)	741,126	665,087
OPEB related (Note 7)	145,205	125,013
TOTAL DEFERRED OUTFLOWS OF RESOURCES	886,331	790,100
LIABILITIES:		
Accounts payable	1,100,900	336,921
Accrued liabilities	46,409	28,771
Deposits	24,902	23,908
Net pension liability (Note 6)	3,099,311	2,586,560
OPEB liability (Note 7)	702,844	583,371
TOTAL LIABILITIES	4,974,366	3,559,531
DEFERRED INFLOWS OF RESOURCES:		
Lease related (Note 5)	1,323,545	1,414,825
Pension related (Note 8)	9,017	38,780
OPEB related (Note 7)	336,313	180,623
TOTAL DEFERRED INFLOWS OF RESOURCES	1,668,875	1,634,228
NET POSITION:		
Investment in capital assets	4,041,345	4,206,135
Restricted for community programs	5,056,948	5,739,860
TOTAL NET POSITION	\$ 9,098,293	\$ 9,945,995

See accompanying notes to financial statements.

**Costa Mesa Housing Authority
Statement of Activities
Year ended June 30, 2024
(With comparative totals for the year ended June 30, 2023)**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2024	2023
Governmental Activities: Community programs	\$ 6,945,418	\$ 538,955	\$ 1,282,105	\$ -	\$ (5,124,358)	\$ (1,597,452)
Total governmental activities	<u>\$ 6,945,418</u>	<u>\$ 538,955</u>	<u>\$ 1,282,105</u>	<u>\$ -</u>	<u>(5,124,358)</u>	<u>(1,597,452)</u>
General revenues:						
Repayment of Successor Agency advance					-	342,011
Investment income (loss)					231,987	9,416
Other income					117,032	221,113
Transfer from the City of Costa Mesa					3,927,637	5,288,708
Total general revenues and transfers					<u>4,276,656</u>	<u>5,861,248</u>
CHANGE IN NET POSITION					(847,702)	4,263,796
NET POSITION AT BEGINNING OF YEAR					<u>9,945,995</u>	<u>5,682,199</u>
NET POSITION AT END OF YEAR					<u>\$ 9,098,293</u>	<u>\$ 9,945,995</u>

See accompanying notes to financial statements.

Costa Mesa Housing Authority
Balance Sheet
Governmental Fund
June 30, 2024
(with comparative totals for June 30, 2023)

	2024	2023
ASSETS:		
Cash and investments	\$ 7,725,840	\$ 6,904,364
Cash and investments with fiscal agent	25,487	24,493
Accounts receivable	43,341	38,549
Due from other governments	345,528	1,220,209
Rent receivable	16,448	20,064
Interest receivable	6,966	5,050
Loans receivable, net of allowance	1,295,210	496,064
Lease receivable	1,355,038	1,434,726
 TOTAL ASSETS	 \$ 10,813,858	 \$ 10,143,519
LIABILITIES:		
Accounts payable	\$ 1,100,900	\$ 336,921
Accrued liabilities	46,409	28,771
Deposits payable	24,902	23,908
 TOTAL LIABILITIES	 1,172,211	 389,600
DEFERRED INFLOWS OF RESOURCES:		
Lease related	1,323,545	1,414,825
Unavailable revenue	-	38,549
 TOTAL DEFERRED INFLOWS OF RESOURCES	 1,323,545	 1,453,374
FUND BALANCE:		
Restricted for community programs	8,318,102	8,300,545
 TOTAL FUND BALANCE	 8,318,102	 8,300,545
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 10,813,858	 \$ 10,143,519

See accompanying notes to financial statements.

Costa Mesa Housing Authority
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Fund balance - total governmental fund \$ 8,318,102

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the Authority as whole:

Capital assets	5,359,665
Accumulated depreciation	(1,318,320)

Pension and OPEB Related Transactions

Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Also, deferred outflows of resources and deferred inflows of resources related to the long term liabilities do not provide current financial resources and are therefore not presented in the governmental funds:

Deferred outflows of resources related to pensions	741,126
Deferred outflows of resources related to OPEB	145,205
Deferred inflows of resources related to pensions	(9,017)
Deferred inflows of resources related to OPEB	(336,313)
CalPERS pension liability	(3,099,311)
OPEB liability	(702,844)
	(702,844)

Net position of governmental activities \$ 9,098,293

See accompanying notes to financial statements.

Costa Mesa Housing Authority
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year ended June 30, 2024
(with comparative totals for June 30, 2023)

	2024	2023
REVENUES:		
Rental income	\$ 538,955	\$ 416,489
Repayment of Successor Agency advance	-	342,011
Intergovernmental	1,320,654	2,686,381
Investment income (loss)	231,987	9,416
Miscellaneous	117,032	221,113
TOTAL REVENUES	2,208,628	3,675,410
EXPENDITURES:		
Current:		
Community programs	6,118,708	4,286,833
TOTAL EXPENDITURES	6,118,708	4,286,833
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,910,080)	(611,423)
OTHER FINANCING SOURCES:		
Transfer from the City of Costa Mesa	3,927,637	5,288,708
Net change in fund balances	17,557	4,677,285
FUND BALANCE - BEGINNING OF YEAR	8,300,545	3,623,260
FUND BALANCE - END OF YEAR	\$ 8,318,102	\$ 8,300,545

See accompanying notes to financial statements.

**Costa Mesa Housing Authority
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year ended June 30, 2024**

Net change in fund balances - total governmental fund	\$	17,557
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Capital Related Items</u>		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation charged to the program in the Statement of Activities in the current period:		
Depreciation expense		(164,790)
<u>Pension</u>		
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expenses includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.		
		(406,949)
<u>OPEB</u>		
OPEB expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, OPEB expense includes the change in the net pension liability, and related changes in OPEB amounts for deferred outflows of resources and deferred inflows of resources.		
		<u>(254,971)</u>
Change in net position of governmental activities	\$	<u><u>(847,702)</u></u>

See accompanying notes to financial statements.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

Year ended June 30, 2024

1. Reporting Entity and Summary of Significant Accounting Policies:

The accounting policies of the Costa Mesa Housing Authority (Authority) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The following is a summary of the Authority's significant accounting policies:

A. Description of the Reporting Entity:

The Authority was established on January 17, 2012, pursuant to City Council Resolution No. 12-3. The primary purpose of the Authority is to promote affordable housing for families of low and moderate income within the City of Costa Mesa, California (City). Pursuant to Assembly Bill 1484, the housing assets and obligations of the former Redevelopment Agency's Low and Moderate Income Housing Fund were transferred to the Authority. The Authority is an integral part of the reporting entity of the City. The fund of the Authority has been included within the scope of the basic financial statements of the City because the City Council exercises oversight responsibility over the operations of the Authority.

Only the fund of the Authority is included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

B. Fund Accounting:

The basic accounting and reporting entity is a "fund". A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The accounting records of the Authority are organized on the basis of funds. Currently, the Authority only utilizes one fund.

C. Basis of Accounting and Measurement Focus:

The *basic financial statements* of the Authority are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

Government-wide Financial Statements

Government-wide financial statements display information about the Authority as a whole. All activities of the Authority are classified as governmental activities. Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. *Measurement focus* indicates the type of resources being measured. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized in the government-wide financial statements, rather than reported as expenditures.

Fund Financial Statements

The underlying accounting system of the Authority is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in the individual fund based upon the purposes for which it is to be spent and the means by which spending activities are controlled.

Fund financial statements for the Authority's governmental fund are presented after the government-wide financial statements. These statements display information about the governmental major fund individually and nonmajor funds in aggregate if applicable.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as fund balances. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Authority generally considers revenues collected within sixty days after the fiscal year-end to be available, which includes loan repayments and rental income.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on the balance sheet in spite of their spending measurement focus.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term indebtedness are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

D. Cash and Investments:

Investments are reported in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

E. Leases:

The Authority is a lessor for leases as detailed in note 6. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received and paid during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

Key estimates and judgments include how the Authority determines the discount rate it uses to discount the expected lease receipts and payments to present value, lease term and lease receipts.

- The Authority uses the estimated cost of capital rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

F. Capital Assets:

Capital assets are recorded at historical cost at the time of purchase. Assets acquired from gifts or contributions are recorded at acquisition value on the date contributed. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of two years or more. Capital assets used in operations are generally depreciated in the government-wide financial statements. It is the Authority's policy not to depreciate assets in its first year of service. A full year of depreciation is charged at final year of asset life or upon disposal. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position. The range of lives used for computing depreciation for building improvements and structures is 10 to 20 years.

G. Net Position:

Net position of the Authority can be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted". The Authority has no unrestricted net position.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

H. *Deferred Outflows/Inflows of Resources:*

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Authority has two items that qualify for reporting in this category in the statement of net position. The items are deferred outflows related to pensions and OPEB.

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category in the statement of net position. The items are deferred inflows related to pensions, OPEB and leases.

I. *Fund Balance:*

Fund balance classifications are defined as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned - This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned - The classifications include the residual balance for the government's General Fund and includes all spendable amounts not contained in other classifications.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

It is the Authority’s policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Board.

J. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis. For the purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframe. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

K. Other Post Employment Benefits (OPEB):

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense and information about the plan (OPEB Plan), have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

L. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

1. Reporting Entity and Summary of Significant Accounting Policies (Continued):

N. Prior Year Data

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

2. Cash and Investments:

Equity in Cash and Investment Pool of the City of Costa Mesa

The Authority does not have a separate bank account; however, the Authority's cash and investments are maintained in an investment pool managed by the City. The Authority is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The Authority has not adopted an investment policy separate from that of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis. At June 30, 2024, the Authority had a total cash balance of \$7,751,327 of which \$7,725,840 was part of the City's cash and investment pool and the remaining \$25,487 was cash held with a fiscal agent for tenant deposits.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

3. Loans Receivable:

Loans receivable as of June 30, 2024 were comprised of the following:

	<u>Amount</u>
The first-time homebuyer program provides loans to first-time homebuyers for purchases of homes in the City of Costa Mesa. For loans made before 2007, loan repayments were deferred for 10 years and for loans made in 2007 and after, repayments of the loan are deferred for 30 years.	\$ 1,520,685
The single-family rehabilitation loan program provides loans to homeowners to make home improvements and repair code violations. There were 3 loans made under this program in 2009. The loans do not pay interest and are not due until the property is sold.	142,500
The rental rehabilitation program is for deferred loans to owners of multi-family properties to make improvements and repair code violations. There are 3 remaining loans under this program and repayment is deferred until sale, transfer or default. Interest of 4 percent is due on these loans.	154,518
There are 3 loans made to underwrite land to a developer to build 3 single-family homes to be maintained in perpetuity for affordable housing. The Authority maintains enforceable covenants on the property. The loans are to be repaid only upon default of affordable housing covenants.	508,542
There are 2 loans made to eligible homebuyers under the Federal Neighborhood Stabilization Program (NSP) administered by the State of California. The NSP program consists of acquisition, rehabilitation, and subsequent sale of foreclosed homes. Borrowers met income and affordability qualifications set by the HUD HOME Program and California Community Redevelopment law.	115,250
A promissory note to CM Mercy House CHDO from Low to Moderate Income Housing Asset Funds for the property improvements for forty (40) housing units and forty-seven (47) senior housing units.	<u>850,000</u>
Total loans receivable	3,291,495
Less allowance for doubtful accounts	<u>(1,996,285)</u>
Loans receivable, net of allowance for doubtful accounts	<u>\$ 1,295,210</u>

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

4. Capital Assets:

The following is a summary of the capital asset activity for the year ended June 30, 2024:

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2024</u>
Capital assets not being depreciated:				
Land	\$ 2,063,865	\$ -	\$ -	\$ 2,063,865
Capital assets being depreciated:				
Building improvements and structures	3,295,800	-	-	3,295,800
Less accumulated depreciation/amortization:				
Building improvements and structures	<u>(1,153,530)</u>	<u>(164,790)</u>	<u>-</u>	<u>(1,318,320)</u>
Total capital assets being depreciated, net	<u>2,142,270</u>	<u>(164,790)</u>	<u>-</u>	<u>1,977,480</u>
Capital assets, net	<u>\$ 4,206,135</u>	<u>\$ (164,790)</u>	<u>\$ -</u>	<u>\$ 4,041,345</u>

Depreciation expense of \$164,790 was charged to the community programs function on the Statement of Activities.

5. Lease Receivable

Land

On July 1, 1985, the City entered into a 55-year ground lease agreement with Costa Mesa Family Village for three parcels of land. The lease began in July 1985 and will end in October 2039. The lessees are required to make annual fixed payments ranging from \$6,750 to \$13,500 with an interest rate of 2.015%. As of June 30, 2024, the lease receivable is \$1,355,038, and deferred inflows of resources is \$1,323,545. The City recognized \$91,280 of lease revenue during the fiscal year.

6. Defined Benefit Pension Plan (CalPERS):

Plan Description

All qualified permanent and probationary Authority employees are eligible to participate in the City’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan, administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

For further details regarding this plan, including funding progress, refer to the City of Costa Mesa’s Annual Comprehensive Financial Report.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

6. Defined Benefit Pension Plan (CalPERS) (Continued):

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. The cost of living adjustments are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous (Agent Multiple-Employer)		
	Prior to March 11, 2012	On or After March 11, 2012	On or After January 1, 2013
Hire Date			
Benefit formula	2.5% @55	2.0% @60	2% @62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	10.47%	7.00%	8.50%
Required employer contribution rates	7.29%	11.21%	11.21%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the year ended June 30, 2024, the Authority's total contributions for the Miscellaneous Plan were \$345,762.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

6. Defined Benefit Pension Plan (CalPERS) (Continued):

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods assumptions:

Measurement date	June 30, 2023
Actuarial cost method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS Membership Data for all funds
Postretirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at the statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on plan on investment was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, except compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

6. Defined Benefit Pension Plan (CalPERS) (Continued):

benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rate of return by asset class are as followed:

<u>Asset Class¹</u>	<u>Assumed asset allocation</u>	<u>Real Return Years 1-10^{1,2}</u>
Global Equity – Cap-weighted	30.00%	4.54%
Global Equity – Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

The following table shows the Authority’s proportionate share of the net pension liability over the measurement period:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c) = (a) - (b)</u>
Balance at: 6/30/2022 (VD)	\$ 7,733,777	\$ 5,147,217	\$2,586,560
Balance at: 6/30/2023 (MD)	9,221,072	6,121,761	3,099,311
Net Changes during 2022-23	1,487,295	974,545	521,751

The Authority’s net pension liability for the plan is measured as the proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2023, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

6. Defined Benefit Pension Plan (CalPERS) (Continued):

The Authority's proportionate share of the net pension liability for the plan as of June 30, 2022 and 2023 was as follows:

	<u>Miscellaneous Plan</u>
Proportion – June 30, 2022	2.405%
Proportion – June 30, 2023	2.749%
Change – Increase (Decrease)	0.344%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	<u>Discount Rate – 1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate + 1% (7.90%)</u>
Authority's proportionate share of the Net Pension Liability	\$4,281,668	\$3,099,311	\$2,127,272

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows and deferred outflows to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments 5 year straight-line amortization

All other amounts Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with pensions (active, inactive, and retired) as of the beginning of the measurement period

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

6. Defined Benefit Pension Plan (CalPERS) (Continued):

Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2024, the Authority recognized pension expense of \$472,011. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the CalPERS pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 345,762	\$ -
Differences between expected and actual experience	89,651	(9,017)
Changes in assumptions	32,446	-
Net difference between projected and actual earnings on pension plan investments	<u>273,267</u>	<u>-</u>
Totals	<u>\$ 741,126</u>	<u>\$ (9,017)</u>

The Authority reported \$345,762 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$ 134,327
2026	50,780
2027	194,080
2028	7,160

7. Other Post-Employment Benefits (OPEB):

Plan Description

The City administers a single-employer defined benefit plan, which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The plan covers employees hired before January 1, 2004 who retire directly from the City with 10 or more years of City service. The City provides a contribution up to a percentage of the lesser of \$500 per month or the premium for the most popular medical plan elected by the employees. The percentage varies by retirement date and years of City service. For employees hired on or after January 1, 2004, the City will only pay for the PEMHCA subsidy once they meet the definition of a retiree under CalPERS. The City provides retiree life insurance of \$1,000 for the retiree and \$500 for the retiree's spouse.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

7. Other Post-Employment Benefits (OPEB) (Continued):

Contributions

The contribution requirements of plan members and the Authority are established and may be amended by the City Council. The required contribution is made on a pay-as-you-go basis (i.e., as medical insurance premiums become due). Neither the City nor the Authority has established a trust for the purpose of holding assets accumulated for plan benefits.

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The Authority's total OPEB liability was measured as of June 30, 2023 by an actuarial valuation based on the following actuarial methods and assumptions:

Discount Rate: 4.13% for accounting disclosure purposes. The rate is based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). For the current valuation, the discount rate was selected from the range of indices as shown in the table below:

	<u>As of 06/30/23</u>
Bond Buyer Go 20 – Municipal Bond Index	3.65%
S&P Municipal Bond 20-year High Grade Rate Index	4.13%
Fidelity 20-year Go Municipal Bond Index	3.86%
Bond Index Range	3.65% - 4.13%
Actual Discount Rate Used	4.13%

Aggregate Payroll Increases: 2.80% per year. This assumption is used to amortize the unfunded actuarial accrued liability and to determine the Entry Age Normal actuarial liabilities.

Mortality Rate: Based on rates used in the most recent CalPERS pension valuation.

Turnover Rate: Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. The termination rates are based on those used in the most recent CalPERS pension valuation.

Retirement Rate: Annual retirement rates are based on those used in the most recent CalPERS pension valuation.

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

7. Other Post-Employment Benefits (OPEB) (Continued):

The following table shows the Authority’s proportionate share of the total OPEB liability over the measurement period ended June 30, 2023:

	Increase (Decrease) Total OPEB Liability
Balance at: June 30, 2022	<u>\$ 583,371</u>
Balance at: June 30, 2023	702,844
Net Changes during 2022-23	119,473

The Authority’s total OPEB liability for the plan is measured as the proportionate share of the plan’s total OPEB liability. The total OPEB liability of the plan is measured as of June 30, 2023, and the total OPEB liability for the plan used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2023. The Authority’s proportion of the total OPEB liability was based on a projection of the Authority’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the total OPEB liability for the plan as of June 30, 2023 and 2022 was as follows:

	OPEB Plan
Proportion – June 30, 2022	<u>1.114%</u>
Proportion – June 30, 2023	1.546%
Change – Increase (Decrease)	(0.433%)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Plan as of the Measurement Date, calculated using the discount rate of 4.13 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.13 percent) or one percentage-point higher (5.13 percent) than the current rate:

	Discount Rate – 1% (3.13%)	Current Discount Rate (4.13%)	Discount Rate + 1% (5.13%)
Authority’s proportionate share of the total OPEB liability	<u>\$787,965</u>	<u>\$702,844</u>	<u>\$632,264</u>

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

COSTA MESA HOUSING AUTHORITY

Notes to Basic Financial Statements

(Continued)

7. Other Post-Employment Benefits (OPEB) (Continued):

	1% Decrease (7.00% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Authority's proportionate share of the total OPEB liability	\$658,238	\$702,844	\$766,350

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Authority recognized OPEB income of \$284,184. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 29,214	\$ -
Differences between expected and actual differences	9,198	(153,248)
Changes in assumptions	<u>106,793</u>	<u>(183,065)</u>
Totals	<u>\$ 145,205</u>	<u>\$ (336,313)</u>

The Authority reported \$29,214 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2025.

Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$ (7,514)
2026	(7,514)
2027	(19,670)
2028	(19,670)
2029	(26,394)
Thereafter	(139,560)

**Costa Mesa Housing Authority
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
CalPERS Miscellaneous Plan**

Last Ten Fiscal Years

Measurement date June 30	2014	2015	2016	2017
Plan's proportion of the net pension liability	0.703%	0.703%	0.703%	1.095%
Plan's proportionate share of the net pension liability	\$ 536,746	\$ 561,947	\$ 632,922	\$ 1,095,223
Plan's covered payroll	\$ 129,116	\$ 126,041	\$ 139,833	\$ 213,885
Plan's proportionate share of the net pension liability as a percentage of covered payroll	415.71%	445.84%	452.63%	512.06%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	69.49%	68.26%	64.94%	64.17%
Plan's proportionate share of aggregate employer contributions	\$ 36,704	\$ 42,575	\$ 45,855	\$ 75,706

Notes to schedule:

Benefit changes:

The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes in assumptions:

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

2018	2019	2020	2021	2022	2023
0.831%	2.218%	2.608%	2.396%	2.405%	2.749%
\$ 783,393	\$ 2,221,033	\$ 2,699,607	\$ 1,690,541	\$ 2,586,560	\$ 3,099,311
\$ 166,758	\$ 541,070	\$ 626,246	\$ 299,397	\$ 634,611	\$ 762,996
469.78%	410.49%	431.08%	564.65%	407.58%	406.20%
66.53%	65.86%	65.62%	77.06%	66.56%	66.39%
\$ 76,921	\$ 219,059	\$ 267,302	\$ 265,290	\$ 287,431	\$ 345,762

**Costa Mesa Housing Authority
Required Supplementary Information
Schedule of Pension Plan Contributions
CalPERS Miscellaneous Plan
Last Ten Fiscal Years**

Fiscal year ended June 30	2015	2016	2017	2018
Contractually required contribution (actuarially determined)	\$ 36,704	\$ 42,575	\$ 45,855	\$ 75,706
Contributions in relation to the actuarially determined contributions	<u>(36,704)</u>	<u>(42,575)</u>	<u>(45,855)</u>	<u>(75,706)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 126,041	\$ 139,833	\$ 213,885	\$ 166,758
Contributions as a percentage of covered payroll	29.12%	30.45%	21.44%	45.40%

Notes to schedule:

Valuation date	6/30/2012	6/30/2013	6/30/2014	6/30/2015
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Methods and assumptions used to determine contribution rates:

Single and agent employers	Entry Age Actuarial Cost Method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
Asset valuation method	Market value of assets.
Inflation	2.30%
Salary increases	Varies by category, entry age, and duration of service.
Payroll growth	2.80%
Investment rate of return	6.80%, net of pension plan investment and administrative expense; including inflation.

Other information:

For changes to previous year's information, refer to past GASB 68 reports.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 76,921	\$ 219,059	\$ 267,302	\$ 265,290	\$ 287,431	\$ 345,762
<u>(76,921)</u>	<u>(219,059)</u>	<u>(267,302)</u>	<u>(265,290)</u>	<u>(287,431)</u>	<u>(345,762)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 541,070	\$ 626,246	\$ 299,397	\$ 634,611	\$ 762,996	\$ 932,086
14.22%	34.98%	89.28%	41.80%	37.67%	37.10%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

**Costa Mesa Housing Authority
Required Supplementary Information
Schedule of Proportionate Share of OPEB Liability and Related Ratios
Last Ten Fiscal Years***

Measurement date June 30	2017	2018	2019	2020	2021	2022	2023
Plan's proportion of the total OPEB liability	0.391%	0.510%	1.065%	1.142%	1.042%	1.114%	1.546%
Plan's proportionate share of the total OPEB liability	\$ 208,922	\$ 271,334	\$ 627,570	\$ 718,412	\$ 690,181	\$ 583,371	\$ 702,844
Plan's covered payroll	\$ 160,415	\$ 221,304	\$ 466,770	\$ 521,271	\$ 556,337	\$ 654,345	\$ 1,072,214
Plan's proportionate share of the OPEB liability as a percentage of covered employee payroll	130.24%	122.61%	134.45%	137.82%	124.06%	89.15%	65.55%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to schedule:

Changes in assumptions. The discount rate as of the June 30, 2016 measurement date was 2.85%. The discount rate as of the June 30, 2017 measurement date was 3.40%. The discount rate as of the June 30, 2018 measurement date was 3.50%. The discount rate as of the June 30, 2019 measurement date was 3.51%. The discount rate as of the June 30, 2020 measurement date was 2.66%. The discount rate as of the June 30, 2021 measurement date was 2.19%. The discount rate as of the June 30, 2022 measurement date was 4.09%. The discount rate as of June 30, 2023 was 4.13%.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

* - Fiscal year 2018 was the first year of implementation, therefore only seven years are shown.

**Costa Mesa Housing Authority
Required Supplementary Information
Housing Authority Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year ended June 30, 2024
(With Comparative Data for Prior Year)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
REVENUES:					
Rental income	\$ 370,000	\$ 370,000	\$ 538,955	\$ 168,955	\$ 416,489
Repayment of Successor Agency advance	-	-	-	-	342,011
Intergovernmental	1,821,579	2,146,579	1,320,654	(825,925)	2,686,381
Investment income (loss)	21,550	21,550	231,987	210,437	9,416
Miscellaneous	6,000	6,000	117,032	111,032	221,113
TOTAL REVENUES	2,219,129	2,544,129	2,208,628	(335,501)	3,675,410
EXPENDITURES:					
Current:					
Community programs	4,017,325	10,212,005	6,118,708	4,093,297	4,286,833
TOTAL EXPENDITURES	4,017,325	10,212,005	6,118,708	4,093,297	4,286,833
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,798,196)	(7,667,876)	(3,910,080)	3,757,796	(611,423)
Other financing sources:					
Transfers from the City of Costa Mesa	3,927,637	3,927,637	3,927,637	-	5,288,708
Net change in fund balance	2,129,441	(3,740,239)	17,557	3,757,796	4,677,285
FUND BALANCE - BEGINNING OF YEAR	8,300,545	8,300,545	8,300,545	-	3,623,260
FUND BALANCE - END OF YEAR	\$ 10,429,986	\$ 4,560,306	\$ 8,318,102	\$ 3,757,796	\$ 8,300,545

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Board of Directors
Costa Mesa Housing Authority
Costa Mesa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the governmental activities and the major fund of the Costa Mesa Housing Authority (Authority), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise of the Authority's basic financial statements, and have issued our report thereon dated January 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis Ferr LLP

Irvine, California
January 16, 2025

**COSTA MESA HOUSING AUTHORITY ANNUAL REPORT
AS HOUSING AUTHORITY AND AS HOUSING SUCCESSOR
FOR FISCAL YEAR 2023-2024 UNDER CALIFORNIA
HEALTH & SAFETY CODE SECTIONS 34176.1 AND 34328**

This annual report (Report) of the Costa Mesa Housing Authority (Housing Authority) is prepared under the California Health and Safety Code (HSC), Division 24, Parts 1.8 and 1.85 (Dissolution Law), in particular Section 34176.1 as the housing successor, and under the California Housing Authorities Law, HSC Section 34200, *et seq.* (HAL), in particular Section 34328 as a housing authority. The Dissolution Law and HAL respectively require preparation of an annual report on the housing successor and the housing authority's activities for the prior fiscal year. This Report details the Housing Authority's activities during Fiscal Year (FY) 2023-24 and is intended to satisfy the requirements under both HSC Sections 34176.1 and 34328. More specifically, this Report includes information required about the Low and Moderate Income Housing Asset Fund (LMIHAF) and other information under Section 34176.1(f).

This Report is based on information prepared by City staff on behalf of the Housing Authority and data contained within the independent financial audit of the LMIHAF (Audit), which is prepared by Davis Farr LLP and accompanies this Report. The Audit is incorporated in the City of Costa Mesa's Annual Comprehensive Financial Report (ACFR) for FY 2023-24. The City Council and the Housing Authority will review and file the Report in an open meeting in February 2024; upon their review and approval, this Report will be posted on the City's website www.costamesaca.gov and thereafter appended to the City's annual update report prepared under Section 65400 of the Government Code.

This Report conforms with and is organized into sections I through XIV, inclusive, under HSC Section 34176.1(f) of the Dissolution Law and Section 34328 of the HAL:

- I. **Amounts Received and Deposited Under 34191.4(b)(3)(A).** *This section provides the total amount of funds paid to the City and the amount deposited into the LMIHAF representing 20% of repayments on the reinstated City/Agency loan per Section 34191.4.*
 - All obligations have been paid off. The housing successor Agency was in process to dissolve in FY 2023-24.

- II. **Amount Deposited into LMIHAF.** *This section provides the total amount of funds deposited into the LMIHAF in FY 2023-24 and itemized by amounts listed on Recognized Obligation Payment Schedule (ROPS), amounts representing Section 34191.4 deposits, and other amounts deposited into the LMIHAF.*
 - In August 23,2024, Department of Finance approved Costa Mesa Successor Agency (Agency) the dissolution of the Agency.
 - \$0 was held for items listed on the ROPS; and
 - other deposits into the LMIHAF in FY 2023-24 were: (1) \$540,268 rental income, (2) \$115,500 loan repayments, and (3) \$230,673 investment gain.

The cumulative total of all deposits into the LMIHAF was \$886,441 during FY

2023-24.

III. Ending Balance of LMIHAF. *This section provides a statement of the balance in the LMIHAF as of the close of FY 2023-24. Any amounts deposited for items listed on the ROPS and amounts representing Section 34191.4 deposits, must be distinguished from the other amounts deposited.*

At the close of FY 2023-24 on June 30, 2024, the ending balance in the LMIHAF was \$4,635,482, of which \$0 was held for items listed on the ROPS.

IV. Description of Expenditures from LMIHAF. *This section provides a description of expenditures made from the LMIHAF during FY 2023-24. The expenditures are to be categorized among (A) administration for monitoring, preserving covenanted housing units; (B) homeless prevention and rapid rehousing services; and (C) development of housing.*

The table below lists and describes FY 2023-24 LMIHAF expenditures by category:

<p>Monitoring and Administration Expenditures</p>	<p>Costs for monitoring, enforcement, and preserving long-term affordable housing covenants imposed by the former Costa Mesa Redevelopment Agency (Former Agency) or the Housing Authority, as housing successor.</p> <p>The maximum expenditure for this category in FY 2023-24 is the <i>greater</i> of (a) 5% of the statutory value of (i) real property owned by the housing successor <i>and</i> (ii) loans and grants receivable, or (b) \$200,000 (plus allowed CPI adjustments).</p> <p>Based on the valuation listed in Section V, [lines 6+7 in that table=\$5,336,555 for FY 2023-24, the Housing Authority as housing successor was authorized to spend up to \$266,828 (i.e., 5% of \$4,702,199), but only expended \$133,408.</p>	<p>\$133,408</p>
<p>Homeless Prevention and Rapid Rehousing Services Expenditures</p>	<p>Costs for homeless prevention and rapid rehousing supportive services for individuals and families who are homeless or would be homeless without this assistance.</p> <p>The housing successor Agency was in process to dissolve in FY 2023-24.</p>	<p>-</p>

<p>Housing Development Expenditures</p>	<p>Costs for housing “development”, which term is defined to include: (a) new construction, (b) acquisition and rehabilitation, (c) substantial rehabilitation, (d) long-term affordability covenants on multifamily units, and (e) preservation of assisted affordable housing that is eligible for (i) prepayment, (ii) termination, or (iii) for which the expiration of rental restrictions is scheduled to occur within five years.</p> <p>The costs in this category represent the operating costs for a 30-apartment low and very low income housing property, which the housing successor intends to solicit proposals from housing providers to purchase and extend affordability.</p> <p>The 30 apartments within eight properties commonly referred to as James/W. 18th Properties, were acquired by the City and Housing Authority through non-judicial foreclosure proceedings in FY 2015-2016. This acquisition was made in order to preserve the long-term affordable housing covenants which were at risk of termination and potential conversion to market housing.</p> <p>The eight properties are owned by the Housing Authority and continue to be operated as affordable housing units for low and very low income households/tenants by a professional property management company. The operating costs for the property include staff salaries and benefits, utilities, supplies, repairs and maintenance, taxes, property management fees, legal, and consulting costs. The total amount spent in FY 2023-24 was \$302,229.</p>	<p>302,229</p>
<p>Total FY 2022-23 LMIHAF Expenditures</p>		<p>\$435,637</p>

V. Statutory Value of Assets Owned by Housing Successor. *This section provides the statutory value of real property owned by the Housing Authority, as housing successor, the value of loans and grants receivables, and the sum of these two amounts.*

Under Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the Former Agency as listed on the housing asset transfer schedule approved by the DOF under Section 34176(a)(2), the value of the properties transferred to the housing successor under Section 34181(f), and the purchase price of properties purchased by the Housing Authority. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following table provides the statutory value of assets owned by the Housing

Authority as of the end of FY 2023-24:

As of June 30, 2024 End of FY 2023/24	
1. Cash and Investments	\$7,725,840
2. Cash and Investments with Fiscal Agent	25,487
3. Interest Receivable	6,966
4. Rent Receivable	16,448
5. Accounts Receivable	363,331
6. Statutory Value of Real Property Owned by the Housing Authority	4,041,345
7. Value of Loans and Grants Receivable	<u>1,295,210</u>
Total Statutory Asset Value	<u><u>\$13,474,627</u></u>

VI. Description of Transfers. *This section describes transfers, if any, to another housing successor made in previous fiscal year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for development of transit priority projects, permanent supportive housing, regional homeless shelters, housing for agricultural employees, or special needs housing.*

The Housing Authority, as housing successor, did not make any LMIHAF transfers to other housing successor(s) under Section 34176.1(c)(2) during FY 2023-24.

VII. Project Descriptions. *This section describes any project for which the Housing Authority, as housing successor, receives or holds property tax revenue under the ROPS and the status of that project.*

The Housing Authority, as housing successor, does not receive or hold property tax revenue under a ROPS.

VIII. Status of Compliance with Section 33334.16. *As and if applicable, this section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property, if any, acquired on or after February 1, 2012, provide a status update on the project.*

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Authority, as housing successor, on or after February 1, 2012.

With respect to interests in real property acquired by the Former Agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the DOF approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the Former Agency, now held by the Housing Authority as housing successor, in the LMIHAF, the Housing Authority as housing successor, must initiate activities consistent with development (as the term is explained in Section IV and Section

34176.1(a)(3)(D)) of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset.

In this regard, the Housing Authority as housing successor, did not own any real property acquired for development (to be developed) as of dissolution on February 1, 2012 subject to this limitation so the five-year limitation of Section 33334.16 does not apply.

It is noted that the Former Agency held at dissolution, now the Housing Authority holds as landlord/ground lessor, the underlying fee interests in three Ground Leases with Costa Mesa Family Village, a California limited partnership, as tenant/ground lessee (affiliate of Shapell Properties) relating to the existing 72-unit multifamily affordable housing apartment development called Costa Mesa Family Village, located at 1924 and 1981 Wallace Avenue and 2015 Pomona Avenue. The three ground leases end/expire in 2039. Section 33334.16 does not apply to such ground leases and this existing affordable housing development as the subject property was not held for development; it is developed property.

- IX. Description of Outstanding Obligations under Section 33413.** *This section describes outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012, along with the Housing Authority's progress, as housing successor, in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Authority, as housing successor, plans to meet unmet obligations, if any.*

Replacement Housing. Under the Former Agency's last Implementation Plan in effect prior to dissolution (the 2010-2014 plan), the Former Agency's replacement housing obligations, if any, under Section 33413(a) were transferred to the Housing Authority as housing successor; however, the Former Agency had no outstanding replacement housing obligations as of dissolution on February 1, 2012.

Inclusionary/Production Housing. Under the Former Agency's last Implementation Plan in effect prior to dissolution (the 2010-2014 plan), its inclusionary/production housing obligations, if any, under Section 33413(b) were transferred to the Housing Authority as housing successor; however, the Former Agency had no outstanding inclusionary/production housing obligations as of dissolution on February 1, 2012.

Therefore, the Housing Authority, as housing successor, has no outstanding replacement or inclusionary/production housing obligations and thus no implementation obligation under Section 33413.

For information, the Former Agency's Implementation Plan is posted on the City's website at www.costamesaca.gov.

- X. Income Test.** *This section provides information required by Section 34176.1(a)(3)(B), or a description of expenditures by income category and restriction for the applicable five-year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However,*

the income test is not required until year 2019.

The applicable provisions of Sections 34176.1(a)(3)(A)(B)(C) require that the Housing Authority, as housing successor, must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). If the Housing Authority as housing successor, fails to comply with the extremely-low income requirement in a five-year reporting period, then the provisions of Section 34176.1(B) will apply in each fiscal year following the latest fiscal year following the Report are expended for the development of housing occupied by extremely low income households until the housing successor demonstrates compliance with such requirement in a subsequent annual report.

FY 2018-19 was the end of the initial five-year period under Section 34176.1(a)(3)(B). The Housing Authority's next five-year report on compliance with Section 34176.1(a)(3)(A) is due in FY 2023-24.

- XI. Senior Housing Test.** *This section provides the percentage of deed-restricted rental housing units restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency and its host jurisdiction within the same 10-year time period.*

The housing successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the housing successor, the Former Agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the housing successor, the Former Agency, and/or City within the same time period. If this percentage exceeds 50%, then the housing successor cannot expend future LMIHAF funds to assist additional senior housing units until the Housing Authority as housing successor, or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

As reported in the prior FY 2018-19 annual report, for the 10-year period of January 1, 2004 to January 1, 2014, 9.8% of the funds were expended on assistance to provide senior affordable housing units and 90.2% of the funds were expended on assistance to provide non-senior/family affordable housing units. In particular, 36 senior units with long-term 55-year affordability covenants were established during the previous 10-year period (specifically, the St. John's Manor Project in 2006).

For the current 10-year period of January 1, 2014 to January 1, 2024 that includes the subject FY 2023-24, the Housing Authority expended no funds (\$0) for senior housing thus far; therefore 0% of funds were expended on development or assistance to develop senior housing units.

- XII. Excess Surplus Test.** *This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the housing successor has had excess*

surplus, and the housing successor’s plan for eliminating the excess surplus.

The term excess surplus is defined in Section 34176.1(d) as: “an unencumbered amount in the LMIHAF account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the housing successor’s preceding four fiscal years, whichever is greater.” The table below provides the Excess Surplus test for the preceding four years. The LMIHAF does not have an excess surplus.

	LMIHAF July 1, 2023	LMIHAF July 1, 2024
Opening Fund Balance	\$ 4,184,679	\$ 4,635,482
Less Unavailable Amounts:		
Loans Receivable Net	(496,064)	(1,295,210)
Accounts Receivable	(288,549)	(363,331)
Encumbrances	-	-
Available Housing Successor Funds (A)	3,400,065	2,976,942

XIII. Inventory of Homeownership Units. *This section provides a summary of covenanted homeownership units assisted by the former redevelopment agency or the housing successor that include equity sharing and repayment provisions, including: (A) number of units; (B) number of units lost to the portfolio in the last fiscal year and the reason for those losses; and (C) any funds returned to the housing successor due to losses or repayments.*

This section provides an inventory of homeownership units assisted by the Former Agency and assumed by the Housing Authority as housing successor, that are subject to covenants or restrictions or to an adopted program that protects the Former Agency’s investment of moneys from the Low and Moderate Income Housing Fund per Section 33334.3(f).

Total homeownership inventory as of dissolution on February 1, 2012 (subparagraph (A) below) and inventory, losses, and repayments for the period from February 1, 2012 through June 30, 2024 (subparagraph (B) below) include:

(A) As of dissolution on February 1, 2012, the total number of homeownership units assisted by the Former Agency and had covenants and restrictions of record was 41 units, which included loans and restricted single-family homes assisted by the Former Agency through its (1) First Time Homebuyer (FTHB) Program, (2) Single-Family Rehabilitation (SF Rehab) Program, (3) affordable housing projects with Habitat for Humanity of Orange County, and (4) Neighborhood Stabilization Program.

(B) The total number of homeownership units lost to the Housing Authority’s portfolio as housing successor between February 1, 2012, through June 30, 2024, along with the reasons for those losses.

Total losses between February 1, 2012, and June 30, 2024: 31 units

Reasons for the units' losses from the homeownership portfolio:

Principal Repayments:	\$1,069,392
Loan Impairment:	\$1,095,000
Foreclosure:	\$ 436,000

Funds returned to the Housing Authority as housing successor, as part of an adopted program that protects the Former Agency's investment of moneys from the Low and Moderate Income Housing Fund, including loan principal, interest, and equity sharing payments between February 1, 2012 and June 30, 2024: \$1,515,998.

(C) The number of homeownership units lost to the Housing Authority's portfolio as housing successor in FY 2023-24 and the reason for those losses.

There were no homeownership units lost to the Housing Authority's portfolio as housing successor in FY 2023-24. One owner made partial payments on homeownership loans. Principal and interest payments received totaled \$115,500 and were deposited into the LMIHAF.

The funds returned to the Housing Authority as housing successor, as part of an adopted program that protects the Former Agency's investment of moneys from Low and Moderate Income Housing Fund, included repayments of FTTHB program loans. Total principal, interest, and equity sharing payments during FY 2023-24 was \$117,500.

(D) The Housing Authority as housing successor, has existing consulting agreements with: AmeriNational Community Services, Inc., a Minnesota Corporation (dba AmeriNat) and Farmers State Bank of Hartland, a Minnesota corporation. The agreements are related to certain, but not all, aspects of administration of the Former Agency's SF Rehab and FTTHB programs that provided second lien mortgages for homeownership units. The consulting services include assistance with oversight and administration of amortized loan payments, if any, due; with tracking and calculation of loan balances in the event of payoff; and, other administrative activities for these outstanding SF Rehab and FTTHB loans.

In addition, the Housing Authority retains the services of Keyser Marston Associates, a professional housing economic consultant, and the Housing Authority legal counsels, City Attorney and Authority General Counsel Kimberly Hall Barlow of Jones & Mayer, and Celeste Brady of Stradling Yocca Carlson & Rauth (SYCR). Counsels assist staff in reviewing legal issues related to outstanding SF Rehab and FTTHB program loans, such as the refinancing of first lien mortgages consistent with SF Rehab and FTTHB program refinancing criteria, repayments, impairment analyses, defaults, foreclosures, bankruptcies, renting out part of the home, short sale requests, and other issues that arise in the administration of the former Agency's loan programs for ownership housing.

XIV. Additional Information: *Housing Authority's Activities for the preceding year (FY 2022-23) under HSC Section 34328.*

Without repeating the information presented above in this Report, the Housing Authority:

- (A) continued to monitor and enforce housing assets transferred from the Former Agency to the Housing Authority as housing successor, as well as other Housing Authority (non-housing successor) assets;
- (B) continued property management and operation of the James/W.18th Properties. See Sections IV. And X. above for more detailed discussion about these properties.
- (C) As housing successor under Section 34176.1(a)(2), the Housing Authority may expend up to \$250,000 per fiscal year “for homeless prevention and rapid rehousing services for individuals and families who are homeless or would be homeless but for this assistance, including the provision of short-term or medium-term rental assistance, housing relocation, and stabilization services including housing search, mediation, or outreach to property owners, credit repair, security or utility deposits, utility payments, rental assistance for a final month at a location, moving cost assistance, and case management, or other appropriate activities for homelessness prevention and rapid rehousing of persons who have become homeless.” In this regard in FY 2023-24 and as detailed in this Report, the Housing Authority’s LMIHAF provided partial funding for Community Outreach Workers who assertively work toward placing homeless individuals and families into temporary or permanent housing as it becomes available. Staff addresses the various needs represented by the local homeless population on a daily basis. Further, a part-time Management Analyst maintains the database that Community Outreach Workers and volunteers from varied community groups utilize to streamline their reporting and recordkeeping processes relative to placement of homeless individuals and families into housing.