

**REPORT TO CITY COUNCIL**  
**Council Agenda of 05/24/16**



Andrew Carter, City Administrator

**SUBJECT** Final Amended and Restated Waste Management Franchise Agreement and Final Waste Management Settlement Agreement and Mutual Release

**RECOMMENDATION**

Approve the final Amended and Restated Waste Management Franchise Agreement and the final Waste Management Settlement Agreement and Mutual Release and authorize the Mayor to sign both documents.

**DISCUSSION**

At the 04/24/16 Council meeting, Council decided not to move forward with the previous versions of the Amended and Restated Franchise Agreement and the Settlement Agreement and Mutual Release. That's because the previous versions provided Waste Management with roll-off exclusivity in Guadalupe. Council gave direction to staff to negotiate a final Amended and Restated Franchise Agreement and a final Settlement and Mutual Release which do not include roll-off exclusivity.

Staff has negotiated those changes with Waste Management. The documents before Council do not include roll-off exclusivity, but they do have Waste Management taking over customer billing. The only significant change to the documents is that Waste Management will now pay the City \$35,000 for previous overbilling, not the \$64,000 Waste Management would have paid had they received roll-off exclusivity. The \$35,000 will come as \$10,000 in cash and \$25,000 in free service. \$25,000 equals 0.67 months of free service. The previous \$64,000 would have come entirely as 1.67 months of free service with no cash.

The transition from bill-in-arrears by the City to bill-in-advance by Waste Management will take place as follows:

- June 1<sup>st</sup>: City bills for one month of service in arrears for the time period 04/10 through 05/10.
- July 1<sup>st</sup>: City bills for two months of service for the time period 06/01 through 07/31 – one month in arrears, one month in advance. The 0.67 months of free service covers the time period from 05/10 through 05/31.

- Aug. 1<sup>st</sup>: Waste Management bills for two months of service in advance for the time period 08/01 through 09/30.
- After that: Waste Management bills every other month for two months of service in advance.

The other key terms are as before:

- Waste Management will be allowed to increase most monthly garbage rates by \$1.26 to cover Waste Management's costs to bill customers. The garbage rates in Exhibit A of the Amended and Restated Franchise Agreement show a line item for this billing charge starting on 08/01/16 for every type of garbage service to which it applies.
- Waste Management will also be allowed to begin billing for a Regional Recycling Fee that has already been negotiated between Waste Management, the City of Santa Maria, and the County of Santa Barbara. That charge starts out at \$0.63 for most customers. The garbage rates in Exhibit A of the Amended and Restated Franchise Agreement show a line item for this Regional Recycling Fee starting on 08/01/16 for every type of garbage service to which it applies.

That Regional Recycling Fee will go up and down in the future based on recycled material commodity rates. City of Santa Maria staff have told the City Administrator that the fee is more likely to go down in the future than go up. That's because recycled material commodity rates are low at the present vs. historical norms.

- 15-gallon service will be eliminated. Currently there are only 22 15-gallon customers in the City out of a total of 1604 garbage accounts. 15-gallon customers will be transitioned to 30-gallon service at the normal 30-gallon price. (Note: the City of Santa Maria does not provide 15-gallon service nor 30-gallon service; just 60-gallon service and 90-gallon service. In addition to 30-gallon service, Guadalupe also offers 60-gallon service and 90-gallon service.)
- Sets a 10% penalty for any future underpayment by Waste Management to the City which exceeds 2% of the actual amount owed.
- Continues to allow for CPI rate increases every August 1<sup>st</sup>. The CPI does not apply to the Disposal portion of the rates shown on Exhibit A nor to the Regional Recycling Fee portion, since those two line items are based on actual pass-through costs. The CPI does apply to the Collection portion of the rates shown on Exhibit A, the regular Recycling portion, the Organics portion, and incidental service charges. The CPI to be applied on August 1<sup>st</sup> will be 2.46%. That includes a regular CPI of 1.46% plus a special 1% adjustment allowed under the existing Franchise Agreement on 08/01/16 only (not in future years).
- Continues to allow the City to levy the debt surcharge instituted in June 2015 designed to restore the Solid Waste Fund to a positive fund balance. That debt surcharge is currently 9% and will increase another 10% over time as necessary to retire the Solid Waste Fund

debt, with annual increments of 3%, 3%, 3%, and 1% on August 1<sup>st</sup> of 2016, 2017, 2018, and 2019 respectively. The cumulative surcharge as of 08/01/16 will be 12%.

- See Exhibit A of the Amended and Restated Franchise Agreements for the rate increases which will take effect on 08/01/16 due to the Waste Management billing adjustment (\$1.26), the new Regional Recycling Fee (\$0.63), the August 1<sup>st</sup> CPI adjustment (+2.46%), and the August 1<sup>st</sup> debt surcharge adjustment (+3%). Regular Residential monthly service rates will increase as follows:

	<u>Before</u>	<u>After</u>	<u>Increase</u>
30-gallon	\$23.94	\$27.37	\$3.43
60-gallon	\$28.59	\$32.17	\$3.58
90-gallon	\$33.03	\$36.76	\$3.73

## **ATTACHMENTS**

Settlement Agreement and Mutual Release  
Amended and Restated Franchise Agreement

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

### CITY OF GUADALUPE AND VALLEY GARBAGE AND RUBBISH, INC.

#### d/b/a Health Sanitation Service

This Settlement Agreement and Mutual Release ("Agreement") is entered into this \_\_\_\_th day of \_\_\_\_\_, 2016 between the City of Guadalupe, a California general law city ("City") and Valley Garbage & Rubbish Company, Inc., d/b/a Health Sanitation Service, a California corporation ("Grantee");

#### RECITALS

- A. On August 1, 2006, City and Grantee entered into that certain agreement entitled "Franchise Agreement between the City of Guadalupe, California and Valley Garbage and Rubbish Company, Inc., d/b/a Health Sanitation Service," dated August 1, 2006 ("Franchise Agreement").
- B. The Franchise Agreement was amended on December 1, 2008 ("First Amendment") and on February 12, 2013 ("Second Amendment").
- C. The Franchise Agreement, Section 18.D, provided that City perform billing and collection for residential customers, and then compensate Grantee for providing residential services in accordance with the rates set forth in the Franchise Agreement.
- D. In the course of a review of records undertaken by City, City asserted that City had overpaid Grantee for services provided, and City requested reimbursement (the "Dispute").
- E. The parties have agreed to resolve the Dispute as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and releases set forth below, the Parties agree as follows;

1. Effective Date. This Agreement shall be effective the date signed by City, which shall occur concurrently or after execution by Grantee ("Effective Date").
2. Billing Provisions Under Franchise Agreement. City and Grantee have negotiated an Amended and Restated Franchise Agreement, which provides, among other things, that Grantee will perform billing and collection services for residential customers. The draft Amended and Restated Franchise Agreement is set forth in **Attachment 1**. The Amended and Restated Franchise Agreement includes a rate adjustment requested by Grantee to assist Grantee with the additional costs of performing the billing services. The parties acknowledge that the Amended and Restated Franchise Agreement must be approved by the City Council and that the

City Council cannot pre-commit its legislative discretion to a decision approving the Amended and Restated Franchise Agreement. If the Amended and Restated Franchise Agreement is not approved by the City Council in substantially the form attached as Attachment 1, this Agreement shall terminate along with the obligations of City and Grantee hereunder, unless the parties otherwise enter in a written modification satisfactory to City and Grantee.

3. Processing of Amended and Restated Franchise Agreement. City shall notice a meeting for adoption of the Amended and Restated Franchise Agreement for the first available City Council meeting after the Effective Date for which notice can be provided.
4. Compensation. Within fifteen (15) days after the approval of this Agreement by City's City Council, Grantee shall pay City the sum of ten thousand dollars (\$10,000) in one lump sum. Grantee shall also forego all payment from City for services provided by Grantee under the Franchise Agreement for the period May 10, 2016 through and including May 31, 2016. Grantee shall absorb all its service costs under the Franchise Agreement, of whatever description, and not bill such costs to City or its customers, for the period May 10, 2016 through and including May 31, 2016.
5. General Release. Except for the obligations of the Parties set forth in this Agreement. City and Grantee, for themselves and their respective officers, representatives, agents, employees, predecessors, successors, and assigns, do hereby fully and forever hereby release, acquit, and forever discharge each other (including each other's officers, representatives, agents, employees, predecessors, successors, and assigns) from any and all claims, demands, suits, rights, actions, causes of action, expenses, interest, costs, damages, attorneys' fees, liability or obligation of any kind, whenever or however derived, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, present or future, and whether in law or in equity, in any way relating to, arising from, or connected with the Dispute. The Parties therefore agree that they shall have no right whatsoever to file any lawsuit or institute any other action or legal proceedings of any type whatsoever against each other based upon, connected with, or in any manner arising out of the Dispute, except as otherwise authorized in this Agreement.

This Agreement and above release is made notwithstanding section 1542 of the California Civil Code which provides:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Therefore, except as provided in this Agreement, the Parties expressly acknowledge that this release is intended to include in its effect, without

limitation, all claims and causes of action arising from the Dispute which the Parties do not know or suspect to exist in their favor and that this release contemplates the extinguishment of all such claims and causes of action. In connection with such waiver and relinquishment, each of the Parties acknowledges that it is aware that they or their attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of or any Party named in this Agreement, but that it is their intention hereby to fully, finally and forever to settle and release all of the released matters. In furtherance of such intention, each of the releases herein given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts.

6. Ownership of Released Claims. The Parties to this Agreement represent and warrant that they, respectively, are the sole and lawful owners of the claims which are the subject of the foregoing release, and that they, respectively, have not heretofore assigned or transferred, or purported to assign or transfer, any of such claims or any portion of such claims to any other person or entity.
7. No Admission of Liability. Each Party acknowledges and agrees that this Agreement effects the settlement of claims and potential claims that are contested and denied and does not constitute an admission of liability by any Party for any purpose. Moreover, nothing contained in this Agreement nor the payment of any sums provided for in this Agreement shall be offered, admitted or construed as an admission by any of the Parties of any liability or the amount of any liability to any of the other Parties.
8. Non-Disparagement. The Parties agree not to disparage each other regarding the Dispute, including the disparagement of each Parties' officers, representatives, agents, employees, predecessors, successors, and assigns.
9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and the respective successors, assigns, heirs, and representatives of the Parties hereto.
10. Modification Must Be in Writing. This Agreement may not be altered, amended, or modified, except in a writing that is executed by the Parties or duly authorized representatives of all of the Parties hereto.
11. Governing Law. This Agreement shall be construed, enforced and governed by the laws of the State of California and the Parties agree that this Agreement is entered into and to be performed in the County of Santa Barbara.
12. Entire Agreement. This Agreement, together with the documents incorporated herein by reference and any exhibits referenced herein and attached hereto, constitutes the entire agreement among the Parties regarding the subject matters

set forth in this Agreement, and supersedes all prior discussions, agreements, negotiations or understandings. Each of the Parties signing this Agreement acknowledges and agrees that no other Party, agent, or attorney of any of the Parties made any promise, representation or warranty, express or implied, not set forth in this Agreement. Each Party signing this Agreement acknowledges that such Party has not executed this Agreement in reliance on any promise, representation, conduct or warranty of any other Party not expressly set forth in this Agreement.

13. Voluntary Agreement: Representation by Counsel. The Parties each represent that they have read this Agreement in full and understand and voluntarily agree to all provisions herein. The Parties each further represent that prior to signing this Agreement they each had the opportunity to apprise themselves of relevant information, through sources of their own selection, including consultation with legal counsel of their choosing, if desired, in deciding whether to execute this Agreement, and each of the Parties is fully informed as to the terms, conditions and covenants of this Agreement.
14. Interpretation. This Agreement is the result of the combined efforts of the Parties and/or their respective attorneys, and shall be construed according to its fair meaning and as if prepared by both Parties hereto. If any provision of this Agreement is found ambiguous, the ambiguity shall not be resolved by construing this Agreement in favor of or against any Party, but by construing the terms according to their generally accepted meaning.
15. Headings. The headings in this Agreement are inserted only as a matter of convenience and reference, and in no way define the scope or the extent of this Agreement or the construction of any provision.
16. Severability. The provisions of this Agreement are severable. The invalidity, or unenforceability of any provision(s) in this Agreement shall not affect the other provisions of this Agreement. If a provision of this Agreement is adjudged illegal or invalid, such provision shall: (1) be rewritten by the court to be legal and valid as long as the rewritten provision remains consistent with the Parties' mutual intentions expressed in this Agreement; or (2) be deemed severed and deleted, but only if any such severance and deletion will not affect the benefits of the Agreement which, according to its terms or as a whole, any Party is to receive.
17. Further Assurances. The Parties agree to cooperate fully, at their own cost and expense, in carrying out the terms and conditions of this Agreement, including the execution of such documents or taking further action that may be reasonably necessary to carry out the purposes and intent of this Agreement.
18. Authority. By execution of this Agreement, each person signing on behalf of an entity warrants that this Agreement is executed on behalf of a valid legal entity; that such entity possesses the full right and authority to undertake any action

contemplated by this Agreement; that the execution of this Agreement by the signatory for a party has been duly and properly authorized by such entity on whose behalf said Agreement is executed in accordance with all applicable laws, regulations, agreements and procedures governing the authority of such person or entity to execute this Agreement on behalf of such entity; and that the consent of all persons or entities whatsoever necessary to the due execution of this Agreement by the parties has been obtained. This Agreement shall be binding on the parties hereto when each such entity has fully executed at least one counterpart and the City Council has approved the Agreement.

19. Waiver. Any party's waiver of a breach of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
20. Attorneys' Fees and Costs. Each party shall be responsible for its own attorneys' fees and costs incurred in connection with the Dispute up to and including the preparation of this Agreement. The prevailing party in any suit to enforce the terms of this Agreement shall be entitled to recover reasonable attorneys' fees and costs in such suit.
21. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be considered an original but all of which shall constitute one and the same Agreement. Facsimile or copies of signatures shall be deemed original signatures for all purposes.

WHEREFORE, City and Grantee, by their signatures below, enter into this Agreement as of the Effective Date.

CITY:

**City of Guadalupe**

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

GRANTEE:

**Valley Garbage & Rubbish Company, Inc.**

By: \_\_\_\_\_

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

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

**AMENDED AND RESTATED  
FRANCHISE AGREEMENT BETWEEN THE CITY OF GUADALUPE, CALIFORNIA  
AND VALLEY GARBAGE AND RUBBISH COMPANY, INC., d/b/a Health Sanitation Service**

This Amended and Restated Franchise Agreement ("Amended and Restated Agreement") is entered into this 8th day of March, 2016 between the City of Guadalupe, a California general law city ("City") and Valley Garbage & Rubbish Company, Inc., d/b/a Health Sanitation Service, a Delaware corporation, ("Grantee"), for the continued collection, transportation, processing and disposal of solid waste.

**RECITALS**

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939"), has declared that it is within the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions; and

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(1), the City Council has determined that the public health, safety and well-being require that an exclusive franchise be awarded to a qualified Solid Waste enterprise for the collection and recovery of solid waste from certain residential, industrial and commercial areas in City; and

WHEREAS, City and Grantee are mindful of the provisions of the laws governing the safe collection, transport, recycling and disposal of solid waste, including AB 939, the Resource Conservation and Recovery Act ("RCRA"), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); and

WHEREAS, City and Grantee entered into that certain agreement entitled "Franchise Agreement between the City of Guadalupe, California and Valley Garbage and Rubbish Company, Inc., d/b/a Health Sanitation Service," dated August 1, 2006 ("Franchise Agreement" or "Agreement"), and Grantee has been providing collection, transportation, processing and disposal of solid waste; and

WHEREAS, the Franchise Agreement was amended on December 1, 2008 ("First Amendment") and on February 12, 2013 ("Second Amendment"). The Agreement, First Amendment and Second Amendment are collectively referred to as the ("Prior Agreement"); and

WHEREAS, City and Grantee desire to further modify the services by providing for Grantee billing for all services, and restate the entire agreement in a single unified document, as set forth herein.

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**SECTION 1 - DEFINITIONS**

Whenever any term used in this Franchise Agreement has been defined by the Guadalupe Municipal Code ("Municipal Code") or Division 30, Part 1, Chapter 2 of the California Public Resources Code, the definitions in the Municipal Code or Public Resources Code shall apply unless the term is otherwise defined in this Agreement. To the extent that definitions contained in the Municipal Code conflict with definitions in the Public Resources Code, the former shall control and govern the rights and obligations of the parties hereunder, provided, however, that should the Public Resource Code's definitions be made obligatory by the state legislature on the City, then the conflicting Public Resource Code's definitions shall apply.

A. AB 939. "AB 939" shall mean the California Integrated Waste Management Act of 1989, as it may be amended from time to time.

B. Affiliate. "Affiliate" means the Grantee, its officers, directors, shareholders, employees and any corporation, partnership, joint venture or other entity directly or indirectly controlling the Grantee, or directly or indirectly owned or controlled by the Grantee or its principals.

C. Bulky Waste. "Bulky Waste" means large items of solid waste, such as furniture, trees, branches, stumps and other oversize wastes.

D. Commercial Solid Waste. "Commercial Solid Waste" includes all types of solid wastes generated by commercial, industrial, governmental and other sources which have been placed in an authorized solid waste container used for the temporary storage of solid waste awaiting pickup. The term "Commercial Solid Waste" does not include hazardous wastes, medical wastes, special

wastes, and e-wastes.

E. City. "City" means the City of Guadalupe, California.

F. Franchise Area. "Franchise Area" shall mean the boundaries of the Franchise Area, together with all amendments and changes thereto resulting from binding amendments to this Agreement. The current boundaries of the Franchise Area are the current city limits. Notwithstanding the foregoing, additional territory may be annexed into City as a result of development activities. Any such annexation to City shall constitute an annexation to the Franchise Area for all purposes of this agreement.

G. Franchise Fee. "Franchise Fee" means the fee or assessment imposed by the City on Grantee solely because of its status as party to this Franchise Agreement, and which inter alia, is intended to compensate City for its expenses in administering this Franchise Agreement, and to fund other waste management activities.

H. Grantee. "Grantee" shall mean Valley Garbage & Rubbish Company, Inc., d/b/a Health Sanitation Service, the entity granted the franchise to arrange for the collection and disposal of solid wastes pursuant to this Franchise Agreement. Grantee shall also mean any assignee, transferee or successor in interest of Grantee.

I. Gross Revenues. "Gross Revenues" means any and all revenue or compensation in any forms derived directly or indirectly by Grantee, its affiliates, subsidiaries, parents or any other entity in which Grantee has a financial interest in collecting, transporting, arranging, handling and/or disposing of franchised solid wastes generated in the Franchise Area, but excluding the amount of any franchise fees, other fees or surcharges paid to the City, and any revenue derived from the sale of Recyclable Material.

J. Hazardous Waste or Materials. "Hazardous Waste or Materials" means any and all of the following:

(a) Wastes, materials or substances defined or characterized as hazardous waste by the Federal Solid Waste Disposal Act, as amended, including the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.) as amended from time to time, or regulations promulgated thereunder;

(b) Waste, materials or substances defined or characterized from time to time as hazardous waste by the principal agencies of the State of California (including, without limitation, the Department of Health Services, the California Water Resources Control City, and the California Integrated Waste Management Board) having jurisdiction over hazardous waste generated by facilities within the State, and pursuant to any other applicable governmental regulations;

(c) Wastes, materials or substances, the storage, treatment, transportation or disposal of which is subject to regulation under the Toxic Substances Control Act, 15 U.S.C. §2601-2654, as amended from time to time, or regulations promulgated thereunder;

(d) Radioactive wastes, materials, substances or items, the storage, treatment, transportation or disposal of which is subject to governmental regulations; and

(e) Wastes, materials, substances or items which contain polychlorinated biphenyls.

The term "Hazardous Waste" will be construed to have the broader, more encompassing definition where a conflict exists in the definitions employed by two or more governmental entities having concurrent or overlapping jurisdiction over hazardous waste.

K. Industrial Solid Waste. "Industrial Solid Waste" means all Solid Waste and semi-solid waste which results from industrial processes and manufacturing operations, except for hazardous wastes or special wastes.

L. Materials Recovery Facility. "Materials Recovery Facility" means a materials recovery facility that is currently owned and operated by Grantee or which may be constructed in the future and operated by Grantee. Nothing in this Agreement shall be construed to give Grantee any right to build, own or operate a Materials Recovery Facility within the City unless said authority is given to Grantee by the City Council, which may grant or withhold such permission in its sole discretion.

M. Medical Waste. "Medical Waste" means solid waste or other materials, substances or items which may be reasonably considered infectious, pathological or biohazardous, originating from hospitals, public or private medical clinics, departments of research laboratories, pharmaceutical industries, blood banks, forensic medical departments, medical offices, mortuaries, veterinary facilities and other similar facilities, and includes, without limitation, equipment, instruments, utensils, fomites, laboratory waste (including pathological specimens and fomites attendant thereto), surgical facilities, equipment, bedding and utensils (including pathological specimens and disposal fomites attendant thereto), sharps (hypodermic needles, syringes, etc.),

dialysis unit waste, chemotherapeutic waste, animal carcasses, offal and body parts, biological materials (vaccines, medicines, etc.), and other similar materials, but excluding any such waste which is determined by evidence reasonably satisfactory to the Grantee to have been rendered noninfectious, non-pathological and non-biohazardous.

N. Multi-Family Units. "Multi-Family Units") shall mean a dwelling which includes two or more individual living units and which receives communal refuse and/or recycling services.

O. Recovered Materials. "Recovered Materials" means all Recyclable Materials that are source separated by customers and collected and processed by Grantee within the Franchise Area. Recovered Materials shall also include Recyclable materials received by Grantee by means of any other recycling program operated by Grantee.

P. Recyclables or Recyclable Material. "Recyclables" or "Recyclable Material" means discarded materials which are reused or processed, or are in the future reused or processed into a form suitable for reuse through reprocessing or remanufacture, consistent with the requirements of the California Integrated Waste Management Act. The terms "Recyclables" or "Recyclable Material" include transformable and compostable materials. The terms "Recyclables" or "Recyclable Material" include paper, newsprint, printed matter, paper containers, glass, aluminum, PET, HDPE, and other plastics, beverage containers, compostable materials (green waste), and such other materials designated as recyclables by the California Integrated Waste Management Board, or any other agency with jurisdiction.

Q. Residential Solid Waste. "Residential Solid Waste" means all types of solid waste which originates from single-family units.

R. Single-Family Unit. "Single-Family Unit" means a dwelling which receives individual refuse.

S. Solid Waste. "Solid Waste" means all putrescible and non-putrescible solid, and semi-solid wastes, including residential, industrial, commercial and municipal garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semi-solid wastes; but excludes hazardous wastes, special wastes and medical wastes.

T. Special Wastes. "Special Wastes" means any designated wastes, as defined in 23 Cal. Code of Regs. §2522, and special handling waste generated by industrial facilities or processes, but shall not include "Hazardous Waste" as defined herein. Special wastes include: asbestos, sewage sludge, water treatment sludge, drilling muds, grease wastes, contaminated soils, shredder waste, agricultural wastes, filter cake/dewatered sludge, scrap metal, spent catalyst fines, refinery ash and by-products; except where any such wastes are deemed to be hazardous waste.

U. Transfer Station. "Transfer Station" shall mean a facility wherein residential, industrial and commercial solid waste is temporarily deposited for the purpose of processing, compacting and consolidating in order to be transferred to a landfill or other solid waste disposal facility.

V. Authorized Solid Waste Container. Authorized Solid Waste Container means a wheeled cart having a capacity of between approximately 30-90 gallons, or a wheeled bin having a capacity of between approximately 1 ½-8 cubic yards.

W. Construction and Demolition Waste. Construction and Demolition Waste or C&D Waste means used or discarded construction materials removed from a premises during the construction, renovation or demolition of a structure or premises, including rocks, soil, tree remains, and other green waste which normally results from land clearing or land development operations.

X. Food Waste. Food Waste means solid waste comprised of animal, fruit or vegetable matter that results from the preparation, consumption, decay, dealing in or storage of meats, fish, fowls, fruits or vegetables.

Y. Green Waste. Green Waste means leaves, grass, weeds, and wood materials from trees and shrubs that fit within a cart, or tree trunks or limbs that are less than six inches in diameter or four feet in length.

Z. Organics Waste. Organics Waste means food waste and green waste, either individually or in combination.

AA. Permanent Service. Permanent Service means routine, regularly-scheduled collection of solid waste, recyclable material or, organics waste in carts or bins on a continuing basis, as opposed to temporary service.

BB. Temporary Service. Temporary Service means bin service provided to premises on a temporary, as-needed basis, such that no container remains on the premises or a service location on a premises for more than thirty (30) calendar days at a time, or for

more than sixty (60) calendar days of any ninety (90) calendar day period.”

## **SECTION 2 -GRANT AND ACCEPTANCE OF EXCLUSIVE RESIDENTIAL AND COMMERCIAL FRANCHISE**

A. Grant of Franchise. City grants to Grantee, for the term of and in accordance with this Franchise Agreement (including all extensions or renewals), the exclusive right, privilege and duty to collect, transport and remove to solid waste processing and/or disposal facilities, all residential, industrial and commercial solid waste (including discarded recyclables and discarded recyclable material and green waste) generated or accumulated within the Franchise Area which has been placed in an authorized solid waste container. Except as otherwise provided herein, all commercial, industrial and residential premises and community activities within the Franchise Area shall be required to utilize the collection services of Grantee provided hereunder.

B. Acceptance of Franchise. Grantee agrees to be bound by and comply with all the requirements of this Franchise Agreement. Grantee waives any right or claim to serve any part of the Franchise Area under any prior grant of franchise, contract, license or permit issued or granted by any governmental entity.

C. Exceptions to Exclusivity. The exclusive privilege granted by this Agreement shall not apply where:

(1) A person or entity contracts for the removal and recycling of construction and demolition waste or green waste and such removal and recycling are incidental to work such as remodeling or gardening performed by or for the customer; or

(2) Food waste is collected and transported to agricultural operations solely for use as animal feed, without processing by any means.

(3) A person handles, hauls or transports solid waste or recyclables generated by or from his/her own residence or business operation for purposes of disposing of same at an authorized processing or disposal facility.

D. Sale or Donation of Recyclables. This Agreement is not intended to and does not affect or limit the right of any person to sell any Recyclable Material to any person, provided that the sale results in a net payment to the generator from the collector or end user after deduction of processing, transportation and residue disposal costs (and not simply a reduction in payment made by the generator to the collector or end user), or to donate Recyclable Material to any bona fide charity, provided that all such Recyclable Material is separated by type (e.g. aluminum cans) by the generator.

## **SECTION 3 -FRANCHISE FEE; CITY SURCHARGE**

A. Grantee shall pay to City a franchise fee set by City Council resolution, which fee shall be a percentage of the gross revenues derived by Grantee from operations pursuant to this Franchise Agreement. The franchise fee is initially set at ten percent (10 %) of gross revenues. Effective August 1, 2013, the franchise fee will increase to twelve and one-half percent (12½ %), and thereafter from time to time may be adjusted by Resolution of the City Council. The franchise fee percentage increase effective August 1, 2013 shall be included within the rates set forth in Exhibit A, as adjusted, and Grantee shall not be entitled to any additional increase in the rates. Should the franchise fee percentage be increased or decreased in the future, the rates shall be adjusted to reflect any change. The franchise fee shall be due and payable monthly within forty-five (45) days following the end of each month. If payment is not received within said forty-five (45) day period, interest shall accrue thereon at the rate of fifteen percent (15%) per annum or at the maximum interest rate permitted under California law, whichever is greater. City shall give Grantee a minimum of ninety (90) days' notice of any changes in the franchise fee, and any such changes shall result in a corresponding adjustment to Grantee's rates under this Agreement.

B. Grantee shall collect on behalf of City and pay over to City, as and when received, a City surcharge in the amount of 9.18% of Grantee's billings for residential services and commercial/industrial services, less franchise fee amounts. This surcharge is designed to return the City's Solid Waste Enterprise Fund to a positive fund balance. The collected surcharge amounts shall be paid to the City monthly within forty-five (45) days following the end of each month. If payment is not received within said forty-five (45) day period, interest shall accrue thereon at the rate of fifteen percent (15%) per annum or at the maximum interest rate permitted under California law, whichever is greater. City shall give Grantee a minimum of ninety (90) days' notice of any changes in the City surcharge, such that Grantee's invoices to customers can be adjusted accordingly.

## **SECTION 4 -COMPLIANCE WITH LAWS AND REGULATIONS**

Grantee warrants that it will comply with all applicable federal and state laws legally binding on Grantee in effect during the term of this Agreement, including implementing regulations, as they may, from time to time, be amended, specifically

including, but not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601, et seq., the California Integrated Waste Management Act of 1989 ("AB 939"), and all other applicable laws of the State of California. Moreover, Grantee shall comply with all local laws and regulations applicable to Grantee to the extent they are not inconsistent with the terms of this Franchise Agreement. Grantee shall comply with all final and binding judgments entered against Grantee regarding its services performed under this Agreement.

## **SECTION 5 –FRANCHISE AREA**

A. Franchise Area Defined. The Franchise Area granted by this Franchise Agreement shall be all residential, commercial and industrial areas within the boundaries of the City as they exist on the effective date of this Franchise Agreement, and as they may hereafter be changed by reason of annexation or deannexation.

## **SECTION 6 –SERVICES PROVIDED BY GRANTEE**

A. City to Approve All Services. The nature of the services Grantee offers and provides residences or businesses in the Franchise Area shall be determined by the City Council. The City Council may change the level of such services from time to time on reasonable notice to Grantee, provided that the City Council adjusts Grantee's rates to reflect the change in service levels. The services that Grantee offers and provides to customers affected by this Franchise Agreement shall be subject to the prior approval of the City Council or its designee. Nothing in this Agreement, however, shall be construed or interpreted as authorizing the City to reduce or adversely affect Grantee's exclusive franchise rights as specified in Section 2.A of this Agreement.

B. Once-A-Week Service. In order to protect the public health and safety the collection of Solid Waste by Grantee in the Franchise Area not defined in the Franchise Agreement as Recyclable Material, shall provide for the collection of such waste generated or accumulated in residential, commercial, and industrial premises within the Franchise Area at least once per week, or more frequently, as Grantee and City may agree.

(1) Single-Family Units. The Grantee shall collect from Single-Family Units Solid Waste (except Bulky Wastes and Special Wastes) which have been placed, kept or accumulated in authorized Solid Waste containers, at curbside or other authorized collection station(s) prior to Grantee's normal weekly collection time. Effective April 1, 2013, Grantee shall provide for all regularly-scheduled residential collection in the City on one day, which initially shall be on Wednesday. The designated collection day may be changed by mutual agreement between Grantee and the City Administrator. Effective May 1, 2016 or as soon as practical thereafter, Grantee will discontinue offering 15-gallon "Lifeline" service. 15-gallon customers will be transitioned to 30-gallon service at the established 30-gallon rate.

(2) Commercial and Multi-Family Units. Grantee shall empty all commercial and multi-family authorized Solid Waste containers not less often than once per week, and more frequently if required to handle the Commercial or Multi-Family Unit waste stream of the premises where the containers are located, in a manner consistent with public health and safety. Commencing August 1, 2013, Grantee will discontinue offering service using a 350-gallon cart, and thereafter will transition existing 350-gallon cart customers to service using smaller carts or bins.

C. Hours of Collection. Grantee agrees that, in order to protect the peace and quiet of residents, the collection of Solid Waste for residential and commercial areas shall not start before 6:00 A.M., or continue after 7:00 P.M., seven (7) days per week. Grantee agrees to reasonably adjust the hours of commencement of collection operations in selected areas at the request of City where early collection activities have generated numerous complaints from residents.

D. Collection on Holidays. Grantee has informed City that Grantee will provide that if the day of collection on any given route falls on a legal holiday, e.g., New Year's Day or Christmas Day, observed by the Materials Recovery Facility, landfill or other lawful disposal site to which solid waste collected within the Franchise Area is taken for disposal, Grantee shall provide collection service for such route on the work day next following such holiday, and shall not provide collection service on such holiday, and all subsequent collection days during that holiday week shall be moved back one day in the discretion of Grantee.

E. Medical, Hazardous and Special Wastes. Grantee shall have the non-exclusive right under this franchise, but is not obligated to collect, transport and dispose of material defined as hazardous waste or special waste herein. Grantee may reject or refuse to collect any hazardous or special waste set out for collection, and title to all such materials shall remain with customer, unless Grantee consents to accept such materials as set forth below. Grantee may negotiate separate contracts and rates for hazardous and special waste collection with each individual customer, which rates shall not require advance City approval, but may be reviewed by the City in its discretion at the request of any customer. Grantee shall not engage in the collection of medical waste; however, Grantee's principals may form a separate and independent company to engage in the collection and disposal of medical

waste. City reserves the right to franchise other parties to perform hazardous, medical and special waste handling services, provided it first gives Grantee an opportunity to submit a proposal to provide these services.

F. City Approval of Grantee's Recycling Programs. Before initiating new recycling programs or activities ("programs") within the Franchise Area, Grantee shall seek and obtain the express approval of City before implementing such recycling programs. In seeking City's approval for such new programs, Grantee shall provide the City with a detailed description of the proposed program, as well as a projection of costs and revenues associated with the program. In determining whether to approve any such proposed program, City may, in its sole discretion, choose to completely or partially subsidize the program.

G. For purposes of defining the scope of services provided by Grantee under this Agreement, the Parties acknowledge that Grantee's submittal in response to the City's Request for Proposal is hereby incorporated by reference into this Agreement and is attached hereto as Exhibit C.

H. Public Education. Grantee acknowledges that education and public outreach and awareness are essential elements of efforts to achieve AB 939 requirements of source reduction, reuse, recycling and composting. Accordingly, prior to July 1, 2013, and by July 1st of each year thereafter, Grantee shall develop and implement an annual public education and information program, in English and Spanish, in order to offer effective outreach and education programs to schools, businesses and multi-family housing units explaining program offerings and maximizing participation in recycling efforts. Grantee shall will also provide information to the City on other matters such as holiday collection schedules for posting on customer bills, as well as publishing procedures for complaints and service requests. The public education and information program shall include use of the City's community public access television and website for posting education messages, with links to the Grantee's website. Grantee will also provide information to the City for their website on refuse and recycling services. The various elements of the public education and information program shall be reviewed and approved by the City Administrator prior to implementation, and not later than July 1, 2013. The direct costs of implementing the program shall be borne by the Grantee.

All brochures, mailings, and other educational materials are to be approved by the City in advance of distribution. Any outreach material utilizing paper provided and distributed by the Grantee shall be made from a high percentage post-consumer recycled-content paper and must be labeled "Printed on Recycled Paper, 30% Post-Consumer Content" on the outreach material.

Specific Public Education activities shall include:

1. Public Outreach Efforts. Grantee will provide the dedicated staff hours necessary to conduct the public outreach efforts in English and Spanish. Grantee will provide, at a minimum, the following staff hours to implement the key recycling outreach programs:

Single-Family Recycling Outreach Program: 96 hours per year

Multi-Family Recycling Outreach Program: 96 hours per year

Commercial Recycling Outreach Program: 96 hours per year

2. Web-based Information. The public education and information program shall include use of the City's website for posting education messages, with links to the Grantee's website. Grantee will also provide information on their website on refuse and recycling services and special pick ups. In addition, Grantee shall post electronic "Welcome Package" brochures with refuse and recycling information for new residential and business and Multi-Family customers on the City website as well as have available in hard copy. Grantee shall update this information based on any program, service or date changes. The various elements of the public education and information program shall be reviewed and approved by the City Administrator prior to implementation, and not later than July 1, 2013 and every year thereafter.

3. Annual Newsletter. At least once a year, a newsletter shall be prepared in English and Spanish by the Grantee informing customers of how to use available services, AB 341 information (if applicable), how to place carts for collection, which materials should be placed in each cart, holiday collection schedules, and customer phone numbers. Newsletter shall address Residential, Multi-Family, and Commercial customers. Said newsletter shall be prepared and direct mailed by Grantee or as part of monthly mailing of City utility bill for each year this Agreement is in effect. Said newsletter shall also be posted on the Grantee's website with a link from the City site.

4. Corrective Action Notice. For use in instances where the customer sets out inappropriate materials, Grantee is to track and provide a quarterly report to the City of the number of Corrective Action Notices that have been cited.

5. Notice of Contamination. Upon observing contamination, Grantee drivers will attach a Notice of Contamination tag to the cart that documents the type of contamination so that customers can understand how to more appropriately participate in the recycling

program in the future. In addition, the tag will provide information on what materials can be recycled and why it is important that everyone in Guadalupe participate fully in the recycling program.

6. Container Labeling. By July 1, 2013, Grantee shall place recycling stickers on all residential containers in both English and Spanish.

I. AB939 Diversion Requirements. Grantee shall make good faith efforts to assist the City's compliance with Public Resources Code Section 41780 through diligent implementation of the recycling and public education programs set forth herein. If, at any time after August 1, 2013, City is determined to have failed to comply with Public Resources Code Section 41780 with respect to Solid Waste Collected pursuant to this agreement, Grantee will assist City to develop a plan for compliance with Section 41780, through implementation of applicable portions of City's Source Reduction and Recycling Element. Grantee understands that any such plan is intended to constitute a good faith plan to implement applicable portions of County's Source Reduction and Recycling Element and be reasonably likely to achieve compliance with Section 41780. In the event that it is determined that the City has failed to comply with Section 41780 arising from Grantee's failure to diligently implement the recycling and public education programs set forth herein, the cost of any new or additional recycling programs will be borne solely by Grantee.

Should the City Council by Resolution establish a policy to significantly exceed the current state-mandated City-wide AB 939 diversion minimum, or in the event that the State of California increases the requirements of Public Resources Code Section 41780 for the City-wide AB 939 diversion minimum, the Grantee agrees to undertake its best reasonable efforts to implement programs and provide equipment necessary in order for the City to meet the enhanced diversion mandates or policies. Provided that Grantee had heretofore diligently implement the recycling and public education programs set forth herein, Grantee shall be entitled to an extraordinary rate adjustment under Section 18.C to reimburse for costs associated with these new or additional recycling policies or mandates.

J. AB 341 and AB 1826 Assistance. Grantee shall make good faith efforts to assist the City to implement the requirements of AB 341 and AB 1826, including education, outreach and monitoring requirements of the Mandatory Commercial Recycling law and Mandatory Commercial Organic Waste law. On or before November 1, 2015, Grantee shall submit to City for review and approval, a revised plan and program to identify all customers subject to the requirements of AB 341 and AB 1826, provide periodic on-site visits to such premises to offer and promote recycling and organic waste services and to attempt to resolve any logistical detriments to providing service, and notify and request assistance from the City for potential follow up action where there is a repeated refusal to implement recycling or organic waste services. City agrees to provide reasonable assistance to Grantee in implementing the plan and program, including preparing a letter for distribution to customers regarding AB 341 and AB 1826 requirements, and occasional participation by City personnel in meetings with customers who repeatedly refuse to implement recycling services. Grantee shall faithfully report recycling and organic waste data and tonnage to the City and regulatory agencies on a quarterly basis. Grantee shall address and correct any contamination issues involving commercial recycling. Grantee shall place AB 341 and AB 1826 information on Grantee's and City's website

Specific AB 341 programs shall include:

1. Instructional Packet Accompanying Site Assessments and Grantee-Provided Containers. An informational packet (similar to information posted on the website) shall be accompanied with any Site Assessment or Container delivery to a commercial or multi-family customer required to comply with AB 341. The packet should describe, at a minimum, available services, AB 341 information (if applicable), how to place carts for collection, which materials should be placed in each cart, holiday collection schedules, and customer phone numbers.

2. Multi-Family Outreach and Education. Grantee shall significantly target Multi-Family Premises required to comply with AB 341 which often have low recycling rates compared to Single-Family and Commercial customers. Lack of information, confusion about what is recyclable, disinterest among residents and management and limited container enclosure size can all contribute to low participation rates. Grantee will work to overcome these challenges and engage the Multi-Family Customers in Guadalupe to participate in recycling.

3. Grantee will visit each Multi-Family Bin customer required to comply with AB 341 where recycling service is not currently being utilized to meet with the property owner or manager for the purpose of establishing a recycling program.

4. Grantee will provide all property managers and residents with Bin/Cart service with Recycling program guidelines, posters placed in laundry rooms, refuse/recyclable container enclosures and other community areas at each building, and other outreach materials tailored to Multi-Family Bin/cart customer service. Grantee shall contact each Multi-Family customer, building owner or property manager within 120 days of the start of this agreement in an effort to implement or optimize recycling programs providing educational materials, and to train owner/manager in how to work with tenants to recycle. Grantee shall provide each

building owner and property manager with welcome packets for owner/manager to provide to each new resident upon move-in; packets will include information on what should be placed in the Recyclables Material Containers.

K. City Facilities. Beginning March 1, 2013, Grantee will provide solid waste, green waste, and recyclable material collection services at designated facilities at no charge to the City, using carts and bins. Locations and required services are described in Exhibit B attached hereto. In addition, Grantee will perform a waste audit of each City facility designated, and implement a comprehensive waste diversion program, including education of City employees, at no additional cost. The rate for roll-off box service for the City shall remain at \$135 per haul until August 1, 2016, and thereafter shall be adjusted in accordance with Section 18.

L. Community Cleanup. Beginning June 1, 2013, Grantee shall provide roll-off boxes, delivered to locations determined by the City, for collection of solid waste, green waste, bulky-items and e-waste at two community cleanup events each calendar year, at no cost to City. These events shall take place on two Saturdays agreed upon by the City and Grantee, and are available exclusively to the occupants of residential premises in the City. The City and Grantee will cooperate to develop methods to assure proof of residence in the City prior to allowing participation. The annual value of this service shall not exceed twenty thousand dollars (\$20,000.00).

M. Street Sweeping. Grantee will provide street sweeping within the City in accordance with the plan included as Exhibit C.

N. Holiday Tree Collection. Grantee will collect, transport and recycle holiday trees which are placed at the curbside at all residential premises on the regularly-scheduled collection day on the first full week of each January, at no cost to City residents or the City. Grantee is not required to collect or accept artificial holiday trees, or trees containing decorations, ornaments, tinsel, debris, support stands or other foreign matter as part of this diversion program.”

#### **SECTION 7 • DISPOSAL OF SOLID WASTE**

A. Grantee's Disposal Obligations. Grantee shall dispose of all Solid Waste at any permitted and licensed site or facility where such disposal is lawful, as selected by Grantee in its sole discretion, provided however that Grantee shall strive to provide the City with disposal services that are both cost effective and environmentally sound. Grantee shall also be responsible for selecting an appropriate facility for the processing of Recyclables and green waste under this Agreement, and shall select a facility that is properly permitted and meets all applicable regulatory requirements.

B. City's Jurisdiction. The parties hereto agree that City currently has jurisdiction to regulate the collection, removal, handling and disposal of all solid wastes generated in the Franchise Area. The intent of this Agreement is to regulate residential, commercial and industrial solid waste handling service. However, this Agreement does not regulate the collection, removal and disposal of hazardous waste, medical waste, or special waste, irrespective of origin.

Throughout the term of this Agreement, unless the City gives notice as provided for herein and subject to the terms of this Agreement, it shall be the Grantee's sole responsibility and duty to dispose of the solid waste collected by virtue of this Agreement, and do so in a safe manner and in compliance with all federal, state, and to the extent not inconsistent with this Agreement, local laws and regulations. In this connection, the Grantee agrees that it shall dispose of all solid waste collected in the Franchise Area at a solid waste facility that is fully licensed and appropriately permitted and, to Grantee's knowledge, is not in material violation of any health, safety or hazardous materials laws, rules, regulations or orders.

C. Rights Reserved as to Hazardous Wastes, Medical Wastes and Special Wastes. The City reserves the right to contract with other parties to have hazardous, medical and special wastes collected, transported, disposed of, processed and/or diverted, provided the City first gives Grantee the right to submit a proposal to perform such services.

#### **SECTION 8 • CASH BOND AND INSURANCE**

A. Cash Bond. In the event Grantee fails to make timely payment of any franchise fees owed to City, City may require Grantee, in addition to paying the late franchise fee payment plus default interest thereon, to deposit with City a cash bond or a letter of credit for the benefit of City in the sum of One Hundred Thousand Dollars (\$100,000.00) in an interest-bearing account. The cash bond or letter of credit shall be on terms acceptable to the City Attorney and approved by the City Council. The cash bond or letter of credit shall serve as security for the faithful performance by Grantee of all the provisions and obligations of this Franchise Agreement. All interest shall be paid to the Grantee.

(1) After thirty (30) days following Grantee's failure to pay the City an amount owing under this Franchise Agreement plus interest at the rate of fifteen percent (15%) per annum, the cash bond or letter of credit may be assessed by the City upon five (5)

days' prior written notice to the Grantee for purposes including, but not limited to:

(a) Failure of Grantee to pay the City sums due under the terms of the Franchise Agreement;

(b) Reimbursement of costs borne by the City to correct Franchise Agreement violations not corrected by Grantee, after due notice; and

(c) Monetary remedies or damages assessed against Grantee due to breach of Franchise Agreement.

(2) The Grantee shall deposit a sum of money sufficient to restore the cash bond to the original amount within thirty (30) days after notice from the City that any amount has been withdrawn from the cash bond.

B. Insurance: The Grantee shall provide proof of a policy of insurance satisfactory to the City Administrator and documentation evidencing that the Grantee maintains insurance that meets the following requirements:

1. Full Workers' Compensation and Employers' Liability Insurance covering all employees of the Grantee as required by law in the State of California.
2. Commercial General Liability Insurance of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage, including but not limited to endorsements for the following coverage: Premises, personal injury, operations, products and completed operations, blanket contractual, and independent contractors liability.
3. Automobile Liability Insurance of not less than One Million Dollars (\$1,000,000) is required in the event motor vehicles are used by the Grantee in performance of the contract.
4. Environmental Impairment Insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence.
5. Explosion, Collapse and Underground coverage is required when the scope of work includes XCU exposures.
6. Grantee shall furnish proof of coverage satisfactory to the City Administrator as evidence that the insurance required herein is being maintained. The insurance will be issued by an insurance company listed "A-VII" or better in the Best's Key Rating Guide and that are admitted insurers in the State of California, or be provided through partial or total self-insurance likewise acceptable to the City Administrator.
7. The City, its officers, officials, employees, and volunteers are included as additional insureds, but only insofar as the operations under this agreement are concerned. This provision shall apply to all liability policies except Workers' Compensation and professional liability insurance policies. Proof that the City is named additional insured shall be made by providing the City Administrator with a certified copy, or other acceptable evidence, of an endorsement to Grantee's insurance policy naming the City additional insured.
8. In the event Grantee cannot provide an occurrence policy, Grantee shall provide insurance covering claims made as a result of performance of this Contract for not less than three (3) years following completion of performance of this Agreement.
9. Any deductibles or self-insurance retentions are for the account of Grantee, and Grantee is solely responsible for their payment. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to the City, its officers, officials, employees and volunteers; or the Grantee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
10. The insurance required herein shall provide that no cancellation or material change in any policy shall become effective except upon thirty (30) days prior written notice to the City Guadalupe at the office of the City Administrator, 918 Obispo St., Guadalupe, CA 93434.
11. Grantee agrees that the insurance required herein shall be in effect at all times during the term of this agreement. In the event said insurance coverage expires at any time or times during the term of this contract, Grantee agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract or for a period of not less than one (1) year (for an occurrence policy) or (3) years (for a claims made policy). New certificates of insurance are subject to the

approval of the City Administrator.

12. Certificate shall meet such additional standards as may be determined by the City Administrator as essential for protection of the City.
13. Grantee shall not commence performance of this Agreement unless and until compliance with each and every requirement of the insurance provisions is achieved.
14. Failure of Grantee to maintain the insurance required herein, or to comply with any of the requirements of the insurance provisions, shall constitute a material breach of the entire Agreement.
15. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
16. The Grantee's insurance coverage shall be primary insurance as respects to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Grantee's insurance and shall not contribute with it.
17. The insurance companies shall have no recourse against the City, its officers, agents, employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company. Grantee shall indemnify and hold City harmless for any such claims by insurance companies insuring Grantee.
18. Grantee's indemnity and other obligations shall not be limited by the insurance required herein and shall survive the expiration of the Agreement.
19. To the extent that this Section 7, "Contractor's Insurance," is inconsistent with 7-1.12, "Responsibility for Damage," of the State of California, Department of Transportation, Caltrans, Standard Specifications, this Article shall govern; otherwise each and every provision of such Section 7-1.12 shall be applicable to this Agreement.

#### **SECTION 9 -TERM**

A. Initial Term. The term of this Franchise Agreement shall commence on August 1, 2006 and shall terminate at the close of business on July 31, 2023.

B. Renewal Options. The City shall have the right, in its sole discretion, to unilaterally extend the term of this Franchise Agreement for two additional periods of five years each. If the City elects to so extend this agreement for either one or both of these optional extension periods, the City shall give the Grantee notice of its election to exercise each such option a minimum of ninety (90) days before the then current termination date of this Agreement."

C. Changed Services. During the term, at the request of the other, the parties agree to negotiate in good faith regarding allowing City to direct material collected hereunder to a specific handling, processing or disposal facility, with an equitable adjustment to the rates to reflect changes in Grantee's revenues and costs, and to equitably modify the CERCLA indemnification.

D. Prior Agreement. As of the effective date of this Amended and Restated Agreement, the Prior Agreement shall be null and void and of no further effect, except for any indemnification obligations arising thereunder.

#### **SECTION 10 -FRANCHISE TRANSFERABLE; CITY'S CONSENT REQUIRED**

A. No Assignment Without Consent. The franchise granted by this Franchise Agreement shall not be transferred, sold, hypothecated, sublet or assigned, nor shall any of the rights or privileges herein be hypothecated, leased, assigned, sold or transferred, either in whole or in part, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any person, except the Grantee, by act of the Grantee, without the prior written consent of the City expressed by resolution. Any attempt by Grantee to assign this franchise without the consent of City shall be void.

B. Standards Governing Consent. The City shall not unreasonably delay or withhold its consent to a transfer of the franchise granted by this Franchise Agreement. The City may impose reasonable conditions of approval on any Franchise Agreement transfer.

C. Assignment Defined. The term "assignment" shall include any dissolution, merger, consolidation or other reorganization of

the Grantee, which results in change of control of the Grantee, or the sale or other transfer of a controlling percentage of Grantee's capital stock to a person not a shareholder, immediate family member, management employee or principal of the Grantee or to an affiliate on the date of the execution of this Agreement.

D. "Change in Control" Defined. City consent is required for any change in control of Grantee. "Change in control" shall mean any sale, transfer or acquisition of Grantee. If Grantee is a corporation, any acquisition of more than twenty five percent (25%) of Grantee's voting stock by a person, or group of persons acting in concert, who already owns less than fifty percent (50%) of the voting stock, shall be deemed a change in control; provided, however, any transfer of ownership of any or all of the stock of Grantee to an immediate family member, management, employees or principal of the Grantee or to a wholly-owned subsidiary of Waste Management, shall not constitute a change in ownership.

E. Breach. Any assignment or change in control of the Grantee occurring without prior City approval shall constitute a material breach of this Franchise Agreement.

F. City's Option to Terminate. In the event the Grantee herein attempts to assign or subcontract this Agreement or any part hereof or any obligation hereunder, the City shall have the right to elect to terminate this Agreement forthwith, without suit or other proceeding.

G. Permitted Transfers. Notwithstanding any other provision in this section, Grantee or its shareholders may, without consent of the City, transfer ownership of Grantee's capital stock to an Employee Stock Option Plan (ESOP), or to current management employees of Grantee, or to members of the immediate family of the shareholders of Grantee. In addition, Grantee may transfer or assign this Franchise Agreement to another corporate affiliate of Waste Management, provided such affiliate has economic resources and capital equal to or greater than that of Grantee.

H. Involuntary Assignments. Each or any of the following acts shall be considered an involuntary assignment providing the City with the right to elect to terminate the Agreement forthwith, without suit or other proceeding:

- (1) If Grantee is or becomes insolvent, or makes an assignment for the benefit of creditors;
- (2) If writ of attachment or execution is levied on this Agreement, or other property of Grantee, such that it would affect Grantee's ability to perform its duties and obligations under this Agreement; or
- (3) If, in any proceeding to which Grantee is a party, a receiver is appointed with authority to take possession of Grantee's property, such that would affect Grantee's ability to perform its duties and obligations under this Agreement.

I. Conditions to Obtaining City's Consent. The City's consent to an assignment or change of control may be withheld if, inter alia, the following conditions are not satisfied:

- (1) The Grantee shall give the City at least ninety (90) days' advance written notice of the Grantee's intent to sell, transfer or assign this Agreement. As part of that notice, the Grantee shall provide to the City the following written information:
  - (a) The name, address and telephone number of the proposed assignee;
  - (b) The character of the legal entity owning or controlling the assignee, and the names, addresses and telephone numbers of all principals, partners and/or shareholders thereof, as the case may be; and
  - (c) A copy of any and all purchase and assignment agreements containing, at a minimum, the terms and conditions of the sale, transfer or assignment of this Agreement, and of Grantee's solid waste and recycling business; provided, however, that the dollar amount of any financial consideration may be deleted from said copies unless and until said information becomes relevant to the review of Grantee's transferee rates under this Franchise Agreement. Further, however, that nothing in this Franchise Agreement shall obligate City to treat any of said acquisition costs as an allowable expense of said transferee for rate setting purposes.
- (2) The proposed transferee must be shown, by credible and sufficient evidence, to be qualified, by financial condition, background and experience to be able to fully assume and satisfactorily perform all of the Grantee's obligations hereunder, and particularly, to be able to perform under this Agreement in a fashion that will assure the City of complying with AB 939.
- (3) The Grantee cannot be in default under any of the material terms and conditions hereof.
- (4) The transferee must be willing to, in writing, assume all of the obligations hereunder.

## **SECTION 11 - TRANSFER FEES**

A. Transfer Fee. Any application for a franchise transfer shall be made in a manner prescribed by the City Administrator or his/her successor. The application shall include a transfer fee in an amount to be set by City by resolution of the City Council, to cover the anticipated cost of all direct administrative expenses of City, including consultants and attorneys, necessary to adequately analyze the application and to reimburse City for all direct and indirect expenses. Such transfer fee shall not exceed \$5,000 (FIVE THOUSAND DOLLARS). Said transfer fee shall be deposited with City prior to City's approval of any such transfer.

B. Non-Recoverable Costs. These franchise transfer fees are over and above any franchise fees specified in this Franchise Agreement, and shall not be recoverable costs for rate setting purposes.

## **SECTION 12 - TERMINATION**

Each of the following shall constitute a material breach of this Franchise Agreement on the part of the Grantee:

A. Material Breach of Grantee's Obligations. The material failure or refusal of Grantee to comply with the obligations and duties imposed on Grantee pursuant to this Franchise Agreement. In the event of any material breach of any of the terms of this Franchise Agreement by Grantee, City and Grantee shall meet and confer in good faith in an effort to agree on a resolution and cure of the breach. If the parties are unable to agree on the informal resolution or cure of the breach, City shall have the right to terminate this Franchise Agreement if:

(1) The City shall have given prior written notice to the Grantee specifying that a particular default or defaults exist which will, unless corrected, constitute a material breach on the part of the Grantee of this Franchise Agreement; and

(2) The Grantee has not corrected such default or has not taken reasonable steps to commence to correct the same within thirty (30) days from the date of the notice given pursuant to clause (A)(1) of this section, or thereafter does not diligently continue to take reasonable steps to correct such default.

B. Events of Insolvency. The Grantee (i) being or becoming insolvent or bankrupt, or ceasing to pay its debts as they mature, or making an arrangement with or for the benefit of its creditors, or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property; or (ii) being or becoming a party to a voluntary or involuntary bankruptcy, winding up, reorganization, insolvency, arrangement or similar proceeding instituted by or against the Grantee under the laws of any jurisdiction, which proceeding, if involuntary in nature, has not been dismissed within sixty (60) days; or (iii) taking any action approving of, consenting to, or acquiescing in any such proceeding; or (iv) being a party to the levy of any distress, execution or attachment upon the property of the Grantee which shall substantially interfere with the Grantee's performance hereunder. In the event of the Grantee being or becoming insolvent or bankrupt, the Grantee shall (i) assume or reject this Agreement within sixty (60) days after the order for relief; (ii) promptly cure any failure to perform its obligations or any event of default arising under this Agreement for reasons other than the event set forth in this paragraph; and (iii) provide adequate assurance of future performance under this Agreement under 11 USC Section 365(b)(1)(c), or any successor provision of the Federal Bankruptcy Code. The foregoing provisions shall not prevent the City from requesting such other conditions to assumption of this Agreement, as it deems reasonable and necessary.

C. No Waivers. Any waiver of a breach shall not be deemed to be a waiver of any subsequent breach or to be construed as approval of a course of conduct.

D. Termination. Upon the occurrence of a material breach, failure to cure such breach, and the declaration of termination of this Agreement by the City Council, this Agreement and the franchise granted thereunder shall be of no further force and effect, excepting those provisions concerning City's right to indemnity and to temporarily assume Grantee's obligations. City then shall be free to enter into whatever other arrangements are deemed justified and necessary for the collection, removal and disposal of solid waste within the Franchise Area.

## **SECTION 13 - RIGHTS OF CITY TO PERFORM DURING EMERGENCY**

A. Emergency Collection. Should Grantee, for any reason whatsoever, except the occurrence or existence of any of the events or conditions set forth in Section 25.A ("Force Majeure") below, refuse or be unable to collect, transport and dispose of any or all of the Solid Waste which it is obligated under this Franchise Agreement to collect, transport and dispose of for a period of more than seventy-two (72) hours, and if as a result thereof, solid waste should accumulate in the Franchise Area to such an extent, in

such a manner, or for such a time that the Director of Environmental Management in the exercise of his/her sole discretion, should find that such accumulation endangers or menaces the public health, safety or welfare, then in such event City shall have the right, upon twenty-four (24) hour prior written notice to Grantee, during the period of such emergency, to contract on a temporary basis with third parties to collect and transport any and all solid waste which Grantee would otherwise be obligated to collect and transport pursuant to this Franchise Agreement.

B. Grantee to Cooperate. Grantee agrees that in such event it will fully cooperate with City and its third-party contractor to effect such a transfer of operations in as smooth and efficient a fashion as is practicable.

C. Grantee to Pay Increased Costs. All costs, fees, rates and other expenses incurred by the City and/or its third-party contractor that exceed those which would have been incurred by City had no such emergency arisen shall be the responsibility of the Grantee, and shall be paid to the City within thirty (30) days of Grantee's receipt of written notice to so pay.

#### **SECTION 14 - PRIVACY**

A. Privacy of Customer Information. Grantee shall use all reasonable efforts to observe and protect the rights of privacy of customers. Information identifying individual customers, or the composition or contents of a customer's refuse or recyclables shall not be revealed to any person, private agency or company, unless upon the request of federal or state law enforcement personnel, the authority of a court of law, by statute, or upon valid authorization of the customer. This provision shall not be construed to preclude Grantee from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB 939, or any other reports requested by the City under the Franchise Agreement or required or requested by any governmental agency.

B. Mailing Lists. Grantee shall not market or distribute outside the normal course of its business, mailing lists with the names and addresses of customers supplied by City.

#### **SECTION 15 - RECORDS AND ACCOUNTING**

A. Financial Reporting. Grantee shall maintain a proper set of books and records on an accrual basis, and an annual reviewed or audited financial statement in accordance with generally accepted accounting principles, accurately reflecting the business done by it under this Agreement. Grantee shall submit to the City each year a copy of its reviewed or audited annual financial statement as soon as it is received by Grantee, but in all events no later than four (4) months following the close of Grantee's fiscal year. Grantee may submit the audited financial statements of its parent corporation, Waste Management, Inc., to satisfy this requirement

B. Service Records. Grantee shall maintain all records relating to the services provided hereunder, including, but not limited to, customer lists, billing records, route maps, AB 939 records, and customer complaints for a period of five (5) years from the date of the generation of each such record. The City or its agent(s) shall have the right, upon ten (10) business days' advance notice, to inspect all maps, AB 939 records, Grantee's books and records, customer complaints, and other like materials of the Grantee which reasonably relate to Grantee's compliance with the provisions of the Franchise Agreement. Such records shall be made available to City at Grantee's regular place of business. Grantee shall further maintain and make available to City, records as to number of customers, total and by type, route maps/route listings, service records and other materials and operating statistics in such manner and with such detail as City may require. City shall treat the information required by this paragraph that affects the competitive position of the Grantee as confidential information to the extent permitted by law. City shall not make or retain copies or photocopies containing information set forth in Grantee's confidential financial and business records pertaining to the establishment of rates and payment of franchise fees without executing a Confidentiality Agreement providing that City shall hold and keep such copies and photocopies confidential. The Confidentiality Agreement shall be negotiated in good faith between the City and Grantee, and commemorated in a separate legally binding document prior to any subsequent rate increase.

C. Underpayment of Franchise Fees or City Surcharge. Should any examination or audit of Grantee's records reveal an underpayment of any fee or surcharge required under this Franchise Agreement, the amount of such underpayment shall become due and payable to City not later than thirty (30) days after written notice of such underpayment is sent to Grantee by City. Should an underpayment of more than two percent (2%) be discovered, Grantee shall bear the entire cost of the City's audit or examination, and said cost shall not be recoverable through rate setting. Any underpayment of Franchise Fees or City Surcharge is subject to a penalty of 10% of the amount of the underpayment, in addition to the underpayment.

D. Public Records. Nothing in this section will prevent City from allowing public access to City's records as provided for under the California Government Code, and in the event any dispute arises as to the public access to information provided by Grantee under the terms of this Agreement, the City shall, in its discretion, provide public access to said information according to law or

tender the defense of any claims made against the City concerning said information to Grantee. Prior to releasing any information pursuant to this paragraph, City shall make a good faith effort to notify Grantee of the intended release and provide Grantee with an opportunity to seek a protective order.

E. City Access to Customer Lists. Upon reasonable notice or as otherwise agreed herein, and at those times designated by the City, Grantee shall supply to the City lists of the names of all customers of Grantee who are provided any service by Grantee within the Franchise Area. At the same or other time, the City may request, and the Grantee shall provide information specifying each customer's address, type of service provided to that customer, the number and type of authorized solid waste containers used by or provided to each customer, whether and which customers are believed to be violating this Agreement, any mandatory subscription ordinance or any other provision of the law, and any other information that the City determines, in its sound discretion, reasonably required to monitor implementation of this Agreement and/or discharge the City's responsibilities under the law.

## **SECTION 16 -REPORTS AND ADVERSE INFORMATION**

### **A. Monthly and Annual Reports.**

#### **Report Formats and Schedule**

- Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:
  - Determine and evaluate the efficiency of operations;
  - Evaluate past and expected progress toward AB939 goals and objectives;
  - Determine needs for adjustment to programs; and
  - Evaluate Customer service and complaints.

The Grantee may propose formats that are responsive to the objectives and audiences for each report. The format of each report requires approval by the City. The Grantee agrees to submit all reports by electronic means in a format compatible with the City's software/computers at no additional charge. The Grantee will provide a certification statement, under penalty of perjury, by an authorized Grantee official, that the report being submitted is true and correct.

Monthly reports shall be submitted within twenty (20) calendar days after the end of each month. Annual reports shall be submitted before January 31 following the reporting year.

All reports shall be submitted electronically to the City as directed, and to:

City of Guadalupe City Administrator (or designated representative) 918 Obispo Street Guadalupe, CA 93434

#### **Monthly Reports**

The information listed shall be the minimum reported:

- Solid Waste Collected by the Grantee for each month, sorted by type of Solid Waste (Refuse, Recycling, Yard Waste) and type of Customer (Residential cart, Bin and Commercial Cart Service, Roll off) in tons.
- Narrative summary of problems encountered (including scavenging) and actions taken with recommendations for the City, as appropriate.
- Warning notices issued for contaminated Recyclable Materials and Yard Waste Containers
- Copies of Promotional and public education materials sent during the quarter
- Other information or reports that the City may reasonably request or require
- List of Commercial Customers actively participating in Recycling programs with Grantee, and list their service levels; and the number not recycling.

#### **Annual Report**

The Annual Report is to be essentially in the form and content of the monthly reports combined, but shall also include:

- A complete inventory of Collection equipment used to provide all services (such as vehicles and Containers by size and waste stream type Container is used for).
- A summary of the number of Bins by size and service level, Cart counts by size (15-, 30-,60-and 90-gallon) and type of service (Refuse, Recycling, Yard Waste, Residential versus Commercial), and Roll-off Box pulls per month by material type.
- Number of routes and route hours per day by type of service
- A summary of the previous year's activities (or in the case of the initial year, the initial year's activities), including, but not limited to, services begun or discontinued during the reporting year, and the number of customers for each class and level of

service;

- A revenue statement setting forth quarterly franchise fees, and the basis for the calculation thereof, certified under penalty of perjury by an officer of Grantee; and
- A list of Grantee's officers and members of its Board of Directors.

B. Adverse Information. Grantee shall provide City with two (2) copies of all reports or other material adversely reflecting on Grantee's performance under this Franchise Agreement, submitted by Grantee to the California or U.S. EPA, the California Integrated Waste Management Board, or any other federal, state or City agency. Copies shall be submitted to City simultaneously with Grantee's filing of such matters with said agencies. Grantee's routine correspondence to said agencies need not be automatically submitted to City, but shall be made available to City upon written request, as provided in this section.

(1) The Grantee shall submit to City copies of all pleadings, applications, notifications, communications and documents of any kind, submitted by the Grantee to, as well as copies of all decisions, correspondence and actions by, any federal, state and local courts, regulatory agencies and other governmental bodies relating specifically to all material aspects of Grantee's performance of services pursuant to this Franchise Agreement. Any data which the Grantee seeks to be excluded from provisions of the California Public Records Act shall be clearly identified as such by Grantee with the basis for such exclusion clearly specified. In the event City receives a request under the Public Records Act, or by subpoena, the City shall notify Grantee to permit Grantee to object to the release of the information requested or subpoenaed.

(2) Grantee shall submit to the City such other information or reports in such forms and at such times as the City may reasonably request or require.

(3) All reports and records required under this or any other section shall be furnished by the Grantee, and the expense therefore in the gathering and preparation of such information, reports and records shall be included in the rate base.

C. AB 939 Requirements. During the term of this Franchise Agreement, Grantee shall submit to City quarterly, and more often if required by law, information reasonably required by City to meet its reporting obligations imposed by AB 939, and the regulations implementing AB 939, in a manner approved by City. Grantee agrees to submit such reports and information on computer disks, or by model, in format compatible with City's computers if reasonably requested by City. Grantee agrees to render all reasonable cooperation and assistance to the City in meeting the requirements of City's source reduction and recycling element and non-disposal facility element.

D. Waste Audits.

(1) Grantee shall conduct waste audits at the request of City where such waste audits are necessary to enable City to comply with the requirements of federal or state law, and the cost of such waste audits shall be reflected in a corresponding adjustment to Grantee's rates.

(2) The results of such audits will be memorialized on forms either designed or approved by the City.

(3) The purpose of the audit will be to identify volume and characteristics of solid waste being generated by the customer.

(4) A copy of the audit shall be provided by the Grantee to the City, and to Grantee's own files.

E. Failure to Report. The refusal, failure or neglect of the Grantee to file any of the reports required, or to provide material information to City, or the intentional inclusion of any materially false or misleading statement or representation made knowingly by the Grantee shall be deemed a material breach of the Franchise Agreement, and shall subject the Grantee to all remedies, legal or equitable, which are available to the City under the Franchise Agreement up to and including termination of the Franchise Agreement.

## **SECTION 17. REVIEW OF PERFORMANCE AND QUALITY OF SERVICE**

A. Performance Review. From time to time, at its sole discretion, City may examine Grantee's operation in order to evaluate whether or not the Grantee is operating at a satisfactory level of efficiency and customer satisfaction. Grantee agrees to cooperate in any such examination, and shall permit City's representatives to inspect, at Grantee's principal place of business, such information pertaining to Grantee's obligations hereunder as City may require, including but not limited to, such things as customer inquiry records, collection routes and equipment records. Access to Grantee's records shall be subject to Section 16.

B. Public Hearing. At City's sole option, within ninety (90) days of the first anniversary of the effective date of this Franchise Agreement, and each year thereafter throughout the term of the Franchise Agreement, City may hold a public hearing at which the Grantee shall be present and shall participate, to review the Grantee's performance and quality of service. The reports required by this Franchise Agreement regarding customer complaints shall be utilized as the basis for review. In addition, any customer may submit comments or complaints during the review meetings, either orally or in writing, and these shall be considered.

C. Report on Performance. Within thirty (30) days after the conclusion of the public hearing, City shall issue a report with respect to the adequacy of performance and quality of service. If any non-compliance with the Franchise Agreement is found, City may direct Grantee to correct the inadequacies or initiate proceedings in accordance with Section 12 above.

D. Customer Surveys; Billing Information.

(1) Grantee shall provide prompt, efficient, continuous and professional service to its customers.

(2) Upon the request of the City, as part of the annual review of performance described above, Grantee shall conduct a survey or surveys of all customers to determine their satisfaction with Grantee's service, including, without limitation, response to customer complaints. The survey methodology, format and content shall be subject to the prior review and approval of the City Administrator. A copy of the survey results shall be sent to the City within sixty (60) days of completion of the survey. Nothing in this paragraph shall limit the right of the City to conduct additional surveys. The Grantee shall reasonably cooperate with the City in such cases. The cost of such surveys shall be reflected in a corresponding adjustment to Grantee's rates under this Agreement.

(3) Upon initiation of service, and at least once a year, Grantee shall send or deliver to its customers, information concerning the conditions of service, including, but not limited to, rates, fees, charges, service options, payment options, discounts (if any), days of collections, the amount and manner of refuse to be collected, service level and inquiry/complaint procedures, including the name, address and local telephone number of Grantee. The form and content shall be subject to the review and approval of the City Administrator.

## **SECTION 18 -COMPENSATION**

A. Rates. As of the effective date of this Amended and Restated Agreement up to and including July 31, 2016, Grantee shall provide service at the rates set forth in Exhibit A.

B. Beginning August 1, 2016 and on each August 1 thereafter, all rates set forth in Exhibit A, including all ancillary fees and charges, shall be adjusted as set forth below. All requests for rate adjustments shall be submitted by Grantee to the City Administrator or his/her designee by or before May 1 of each year beginning with May 1, 2016. The City Administrator or his/her designee shall review the information submitted by Grantee for completeness and accuracy, and the parties agree to negotiate in good faith regarding any dispute.

The Collection, Recycling (basic charge, not new Regional Recycling Fee), Organics and Billing Fee portions of the rates set forth in Exhibit A as well as the Additional Service Charges set forth in Exhibit A will be adjusted by the twelve (12) month annual average of the percentage change in the Consumer Price Index ("CPI") for All Urban Consumers -for the Los Angeles-Riverside-Orange County metropolitan area (1982-84 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI between each month during the April to March period immediately preceding the date of the rate adjustment and the same month in the preceding year. (See Exhibit A-1 for sample CPI calculation.)

In addition, with respect to the adjustment taking place on August 1, 2016, the Collection, Recycling (basic charge, not new Regional Recycling Fee), Organics and Billing Fee portions of the rates set forth in Exhibit A as well as the Additional Service Charges set forth in Exhibit A will be adjusted by the change in the above index plus one percent (1%).

The Disposal portion of the rates set forth in Exhibit A is not subject to the annual CPI adjustment mentioned above, nor the additional August 1, 2016 one percent (1% adjustment, but is instead a pass through of actual tipping fees.

The newly added Regional Recycling Fee portion of the rates set forth in Exhibit A includes an initial Regional Recycling Fee charge of \$23.00 per ton for the processing of Recyclables generated and collected in the City. The Regional Recycling Fee will vary over time based on commodity values. The Regional Recycling Fee will be adjusted each August 1, beginning on August 1, 2017, to reflect the twelve (12) month annual average change in the Regional Recycling Fee provided for in the separate Recyclables Processing Agreement between Contractor and the County of Santa Barbara for the April to March period

immediately preceding the date of the rate adjustment and the same month in the preceding year. The Regional Recycling Fee portion of the rates set forth in Exhibit A is not subject to the annual CPI adjustment mentioned above, nor the additional August 1, 2016 one percent (1%) adjustment.

C. Extraordinary Rate Adjustments. The rates set by this Agreement are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, in addition to the annual rate adjustment provided by Section 19(B), the Service Rate Schedule shall, upon written request of Grantee, be further adjusted on an interim basis for increased expenses associated with performance of the services hereunder due to anyone or more of the following causes:

- (1) material changes in Grantee's costs resulting from a Force Majeure event;
- (2) changes to Grantee's operations or the Franchise Fee required or initiated by the City;
- (3) any change in law, statute, rule, regulation, ordinance, order or requirement of any federal, state, regional or local government that is effective after the Effective Date of this Agreement;
- (4) Grantee desires to provide additional new services or the City requests the Grantee to provide any additional new services, or Grantee desires or the City requests the Grantee to change the method of providing, or the technology used to provide, existing services under this Agreement;
- (5) any increase in surcharges, fees, assessments or taxes levied by federal, state or local regulatory authorities or other governmental entities upon the collection or disposal of Solid Waste; or
- (6) any other causes or reasons that are not within the reasonable control of Grantee, including but not limited to material increases in the cost of fuel (beyond those reflected in the CPI adjustment).

D. Billing and Payment.

(1) Residential – Permanent Services. As of the effective date of this Amended and Restated Agreement, Grantee shall bill residential accounts bimonthly in advance for services provided beginning on August 1, 2016 and thereafter at the rates set forth in Exhibit A, as adjusted, and for special service fees where the rate can be determined in advance. Payment is due within thirty (30) calendar days of the invoice date, and is considered overdue fifteen (15) days from the end of the billed service period.

(2) Commercial/Industrial – Permanent Services. Grantee shall bill commercial/industrial accounts monthly in advance for services at the rates set forth in Exhibit A, as adjusted, and for special service fees where the rate can be determined in advance. Payment is due within thirty (30) calendar days of the invoice date, and is considered overdue fifteen (15) days from the end of the billed service period.

(3) Temporary Services & Special Services. Grantee shall bill residential accounts and commercial/industrial accounts monthly in arrears for temporary services and for special fees and service fees where the rate cannot be determined in advance. Payment is due within thirty (30) calendar days of the invoice date, and is considered overdue thirty (30) calendar days from invoice. Grantee may use payment by credit card for temporary services.

E. Refunds. Grantee shall refund to each commercial customer, on a pro-rata basis, any advance service payments made by such customer for service not provided when service is discontinued by the customer after reasonable advance written notice or for service not provided by Grantee due to no fault of the customer.

F. Delinquent Accounts. Grantee may send a written or telephonic notice to accounts regarding payments of invoices during the billed service period, at the approximate intervals of thirty (30) and sixty (60) days after the billing date. If payment is not received within fifteen (15) days from the end of the billed service period for services billed in advance, or thirty (30) days following the date of invoice for services billed in arrears, as the case may be, then Grantee may send accounts a notice that service will be suspended if payment is not made within thirty (30) days from the date of the delinquency notice. In addition, Grantee is permitted to charge late fees in the amount of interest not to exceed 1.5% per month with a minimum fee of three dollars \$3.00 per invoice less any interest assessed for residential accounts, and not to exceed 1.5% per month with a minimum fee of three dollars \$3.00 per invoice less any interest assessed for commercial/industrial accounts, as to any invoices where payment is not received within fifteen (15) days from the end of the billed service period for services billed in advance, or thirty (30) days following the date of invoice for services billed in arrears, as the case may be.

Thereafter, if payment is not received within thirty (30) calendar days from the date of the delinquency notice, Grantee may

terminate collection service at the delinquent account until payment in full has been received, including payment of the late fees and a reactivation fee.

#### **SECTION 19 -COLLECTION EQUIPMENT**

A. Vehicle Standards. Grantee warrants that it shall provide an adequate number of vehicles and equipment for the collection and transportation services for which it is responsible under this Franchise Agreement. All vehicles used by Grantee under this Franchise Agreement shall be registered with the Department of Motor Vehicles of the State of California, shall be kept clean and in good repair, and shall be uniformly painted. Solid waste collection vehicles shall be washed such that they are maintained in a reasonably clean and sanitary condition. Grantee's name, telephone number and vehicle number shall be visibly displayed on its vehicles. Loads shall be kept completely covered at all times except when material is being loaded or unloaded, or when vehicles are in route or in the process of collection. Collection vehicles shall be designed and operated while in route in such a manner as to prevent solid waste, including leachate and garbage juice, from leaking, escaping or spilling. Any spillage of materials shall be immediately cleaned up by Grantee at Grantee's sole expense. The noise level generated by compaction vehicles using compaction mechanisms during the stationary compaction process shall be such that it does not unreasonably interfere with the quiet enjoyment of nearby properties. The equipment of Grantee used under this Franchise Agreement shall be subject to inspection by City on a semi-annual basis but shall not be subject to any permit fees therefor. Notwithstanding the generality of the foregoing, Grantee's equipment shall at all times be in conformance with the City's Municipal Code provisions applicable thereto.

B. Equipment List. Upon execution of this Agreement, and at least annually thereafter, the Grantee shall provide the City a written list of all equipment (including trucks and containers) being used within the Franchise Area, including make and model, age, mileage or hours of operation and type of vehicle.

#### **SECTION 20 -PUBLIC ACCESS TO GRANTEE**

A. Office Hours. Grantee's office hours shall be, at a minimum, from 8:00 A.M. to 12:00 P.M., and from 1:00 P.M. to 5:00 P.M. daily, on all collection days. A representative of Grantee shall be available during office hours for communication with the public at Grantee's principal office. Grantee shall also provide City with an emergency telephone number for use during other than normal business hours. Grantee shall have a representative or answering service available at said after-hours telephone number during all hours other than normal office hours.

B. Service Complaints.

(1) All customer complaints shall be directed to Grantee. Grantee shall record all complaints received by mail, by telephone, or in person (including date, name, address of complainant and nature of complaint). Grantee agrees to use its best efforts to resolve all complaints by the close of business of the second business day (waste collection) following the date on which such complaint is received. Service complaints may be investigated by the City Administrator or his/her designee. Unless a settlement satisfactory to the complainant and the Grantee is reached, the complainant may refer the matter to the City Administrator or his/her designee for review.

(2) Grantee will maintain records listing the date of customer complaints, the customer, describing the nature of the complaint or request, and when and what action was taken by the Grantee to resolve the complaint. All such records shall be maintained for a period of twenty-four (24) months and shall be available for inspection by the City.

C. Government Liaison Person. The Grantee shall designate a "government liaison person" who shall be responsible for working with the City Administrator or his/her designated representative to resolve consumer complaints.

D. Regular Meetings With City. At the reasonable request of City, Grantee shall meet with the City at 918 Obispo St., Guadalupe, California, to discuss matters of mutual concern, including, but not limited to, problems in Grantee's service, compliance with AB 939 and future planning. The person attending these meetings on behalf of Grantee shall be vested with sufficient authority to make decisions binding on Grantee.

#### **SECTION 21 -CUSTOMER COMPLAINTS**

A. Notice to Customers. The Grantee shall notify customers of the complaint arbitration procedure as required by City.

B. City Review of Complaints. A customer dissatisfied with Grantee's decision regarding a complaint may ask the City to review the complaint. To obtain this review, the customer must request City's review within thirty (30) days of receipt of

Grantee's response to the complaint, or within forty-five (45) days of submitting the complaint to the Grantee if the Grantee has failed to respond to the complaint. The City may extend the time to request its review for good cause.

C. Remedy. The City Administrator or his/her designee shall determine if the customer's complaint is justified, and if so, what remedy, if any, shall be imposed. The remedy under this Section shall be limited to a rebate of customer charges related to the period of breach of any of the terms of this Franchise Agreement.

## **SECTION 22 -SERVICE EXCEPTIONS; HAZARDOUS WASTE NOTIFICATIONS**

A. Compliance With Hazardous Waste Laws. The parties hereto recognize that federal, state and local agencies with responsibility for defining hazardous waste and for regulating the collection, hauling or disposing of such substances, are continually providing new definitions, tests and regulations concerning these substances. Under this Agreement, it is Grantee's responsibility to keep current with the regulations and tests on such substances, and to identify such substances, and to comply with all federal, state, and to the extent not inconsistent with this agreement, local regulations concerning such substances. Grantee shall make every reasonable effort to prohibit the collection and the disposal of hazardous waste in any manner inconsistent with federal and state law.

B. Non-Collection Tags. When solid waste is not collected from any solid waste customer, Grantee shall notify the customer as to why the collection was not made, and shall attach tags approved by the City to the waste not so collected which clearly identify the reasons for such non-collection.

C. Notice to Agencies Regarding Toxics. Grantee has represented to City that Grantee will carry out its duties to notify all agencies with jurisdiction, including the California Department of Toxic Substances Control and local emergency response providers, and, if appropriate, the National Response Center, of reportable quantities of hazardous waste, found or observed by Grantee in solid waste anywhere within the City, including on, in, under or about City's property, including streets, easements, rights of way and City's waste containers. In addition to other required notifications, if Grantee observes any substances which it or its employees reasonably believe or suspect to contain hazardous wastes unlawfully disposed of or released on City's property, including streets, storm drains, or public rights of way, Grantee will also immediately notify the City Administrator or his/her designee.

D. Inspection for Toxics. Grantee shall conduct a visual inspection, consistent with its normal operating procedures, of all solid wastes that it collects, transports and/or disposes pursuant to this Franchise Agreement for the purpose of discovering, identifying and refusing to collect, transport and dispose of hazardous wastes or materials.

E. No Collection or Disposal of Hazardous Waste. Except as provided in this subsection, Grantee shall not collect, handle, process, transport, arrange for the transport of or dispose of hazardous waste pursuant to this Franchise Agreement.

F. Hazardous Waste Program. Notwithstanding subsection E above, Grantee agrees to provide, upon City's request and with appropriate fee reimbursement, a program for residents in Grantee's Franchise Area, identifying hazardous waste and complying with all federal, state, and to the extent not inconsistent with this Agreement, local statutes and regulations dealing with hazardous waste. Subject to permitting, said program shall include, and be expanded to include, collection of all items listed on Exhibit "D," attached hereto and incorporated into this Franchise Agreement, which list may be amended from time to time by the City.

## **SECTION 23 -INDEMNIFICATION**

As used in this section, "City" means City and its City Council, employees, agents, consultants and representatives.

A. Indemnification of City. Grantee shall defend, indemnify, and hold the City harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, City employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the Grantee's services, operations, or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the City, the Grantee, subcontractor(s) and employee(s) of any of these, except for the sole, or active negligence of the City, its officers and employees, or as expressly prohibited by statute. This duty of Grantee to indemnify and save City harmless includes the duties to defend set forth in California Civil Code Section 2778.

B. Hazardous Substance Indemnification. Grantee shall protect, defend (with counsel selected by Grantee and reasonably acceptable to City), indemnify and hold harmless City, its City members, officers, directors, employees, agents, consultants,

successors and assigns (hereinafter "City Indemnified Parties"), from and against all claims for actual damages (including but not limited to special and consequential damages), natural resources damages, punitive damages, restitution, injuries, costs, response costs, remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, the City Indemnified Parties, arising out of or resulting from any repair, cleanup, detoxification, or preparation and implementation of any removal, remedial, response, closure, corrective action or other plan (regardless of whether undertaken due to governmental action), concerning the release or threatened release of any hazardous substance or hazardous or municipal solid waste at any landfill or transfer facility owned or operated by Grantee where solid waste is or has been transported, transferred, processed, stored, disposed of by Grantee pursuant to the Franchise Agreement, which may result in a release of hazardous waste or hazardous substance into the environment. As used herein, the phrases "hazardous substance" and "hazardous waste" shall coincide with the broadest definition thereof contained in any present or future federal or state laws. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response and Liability Act ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety Code Section 25364, to defend, protect and hold harmless and indemnify the City Indemnified Parties from liability. This provision shall survive the termination of any other agreement between Grantee and the City. The foregoing indemnity shall not have any dollar limitation. The foregoing indemnity is for the exclusive benefit of the City Indemnified Parties and in no event shall such indemnity inure to the benefit of any third party. The foregoing indemnity shall supersede any other environmental indemnities of the Grantee under the Franchise Agreement. The foregoing indemnity shall not apply with respect to: (1) any hazardous waste or hazardous substance generated by the City and delivered by the City to Grantee; or (2) the disposal or release of hazardous substances or hazardous waste, which disposal or release has resulted from the negligence or willful misconduct of City. Nothing in these exclusions shall be deemed a waiver of any other rights or claims the City may have against the Grantee independent of this indemnity.

#### C. AB 939 Indemnification.

(1) Grantee shall protect, defend with counsel reasonably acceptable to the City, indemnify and hold the City harmless from any and all fines, penalties and assessments levied against or threatened to be levied against the City for the City's failure to meet the requirements of AB 939, its amendments or any successor legislation and/or all rules and regulations promulgated thereunder if said failure results from Grantee's failure to comply with this Franchise Agreement and/or Grantee's failure to comply with said laws, rules or regulations binding on Grantee, including but not limited to failing to timely supply the City in order to comply with AB 939. However, Grantee shall not be obligated to indemnify City for fines or penalties caused by City's modifications of Grantee's information, or by City's own acts or omissions which result in City's failure to provide timely reports to the state.

### **SECTION 24 -GENERAL PROVISIONS**

A. Force Majeure. Grantee shall not be in default under this Franchise Agreement in the event that the collection, transportation and/or disposal services of Grantee are temporarily interrupted or discontinued for reasons outside the reasonable control of the Grantee, including but not limited to riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides and fires, strikes, lockouts and other labor disturbances, extreme weather, acts of God, or other similar or dissimilar events which are beyond the reasonable control of Grantee. Other events do not include the financial inability of the Grantee to perform or the failure of the Grantee to obtain any necessary permits or licenses from other governmental agencies, or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Grantee. In the event a labor disturbance interrupts collection, transportation and/or disposal of solid waste by Grantee as required under this Franchise Agreement, City may elect to exercise its rights under Section 13 of this Franchise Agreement, in the event Grantee is unable to perform the services under this Agreement.

B. Independent Contractor. Grantee is an independent contractor, and not an officer, agent, servant or employee of City. Grantee is solely responsible for the acts and omissions of its officers, agents, employees, Grantees and sub grantees, if any. Nothing in this Franchise Agreement shall be construed as creating a partnership or joint venture between City and Grantee. Neither Grantee nor its officers, employees, agents or subgrantees shall obtain any rights to retirement or other benefits which accrue to City's employees.

C. Right of Entry. Grantee shall have the right, until written notice revoking permission to pass is delivered to Grantee, to enter or drive on any private street, court, place, easement or other private property for the purpose of collecting or transporting solid waste pursuant to this Franchise Agreement.

D. Law to Govern; Venue. The laws of the State of California shall govern this Franchise Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Santa Barbara Santa Maria Division.

E. Fees and Gratuities. Grantee shall not, nor shall it permit any agent, employee or subgrantee employed by it to, request, solicit, demand or accept, either directly or indirectly, any compensation or gratuity for the collection of solid waste otherwise required to be collected under this Franchise Agreement.

F. Prior Agreements and Amendments. No amendment of this Franchise Agreement shall be valid unless in writing duly executed by the parties. This Franchise Agreement contains the entire agreement between the parties, and no promises, representations, warranty or covenant not included in this Agreement have been or are relied upon by either party. This Franchise Agreement is intended to supersede and replace all prior agreements between the parties.

G. Compliance With Franchise Agreement. Grantee shall comply with those provisions of the City's Municipal Code which are applicable, and with any and all amendments to such applicable provisions during the term of this Franchise Agreement, provided that such provisions are not inconsistent with the terms of this Franchise Agreement.

H. Notices. All notices required or permitted to be given under this Franchise Agreement shall be in writing and shall be personally delivered or sent by telecopier or United States certified mail, postage prepaid, return receipt requested, addressed as follows:

To City: City Administrator City of Guadalupe 918 Obispo St. Guadalupe, CA 93434

To Grantee: Valley Garbage & Rubbish Co., Inc., dba Health Sanitation Service 1850 W, Betteravia Rd. Santa Maria, CA 93455

or to such other address as either party may from time to time designate by notice to the other given in accordance with this section. Notice shall be deemed effective on the date personally served or sent by telecopier or, if mailed, three (3) business days from the date such notice is deposited in the United States mail.

I. Savings Clause and Entirety. If any non-material provision of this Franchise Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Franchise Agreement.

J. Exhibits Incorporated. Exhibits "A" through "D" are attached hereto and incorporated in this Franchise Agreement by reference.

K. Joint Drafting. This Franchise Agreement was drafted jointly by the parties to the Franchise Agreement.

L. Judicial Review. Nothing in this Agreement shall be construed to prevent either party from seeking redress to the Courts for the purposes of legal review of administrative proceedings in regard to rate setting or City's actions taken pursuant to this Agreement, or for the purpose of interpreting or enforcing the provisions contained in this Agreement.

M. Police Powers. Nothing in this Agreement is intended to or may limit City's authority pursuant to its police power.

N. Confidentiality. Information gained from examination of books and records pertaining to operations regulated by the City under this Agreement shall be treated by the City and its agents as confidential information.

O. Successors and Assigns. Subject to the other terms and conditions herein, this Agreement shall be binding upon and inure to the benefit of the respective successors, permitted assigns, administrators and trustees of the City and Grantee.

P. Survival. All confidentiality and indemnification provisions of this Agreement shall survive this Agreement.

Q. Administrator. The City Officer or employee with responsibility for administering this Agreement is the City Administrator or his/her successor.

IN WITNESS WHEREOF, City and Grantee have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**CITY**

**GRANTEE**

Valley Garbage & Rubbish Company, Inc.

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Title:

ATTEST:

\_\_\_\_\_  
City Clerk

**EXHIBIT "A" SCHEDULE OF RATES  
CITY OF GUADALUPE RATE SCHEDULE**

**EXHIBIT A**  
**Guadalupe Rates**

Thru  
07/31/16

Portion to  
each entity

**RESIDENTIAL**

**1. 90 Gallon Service Level (90 gal refuse, 90 gal recyclable, and 90 gal organics carts)**

**STANDARD SERVICE**

Collection	\$ 17.09	
Disposal -- 244 lbs.	\$ 7.20	
Recycling	\$ 1.21	
Regional Recycling Fee	\$ -	
Organics	\$ 1.65	
Billing	\$ -	
City Surcharge -- 9.18%	\$ 2.49	To HSS \$ 27.15
City Franchise Fee -- 12.5%	\$ 3.39	To City \$ 5.88
<b>Total</b>	<b>\$ 33.03</b>	<b>Total \$ 33.03</b>

**2. 60 Gallon Service Level (60 gal refuse, 90 gal recyclable, and 90 gal organics carts)**

**LIGHT SERVICE**

Collection	\$ 15.77	
Disposal -- 163 lbs.	\$ 4.84	
Recycling	\$ 1.21	
Regional Recycling Fee	\$ -	
Organics	\$ 1.67	
Billing	\$ -	
City Surcharge -- 9.18%	\$ 2.16	To HSS \$ 23.49
City Franchise Fee -- 12.5%	\$ 2.94	To City \$ 5.10
<b>Total</b>	<b>\$ 28.59</b>	<b>Total \$ 28.59</b>

**3. 30 Gallon Service Level (30 gal refuse, 90 gal recyclable, and 90 gal organics carts)**

**SPECIAL SERVICE by application only**

Collection	\$ 14.42	
Disposal -- 81 lbs.	\$ 2.40	
Recycling	\$ 1.21	
Regional Recycling Fee	\$ -	
Organics	\$ 1.64	
Billing	\$ -	
City Surcharge -- 9.18%	\$ 1.81	To HSS \$ 19.67
City Franchise Fee -- 12.5%	\$ 2.46	To City \$ 4.27
<b>Total</b>	<b>\$ 23.94</b>	<b>Total \$ 23.94</b>

**5. Other Cart Charges**

**a. Addit. 90 gal refuse cart**

Collection	\$ 13.24	
Disposal -- 24 lbs.	\$ 7.20	
Billing -- NA, on 1st cart	\$ -	
City Surcharge -- 9.18%	\$ 1.88	To HSS \$ 20.44
City Franchise Fee -- 12.5%	\$ 2.56	To City \$ 4.44
<b>Total</b>	<b>\$ 24.88</b>	<b>Total \$ 24.88</b>

**EXHIBIT A  
Guadalupe Rates**

**Thru  
07/31/16**

**Portion to  
each entity**

**b. Addit. 60 gal refuse cart**

Collection	\$ 11.92	
Disposal -- 163 lbs.	\$ 4.84	
Billing -- NA, on 1st cart	\$ -	
City Surcharge -- 9.18%	\$ 1.54	To HSS \$ 16.76
City Franchise Fee -- 12.5%	\$ 2.10	To City \$ 3.64
<b>Total</b>	<b>\$ 20.40</b>	<b>Total \$ 20.40</b>

**Addit. 30 gal refuse cart**

Collection	\$ 10.58	
Disposal	\$ 2.40	
Billing -- NA, on 1st cart	\$ -	
City Surcharge -- 9.18%	\$ 1.19	To HSS \$ 12.98
City Franchise Fee -- 12.5%	\$ 1.62	To City \$ 2.81
<b>Total</b>	<b>\$ 15.79</b>	<b>Total \$ 15.79</b>

**c. Addit. 90 gal recycle or organics cart**

Collection	\$ 5.67	
Processing -- 81 lbs.	\$ 1.14	
Regional Recycling Fee	\$ -	
Billing -- NA, on 1st cart	\$ -	
City Surcharge -- 9.18%	\$ 0.63	To HSS \$ 6.81
City Franchise Fee -- 12.5%	\$ 0.85	To City \$ 1.48
<b>Total</b>	<b>\$ 8.29</b>	<b>Total \$ 8.29</b>

**6. Additional Service Charges**

HSS portion	\$ 1.64	To HSS \$ 1.64
City Franchise Fee -- 12.5%	\$ 0.21	To City \$ 0.21
<b>Extra Bag Tag</b>	<b>\$ 1.85</b>	<b>Total \$ 1.85</b>

HSS portion	\$ 3.34	To HSS \$ 3.34
City Franchise Fee -- 12.5%	\$ 0.42	To City \$ 0.42
<b>Drive-in (up to 1/4 mile)</b>	<b>\$ 3.76</b>	<b>Total \$ 3.76</b>

HSS portion	\$ 3.61	To HSS \$ 3.61
City Franchise Fee -- 12.5%	\$ 0.45	To City \$ 0.45
<b>Carry-out (up to 100 ft)</b>	<b>\$ 4.06</b>	<b>Total \$ 4.06</b>

HSS portion	\$ 5.15	To HSS \$ 5.15
City Franchise Fee -- 12.5%	\$ 0.64	To City \$ 0.64
<b>Christmas Tree Collection</b>	<b>\$ 5.79</b>	<b>Total \$ 5.79</b>

HSS portion	\$ 7.72	To HSS \$ 7.72
City Franchise Fee -- 12.5%	\$ 0.97	To City \$ 0.97
<b>Cart Exchange</b>	<b>\$ 8.69</b>	<b>Total \$ 8.69</b>

HSS portion	\$ 66.88	To HSS \$ 66.88
City Franchise Fee -- 12.5%	\$ 8.36	To City \$ 8.36
<b>Cart Replacement</b>	<b>\$ 75.24</b>	<b>Total \$ 75.24</b>

**EXHIBIT A  
Guadalupe Rates**

	Thru 07/31/16	Portion to each entity
HSS portion	\$ 5.22	To HSS \$ 5.22
City Franchise Fee -- 12.5%	\$ 0.65	To City \$ 0.65
<b>Return Trip</b>	<b>\$ 5.87</b>	<b>Total \$ 5.87</b>
HSS portion	\$ 40.13	To HSS \$ 40.13
City Franchise Fee -- 12.5%	\$ 5.02	To City \$ 5.02
<b>Bulky Pick-up (up to 4 items)</b>	<b>\$ 45.15</b>	<b>Total \$ 45.15</b>
HSS portion	\$ 25.38	To HSS \$ 25.38
City Franchise Fee -- 12.5%	\$ 3.17	To City \$ 3.17
<b>Bulky Pick-up (1 items)</b>	<b>\$ 28.55</b>	<b>Total \$ 28.55</b>

**COMMERCIAL**

**1. 90 Gallon Service Level (90 gal refuse, 90 gal recyclable carts)**

**STANDARD SERVICE**

Collection	\$ 18.74	
Disposal -- 244 lbs.	\$ 7.20	
Recycling	\$ 1.21	
Regional Recycling Fee	\$ -	
Billing	\$ -	
-----		
City Surcharge -- 9.18%	\$ 2.49	To HSS \$ 27.15
City Franchise Fee -- 12.5%	\$ 3.39	To City \$ 5.88
<b>Total</b>	<b>\$ 33.03</b>	<b>Total \$ 33.03</b>

**2. 60 Gallon Service Level (60 gal refuse, 90 gal recyclable carts)**

**LIGHT SERVICE**

Collection	\$ 17.41	
Disposal -- 163 lbs.	\$ 4.84	
Recycling	\$ 1.21	
Regional Recycling Fee	\$ -	
Billing	\$ -	
-----		
City Surcharge -- 9.18%	\$ 2.15	To HSS \$ 23.46
City Franchise Fee -- 12.5%	\$ 2.93	To City \$ 5.08
<b>Total</b>	<b>\$ 28.54</b>	<b>Total \$ 28.54</b>

**3. 30 Gallon Service Level (30 gal refuse, 90 gal recyclable carts)**

**SPECIAL SERVICE by application only**

Collection	\$ 16.06	
Disposal -- 81 lbs.	\$ 2.40	
Recycling	\$ 1.21	
Regional Recycling Fee	\$ -	
Billing	\$ -	
-----		
City Surcharge -- 9.18%	\$ 1.81	To HSS \$ 19.67
City Franchise Fee -- 12.5%	\$ 2.46	To City \$ 4.27
<b>Total</b>	<b>\$ 23.94</b>	<b>Total \$ 23.94</b>

**EXHIBIT A**  
**Guadalupe Rates**

**Thru**  
**07/31/16**

**Portion to**  
**each entity**

**4. Other Charges**

**a. Addit. 90 gal refuse cart**

Collection	\$ 13.24	
Disposal -- 244 lbs.	\$ 7.20	
Billing -- NA, on 1st cart	\$ -	
City Surcharge -- 9.18%	\$ 1.88	To HSS \$ 20.44
City Franchise Fee -- 12.5%	\$ 2.56	To City \$ 4.44
<b>Total</b>	<b>\$ 24.88</b>	<b>Total \$ 24.88</b>

**c. Addit. 90 gal recycling cart**

Collection	\$ 4.44	
Recycling	\$ 1.21	
Regional Recycling Fee	\$ -	
Billing -- NA, on 1st cart	\$ -	
City Surcharge -- 9.18%	\$ 0.52	To HSS \$ 5.65
City Franchise Fee -- 12.5%	\$ 0.71	To City \$ 1.23
<b>Total</b>	<b>\$ 6.88</b>	<b>Total \$ 6.88</b>

**d. 96 gal recycling cart**

Collection	\$ 26.92	
Recycling	\$ 2.49	
Regional Recycling Fee	\$ -	
Billing -- NA, on 1st cart	\$ -	
City Surcharge -- 9.18%	\$ 2.70	To HSS \$ 29.41
City Franchise Fee -- 12.5%	\$ 3.68	To City \$ 6.38
<b>Total</b>	<b>\$ 35.79</b>	<b>Total \$ 35.79</b>

**5. Additional Service Charges**

HSS portion	\$ 25.72	To HSS \$ 25.72
City Franchise Fee -- 12.5%	\$ 3.22	To City \$ 3.22
<b>Bin Exchange</b>	<b>\$ 28.94</b>	<b>Total \$ 28.94</b>

HSS portion	\$ 13.38	To HSS \$ 13.38
City Franchise Fee -- 12.5%	\$ 1.67	To City \$ 1.67
<b>Returned Check</b>	<b>\$ 15.05</b>	<b>Total \$ 15.05</b>

HSS portion	\$ 20.58	To HSS \$ 20.58
City Franchise Fee -- 12.5%	\$ 2.57	To City \$ 2.57
<b>Return Trip</b>	<b>\$ 23.15</b>	<b>Total \$ 23.15</b>

HSS portion	\$ 60.71	To HSS \$ 60.71
City Franchise Fee -- 12.5%	\$ 7.59	To City \$ 7.59
<b>Freon appl Special Haul</b>	<b>\$ 68.30</b>	<b>Total \$ 68.30</b>

HSS portion	\$ 82.32	To HSS \$ 82.32
City Franchise Fee -- 12.5%	\$ 10.29	To City \$ 10.29
<b>Wkend/Clean-up Bin (3 days/4yd)</b>	<b>\$ 92.61</b>	<b>Total \$ 92.61</b>

<b>EXHIBIT A Guadalupe Rates</b>	<b>Thru 07/31/16</b>	<b>Portion to each entity</b>
HSS portion	\$ 17.78	To HSS \$ 17.78
City Franchise Fee -- 12.5%	\$ 2.22	To City \$ 2.22
<b>Reactivation Charge</b>	<b>\$ 20.00</b>	<b>Total \$ 20.00</b>
HSS portion	\$ 13.33	To HSS \$ 13.33
City Franchise Fee -- 12.5%	\$ 1.67	To City \$ 1.67
<b>Commercial Overage/Snapshot</b>	<b>\$ 15.00</b>	<b>Total \$ 15.00</b>
HSS portion	\$ 8.89	To HSS \$ 8.89
City Franchise Fee -- 12.5%	\$ 1.11	To City \$ 1.11
<b>Cart Delivery Fee</b>	<b>\$ 10.00</b>	<b>Total \$ 10.00</b>
HSS portion	\$ 8.89	To HSS \$ 8.89
City Franchise Fee -- 12.5%	\$ 1.11	To City \$ 1.11
<b>Greenwaste contamination</b>	<b>\$ 10.00</b>	<b>Total \$ 10.00</b>
HSS portion	\$ 40.13	To HSS \$ 40.13
City Franchise Fee -- 12.5%	\$ 5.02	To City \$ 5.02
<b>Bulky Pick-up (up to 4 items)</b>	<b>\$ 45.15</b>	<b>Total \$ 45.15</b>
HSS portion	\$ 25.38	To HSS \$ 25.38
City Franchise Fee -- 12.5%	\$ 3.17	To City \$ 3.17
<b>Bulky Pick-up (1 items)</b>	<b>\$ 28.55</b>	<b>Total \$ 28.55</b>

**6. Commercial Bin Service Rates**  
See attached

**EXHIBIT A**  
**Guadalupe Rates**

As of  
08/01/16

Portion to  
each entity

Change

**RESIDENTIAL**

**1. 90 Gallon Service Level (90 gal refuse, 90 gal recyclable, and 90 gal organics carts)**

**STANDARD SERVICE**

Collection	\$ 17.51		\$ 0.42
Disposal -- 244 lbs.	\$ 7.20		\$ -
Recycling	\$ 1.24		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Organics	\$ 1.69		\$ 0.04
Billing	\$ 1.26		\$ 1.26
<hr/>			
City Surcharge -- 12%	\$ 3.54	To HSS \$ 29.53	\$ 1.05
City Franchise Fee -- 12.5%	\$ 3.69	To City \$ 7.23	\$ 0.30
<b>Total</b>	<b>\$ 36.76</b>	<b>Total \$ 36.76</b>	<b>\$ 3.73 11.3%</b>

**2. 60 Gallon Service Level (60 gal refuse, 90 gal recyclable, and 90 gal organics carts)**

**LIGHT SERVICE**

Collection	\$ 16.16		\$ 0.39
Disposal -- 163 lbs.	\$ 4.84		\$ -
Recycling	\$ 1.24		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Organics	\$ 1.71		\$ 0.04
Billing	\$ 1.26		\$ 1.26
<hr/>			
City Surcharge -- 12%	\$ 3.10	To HSS \$ 25.84	\$ 0.94
City Franchise Fee -- 12.5%	\$ 3.23	To City \$ 6.33	\$ 0.29
<b>Total</b>	<b>\$ 32.17</b>	<b>Total \$ 32.17</b>	<b>\$ 3.58 12.5%</b>

**3. 30 Gallon Service Level (30 gal refuse, 90 gal recyclable, and 90 gal organics carts)**

**SPECIAL SERVICE by application only**

Collection	\$ 14.77		\$ 0.35
Disposal -- 81 lbs.	\$ 2.40		\$ -
Recycling	\$ 1.24		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Organics	\$ 1.68		\$ 0.04
Billing	\$ 1.26		\$ 1.26
<hr/>			
City Surcharge -- 12%	\$ 2.64	To HSS \$ 21.98	\$ 0.83
City Franchise Fee -- 12.5%	\$ 2.75	To City \$ 5.39	\$ 0.29
<b>Total</b>	<b>\$ 27.37</b>	<b>Total \$ 27.37</b>	<b>\$ 3.43 14.3%</b>

**5. Other Cart Charges**

**a. Addit. 90 gal refuse cart**

Collection	\$ 13.57		\$ 0.33
Disposal -- 24 lbs.	\$ 7.20		\$ -
Billing -- NA, on 1st cart	\$ -		\$ -
<hr/>			
City Surcharge -- 12%	\$ 2.49	To HSS \$ 20.77	\$ 0.61
City Franchise Fee -- 12.5%	\$ 2.60	To City \$ 5.09	\$ 0.04
<b>Total</b>	<b>\$ 25.86</b>	<b>Total \$ 25.86</b>	<b>\$ 0.98 3.9%</b>

<b>EXHIBIT A</b> <b>Guadalupe Rates</b>	<b>As of</b> <b>08/01/16</b>	<b>Portion to</b> <b>each entity</b>	<b>Change</b>
<b>b. Addit. 60 gal refuse cart</b>			
Collection	\$ 12.21		\$ 0.29
Disposal -- 163 lbs.	\$ 4.84		\$ -
Billing -- NA, on 1st cart	\$ -		\$ -
City Surcharge -- 12%	\$ 2.05	To HSS \$ 17.05	\$ 0.51
City Franchise Fee -- 12.5%	\$ 2.13	To City \$ 4.18	\$ 0.03
<b>Total</b>	<b>\$ 21.23</b>	<b>Total \$ 21.23</b>	<b>\$ 0.83 4.1%</b>
<b>Addit. 30 gal refuse cart</b>			
Collection	\$ 10.84		\$ 0.26
Disposal	\$ 2.40		\$ -
Billing -- NA, on 1st cart	\$ -		\$ -
City Surcharge -- 12%	\$ 1.59	To HSS \$ 13.24	\$ 0.40
City Franchise Fee -- 12.5%	\$ 1.66	To City \$ 3.25	\$ 0.04
<b>Total</b>	<b>\$ 16.49</b>	<b>Total \$ 16.49</b>	<b>\$ 0.70 4.4%</b>
<b>c. Addit. 90 gal recycle or organics cart</b>			
Collection	\$ 5.81		\$ 0.14
Processing -- 81 lbs.	\$ 1.17		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Billing -- NA, on 1st cart	\$ -		\$ -
City Surcharge -- 12%	\$ 0.91	To HSS \$ 7.61	\$ 0.28
City Franchise Fee -- 12.5%	\$ 0.95	To City \$ 1.86	\$ 0.10
<b>Total</b>	<b>\$ 9.47</b>	<b>Total \$ 9.47</b>	<b>\$ 1.18 14.2%</b>
<b>6. Additional Service Charges</b>			
HSS portion	\$ 1.68	To HSS \$ 1.68	\$ 0.04
City Franchise Fee -- 12.5%	\$ 0.21	To City \$ 0.21	\$ -
<b>Extra Bag Tag</b>	<b>\$ 1.89</b>	<b>Total \$ 1.89</b>	<b>\$ 0.04 2.2%</b>
HSS portion	\$ 3.42	To HSS \$ 3.42	\$ 0.08
City Franchise Fee -- 12.5%	\$ 0.43	To City \$ 0.43	\$ 0.01
<b>Drive-in (up to 1/4 mile)</b>	<b>\$ 3.85</b>	<b>Total \$ 3.85</b>	<b>\$ 0.09 2.4%</b>
HSS portion	\$ 3.70	To HSS \$ 3.70	\$ 0.09
City Franchise Fee -- 12.5%	\$ 0.46	To City \$ 0.46	\$ 0.01
<b>Carry-out (up to 100 ft)</b>	<b>\$ 4.16</b>	<b>Total \$ 4.16</b>	<b>\$ 0.10 2.5%</b>
HSS portion	\$ 5.28	To HSS \$ 5.28	\$ 0.13
City Franchise Fee -- 12.5%	\$ 0.66	To City \$ 0.66	\$ 0.02
<b>Christmas Tree Collection</b>	<b>\$ 5.94</b>	<b>Total \$ 5.94</b>	<b>\$ 0.15 2.6%</b>
HSS portion	\$ 7.91	To HSS \$ 7.91	\$ 0.19
City Franchise Fee -- 12.5%	\$ 0.99	To City \$ 0.99	\$ 0.02
<b>Cart Exchange</b>	<b>\$ 8.90</b>	<b>Total \$ 8.90</b>	<b>\$ 0.21 2.4%</b>
HSS portion	\$ 68.53	To HSS \$ 68.53	\$ 1.65
City Franchise Fee -- 12.5%	\$ 8.57	To City \$ 8.57	\$ 0.21
<b>Cart Replacement</b>	<b>\$ 77.10</b>	<b>Total \$ 77.10</b>	<b>\$ 1.86 2.5%</b>

<b>EXHIBIT A Guadalupe Rates</b>	<b>As of 08/01/16</b>	<b>Portion to each entity</b>	<b>Change</b>
HSS portion	\$ 5.35	To HSS \$ 5.35	\$ 0.13
City Franchise Fee -- 12.5%	\$ 0.67	To City \$ 0.67	\$ 0.02
<b>Return Trip</b>	<b>\$ 6.02</b>	<b>Total \$ 6.02</b>	<b>\$ 0.15 2.6%</b>
HSS portion	\$ 41.12	To HSS \$ 41.12	\$ 0.99
City Franchise Fee -- 12.5%	\$ 5.14	To City \$ 5.14	\$ 0.12
<b>Bulky Pick-up (up to 4 items)</b>	<b>\$ 46.26</b>	<b>Total \$ 46.26</b>	<b>\$ 1.11 2.5%</b>
HSS portion	\$ 26.00	To HSS \$ 26.00	\$ 0.62
City Franchise Fee -- 12.5%	\$ 3.25	To City \$ 3.25	\$ 0.08
<b>Bulky Pick-up (1 items)</b>	<b>\$ 29.25</b>	<b>Total \$ 29.25</b>	<b>\$ 0.70 2.5%</b>

## **COMMERCIAL**

### **1. 90 Gallon Service Level (90 gal refuse, 90 gal recyclable carts)**

#### **STANDARD SERVICE**

Collection	\$ 19.20		\$ 0.46
Disposal -- 244 lbs.	\$ 7.20		\$ -
Recycling	\$ 1.24		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Billing	\$ 1.26		\$ 1.26
City Surcharge -- 12%	\$ 3.54	To HSS \$ 29.53	\$ 1.05
City Franchise Fee -- 12.5%	\$ 3.69	To City \$ 7.23	\$ 0.30
<b>Total</b>	<b>\$ 36.76</b>	<b>Total \$ 36.76</b>	<b>\$ 3.73 11.3%</b>

### **2. 60 Gallon Service Level (60 gal refuse, 90 gal recyclable carts)**

#### **LIGHT SERVICE**

Collection	\$ 17.84		\$ 0.43
Disposal -- 163 lbs.	\$ 4.84		\$ -
Recycling	\$ 1.24		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Billing	\$ 1.26		\$ 1.26
City Surcharge -- 12%	\$ 3.10	To HSS \$ 25.81	\$ 0.95
City Franchise Fee -- 12.5%	\$ 3.23	To City \$ 6.33	\$ 0.30
<b>Total</b>	<b>\$ 32.14</b>	<b>Total \$ 32.14</b>	<b>\$ 3.60 12.6%</b>

### **3. 30 Gallon Service Level (30 gal refuse, 90 gal recyclable carts)**

#### **SPECIAL SERVICE by application only**

Collection	\$ 16.46		\$ 0.40
Disposal -- 81 lbs.	\$ 2.40		\$ -
Recycling	\$ 1.24		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Billing	\$ 1.26		\$ 1.26
City Surcharge -- 12%	\$ 2.64	To HSS \$ 21.99	\$ 0.83
City Franchise Fee -- 12.5%	\$ 2.75	To City \$ 5.39	\$ 0.29
<b>Total</b>	<b>\$ 27.38</b>	<b>Total \$ 27.38</b>	<b>\$ 3.44 14.4%</b>

<b>EXHIBIT A</b> <b>Guadalupe Rates</b>	<b>As of</b> <b>08/01/16</b>	<b>Portion to</b> <b>each entity</b>	<b>Change</b>
<b>4. Other Charges</b>			
<b>a. Addit. 90 gal refuse cart</b>			
Collection	\$ 13.57		\$ 0.33
Disposal -- 244 lbs.	\$ 7.20		\$ -
Billing -- NA, on 1st cart	\$ -		\$ -
City Surcharge -- 12%	\$ 2.49	To HSS \$ 20.77	\$ 0.61
City Franchise Fee -- 12.5%	\$ 2.60	To City \$ 5.09	\$ 0.04
<b>Total</b>	<b>\$ 25.86</b>	<b>Total \$ 25.86</b>	<b>\$ 0.98 3.9%</b>
<b>c. Addit. 90 gal recycling cart</b>			
Collection	\$ 4.55		\$ 0.11
Recycling	\$ 1.24		\$ 0.03
Regional Recycling Fee	\$ 0.63		\$ 0.63
Billing -- NA, on 1st cart	\$ -		\$ -
City Surcharge -- 12%	\$ 0.77	To HSS \$ 6.42	\$ 0.25
City Franchise Fee -- 12.5%	\$ 0.80	To City \$ 1.57	\$ 0.09
<b>Total</b>	<b>\$ 7.99</b>	<b>Total \$ 7.99</b>	<b>\$ 1.11 16.1%</b>
<b>d. 96 gal recycling cart</b>			
Collection	\$ 27.58		\$ 0.66
Recycling	\$ 2.55		\$ 0.06
Regional Recycling Fee	\$ 0.63		\$ 0.63
Billing -- NA, on 1st cart	\$ -		\$ -
City Surcharge -- 12%	\$ 3.69	To HSS \$ 30.76	\$ 0.99
City Franchise Fee -- 12.5%	\$ 3.85	To City \$ 7.54	\$ 0.17
<b>Total</b>	<b>\$ 38.30</b>	<b>Total \$ 38.30</b>	<b>\$ 2.51 7.0%</b>
<b>5. Additional Service Charges</b>			
HSS portion	\$ 26.35	To HSS \$ 26.35	\$ 0.63
City Franchise Fee -- 12.5%	\$ 3.29	To City \$ 3.29	\$ 0.07
<b>Bin Exchange</b>	<b>\$ 29.64</b>	<b>Total \$ 29.64</b>	<b>\$ 0.70 2.4%</b>
HSS portion	\$ 13.71	To HSS \$ 13.71	\$ 0.33
City Franchise Fee -- 12.5%	\$ 1.71	To City \$ 1.71	\$ 0.04
<b>Returned Check</b>	<b>\$ 15.42</b>	<b>Total \$ 15.42</b>	<b>\$ 0.37 2.5%</b>
HSS portion	\$ 21.09	To HSS \$ 21.09	\$ 0.51
City Franchise Fee -- 12.5%	\$ 2.64	To City \$ 2.64	\$ 0.07
<b>Return Trip</b>	<b>\$ 23.73</b>	<b>Total \$ 23.73</b>	<b>\$ 0.58 2.5%</b>
HSS portion	\$ 62.20	To HSS \$ 62.20	\$ 1.49
City Franchise Fee -- 12.5%	\$ 7.78	To City \$ 7.78	\$ 0.19
<b>Freon appl Special Haul</b>	<b>\$ 69.98</b>	<b>Total \$ 69.98</b>	<b>\$ 1.68 2.5%</b>
HSS portion	\$ 84.35	To HSS \$ 84.35	\$ 2.03
City Franchise Fee -- 12.5%	\$ 10.54	To City \$ 10.54	\$ 0.25
<b>Wkend/Clean-up Bin (3 days/4yd)</b>	<b>\$ 94.89</b>	<b>Total \$ 94.89</b>	<b>\$ 2.28 2.5%</b>

<b>EXHIBIT A Guadalupe Rates</b>	<b>As of 08/01/16</b>	<b>Portion to each entity</b>	<b>Change</b>
HSS portion	\$ 18.22	To HSS \$ 18.22	\$ 0.44
City Franchise Fee -- 12.5%	\$ 2.28	To City \$ 2.28	\$ 0.06
<b>Reactivation Charge</b>	<b>\$ 20.50</b>	<b>Total \$ 20.50</b>	<b>\$ 0.50 2.5%</b>
HSS portion	\$ 13.66	To HSS \$ 13.66	\$ 0.33
City Franchise Fee -- 12.5%	\$ 1.71	To City \$ 1.71	\$ 0.04
<b>Commercial Overage/Snapshot</b>	<b>\$ 15.37</b>	<b>Total \$ 15.37</b>	<b>\$ 0.37 2.5%</b>
HSS portion	\$ 9.11	To HSS \$ 9.11	\$ 0.22
City Franchise Fee -- 12.5%	\$ 1.14	To City \$ 1.14	\$ 0.03
<b>Cart Delivery Fee</b>	<b>\$ 10.25</b>	<b>Total \$ 10.25</b>	<b>\$ 0.25 2.5%</b>
HSS portion	\$ 9.11	To HSS \$ 9.11	\$ 0.22
City Franchise Fee -- 12.5%	\$ 1.14	To City \$ 1.14	\$ 0.03
<b>Greenwaste contamination</b>	<b>\$ 10.25</b>	<b>Total \$ 10.25</b>	<b>\$ 0.25 2.5%</b>
HSS portion	\$ 41.12	To HSS \$ 41.12	\$ 0.99
City Franchise Fee -- 12.5%	\$ 5.14	To City \$ 5.14	\$ 0.12
<b>Bulky Pick-up (up to 4 items)</b>	<b>\$ 46.26</b>	<b>Total \$ 46.26</b>	<b>\$ 1.11 2.5%</b>
HSS portion	\$ 26.00	To HSS \$ 26.00	\$ 0.62
City Franchise Fee -- 12.5%	\$ 3.25	To City \$ 3.25	\$ 0.08
<b>Bulky Pick-up (1 items)</b>	<b>\$ 29.25</b>	<b>Total \$ 29.25</b>	<b>\$ 0.70 2.5%</b>

**6. Commercial Bin Service Rates**  
See attached

**EXHIBIT A -- GUADALUPE RATES**

**Refuse Bins -- thru 7/31/16**

<b>Refuse Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$129.14	\$239.99	\$351.02
City Franchise Fee	\$16.14	\$30.00	\$43.88
<b>2 Cubic Yards</b>	<b>\$145.28</b>	<b>\$269.99</b>	<b>\$394.90</b>

<b>Refuse Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$171.02	\$323.78	\$476.96
City Franchise Fee	\$21.38	\$40.47	\$59.62
<b>3 Cubic Yards</b>	<b>\$192.40</b>	<b>\$364.25</b>	<b>\$536.58</b>

<b>Refuse Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$216.98	\$414.72	\$613.44
City Franchise Fee	\$27.12	\$51.84	\$76.68
<b>4 Cubic Yards</b>	<b>\$244.10</b>	<b>\$466.56</b>	<b>\$690.12</b>

**No 9.18% surcharge on bins**

**Recycle Bins -- thru 7/31/16**

<b>Recycle Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$94.83	\$170.68	\$246.53
City Franchise Fee	\$11.85	\$21.34	\$30.82
<b>2 Cubic Yards</b>	<b>\$ 106.68</b>	<b>\$192.02</b>	<b>\$277.35</b>

<b>Recycle Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$119.40	\$219.81	\$320.22
City Franchise Fee	\$14.93	\$27.48	\$40.03
<b>3 Cubic Yards</b>	<b>\$ 134.33</b>	<b>\$247.29</b>	<b>\$360.25</b>

<b>Recycle Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$147.97	\$276.96	\$405.95
City Franchise Fee	\$18.50	\$34.62	\$50.74
<b>4 Cubic Yards</b>	<b>\$ 166.47</b>	<b>\$311.58</b>	<b>\$456.69</b>

**No 9.18% surcharge on bins**

**EXHIBIT A -- GUADALUPE RATES**

**Refuse Bins -- as of 08/01/16**

<b>Refuse Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$131.55	\$244.47	\$357.57
City Franchise Fee	\$16.44	\$30.56	\$44.70
<b>2 Cubic Yards</b>	<b>\$147.99</b>	<b>\$275.03</b>	<b>\$402.27</b>
Change	\$2.71	\$5.04	\$7.37

<b>Refuse Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$174.06	\$329.54	\$485.44
City Franchise Fee	\$21.76	\$41.19	\$60.68
<b>3 Cubic Yards</b>	<b>\$195.82</b>	<b>\$370.73</b>	<b>\$546.12</b>
Change	\$3.42	\$6.48	\$9.54

<b>Refuse Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$220.77	\$421.97	\$624.17
City Franchise Fee	\$27.60	\$52.75	\$78.02
<b>4 Cubic Yards</b>	<b>\$248.37</b>	<b>\$474.72</b>	<b>\$702.19</b>
Change	\$3.60	\$4.77	\$6.06

**No 12% surcharge on bins**

**Recycle Bins -- thru 7/31/16**

<b>Recycle Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$97.09	\$174.68	\$252.43
City Franchise Fee	\$12.14	\$21.83	\$31.55
<b>2 Cubic Yards</b>	<b>\$109.23</b>	<b>\$196.51</b>	<b>\$283.98</b>
Change	\$2.55	\$4.49	\$6.63

<b>Recycle Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$122.22	\$225.05	\$327.89
City Franchise Fee	\$15.28	\$28.13	\$40.99
<b>3 Cubic Yards</b>	<b>\$137.50</b>	<b>\$253.18</b>	<b>\$368.88</b>
Change	\$3.17	\$5.89	\$8.63

<b>Recycle Rate</b>	<b>1x/wk</b>	<b>2x/wk</b>	<b>3x/wk</b>
To HSS	\$151.46	\$283.54	\$415.62
City Franchise Fee	\$18.93	\$35.44	\$51.95
<b>4 Cubic Yards</b>	<b>\$170.39</b>	<b>\$318.98</b>	<b>\$467.57</b>
Change	\$2.56	\$3.19	\$3.96

**No 12% surcharge on bins**

**EXHIBIT A-1  
EXAMPLE RATE ADJUSTMENT METHODOLOGY**

<b>CPI Calculation</b>			
<b>April 2014 through March 2015</b>			
<b>Month</b>	<b>Start Month Apr-13 thru Mar-14</b>	<b>End Month Apr-14 thru Apr-15</b>	<b>Year over Year % Change</b>
Apr.	239.043	242.437	1.42%
May	239.346	243.362	1.68%
Jun.	239.223	243.528	1.80%
July	238.920	243.727	2.01%
Aug.	239.219	243.556	1.81%
Sept.	239.611	243.623	1.67%
Oct.	239.940	243.341	1.42%
Nov.	238.677	241.753	1.29%
Dec.	238.742	240.475	0.73%
Jan.	239.857	239.724	-0.06%
Feb.	241.059	241.297	0.10%
Mar.	242.491	243.738	0.51%
<b>Average</b>			<b>1.20%</b>

**EXHIBIT B  
CITY FACILITIES**

US Post Office	1030 Guadalupe St.	90 Gallon Trash/Three 90 Gallon Recycling 1 Week
American Legion Hall	1025 Guadalupe St.	One 3-Yard Container 1 Week
Police Dept./City Hall	4460 Tenth St.	One 4-Yard Container/Two 1.5 Yard Container 1 Week
Leroy Park	4683 Eleventh St.	One 4-Yard Container 1 Week
JO Park	213 Calle Cesar E. Chavez	One 4-Yard Container/Four 90 Gallon Recycling 1 Week
Waste Water	5125 W. Main St	Two 2-Yard Containers/90 Gallon Recycling 1 Week +Roll-off containers sludge handling (Reduce cost 50% per pick-up -currently at \$135)
Water Dept.	303 Obispo St.	One 2-Yard Container/ One 4-Yard Container 1 Week
Library	4719 W. Main St. Ste. D	Two 60 Gallon Trash/Two 90 Gallon Recycling 1 Week
Senior Center	4545 Tenth Street	One 90-Gallon Trash/One 90-Gallon Recycling 1 Week

**EXHIBIT C  
STREET SWEEPING SPECIFICATIONS**

**1.1 Services**

- A. General. At no additional cost and expense to City, Grantee, or its subcontractor, shall provide street sweeping services on public residential streets and main arterial streets in the City. Street sweeping will not be provided on private property.
- B. Minimal Impact. Sweeping is to be performed at times that provide the best results with minimal impact to residents and commercial businesses, flow of vehicular traffic, and the public in general.
- C. NPDES. Sweeping shall be done in a manner to ensure compliance with all National Pollution Discharge Elimination System (NPDES) mandates.
- D. Route. Grantee shall sweep streets in residential areas once each month, and streets in commercial areas and three City-owned parking lots once each week.
- E. Coordination with Solid Waste Collection. Grantee shall make every effort to coordinate street sweeping routes with residential trash collection routes so streets shall be swept the following business day after trash collection.
- F. Sweeping Hours of Operation. At no time shall sweeping be conducted before 7:00 a.m. or after the hours of 7:00 p.m. or on Sunday in residential areas without the consent and approval of the City Administrator.
- G. Special Response. Grantee shall respond to all inquires and requests for special sweeps from the City Administrator. Response time will be within one (1) business day except in cases of declared emergencies, accident clean-ups or illicit discharges when response time will be soonest possible not to exceed one (1) hour during regularly scheduled sweeping hours and four (4) hours all other times. Charges for this service will be in accordance with Section 1.8.
- H. Holiday Adjustments. Grantee will adjust sweeping schedule consistent with holidays which result in changes to solid waste collection schedules.

**1.2 Notification of Route Changes.**

Grantee shall notify all affected residents of changes to sweeping schedules. Grantee will develop promotional materials to include sweeping schedules.

**1.3 Equipment**

- A. Vehicle Types. Grantee is required to use low-emission or alternative fueled, state-of-the-art, regenerative air, mechanical broom sweepers that are certified to meet all State and Federal Environmental Protection Agency (EPA) and National Pollution Discharge Elimination System (NPDES) compliance mandates. Sweepers shall be equipped with operational strobe and back-up alarm and shall conform to all applicable safety requirements.
- B. Storage. Vehicles when not in service will be stored at a facility that has been appropriately zoned for said use.
- C. Vehicle Maintenance. Equipment shall be maintained in clean appearance. All related vehicle equipment shall be maintained in good mechanical condition. Brushes and brooms shall be replaced at regular intervals. Equipment is subject to inspection by City at any time.
- D. Available Vehicles. Grantee shall maintain or have access to equipment sufficient to meet all obligations hereunder.

**1.4 Sweeping Methods**

- A. General. Grantee shall make as many passes as are necessary to remove debris including all sand, dirt, rocks, gravel, vegetation, and other sweepable debris during sweeping operations.
- B. Permitted Operations. Grantee will operate equipment within manufacturer guidelines and observe a speed limit of 8 mph while sweeping.
- C. Noise Limits. Sweeping shall be conducted as quietly as possible and shall conform to applicable federal, state, county,

and City noise level regulations as they now exist or may be amended in the future. The City may conduct random checks of noise emission levels to ensure compliance.

D. **Water Usage.** Adequate water shall be used at all times to maximize dust control. Grantee shall not discharge liquid waste from sweeper units onto City streets or into the storm drain system.

E. **Unweepable Debris.** Unweepable items that impede sweeping, such as palm fronds, rocks and other debris, shall be removed from the sweeping path and properly disposed of by the operator.

F. **Parked Vehicles.** Grantee shall not be responsible for areas missed due to parked cars or other personal property blocking sweeping paths. In such case, Grantee must note and report areas missed to City.

### **1.5 Staff**

A. **General.** All staff associated with sweeping operations will be uniformed and have the ability to contact a supervisor from the vehicle. All vehicle operators shall be appropriately licensed to operate sweeping vehicles on public streets and shall obey all applicable traffic laws.

B. **Reserves.** Adequate reserve staff shall exist to meet all obligations.

C. **Additional Staff.** One staff person shall be assigned as needed to pick up large debris that impede with sweeper operations.

D. **Contact Information.** City shall be provided with phone number to contact sweeping supervisor 24 hours per day.

E. **Training.** All staff shall be trained to recognize illicit discharges and stormwater pollution sources. All staff training will be documented and available for review by the City Administrator upon request.

F. **Communications.** Grantee shall maintain direct communications with all sweeping equipment and staff in the field. Each sweeper operator shall have the ability to communicate verbal information immediately to their supervisor, City staff, Police and Fire personnel, and for the reporting of pollutant discharge observations.

### **1.6 Debris and Water Usage**

A. **General.** Grantee is responsible for the disposal of all debris collected.

B. Grantee is responsible for all water usage and associated costs and coordination with individual water purveyors to obtain hydrant meters.

### **1.7 Credit Hours**

A. **General.** Grantee shall provide credit hours for those hours of sweeping not performed due to inclement weather. Credit hours shall be "banked" and available for use by City for specific "special" sweeping projects outside the scope of the established routes and route schedules and beyond additional hours provided in Section 1.8, above. Any unused portion of the Credit hours shall "roll over" at the end of each franchise year and will be applied to the subsequent year.

B. **Call Out Rate.** Grantee and City shall establish a mutually agreed to "call out" rate for all hours of service requested by City which exceeds the total hours available under subsection A above.

**EXHIBIT D**  
**HOUSEHOLD HAZARDOUS WASTE PROGRAM**  
**MATERIALS ACCEPTED**

# Exhibit D

## **City of Guadalupe - Hazardous Waste Drop-Off Collection Site**

**HSS Recycling Center** (Open 6 days per week, M-Sat, 8-5)

1850 West Betteravia Road

Santa Maria, CA 93455

805-922-9092

Residents may be paid for some of these materials listed and others may have a small fee. For current pricing contact HSS Recycling. No charge to customers who drop items during twice per year City Clean Up Events.

### **HSS Recycling Accepts (Limits have been established by State Regulations):**

#### **Antifreeze -**

Clean, used Antifreeze. Limit is 5 gal per trip, 20 gal per day.

#### **Batteries -**

Vehicle batteries. Limit 10 per trip.

#### **Motor Oil -**

Clean, used motor oil. Limit is 5 gal per trip, 20 gal per day.

#### **Paint -**

Latex water-based paint in the original labeled container. Limit is 5 gal per trip, 20 gal per day.

#### **Electronic Waste -**

Undamaged electronic waste.

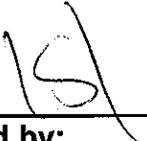
#### **Appliances -**

All household appliances.

#### **Other Regional Programs -**

- All other household hazardous waste and sharps can be taken to the City of Santa Maria Landfill HHW Facility, 805-925-0951, x7270.
- Household generated pharmaceutical waste can be dropped at the County Sheriff's Station, 812-A West Foster Road, Santa Maria, 805-934-6150

**REPORT TO THE CITY COUNCIL**  
**May 24, 2016**

  
\_\_\_\_\_  
**Prepared by:**  
**Jerry Hittleman, Contract Planner**

  
\_\_\_\_\_  
**Approved by:**  
**Andrew Carter,**  
**City Administrator**

**SUBJECT:** City of Guadalupe 2015 Housing Element Update

**RECOMMENDATION:**

- 1) Receive a presentation from staff,
- 2) Conduct a public hearing on the 2015 Housing Element, and
- 3) Make a motion and vote to approve a resolution adopting the 2015 Housing Element Update.

**BACKGROUND:**

On June 14, 2011, the City Council adopted the 2009 Housing Element, which is currently in effect. The City of Guadalupe 2015 Housing Element Update sets forth policies and programs to address local housing needs through 2019. It provides a comprehensive analysis of Guadalupe's demographic, economic, and housing characteristics as required by State law. The Element also contains an evaluation of the City's progress in implementing the 2009 Housing Element. Based upon the City's housing needs, available resources, constraints and opportunities for housing production and preservation, and its past performance, the 2015 Housing Element Update establishes a strategy of goals, measurable objectives, and related policies and programs that address the present and future housing needs of Guadalupe residents.

Public participation is an important component of the Housing Element update process. During preparation of the Housing Element Update, citizen and stakeholder participation was actively encouraged in the following ways:

- A community workshop and a City Council Study Session was held on October 27, 2015 to gather input on existing housing needs, housing conditions, opportunities and constraints, and other housing issues and concerns; and
- Public notice of the community workshop were posted on the City's website, posted in the local newspaper, and posted at City Hall.

## **DISCUSSION:**

On November 20, 2015, the City transmitted the Draft 2015 Housing Element Update to the California Department of Housing and Community Development (HCD) for review and comment. HCD reviewed the draft Housing Element Update and concluded that revisions and additional information were needed to the document before certification by HCD. HCD comments on the Draft Housing Element were included in a letter dated January 14, 2016 (Attachment No. 2). Staff incorporated the comments into the revised Draft Housing Element Update dated January 2016 (Attachment No. 3). The comments received from HCD on the Draft Housing Element Update are summarized below.

### **HCD Comments:**

#### **Housing Needs, Resources, and Constraints**

- Include an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public services to these sites. This inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period.

Staff Response: This comment was addressed by revising the following tables:

- Table 31 – Existing Vacant Land Building Capacity Excluding DJ Farms Property
  - Table 32 – DJ Farms Specific Plan Area Vacant Land Building Capacity
  - Table B-2 – Vacant Residential Sites Inventory – Guadalupe 2014
  - Table B-3 – Mixed Use Development Potential
- Demonstrate zoning or densities that can accommodate housing for lower income households by including an analysis of market demand, financial feasibility, and development experience or show that allowable residential densities of at least 20 units per acre exist within the community.

Staff Response: This comment was addressed by incorporating a discussion of sites that are zoned R-3, Multiple Dwelling Residential (high density), which allow a density of up to 26 dwelling units per acre in the Final 2015 Housing Element (page 29).

- Demonstrate the suitability of water and sewer infrastructure to accommodate the City's need for the next eight (8) years.

Staff Response: This comment was addressed by including a summary of the City of Guadalupe Wastewater System and Treatment Master Plan (2014) and the Water Master Plan Update (2014) infrastructure improvements on page 53 of the revised 2015 Housing Element. This confirms that the City's water and sewer infrastructure can adequately serve existing and future residents over the planning period.

- Show that transitional and supportive housing uses are allowed in all residential zones.

Staff Response: This comment was addressed by including Program D.6 (page 65) in the Final 2015 Housing Element, which states that in 2016, the zoning ordinance will be amended to allow transitional and supportive housing in all residential zoning districts.

- Analyze potential and actual government constraints upon the maintenance, improvement, or development of housing for all income levels. Verify that Table 39 Fees that Affect Housing Production (page 45), includes all applicable City, County, and Regional fees, including impact fees.

Staff Response: This comment was addressed by informing HCD that all fees on Table 39 are accurate and that no additional housing impact fees are required for new development in the City of Guadalupe.

### Housing Programs

- Identify adequate sites which will be made available through appropriate zoning and development standards and the public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels. Clarifications and timeline revisions to Programs A.2 (prioritize water and sewer procedures for developments with affordable units), A.3 (bring second dwelling unit ordinance into compliance with state law), and D.5 (cooperate with Santa Barbara County to provide affordable multi-family housing units), were required to be implemented in 2016.

Staff Response: These comments were addressed by revising the program descriptions. The appropriate ordinance amendments and program administration activities would be adopted and completed in 2016.

- Include programs which assist in the development of adequate housing to meet the needs of extremely low-, very-low-, low- and moderate-income households. HCD recommended revisions to the goals and timelines of Programs A.6 (continue to work with the Santa Barbara Housing Authority on various programs), B.2 (coordinate with the Santa Barbara County Housing Authority on Section 8 subsidy monies), D.1 (bring City Zoning Ordinance into compliance with the State Density Bonus Law), and E.5 (apply to state affordable housing fund programs).

Staff Response: These comments were addressed by revising the program descriptions to reference the appropriate affordable housing programs. The appropriate ordinance amendments would be adopted and completed in 2016.

- Include programs which remove government constraints to the maintenance, improvement, and development of housing (where appropriate and legally possible). Add a specific timeline for adoption of a density bonus ordinance in compliance with state law.

Staff Response: This comment was addressed by establishing an adoption timeline for revising the density bonus ordinance in compliance with state law.

- The Housing Element shall include programs to conserve and improve the condition of the existing affordable housing stock.

Staff Response: This comment was addressed by including several programs in the Housing Element to demonstrate conservation and improvement of the existing housing stock. Specifically, Program A.6 encourages working with the Santa Barbara County Housing Authority to secure funds for rehabilitation and/or room additions to relieve overcrowding in low-income households. Program A.7 states that the City shall continue code enforcement efforts to preserve and improve existing housing stock.

### Quantified Objectives

- Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year timeframe.

Staff Response: This comment was addressed by revising Table 41 to include the minimum number of housing units targeted for rehabilitation or conservation over the next 5 years.

### Consistency with General Plan

- Describe the means by which consistency will be achieved with other General Plan elements and community goals. The following General Plan Elements must be updated on or before adoption of the next housing element in 2019: safety element, conservation element, and certain sections of the land use element.

Staff Response: This comment was addressed by requiring the preparation of a work program to update the above mentioned general plan elements within the next 5 years.

As described above, City Staff worked closely with HCD staff to address these comments. Various sections of the Housing Element were revised to include information described above. City staff submitted a revised draft Housing Element (January 2016) that addressed the comments noted in HCD's January 14, 2016 letter. On January 25, 2016, HCD provided a letter stating that the City's revised draft Housing Element (January 2016) complies with all applicable requirements of state law. The January 25, 2016 letter is included as Attachment No. 5 to this staff report.

### **CEQA Review:**

The City conducted a review of the 2015 Housing Element Update and its potential environmental impacts per the requirements of the California Environmental Quality Act (CEQA). The analysis concluded that the Housing Element Update would have no significant effects on the environment, and thus an Initial Study-Negative Declaration was prepared (Attachment No. 6). The availability of the Initial Study-Negative Declaration was duly noticed for public review and comment. The public comment period for the Initial Study-Negative Declaration was between April 4, 2016 and May 4, 2016.

No comment letters on the Initial Study-Negative Declaration were received during the public review period.

### **CONCLUSION:**

The City Council, in its consideration of the 2015 Housing Element Update, would need to find the element in conformance with State law and the City of Guadalupe's General Plan. With the incorporation of the above-described changes, City staff recommends adoption of the Final 2015 Housing Element Update. The City Council can direct staff to make additional changes to the Housing Element Update prior to taking any action. However, doing so may jeopardize HCD's certification of the Final 2015 Housing Element Update.

## **ALTERNATIVES:**

The City Council may elect to continue the item if there are questions or concerns that cannot be resolved at the hearing. If the item is continued, such a delay would increase the length of time that the City is past the 2015 certification deadline, which may present a legal vulnerability, and which could also potentially interfere with the obtaining of housing and transportation grant moneys that require a certified Housing Element to be in place.

## **Attachments:**

Attachment 1 – Resolution No. 2016-27

Attachment 2 – HCD Draft Housing Element Review Letter

Attachment 3 – January 2016 Revised Draft 2015 Housing Element Update  
with Track Changes

Attachment 4 – Final Draft 2015 Housing Element Update

Attachment 5 – HCD Compliance Letter

Attachment 6 – Initial Study/Negative Declaration

**ATTACHMENT 1**

**City Council Resolution No. 2016-27**

## **RESOLUTION NO. 2016-27**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE ADOPTING THE 2015 HOUSING ELEMENT UPDATE**

**WHEREAS**, State law requires cities and counties to prepare and adopt a General Plan to guide the future development of a city or county; and

**WHEREAS**, a General Plan must contain certain elements, including a Housing Element, which sets forth goals, policies and programs to encourage the development of housing for all income groups and persons with special needs; and

**WHEREAS**, State law requires that cities and counties comprehensively update their General Plan Housing Elements every five years to ensure their plans can accommodate future demand for housing; and

**WHEREAS**, on May 24, 2016, the City Council adopted Resolution No. 2016-27 to adopt the City's 2015 Housing Element Update and associated Initial Study-Negative Declaration; and,

**WHEREAS**, the administrative records, the adopted Housing Element, staff reports, correspondence, the Initial Study-Negative Declaration are on file at City of Guadalupe City Hall, 918 Obispo Street; and

**WHEREAS**, on January 14, 2016, the City Council received a comment letter from the State Department of Housing and Community Development, which required revisions to the City's 2015 Draft Housing Element; and

**WHEREAS**, the January 14, 2016 comments of State Housing and Community Development were addressed by the City in a revised draft of the 2015 Housing Element, which was submitted to the State Department of Housing and Community Development in January 2016; and,

**WHEREAS**, on January 25, 2016, the City received a letter from the State Department of Housing and Community Development notifying the City that the revised draft of the 2015 Housing Element Update complies with all applicable state requirements; and,

**WHEREAS**, the City Council finds that adoption of the Final 2015 Housing Element Update is consistent with the City of Guadalupe General Plan; said adoption constitutes the first amendment to the General Plan in calendar year 2016; and

**WHEREAS**, based on its independent judgment and analysis, the City Council finds that there is no substantial evidence that the adoption of the Final 2015 Housing Element Update will have a significant effect on the environment, as discussed in the Negative Declaration prepared for the 2015 Draft Housing Element Update.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Guadalupe as follows:

Section 1. As set forth in Article 10.6 of the California Government Code commencing with Section 65580, the Housing Element is required to contain: (i) an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs; (ii) a statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing; (iii) a program that sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

Section 2. The Final 2015 Housing Element, dated May 2016, which contains the required provisions set forth in Section 1 of this Resolution, has been presented to the City Council along with the associated Initial Study-Negative Declaration, dated April 2016. The Initial Study-Negative Declaration has been prepared pursuant to the California Environmental Quality Act. Copies of the Final 2015 Housing Element Update and Initial Study-Negative Declaration are attached hereto as Exhibits "A" and "B" respectively.

Section 3. The recitals set forth above are adopted by the Council as findings of fact by the City Council in support of this resolution. The Council has reviewed, analyzed, and investigated and finds that the Final 2015 Housing Element Update and Initial Study-Negative Declaration comply with the requirements of law, and as such, the Council approves and adopts the Final 2015 Housing Element attached hereto.

PASSED, APPROVED, AND ADOPTED this 24th day of May, 2016 on motion of Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

CITY OF GUADALUPE

BY:

---

John Lizalde, Mayor

ATTEST:

---

Andrew Carter, Deputy City Clerk

**ATTACHMENT 2**

**HCD Draft Housing Element Review Letter**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
www.hcd.ca.gov



January 14, 2016

Mr. Jasch Janowicz, Senior Program Manager  
Rincon Consultants  
180 North Ashwood Avenue  
Ventura, CA 93003

Dear Mr. Janowicz:

**RE: Review of the City of Guadalupe's 5<sup>th</sup> Cycle (2015-2023) Draft Housing Element**

Thank you for submitting Guadalupe's draft housing element received for review on November 20, 2015. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by a telephone conversation on December 18, 2015 with you and Mr. Jerry Hittleman, Senior Planner.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of February 15, 2015 for SBCAG localities. As this date has passed, pursuant to GC Section 65588(e)(4) the City must revise its housing element every four years until adopting at least two consecutive revisions by the statutory deadline. For information on housing element adoption requirements, please visit our website at: [http://www.hcd.ca.gov/hpd/hrc/plan/he/he\\_review\\_adoptionsteps110812.pdf](http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf).

We are committed to assisting Guadalupe in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Jess Negrete, of our staff, at (916) 263-7437.

Sincerely,

A handwritten signature in black ink that reads "Glen A. Campora".

Glen A. Campora  
Assistant Deputy Director  
Enclosure

## APPENDIX CITY OF GUADALUPE

The following changes would bring Guadalupe's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at [www.hcd.ca.gov/hpd](http://www.hcd.ca.gov/hpd). Among other resources, the Housing Element section contains the Department's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at [www.hcd.ca.gov/hpd/housing\\_element2/index.php](http://www.hcd.ca.gov/hpd/housing_element2/index.php) and includes the Government Code addressing State housing element law and other resources.

### **A. Housing Needs, Resources, and Constraints**

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

The City has a regional housing need allocation (RHNA) of 49 housing units, of which 20 are for lower-income households. To address this need, the element relies on vacant and Mixed-Use sites. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Zoning for Lower-Income Households: The element must demonstrate zoning or densities that can accommodate housing for lower-income households by including either:

- An analysis, including, but not limited to, factors such as market demand, financial feasibility and development experience within the identified zone(s) demonstrating how the adopted densities can accommodate the RHNA for lower-income households; or
- For communities with densities that meet specific standards (at least 20 units per acre for Guadalupe), no analysis is required other than identifying sufficient sites to accommodate the RHNA for lower-income households (Section 65583.2(c)(3)).

For additional information, see the *Building Blocks* at [http://www.hcd.ca.gov/hpd/housing\\_element2/SIA\\_zoning.php#zoning](http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#zoning).

Suitability and Availability of Infrastructure: While the housing element identifies sewer infrastructure capacity to accommodate the City's need "for the next five years" (page 52) and water capacity appears "sufficient to meet future demands" (page 53), it must demonstrate sufficient existing or planned water and sewer, including the availability and access to distribution facilities, to accommodate the

regional housing need during the *eight year* planning period (Section 65583.2(b)). For additional information, see the *Building Blocks* at our website [http://www.hcd.ca.gov/hpd/housing\\_element2/SIA\\_zoning.php#environmental](http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#environmental).

Sites with Zoning for a Variety of Housing Types:

- **Transitional Housing and Supportive Housing:** The element indicates that transitional housing and supportive housing are allowed “in most residential zones” (page 40). However, transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Section 65583(a)(5)). The element must demonstrate consistency with these statutory requirements and include a program, as appropriate. For more information, see the *Building Blocks* at [http://www.hcd.ca.gov/hpd/housing\\_element2/SIA\\_variety.php#Transitional](http://www.hcd.ca.gov/hpd/housing_element2/SIA_variety.php#Transitional).
- **Housing for Farmworkers:** The element indicates “farmworker housing is allowed by right in all R-2, R-3, MIX, and G-C zones and is treated as any other multifamily housing unit” (page 41). However, the element must also demonstrate the zoning is consistent with the Employee Housing Act (Health and Safety Code Section 17000 et seq.), specifically, Sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For additional information and sample analysis, see the *Building Blocks* at our Department’s website [http://www.hcd.ca.gov/hpd/housing\\_element2/SIA\\_variety.php#Farmworker](http://www.hcd.ca.gov/hpd/housing_element2/SIA_variety.php#Farmworker).

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).*

Fees and Exaction: While the housing element generally identifies fees, it must clarify whether Table 39-Fees that Affect Housing Production, page 45, includes all applicable City, County and Regional fees, including impact fees, required for single family and multifamily housing development and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis and tables, see the *Building Blocks* at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_fees.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_fees.php).

## B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding A1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Program A.2: Identify a specific timeline for the adoption of procedures to provide priority water and sewer service to developments with units affordable to lower-income households.

Program A.3: The program should clarify whether the current zoning ordinance complies with state law regarding second units, mobile and manufactured homes, licensed residential care facilities and group homes with fewer than six residents, rental housing, and transitional and supportive housing or if the program is proposing to amend the zoning ordinance to comply with state law regarding the housing types listed. The program must also include specific timelines for the completion or initiation of each program action.

Program D.5: Identify specific timelines and quantified objectives for each program action. For example, "Identify one potential farmworker housing site per year; Meet with farmworker advocacy groups at least twice a year." Also, clarify whether program is to develop farmworker housing or housing affordable to lower income households.

2. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).*

Program A.6: Identify specific timelines and quantified objectives for each program action. For example, "Meet with the Housing Authority, Self-Help Housing, and other non-profit agencies at least twice a year; Annually submit funding applications; Prepare Annual Report in May of each year."

Program B.2: Describe actions, as well as their timelines, the City will take to coordinate efforts with the Housing Authority.

Program D.1: Clarify whether the proposed density bonus is for three- and four-bedroom units affordable to lower income households, e.g. extremely low-, very low-, and low-income and that the density bonus complies with state density bonus law. For example, required period of affordability of 55 years or more.

Program E.5: Identify quantified objectives for each program action. For example, "Apply for affordable housing funds at least 3 times during planning period and support all feasible funding applications."

3. *The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).*

As noted in Finding A2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

Program A.4: Identify a specific timeline for the adoption of a density bonus ordinance and that the proposed density bonus ordinance will comply with state law, e.g. required period of affordability of 55 years or more.

4. *The housing element shall include programs to conserve and improve the condition of the existing affordable housing stock (Section 65583(c)(4)).*

The element must include a program(s) to conserve and improve the condition of the existing stock, which may include addressing the loss of dwelling units. For example, the program could indicate the City will apply for funds for housing rehabilitation or coordinate with housing providers or non-profits to rehabilitate housing units. For additional information and a sample program, see the *Building Blocks*' at [http://www.hcd.ca.gov/hpd/housing\\_element2/PRO\\_conserve.php](http://www.hcd.ca.gov/hpd/housing_element2/PRO_conserve.php).

### **C. Quantified Objectives**

*Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame (Section 65583(b)(1 & 2)).*

The element must include quantified objectives to establish an estimate of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period. While the element includes these objectives by income group for new construction, it must also include objectives by income group for rehabilitation and conservation/preservation of housing.

**D. Consistency with General Plan**

*The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)(7)).*

For your information, some other elements of the general plan must be updated on or before the next adoption of the housing element. The safety and conservation elements of the general plan must include analysis and policies regarding fire and flood hazard management (GC Section 65302(g)). Also, the land-use element must address disadvantaged communities (unincorporated island or fringe communities within spheres of influence areas or isolated long established "legacy" communities) based on available data, including, but not limited to, data and analysis applicable to spheres of influence areas pursuant to GC Section 56430. The Department urges the City to consider these timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at:

[http://opr.ca.gov/docs/SB244\\_Technical\\_Advisory.pdf](http://opr.ca.gov/docs/SB244_Technical_Advisory.pdf) and  
[http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).

**ATTACHMENT 3**

**January 2016 Revised Draft 2015 Housing Element Update with Track  
Changes**

---

# City of Guadalupe

## DRAFT 2015 HOUSING ELEMENT UPDATE

*Prepared by:*

**City of Guadalupe**  
918 Obispo Street  
Guadalupe, CA 93434

*Prepared with the Assistance of:*

**Rincon Consultants, Inc.**  
1530 Monterey Street, Suite D  
San Luis Obispo, CA 93401

October ~~January~~ 20165



*This report is printed on 50% recycled paper with 50% post-consumer content  
and chlorine-free virgin pulp.*

## CITY OF GUADALUPE 2015 HOUSING ELEMENT UPDATE

Table of Contents

DRAFT 2015 Housing Element Update .....	i
I. Introduction .....	1
A. Community Context .....	1
B. Public Participation .....	2
C. Consistency with Other Elements of the General Plan .....	3
D. Organization of the Element .....	3
II. Housing Needs Assessment .....	4
A. Population Characteristics .....	4
1. Population Growth Trends .....	4
2. Age .....	4
3. Race and Ethnicity .....	5
4. Conclusion .....	5
B. Employment Trends .....	6
1. Current Employment .....	6
2. Projected Job Growth .....	7
3. Jobs-Housing Balance .....	8
4. Conclusion .....	8
C. Household Characteristics .....	9
1. Household Growth .....	9
2. Household Composition and Size .....	9
3. Household Income .....	10
4. Conclusion .....	11
D. Housing Stock Characteristics .....	11
1. Housing Type and Growth Trends .....	11
2. Housing Age and Conditions .....	12
3. Housing Tenure .....	13
4. Vacancy .....	13
5. Housing Cost .....	14
6. Affordability and Overpayment .....	15
7. Overcrowding .....	16

8. Conclusion .....	16
E. Special Housing Needs .....	16
1. Elderly.....	17
2. Large Households .....	18
3. Female Headed Households.....	19
4. Persons with Disabilities.....	20
5. Farmworkers .....	22
6. Homeless .....	24
7. Extremely Low Income Households .....	25
F. Assisted Housing At-Risk of Conversion.....	25
1. Inventory of Potential At-Risk Units.....	25
2. Risk of Conversion.....	26
G. Future Growth Needs.....	26
1. Overview of the Regional Housing Needs Assessment.....	26
III. Resources for Residential Development.....	29
A. Land Availability.....	29
1. Vacant Residential Parcels .....	30
2. Mixed Use Development.....	31
3. DJ Farms Specific Plan Area.....	31
B. Financial Resources.....	32
1. Federal and State Resources.....	32
2. Local Resources .....	36
IV. Constraints.....	37
A. Governmental Constraints.....	37
1. Land Use Controls .....	37
2. Residential Development Processing Procedures.....	44
3. Development Fees .....	46
4. Regional Constraints .....	48
B. Non-Governmental Constraints.....	48
1. Fiscal Constraints.....	48
2. Citizen Behavior.....	49
3. Environmental Constraints.....	50
4. Infrastructure and Public Facilities.....	52
V. Energy Conservation Opportunities.....	55
A. Planning and Land Use.....	55



B. Energy Efficient Practices and Technologies.....	56
VI. Housing Action Plan .....	57
A. Affordable Housing Supply .....	57
B. Conservation and Rehabilitation .....	59
C. At-Risk Units.....	63
D. Special Needs.....	63
E. Energy Conservation .....	65
F. Equal Opportunity Housing .....	67
G. Quantified Objectives .....	68
Appendix A: Evaluation of 2009 Housing Element .....	70
A. Program Evaluation .....	70
B. Appropriateness of Goals and Policies .....	68
C. Progress in Meeting Quantified Objectives .....	75
Appendix B: Residential Land Inventory .....	80
A. Vacant Land .....	81
B. Mixed Use Development .....	79
C. DJ Farms Specific Plan.....	87
Adopted DJ Farms Specific Plan .....	87
Revised DJ Farms Specific Plan .....	<b>Error! Bookmark not defined.</b>
Appendix C: Development Fees.....	89
Appendix D: References.....	87

**List of Tables**

Table 1. Population Growth Trends – Guadalupe vs. Santa Barbara County, 1990-2014.....	4
Table 2. Age Distribution – Guadalupe vs. Santa Barbara County, 2010.....	5
Table 3. Population by Race/Ethnicity – Guadalupe vs. Santa Barbara County, 2010 .....	5
Table 4. Labor Force and Unemployment Rates – Guadalupe vs. Santa Barbara, 2008-2012 .....	6
Table 5. Employment by Occupation – Guadalupe, 2008-2012 .....	6
Table 6. Projected Job Growth by Occupation – Santa Barbara-Santa Maria-Goleta Metropolitan Statistical Area, 2010-2020.....	7
Table 7. Household Growth Trends – Guadalupe, 1990-2010.....	9
Table 8. Household Composition – Guadalupe vs. Santa Barbara County, 2008-2012 .....	9
Table 9. Household Size – Guadalupe vs. Santa Barbara, 2008-2012.....	10
Table 10. Household Income – Guadalupe, 2008-2012.....	10



Table 11. Median Household Income – Santa Barbara County and Cities, 2008-2012 .....	10
Table 12. Median Income Distribution of Household Income Groups – Guadalupe, 2010.....	11
Table 13. Housing Unit Type – Guadalupe vs. Santa Barbara County, 2014 .....	11
Table 14. Age of Housing Stock – Guadalupe .....	12
Table 15. Housing Condition Survey Results – Guadalupe .....	13
Table 16. Housing Tenure of Occupied Units – Guadalupe, 2000-2011 .....	13
Table 17. Occupancy Status of Housing Stock – Guadalupe, 2010.....	14
Table 18. Values of Contract Rent Payments – Guadalupe, 2010 .....	15
Table 19. Gross Rental Costs as a Percent of Household Income – Guadalupe, 2007-2011 .....	15
Table 20. Overcrowding – Guadalupe vs. Santa Barbara County, 2010 .....	16
Table 21. Households by Age – Guadalupe, 2000 and 2010.....	17
Table 22. Householders by Tenure and Age – Guadalupe, 2010.....	17
Table 23. Number of Bedrooms by Tenure – Guadalupe, 2012 .....	19
Table 24. Persons per Unit – Guadalupe, 2010.....	19
Table 25. Household Type – Guadalupe, 2012 .....	20
Table 26. Estimated Farmworker Population .....	23
Table 27. Santa Barbara County Top 10 Agricultural Products by Rank.....	23
Table 28. Assisted Affordable Housing Developments – Guadalupe.....	26
Table 29. Households by Income Group – Guadalupe, 2010.....	28
Table 30. Guadalupe 2014-2022 Regional Housing Need Allocation by Income.....	28
Table 31. Existing Vacant Land Building Capacity Excluding DJ Farms Property .....	30
Table 32. DJ Farms Specific Plan Area Vacant Land Building Capacity .....	31
Table 33. Additional Federal, State, and Private Financial Resources .....	32
Table 34. Guadalupe General Plan Residential Land Use Designations.....	37
Table 35. Development Standards from Guadalupe Zoning Code .....	39
Table 36. Allowed Residential Development by Zone .....	40
Table 37. Parking Standards.....	43
Table 38. Typical Permit Processing Time Requirements .....	45
Table 39. Fees that Affect Housing Production .....	47
Table 40. Sewer Capacity and Projected Sewer Demand .....	53
Table 41. Quantified Objectives.....	69
Table A-1. 2009 Housing Element Program Evaluation – City of Guadalupe .....	71
Table A-2. Appropriateness of 2009 Housing Element Goals and Policies – City of Guadalupe .....	76
Table A-3. Progress in Achieving Quantified Objectives (January 2009-July 2014 RHNP).....	79
Table B-1. Summary of Regional Housing Needs Plan (RHNP).....	

Formatted: Normal



Table B-2. Vacant Residential Sites Inventory – Guadalupe, 2014 ..... 81  
Table B-3. Mixed Use Development Potential ..... 84  
Table B-4. DJ Farms Specific Plan Area Vacant Land Building Capacity ..... 87

**List of Figures**

Figure 1. Median Household Income vs. Median Home Value – Guadalupe, 2000-2013 ..... 14  
Figure 2: Environmental Constraints Map ..... 51  
Figure B-1. Vacant Residential Parcels and Mixed Use Housing Opportunities ..... 88



## I. INTRODUCTION

The California Legislature identifies the attainment of an acceptable home and suitable living environment for every citizen as California's main housing goal. Recognizing the important role local government planning plays in an effort to achieve this goal, the State mandates that all cities and counties prepare and adopt a housing element as part of their comprehensive general plans. In the housing element, State law requires local governments to adequately plan to meet the existing and projected housing needs of all economic segments of the community. Unlike the other mandatory elements, the housing element is subject to detailed statutory requirements regarding its content and must be updated every five years. The housing element is also subject to mandatory review and certification by the California Department of Housing and Community Development (HCD).

The City of Guadalupe 2015 Housing Element Update sets forth policies and programs to address local housing needs through 2023. It provides a comprehensive analysis of Guadalupe's demographic, economic, and housing characteristics as required by State law. The Element also contains an evaluation of the City's progress in implementing the 2009 Housing Element. Based upon the City's housing needs, available resources, constraints and opportunities for housing production and preservation, and its past performance, the 2015 Housing Element Update establishes a strategy of goals, measurable objectives, and related policies and programs that address the present and future housing needs of Guadalupe residents.

Formatted: Not Highlight

### A. Community Context

Incorporated in 1946, the City of Guadalupe is located in the Santa Maria Valley, a rich agricultural region in the northwest portion of Santa Barbara County. Surrounded by farmland, the City serves as an agricultural service center for the productive Valley farms, providing the processing and shipping of many of the Valley's crops. With the predominant land use being residential, the City provides homes for persons employed in the production, processing, and shipping of agricultural products. Compared to most other cities in the County, Guadalupe has been a relatively stable community, experiencing modest population growth over the past 30 years.

As of 2010, the City had an estimated population of 7,080 residents, of which over 86 percent were Hispanic or Latino (U.S. Census Bureau, 2010). Approximately 37 percent of the population is foreign-born with the majority born in Latin America. With most workers being involved in agriculture, median household incomes are below the State average and there is a need for affordable workforce housing. Household incomes are also among the lowest in Santa Barbara County and as a result, many City residents qualify as those in the range for affordable housing units.

Formatted: Not Highlight

Between 2000 and 2007, Guadalupe's median home price has doubled to \$230,952, significantly outpacing the area's income growth (ESRI, 2008)<sup>1</sup>. Since then, however, Guadalupe's median home value price has decreased 22 percent to a 2014 median home price of \$180,252 (ESRI, 2014). Historically, in part because of increases in housing prices, overcrowding has been a major issue in Guadalupe, putting emphasis on the need for more affordable housing.

Formatted: Not Highlight

<sup>1</sup> It should be noted that the recent trend in housing costs statewide and in the region has been downward, median home prices decreasing substantially from 2007 to 2009.



The construction of projects identified as affordable housing in Guadalupe started in the 1980s. The first were Treasure Park and Bonita Pacifica, which provided assistance for home ownership. People's Self-Help Housing, Habitat for Humanity, Santa Barbara County Housing Authority, and Community Development Block Grant have provided financing and administration of affordable housing programs in Guadalupe.

Guadalupe's housing stock consists of approximately 1,890 residential units. Of these, 78 percent are single-family houses or condos, 21 percent are multi-family units, and 1 percent are mobile homes and trailers (CA Department of Finance, May 2014). Because a majority of the residential growth occurred prior to 1970, over half of the housing stock in Guadalupe is over 30 years old, the age when most homes begin to require major repairs. ~~Recognizing this as a housing concern, the City will continue to promote the improvements to existing housing stock through the provision of home rehabilitation assistance.~~

Formatted: Not Highlight

## B. Public Participation

Public participation is an important component of the Housing Element update process. Input from all segments of the community helps ensure appropriate housing strategies are more efficiently and effectively evaluated, developed, and implemented. During preparation of the Housing Element Update, citizen and stakeholder participation is actively encouraged in the following ways:

- A community workshop and a City Council Study Session was held on October 27, 2015 to gather input on existing housing needs, housing conditions, opportunities and constraints, and other housing issues and concerns;
- Public notices of the community workshop were posted on the City's website, posted in the local newspaper, and posted at City Hall;
- All notices were mailed out/posted in English and Spanish;
- ~~The Draft~~The Draft Housing Element was reviewed by the State Department of Housing and Community Development (HCD) on (TBD). All comments provided by HCD were addressed and incorporated into the Final Housing Element; and
- A public hearing before the City Council was held to consider Final Housing Element on (TBD).

Discussions at these workshops and meetings indicate that housing for families and farmworkers is a concern, and both single-family and single occupancy units are desired to accommodate this need. Residents of Guadalupe also support infill development in the downtown core around Guadalupe Street that is affordable by design. The community aspirations are captured in this Housing Element update.

Formatted: Not Highlight



### C. Consistency with Other Elements of the General Plan

State law requires that all portions of the General Plan be internally consistent. The City of Guadalupe General Plan consists of nine elements: 1) Land Use; 2) Housing; 3) Economic Development and Redevelopment; 4) Community Design and Historic Preservation; 5) Circulation; 6) Public Facilities; 7) Conservation and Open Space; 8) Safety; and 9) Noise. There is also a Coastal Zone Element that applies to the River View Specific Plan Area in westernmost part of the City. This Housing Element builds upon the other elements and is consistent with the policies set forth by the General Plan. For example, the Housing Element incorporates residential development capacities established in the Land Use Element and discussion of infrastructure and public services based upon information from the Land Use and Public Facilities Elements. As the General Plan is amended through time, the City will review the Housing Element for internal consistency, and make any necessary revisions.

Senate Bill 1087 of 2005 requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing. The City of Guadalupe is its own water and sewer provider; there is no separate water or sewer district. Staff members from the City Public Works Departments were consulted during the preparation of the Housing Element, in compliance with this requirement, and key water and sewer service staff will be provided with a copy of the Housing Element upon adoption.

### D. Organization of the Element

The Housing Element is organized into six chapters. This first chapter is introductory, touching on the statutory requirements of a Housing Element. Chapter 2 provides analysis of those issues required to be addressed by State law with a housing needs assessment. It discusses population, employment, household, and housing stock characteristics; special housing needs; assisted housing at-risk of conversion; and future growth needs as set forth by the Santa Barbara County Association of Governments. Chapter 3 describes the resources available in Guadalupe to achieve the City's allocation of regional housing needs, including land resources, financial and administrative resources, and energy conservation opportunities. Chapter 4 provides a discussion of both governmental and non-governmental constraints. Chapter 5 discusses opportunities for conserving energy in residential development. Finally, Chapter 6 contains goals, measurable objectives, policies, and programs for housing in Guadalupe based on community input and background research. A review of the 2009 Housing Element is provided as Appendix A, and a detailed analysis of sites suitable for residential development is located in Appendix B.

Formatted: Not Highlight



## II. HOUSING. HOUSING NEEDS ASSESSMENT

State law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the regional housing needs. This chapter provides an assessment of housing needs. It includes an analysis of general population, employment, household, and housing stock characteristics and trends to help define existing housing needs. Characteristics of disadvantaged groups with special housing needs are also addressed. The chapter looks at whether any existing assisted housing units are at-risk of conversion to market rate housing. Finally, the City's projected housing needs based on the Santa Barbara County Association of Government's 2014-2022 Regional Housing Needs Plan (RHNP) are examined.

This Housing Needs Assessment utilizes the most recent data from the US Census of Population and Housing, US Economic Census, California Department of Finance, California Employment Development Department (EDD), Santa Barbara County Association of Governments (SBCAG), and other relevant sources. The implications of these findings for the City's housing policies and programs are also discussed.

### A. Population Characteristics

#### 1. Population Growth Trends

The City of Guadalupe has experienced moderate population growth since 1990. Table 1 shows that between 1990 and 2000, the City's population increased just 3 percent. Since 2000, however, the population increased by 26 percent. The California Department of Finance estimates that as of January 1, 2014, Guadalupe had a population of 7,144, representing 1.6 percent of Santa Barbara County's total population of 433,398.

Formatted: Not Highlight

Formatted: Not Highlight

**Table 1. Population Growth Trends – Guadalupe vs. Santa Barbara County, 1990-2014**

	1990	2000	2014	Percent Change (1990-2000)	Percent Change (2000-2014)
Guadalupe	5,479	5,659	7,144	3.3%	26.2%
Santa Barbara County	369,608	399,347	433,398	8.1%	8.5%

Formatted: Not Highlight

Sources: US Census Bureau, SF3:PF1, 1990, 2000; California Department of Finance, Report E-5, 2014

Formatted: Not Highlight

#### 2. Age

Housing needs are influenced by the age characteristics of the population. Different age groups have different housing needs based on lifestyles, family types, income levels, and housing preference. Table 2 provides a comparison of the City's and County's population by age groups in 2010. This table shows that the age distribution of the City's population is younger overall than Santa Barbara County as a whole (median age of 28 for the City vs. 33.4 for the County). In 2010, 45.5 percent of City residents were under the age of 25 and 72.8 percent of the population was under the age of 45. Senior citizens represented the smallest proportion of the population at 8 percent.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 2. Age Distribution – Guadalupe vs. Santa Barbara County, 2010**

Age Group	Guadalupe		Santa Barbara County	
	Persons	Percent	Persons	Percent
Total population	7,080	100.0%	423,895	100.0%
Under 18 years	2,424	34.2%	98,047	23.1%
18 to 24 years	797	11.3%	63,267	14.9%
25 to 44 years	1,930	27.3%	108,170	25.6%
45 to 64 years	1,362	19.2%	100,013	23.6%
65 to 74 years	281	4.0%	26,776	6.3%
75 to 84 years	216	3.1%	18,532	4.4%
85 years and over	70	0.9%	90,90	2.1%
Median age (years)	28		33.4	

Source: US Census Bureau, SF1: QT-P1, 2010

Formatted: Not Highlight

### 3. Race and Ethnicity

The racial and ethnic composition of Guadalupe differs from Santa Barbara County in that the majority of City residents are Hispanic/Latino. Approximately 86 percent of City residents identify themselves as Hispanic or Latino in origin, whereas only 43 percent of County residents are in this category. Guadalupe's proportion of Hispanic and Latino citizens has remained stable since the last Housing Element cycle, when the Hispanic or Latino population was 85% in 2000.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

The City's racial composition also differs from that of the County in that 48 percent of Guadalupe residents identify themselves white, while 70 percent of County residents identify themselves as white. The proportion of Guadalupe residents who identify themselves as white also changed little since the last Housing Element cycle, increasing to 48% from 46% in 2000.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 3. Population by Race/Ethnicity – Guadalupe vs. Santa Barbara County, 2010**

Race	Guadalupe		Santa Barbara County	
	Persons	Percent	Persons	Percent
Total Population	7,080	100.0%	423,895	100.0%
White alone	3,395	48.0%	295,124	69.6%
Black or African American alone	74	1.0%	8,513	2.0%
American Indian and Alaska Native alone	103	1.5%	5,485	1.3%
Asian alone	279	3.9%	20,665	4.9%
Native Hawaiian and Other Pacific Islander alone	5	0.1%	806	0.2%
Some other race alone	2,783	39.3%	73,860	17.4%
Two or more races	441	6.2%	19,442	4.6%
Hispanic or Latino (of any race)	6,103	86.2%	181,687	42.9%
Not Hispanic or Latino	977	13.8%	242,208	42.9%

Source: US Census Bureau, SF1: DP-1, 2010

Formatted: Not Highlight

### 4. Conclusion

The population data suggests that as Guadalupe's population increases, the City should continue to provide housing for young adults and families. This includes both single family and multi-family

residential units. It will be important to increase the housing supply, choice, and affordability in order to avoid overcrowded living quarters.

## B. Employment Trends

### 1. Current Employment

Employment affects housing needs within a community to the extent that different jobs and income levels determine the type and size of housing a household can afford. According to the American Community Survey, between 2008 and 2012, a total of 3,298, or 67.7 percent of Guadalupe residents, were in the labor force, with an unemployment rate of 6.2 percent. In the previous Housing Element, a smaller proportion of the City's population was in the labor force as compared to the County. As shown in Table 4, between 2008 and 2012 new entrants into the Guadalupe labor force increased the labor force above that of the County as a whole. As in the previous Housing Element, Guadalupe has a higher unemployment rate than the County. According to the California Employment Development Department, as of September 2014, unemployment increased to 9.3 percent in for the City and decreased to 5.3 percent for the County.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 4. Labor Force and Unemployment Rates – Guadalupe vs. Santa Barbara, 2008-2012**

Formatted: Not Highlight

	Guadalupe		Santa Barbara County	
	Persons	Percent	Persons	Percent
In Labor Force*	3,298	67.7%	216,374	64.0%
-Employed	2,988	61.4%	195,057	57.7%
-Not Employed	300	6.2%	19,197	5.7%
Not in Labor Force	1,572	32.3%	121,556	36.0%

\*Ages 16 years and older in labor force

Source: 2008-2012 American Community Survey 5-year estimates

Between 2008 and 2012, the largest industry employing Guadalupe residents was agriculture, agriculture, constituting 23.7 percent of Guadalupe's working residents (Table 5), a decrease from 28% in 2000. In 2002, the US Census Bureau conducted the Economic Census, which determined average annual salaries by industry and categorized them as "low" (less than \$30,000 per year), "mid" (between \$30,000 to \$50,000 per year), and "high" (greater than \$50,000 per year) level wages. In the previous Housing Element cycle, 60 percent of Guadalupe residents were employed in occupations that paid low level wages and 30 percent were in industries that paid mid-level wages. Table 5 indicates that since the previous Housing Element update, approximately 59 percent of Guadalupe working residents have shifted into occupations that pay mid-level or high-level mean annual salaries, with 41 percent within the low-level.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 5. Employment by Occupation – Guadalupe, 2008-2012**

Formatted: Not Highlight

Industry	Persons	Percent	Average Annual Salary
Management	42	1.4%	\$116,820
Business and Financial Operations	28	0.9%	\$75,390
Computer and Mathematical	0	0.0%	\$84,270
Architecture and Engineering	73	2.4%	\$87,130
Life, Physical, and Social Sciences	12	0.4%	\$70,880
Community and Social Services	50	1.7%	\$48,360
Legal	17	0.6%	\$106,280
Education, Training, and Library	96	3.3%	\$60,420



Arts, Design, Entertainment, Sports, and Media	22	0.7%	\$62,450
Healthcare Practitioner, Technologists, and Technicians	43	1.4%	\$90,580
Healthcare Support	69	2.3%	\$32,790
Protective Service	104	3.5%	\$57,370
Food Preparation and Serving Related	148	5.0%	\$23,120
Building and Grounds Cleaning and Maintenance	211	7.1%	\$27,080
Personal Care and Service	163	5.5%	\$27,290
Sales and Related	131	4.4%	\$36,410
Office and Administrative Support	297	9.9%	\$39,250
Farming, Fishing, and Forestry	709	23.7%	\$19,470
Construction and Extraction	140	4.7%	\$49,080
Installation, Maintenance, and Repair	157	5.3%	\$48,080
Production	152	5.1%	\$36,080
Transportation and Material Moving	322	10.8%	\$32,690
<b>Total</b>	<b>2,988</b>	<b>100.0%</b>	<b>\$48,820</b>

Source: US Census Bureau, ACS, DP-03, 2008-2012, Bureau of Labor Statistics 2013 Santa Barbara-Santa Maria-Goleta area

## 2. Projected Job Growth

Future housing needs are affected by the number and type of new jobs created during this planning period. Table 6 shows projected job growth by occupation for the Santa Barbara-Santa Maria-Goleta Metropolitan Statistical Area (Santa Barbara County) for the period 2010-2020. Total employment is expected to grow by 13.5 percent during this period and 27,400 new jobs are anticipated. This would bring the employment of Santa Barbara County to approximately 230,100 by 2020 (California Employment Development Department, 2009).

Formatted: Not Highlight

Generally, residents that are employed in well-paying occupations (i.e. Professional and Business Services, Financial Activities, and Information) have less difficulty obtaining adequate housing than residents in low paying occupations (Farming, Leisure and Hospitality, Educational Services, and Retail Trade). Table 6 shows that low paying occupations are projected to grow by approximately 13,900 jobs by 2020.

Formatted: Not Highlight

**Table 6. Projected Job Growth by Occupation – Santa Barbara-Santa Maria-Goleta Metropolitan Statistical Area, 2010-2020**

Formatted: Not Highlight

Occupation Title	Annual Average Employment		Employment Change	
	2010	2020	Numerical	Percent
Self-Employment	19,300	20,400	1,100	5.7%
Unpaid Family Workers	600	600	0	0.0%
Private Household Workers	2,400	3,400	1,000	41.7%
Total Farm	18,600	20,700	2,100	11.3%
Mining and Logging	1,000	1,200	200	20.0%
Construction	7,000	8,700	1,700	24.3%
Manufacturing	11,300	11,200	-100	-0.9%
Trade, Transportation, and Utilities	24,700	29,000	4,300	17.4%
Wholesale Trade	4,000	4,800	800	20.0%
Retail Trade	17,900	21,000	3,100	17.3%
Transportation, Warehousing, and Utilities	2,800	3,200	400	14.3%
Information	3,500	3,800	300	8.6%
Financial Activities	6,400	7,100	700	0.0%



Professional and Business Services	21,600	25,900	4,300	14.8%
Education Services, Health Care and Social Assistance	20,900	26,100	5,200	12.8%
Leisure and Hospitality	21,900	25,400	3,500	10.1%
Government	38,200	40,800	2,600	6.1%
<b>Total Employment</b>	<b>202,700</b>	<b>230,100</b>	<b>27,400</b>	<b>13.5%</b>

Source: California Employment Development Department, 2009

### 3. Jobs-Housing Balance

A regional balance of jobs to housing helps ensure that the demand for housing is reasonably related to supply. When the number of jobs significantly exceeds the housing supply, the rental and for-sale housing markets may become saturated, requiring households to pay a larger percentage of their income for housing. A tight housing market can also result in overcrowding and longer commute times as workers seek more affordable housing in outlying areas. According to SBCAG's regional growth forecasts (2010-2040), this relationship between jobs and housing has become increasingly important. In recent years the jobs/housing imbalance has intensified, and workers have increasingly crowded into the limited available housing in southern Santa Barbara County, or sought less-expensive housing in northern Santa Barbara County.

Research suggests that a reasonable jobs/housing ratio should be within the range of one new housing unit for every 1.0 to 1.5 jobs (SBCAG, 2007). A ratio above 1.5 could indicate that there may be an insufficient supply of housing to meet the needs of the local workforce. A ratio below 1.0 could denote an insufficient supply of jobs to support the local population.

Based on the SBCAG RHNA Plan (2013), Guadalupe's job/housing ratio was substantially unbalanced at 0.36, with three housing units for every one job. This indicates that Guadalupe may be housing workers from other cities. The Census further supports this idea, reporting the average commute time for Guadalupe's workforce as 22 minutes. This is approximately the time it takes to get to neighboring communities, such as Santa Maria.

Formatted: Not Highlight

If workers from other parts of the County continue to move to Guadalupe, the cost of housing in the City may rise. The City should monitor housing costs as new units are produced as prices may be an indicator of the availability of affordable housing for higher cost areas. In addition, the City must make an effort to create new jobs as new homes are built, to reduce commute times and improve the quality of life for residents.

### 4. Conclusion

The employment characteristics and trends indicate a strong need for moderate- and lower-income housing to support the housing needs of residents employed by the farming and services sectors. The demand for affordable homes and apartments is likely to remain very high as many of the new jobs created will not provide the income needed to buy a new home in Guadalupe. It will therefore be important to provide adequate affordable housing, particularly for farm and service workers. The City should also monitor housing prices as new units are built and continue to encourage local job growth in order to avoid a greater imbalance of jobs to housing.



## C. Household Characteristics

### 1. Household Growth

Household characteristics are important indicators of the type and size of housing needed in a city. The US Census Bureau defines a "household" as all persons occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing a single unit.

As of January of 2010, there were 1,810 households in Guadalupe (U.S. Census Bureau). Between 1990 and 2000, households increased at a rate of 0.5 percent per year. Between 2000 and 2010, 396 new households were added, and the rate of change increased to 2.8 percent per year (Table 7).

Formatted: Not Highlight

Formatted: Not Highlight

**Table 7. Household Growth Trends – Guadalupe, 1990-2010**

Year	Households	Numerical Change	Annual Percent Change
1990	1,352	-	-
2000	1,414	62	0.5%
2010	1,810	396	2.8%

Formatted: Not Highlight

Source: US Census Bureau, SF1: P15, 1990, 2000, 2010

### 2. Household Composition and Size

Table 8 provides a comparison of households by type for Guadalupe and Santa Barbara County as a whole, as reported in the 2008-2012 American Community Survey. Family households comprised approximately 82.9 percent of all households in the City, which is approximately 18 percent higher than the County. Of the family households in Guadalupe, 48.6 percent had children under the age of 18. Non-family households made up 17 percent of the population.

Formatted: Not Highlight

**Table 8. Household Composition – Guadalupe vs. Santa Barbara County, 2008-2012**

Type	Guadalupe		Santa Barbara County	
	Households	Percent	Households	Percent
Total Households	1,805	100.0%	141,247	100.0%
Families	1,497	82.9%	91,950	65.1%
- w/children under 18	878	48.6%	43,010	30.5%
Non-family households	308	17.1%	49,297	35%
Average household size	3.9		2.9	

Formatted: Not Highlight

Source: US Census Bureau, S1101, 2008-2012 ACS.

Guadalupe also has a larger percentage of households that have four or more persons than Santa Barbara County (Table 9). In Guadalupe, 56 percent of households are comprised of four or more persons, compared to just 27 percent of households in the County. Guadalupe's average household size is 3.9 persons compared to 2.9 persons per household in the County. These statistics suggest that there is a greater need for large housing units in Guadalupe than for some other areas of Santa Barbara County.

Formatted: Not Highlight

**Table 9. Household Size – Guadalupe vs. Santa Barbara, 2008-2012**

Formatted: Not Highlight

Persons per Household	Guadalupe		Santa Barbara County	
	Households	Percent	Households	Percent
Total households	1,805	100.0%	141,247	100.0%
1-person household	242	13.4%	35,807	25.4%
2-person household	341	18.9%	45,834	32.4%
3-person household	211	11.7%	21,564	15.3%
4-person household	291	16.1%	18,415	13%
5-person household	515	28.5%	10,151	7.2%
6-person household	79	4.4%	4,295	3%
7-or-more-person household	126	7%	5,181	3.7%
Average household size	3.9		2.9	

Source: US Census Bureau, B25009, 2008-2012 ACS

### 3. Household Income

Household income is a primary factor affecting housing needs in a community – the ability of residents to afford housing is directly related to household income. Table 10 shows the breakdown of households by income. According to the 2008-2012 American Community Survey, the median household income in Guadalupe was the second lowest of cities in Santa Barbara County at \$48,607, followed by Lompoc at \$47,177 (Table 11). The median household income in Guadalupe increased from \$31,205 in 2000 to \$48,607 in 2012, but it still remains lower than most of the neighboring jurisdictions such as Santa Barbara County, which has a median household income of \$62,723 (U.S. Census Bureau, American Community Survey, 2008-2012). This demonstrates the need for affordable housing to adequately accommodate the residents with lower incomes.

Formatted: Not Highlight

**Table 10. Household Income – Guadalupe, 2008-2012**

Formatted: Not Highlight

Income Range	Households
Less than \$10,000	95
\$10,000 to \$14,999	48
\$15,000 to \$24,999	264
\$25,000 to \$34,999	230
\$35,000 to \$49,999	4324
\$50,000 to \$74,999	520
\$75,000 to \$99,999	197
\$100,000 to \$149,999	127
\$150,000 or more	0

Source: US Census Bureau, S1901, 2008-2012, ACS.

**Table 11. Median Household Income – Santa Barbara County and Cities, 2008-2012**

Jurisdiction Name	Median Household Income	Percent of County Median Income
Santa Barbara County	\$62,723	100%
Buellton	\$68,480	109%
Carpinteria	\$70,113	112%
Goleta	\$73,046	117%
Lompoc	\$47,177	75%
Santa Maria	\$51,675	82%
<b>Guadalupe</b>	<b>\$48,607</b>	<b>78%</b>

Source: US Census Bureau DP03, 2008-2012 ACS.



State law establishes four household income categories for purposes of housing programs based on area median income (AMI): very-low (less than 50 percent of AMI), low (51 to 80 percent of AMI), moderate (81 to 120 percent of AMI), and above-moderate (over 120 percent of AMI). Table 12 shows the income range for these groups, as well as the number and percentage of Guadalupe households in each group.

**Table 12. Median Income Distribution of Household Income Groups – Guadalupe, 2010**

Income Group	Income Range	Households	Percent of Households
Very Low	Less than \$23,338	652	36%
Low	\$23,338 to \$37,341	380	21%
Moderate	\$37,342 to \$56,012	272	15%
Above Moderate	More than \$56,013	507	28%

Source: SBCAG Regional Housing Needs Assessment, 2014; State Income Limits for 2014, Santa Barbara County, 2014

Formatted: Not Highlight

In addition to these four income categories, State law also requires quantification and analysis of housing needs of extremely low-income (ELI) households. ELI is a subset of the very low-income group and is defined as 30 percent of area median and below, or 50 percent of the very low-income households. Using these definitions, Guadalupe would have approximately 326 households that are in the ELI category in 2010.

Formatted: Not Highlight

Formatted: Not Highlight

#### 4. Conclusion

Guadalupe is projected to experience continued household growth throughout the planning period. In order to adequately accommodate residents, it will be essential to provide adequately sized and reasonably priced housing for family and non-family households. The demand for affordable homes and apartments is likely to remain very high, as a result of 90 percent of City households having moderate- or lower-incomes.

### D. Housing Stock Characteristics

#### 1. Housing Type and Growth Trends

As of October of 2014, the City of Guadalupe contained 1,890 housing units (California Department of Finance), which is a net increase of 440 units (or 30 percent) since the 2000 Census. The housing stock is comprised mostly of single-family detached homes, which make up 69 percent of all units, while multi-family units make up about 21 percent of the total. Ten percent of units are single-family attached units. Mobile homes comprise the remaining 0.5 percent. Table 13 provides a breakdown of the housing stock by type and compares it to Santa Barbara County's housing stock.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

When compared to the County as a whole, Guadalupe has a much higher percentage of single-family detached units, a lower percentage of multi-family units, and a much lower percentage of mobile homes. Given the tendency of individuals to form large households in Guadalupe, mobile homes are likely too small to suit the housing needs of many Guadalupe residents.

**Table 13. Housing Unit Type – Guadalupe vs. Santa Barbara County, 2014**

Housing Type	Guadalupe		Santa Barbara County	
	Number	Percent	Number	Percent
Single-Family	1,483	78.5%	101,055	65.3%
Detached	1,297	69%	90,736	58.6%
Attached	186	9.8%	10,319	6.7%

Formatted: Not Highlight

Multi-Family	398	21%	45,729	29.6%
Mobile Home	9	0.5%	7,949	5.1%
<b>Total Units</b>	<b>1,890</b>	<b>100.0%</b>	<b>154,733</b>	<b>100.0%</b>

Source: California Department of Finance, Report E-5, 2014

## 2. Housing Age and Conditions

Housing age is often an important indicator of housing condition. Housing units built prior to 1978, before stringent limits on the amount of lead in paint were imposed, may have exterior or interior building components coated with lead-based paint. Housing units of this age are also the most likely to have lead-based paint in deteriorated condition, needing rehabilitation which can be hazardous.

Table 14 shows the age distribution of the housing stock in Guadalupe. The majority of the City's housing stock was constructed before 1990, and well over one-half of the homes are thirty years old or older. These findings suggest that there may be a strong need for maintenance and rehabilitation, including remediation of lead-based paint, for a large portion of the City's housing stock. The Lead-Based Paint Hazard Control (LHC) and the Lead Hazard Reduction (LHRD) grant programs provide opportunities to identify and control lead-based paint hazards in eligible privately owned housing for rental or owner-occupants.

~~The City continues to apply for State Community Development Block Grant funds for rehabilitation programs. The intent of the program is to assist very low and low income homeowners, as well as rental property owners (serving the very low and low income sector of the population) in making repairs and improvements to their residential units.~~

Formatted: Not Highlight

**Table 14. Age of Housing Stock – Guadalupe**

Year Built	Housing Units	Percent
Total	1,945	100%
Built 2005 or later	160	8.2%
Built 2000 to 2004	250	12.9%
Built 1990 to 1999	104	5.3%
Built 1980 to 1989	559	28.7%
Built 1970 to 1979	112	5.8 %
Built 1960 to 1969	245	12.6%
Built 1950 to 1959	174	8.9%
Built 1940 to 1949	89	4.6%
Built 1939 or earlier	252	13.0%

Source: US Census Bureau, DP04, ACS, 2007-2011

Formatted: Not Highlight

### Housing Survey

In October of 2008, a City-wide walking survey was conducted by graduate students from the California Polytechnic State University, San Luis Obispo, City and Regional Planning Department to identify the general structural conditions of homes in Guadalupe. The results of this survey are summarized in Table 15. The structural condition of the housing units were reported as "sound," in need of "moderate rehabilitation," or "dilapidated." A sound dwelling unit is one that requires no repairs or only needs deferred maintenance (painting, roof patching, etc.). Moderate rehabilitation indicates that one or more structural repairs are necessary, as well as deferred maintenance. A dilapidated unit requires the replacement of all exterior elements and is generally considered not feasible to repair.

The majority of the housing was found to be in sound condition and was not in need of rehabilitation or replacement, though 7.5 percent of the units (137 units) are considered to need some form of **rehabilitation**. A total of two units in the City were considered dilapidated and in need of replacement.

Table 15 also shows the findings from two earlier housing surveys in Guadalupe. The general trend is that houses are increasing in quality. This could be largely due to rehabilitation grant programs funded by the previously existing Guadalupe Redevelopment Agency, or newly constructed housing.

**Table 15. Housing Condition Survey Results – Guadalupe**

Condition	People's Self-Help Housing Corporation Survey 1998		RM and Associates Housing Survey 2003		Cal Poly Land Use Inventory 2008	
	Number	Percent	Number	Percent	Number	Percent
Sound	1,223	86%	1,281	84%	1,697	90%
Moderate Rehabilitation	166	12%	198	13%	137	9%
Dilapidated	41	3%	53	3%	2	1%
<b>Total Housing Units</b>	<b>1,430</b>	<b>100%</b>	<b>1,532</b>	<b>100%</b>	<b>1,836</b>	<b>100%</b>

Formatted: Not Highlight  
 Formatted: Not Highlight  
 Formatted: Not Highlight

**3. Housing Tenure**

Housing tenure, or the ratio between owner-occupied and renter-occupied housing units, is an important indicator of the housing market. Communities need an adequate supply of units available both for rent and for purchase in order to accommodate a range of households with varying incomes, family sizes and composition, and lifestyles. Table 16 shows that as of 2011, 50 percent of occupied housing units were occupied by home-owners, while 50 percent were occupied by renters. It also reveals that ownership rates have increased between 2000 and 2010, and then slightly declined in 2011.

Formatted: Not Highlight

**Table 16. Housing Tenure of Occupied Units – Guadalupe, 2000-2011**

	2000		2011	
	Housing Units	Housing Units	Housing Units	Percent
Occupied housing units	1,414	1,414	1,825	98.83%
Owner-occupied housing units	780	780	909	49.81%
Renter-occupied housing units	634	634	916	50.19%
Vacant housing units	36	36	120	6.17%
<b>Total housing units</b>	<b>1,450</b>	<b>1,450</b>	<b>1,945</b>	<b>100.0%</b>

Formatted: Not Highlight

Source: US Census Bureau, SF1: QT-H1, 2000, 2011

**4. Vacancy**

Vacancy trends in housing are analyzed using a “vacancy rate” which establishes the relationship between housing supply and demand. For example, if the demand for housing is greater than the available supply, then the vacancy rate is low, and the price of housing will most likely increase. Additionally, the vacancy rate indicates whether or not the City has an adequate housing supply to provide choice and mobility. The US Department of Housing and Urban Development (HUD) indicates that a vacancy rate of five percent is sufficient to provide choice and mobility.

As shown in Table 17, the vacancy rate in Guadalupe was 4.08 percent in 2010 (U.S. Census Bureau). Based on this rate, the City is below the recommended vacancy rate of five percent, which indicates that Guadalupe residents have limited housing choice and mobility. A low overall vacancy rate also indicates

Formatted: Not Highlight  
 Formatted: Not Highlight

high demand and short supply of housing, which may result in continued use of units which are overcrowded, unsafe, unsanitary, or otherwise unsuitable for residential use. It also results in high prices and rents which most severely affect lower income households, people on fixed incomes, families with children, and other special-need groups. Discrimination is also more likely to occur when the rental vacancy rate is low.

**Table 17. Occupancy Status of Housing Stock – Guadalupe, 2010**

	2010	
	Number of Units	Percent of Total Units
Occupied housing units	1,810	95.92%
Vacant housing units	77	4.08%
Total Housing Units	1,887	100.0%

Source: U.S. Census Bureau, SFI, DPI, 2010

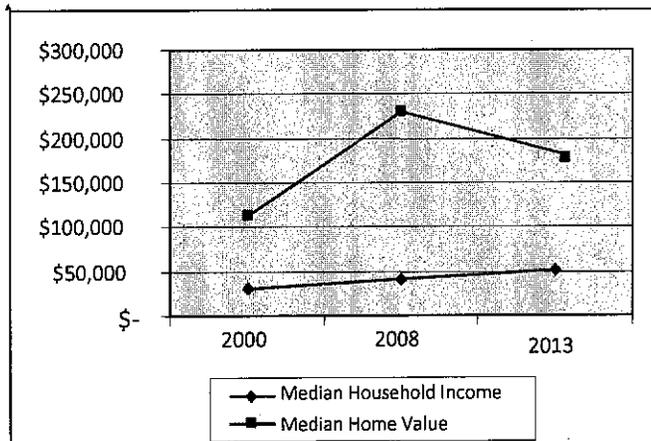
**5. Housing Cost**

One of the major barriers to housing availability is the cost of housing. In order to provide housing to all economic levels in the community, a wide variety of housing opportunities at various prices should be made available. In 2000, Guadalupe’s median home price was \$113,087, which doubled to \$230,952 in 2008 (ESRI 2008). Between 2008-2012 however, the median home value dropped to \$199,400 (ESRI 2014). This indicates that home prices were increasing at about 13 percent a year, which outpaced the area income growth as shown in Figure 1 until 2012, when the growth trend reversed. While home prices over this period increased overall, historically the median sale price has been substantially lower than the median sales prices for neighboring areas (SBCAG, 2008):

- South Coast - \$1,230,000
- Santa Maria Valley - \$400,000
- Lompoc Valley - \$366,000
- Santa Ynez Valley - \$800,000

Formatted: Not Highlight

Formatted: Not Highlight



**Figure 1. Median Household Income vs. Median Home Value – Guadalupe, 2000-2013**

Source: ESRI, 2008

With regard to rental units, the median rent in Guadalupe in 2012 was \$841 per month for all types of housing. Table 18 shows the number of units by value of contract rent payments in 2010. Historical rent data shows that the median rent for a two-bedroom apartment in Guadalupe is \$1,050 per month (Rentometer.com). However, the rent for a two-bedroom apartment that is considered affordable (30 percent Area Median Income) in the County of Santa Barbara is \$533 per month (Out of Reach Report 2013, National Low Income Housing coalition).

Formatted: Not Highlight  
 Formatted: Not Highlight

**Table 18. Values of Contract Rent Payments – Guadalupe, 2010**

Value	Number	Percent
Less than \$249	9	1%
\$250 to \$349	0	0%
\$350 to \$449	60	6%
\$450 to \$549	42	5%
\$550 to \$649	67	7%
\$650 to \$749	91	10%
\$750 to \$899	349	37%
\$900 and above	281	30%
No Cash Rent	34	4%
Un-accounted	0	0%
<b>Total</b>	<b>933</b>	<b>100%</b>

Formatted: Not Highlight

Source: US Census Bureau, SF3: H59 2000

**6. Affordability and Overpayment**

Housing is generally the greatest single expense item for California families. According to the HCD, a home is considered affordable when a household spends 30 percent or less of its gross income on housing. When a household spends more than 30 percent of its gross income on housing, it is considered to be overpaying or cost burdened.

Table 19 shows households by income range and the number of households overpaying by occupancy. The data reveals that a large percentage, almost 53 percent, of all Guadalupe residents are overpaying for housing (835 households). Of those households overpaying, 345 were homeowners and 490 were renters.

Formatted: Not Highlight

**Table 19. Gross Rental Costs as a Percent of Household Income – Guadalupe, 2007-2011**

Percent of Income Spent on Housing	Household Income Range						Total	Percent of Households
	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 or more		
<b>Renter-Occupied Units</b>								
Less than 30 percent	0	19	41	207	100	24	391	43%
30 percent or more	32	105	242	66	45	0	490	53%
Not computed	24	11	0	0	0	0	35	4%
<b>Total</b>	<b>56</b>	<b>135</b>	<b>283</b>	<b>273</b>	<b>145</b>	<b>24</b>	<b>916</b>	<b>100%</b>
<b>Owner-Occupied Units</b>								
Less than 30 percent	0	0	67	51	189	24	331	49%
30 percent or more	38	22	84	79	122	0	345	51%
Not computed	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>38</b>	<b>22</b>	<b>151</b>	<b>130</b>	<b>311</b>	<b>23</b>	<b>676</b>	<b>100%</b>

Formatted: Not Highlight

Source: US Census Bureau B25074, ACS 2007-2-11, C25095

### 7. Overcrowding

Overcrowding is closely related to household income, housing prices, and the size of units within a community. The US Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens. Severe overcrowding occurs when a unit has more than 1.5 occupants per room. Overcrowding can result when there are not enough adequately sized housing units within a community, or when high housing costs relative to income force too many individuals or families to share housing. Overcrowding can also accelerate deterioration of the housing stock.

Table 20 indicates that overcrowding in Guadalupe is substantially more prevalent than for Santa Barbara County as a whole. According to the 2010 Census, 21 percent of all households in Guadalupe were overcrowded, compared to 8 percent of households in the County. Table 20 also reveals that renter-occupied units are more crowded than owner-occupied units in Guadalupe, suggesting that more rental units are needed or a wider variety of affordable units.

Formatted: Not Highlight

Formatted: Not Highlight

**Table 20. Overcrowding – Guadalupe vs. Santa Barbara County, 2010**

Household Type	Guadalupe		Santa Barbara County	
	Households	Percent	Households	Percent
Owner-occupied	955	50.58%	76,757	54.13%
Overcrowded	117	12%	2,198	2.86%
Severely overcrowded	24	2.51%	2,198	0.81%
Renter-occupied	933	49.42%	65,063	45.899%
Overcrowded	232	24.87%	5,517	8.48%
Severely overcrowded	17	1.82%	3,141	4.83%
<b>Total households</b>	<b>1,888</b>	<b>100%</b>	<b>141,793</b>	<b>100%</b>

Source: US Census Bureau, B25014, ACS 2006-2010

### 8. Conclusion

Overall, the City's housing stock is in good condition. However, half of it is more than 30 years old and may require more regular maintenance and repair. ~~Programs which assist lower income and/or elderly homeowners with home maintenance and repair should continue to be an important part of the City's housing program.~~

Formatted: Not Highlight

Since 2000, housing prices in the City have increased at a faster rate than household income. Many households in the City spend more than a third of their income on housing. The ~~number~~ numbers of households that can comfortably afford the median priced home in the City — and the number that can afford the median priced apartment — has declined between 2000 and 2015. Programs to assist moderate-income first-time buyers and lower-income renters could help narrow the affordability gap (see Chapter III, Resources, for a list of potential funding sources and programs).

### E. Special Housing Needs

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Such circumstances may be related to one's employment and income, family characteristics, disability, or other conditions. As a result, some Guadalupe residents may experience a higher incidence of overpayment, overcrowding, or other housing problems.

Special housing needs are those associated with specific demographic or occupational groups which call for specific program responses, such as preservation of single-room occupancy hotels or the development of units with three or more bedroom (HUD, 2009). A thorough analysis of special housing needs helps a municipality identify groups with the most serious housing needs in order to develop and prioritize responsive programs. State law specifically requires analysis of the special housing needs of the elderly, large families, female-headed households, persons with disabilities, farmworkers, homeless persons and families, and extremely low-income households. Housing resources and constraints are further discussed in Chapters III and IV.

**1. Elderly**

Senior households typically have special housing needs due to three primary concerns: fixed income, high health care costs, and physical disabilities. According to the 2010 Census, almost 18 percent (or 327 households) of the City's 1,414 households were age 65 or older. From 2000-2010, the number of elderly households in Guadalupe increased from 295 to 327, representing almost 18 percent of the City's total households (Table 21). This is similar to Santa Barbara County, where approximately 14 percent of the population is age 65 or older.

Formatted: Not Highlight

**Table 21. Households by Age – Guadalupe, 2000 and 2010**

Householder Age	2000		2010	
	Households	Percent	Households	Percent
Up to 64 Years	1,119	79.1%	1,483	81.93%
65 Years +	295	20.9%	327	18.07%
<b>Total</b>	<b>1,414</b>	<b>100.0%</b>	<b>1,810</b>	<b>100.0%</b>

Formatted: Not Highlight

Source: US Census Bureau, SF1: QT-H1&H2, 2000, 2010

Of the elderly householders in Guadalupe, 254 seniors are home-owners, making up almost 27 percent of owner-occupied households, and 73 seniors are renters, comprising 8 percent of renter-occupied units (Table 22). Because senior citizens are on fixed incomes, they particularly will need affordable housing, especially if homes become too costly to maintain or if rents increase. The remaining senior citizens, that do not rent or own their own homes, share their homes with other family members. Elderly parents may be living with their adult children or in another shared arrangement. As a result, units may become overcrowded.

Formatted: Not Highlight

Elderly persons may also have additional physical and social needs, particularly if they have no immediate family or lack mobility, either through physical impairments or lack of transportation alternatives. Their needs may include transportation, social service referrals, financial assistance/employment, long-term care for the home-bound, and day care.

**Table 22. Household by Tenure and Age – Guadalupe, 2010**

Age of Householder	Renter-Occupied		Owner-Occupied	
	Persons	Percent	Persons	Percent
15 to 24 years	49	5.61%	14	1.50%
25 to 34 years	241	27.57%	83	8.87%
35 to 44 years	234	26.77%	160	17.09%
45 to 54 years	176	20.14%	239	25.53%
55 to 64 years	101	11.56%	186	19.879%
65 to and over	73	8.35%	254	27.14%
<b>Total</b>	<b>874</b>	<b>100.0%</b>	<b>936</b>	<b>100.0%</b>

Formatted: Not Highlight

Source: US Census Bureau, SF 1: QT-H1, 2010

Long-range planning must continue to recognize elderly persons' needs and design programs to address the demand. Various organizations and programs can assist seniors with their housing needs in Guadalupe, including supportive services, rental subsidies, senior housing, and housing rehabilitation assistance.

The Guadalupe Senior Citizens Club offers many programs for the local seniors. The nutrition program serves lunch every day and meals can be delivered to homebound seniors (those unable to walk or drive to the community center). The Club will provide transportation to doctors' visits and shopping; a health nurse is also brought in regularly to check blood pressure and general health. ~~The Club also serves as the food bank for Guadalupe. Bread and other perishable staples are brought in weekly, and commodities are brought in once a month. These goods are free of cost, with no restrictions on who can receive them.~~

Formatted: Not Highlight

~~The Housing Rehabilitation Loan Program is a federally funded program that offers loans to low and moderate income homeowners living within Guadalupe. Deferred interest loans are offered to those over 62 and to persons with disabilities in order to repair, improve, or make their housing units ADA (Americans with Disabilities Act) compliant. The City's Redevelopment Agency also provides assistance for such repairs and improvements. There are also six affordable housing units specifically for seniors located on Tenth Street. Additional resources are discussed in Chapter III, Resources.~~

Formatted: Not Highlight

The Central Coast Commission for Senior Citizens has compiled a directory of services available for elderly persons in Santa Barbara County. Some of the services include adult educations, financial planning services, health facilities such as home nursing and mental health care, and recreation and community interaction programs.

To address elderly housing needs, the City could encourage developers to encourage builders to design housing units that can be used by all persons, regardless of physical ability. Units should also be affordable for seniors who are on a fixed income.

## 2. Large Households

Large households are defined by the US Census Bureau as households containing five or more persons. These households have special housing needs because there is often a limited supply of adequately sized, affordable housing units in a community. Even when larger units are available, the cost is generally higher than that of smaller units. In order to save for other basic necessities, such as food and health care, it is common for lower-income large households to reside in smaller units, which frequently results in overcrowding. In Guadalupe, limited supply of larger units and affordability are both issues for large households.

Table 23 lists the number of rooms by tenure, as reported in the 2010 Census. It shows that there are 82 renter-occupied housing units and 259 owner-occupied housing units (341 total) in Guadalupe that have 6 or more rooms. However, there were 654 households that were considered large (five or more persons), as shown in Table 24. This indicates that the total number of large housing units in the City is not sufficient to meet the needs of large families and overcrowding is an issue.

Formatted: Not Highlight



**Table 23. Number of Bedrooms by Tenure – Guadalupe, 2012**

Number of Rooms	Renter-Occupied	Owner-Occupied
1 room	8	12
2 rooms	0	0
3 rooms	73	28
4 rooms	412	127
5 rooms	284	520
6 rooms	71	150
7 rooms	0	72
8 rooms	11	25
9 or more rooms	0	12

Source: US Census Bureau, B25020, ACS 2012

Formatted: Not Highlight

Table 24 shows that larger units (6 or more rooms) are needed for both rent and purchase. In 2010, the Census reported that 351 large households rented their homes, while 303 large households purchased their homes.

Formatted: Not Highlight

**Table 24. Persons per Unit – Guadalupe, 2010**

Persons per Unit	Renter-Occupied		Owner-Occupied	
	Housing Units	Percent	Housing Units	Percent
1 Person	98	11.2%	115	12.3%
2 Persons	115	13.2%	217	23.2%
3 Persons	129	14.8%	145	15.5%
4 Persons	181	20.7%	156	16.7%
5 Persons	160	18.3%	123	13.1%
6 Persons	93	10.6%	93	9.8%
7 Persons	98	11.2%	87	9.3%
<b>Total</b>	<b>874</b>	<b>100%</b>	<b>936</b>	<b>100%</b>

Source: US Census Bureau, SF1: QT-H2, 2000

Formatted: Not Highlight

To address overcrowding and adequately supply large households with suitable housing, communities can provide incentives to facilitate the development of larger housing units with four or more bedrooms. A shortage of large units can be alleviated through inclusionary zoning and community partnerships with entities such as People’s Self Help Housing, Habitat for Humanity, and other affordable housing developers that provide affordable housing ownership opportunities, such as funding sources such as the first-time homebuyer program, and self-help housing (i.e., People’s Self Help Housing Corporation or Habitat for Humanity) and Community Development Block Grant program to move renters into homeownership. General financial assistance which may be available to large households is discussed in Chapter III, Resources.

### 3. Female Headed Households

Single-parent households, particularly female-headed households, often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care, health care, and other supportive services. Because of their relatively lower incomes and higher living expenses, such households typically have more limited opportunities for finding and maintaining affordable, decent, and safe housing.

In 2012, Guadalupe had 269 female-headed households (Table 25). Of these households, 54 percent (144 households) reported children under the age of 18 years. These households are particularly vulnerable because they must balance the needs of their children with work responsibilities. According to the 2012 Census, 48 percent (32 households) of all female-headed households were living in poverty.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 25. Household Type – Guadalupe, 2012**

Household Type	Renter-Occupied		Owner-Occupied		Total Households	Percent
	Households	Percent	Households	Percent		
Married couple family	410	47.73%	696	73.57%	1106	61.27%
Male householder, no wife present	98	11.41%	24	2.54%	122	6.76%
Female householder, no husband present	142	16.53%	127	13.42%	269	14.9%
Nonfamily households	209	24.33%	99	10.47%	308	17.06%
<b>Total households</b>	<b>859</b>	<b>100%</b>	<b>946</b>	<b>100%</b>	<b>1,805</b>	<b>100.0%</b>

Source: US Census Bureau, b11012, acs 2008-2012

The Boys and Girls Club is one resource for female-headed households with children. This organization has a branch in Guadalupe that offers many programs and opportunities for children and young adults. The River View townhomes also provide low-income housing and includes a community center, health clinic, learning center, and education assistance to children and adults.

In addition, the federal government Aid for Dependent Children program (AFDC) provides support for the children in single-parent families. Depending on household income, single-parent family households may also qualify for other federal housing assistance programs, such as Section 8 vouchers. This program subsidizes the balance of the rental cost in excess of 30 percent of the renter's gross income. The program enables the prospective tenant to take the subsidy out to the private market to search for rental housing. To further address the housing needs of female headed households, additional multifamily housing should be developed.

**4. Persons with Disabilities**

A disability is a physical or mental impairment that substantially limits one or more major life activities. Persons with disabilities have special housing needs because of their fixed income, the lack of accessible and affordable housing, and the higher health costs associated with their disability. The US Census defines four types of disability: physical, mental, sensory, and self care. Between 2008-2012, there were an estimated 650 non-institutionalized persons with a disability (American Community Survey).

Formatted: Not Highlight

The living arrangements for persons with disabilities depend on the severity of the disability. Many persons live at home in an independent environment with or without the help of other family members. To maintain independent living, disabled persons may require assistance. This can include special housing design features for the physically disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions. These services may be provided by public or private agencies.

Formatted: Not Highlight

Formatted: Not Highlight

There is a need to adapt houses or apartments for wheelchairs and other special requirements for individuals with physical disabilities. Both Federal and State housing laws require certain features of adaptive design for physical accessibility in all multifamily residential buildings with four or more units built for first occupancy starting March 13, 1991. However, many dwelling units built before this date



are not subject to these accessibility requirements. Requiring adaptive design features in new construction, for example, does not assist individuals – particularly seniors – who choose to remain in their homes rather than move to assisted living facilities and/or other newly constructed units. Another accommodation to persons with physical disabilities is to locate new units in proximity to services and public transportation.

According to the Tri-Counties Regional Center, which provides support and services for individuals with developmental disabilities living in San Luis Obispo, Santa Barbara and Ventura Counties, 77 individuals from Guadalupe receive services from the Tri-Counties Regional Center. According to the 2000 Census, there are 230 persons (12 percent of all disabled individuals) with a severe mental disability in Guadalupe. Persons with mental disabilities are a critically under-served population with respect to housing. The physical modification of housing is typically not necessary to accommodate mentally disabled persons, but they will generally require more services and more monetary support. Jobs and incomes are limited, so affordable housing is important. Most mentally disabled persons would prefer to live independently, but because of monetary circumstances, they are forced to live with other family members or with roommates. This may cause additional stress and problems. In some instances the need for a resident assistant to help deal with crisis or challenging situations may also create special housing demands. This would suggest that there is a need for some apartment or condominium complexes that are reserved exclusively for persons requiring extra assistance in dealing with their daily routines. However, Guadalupe may be too small for such apartments, which are typically found in larger cities. Because many mentally handicapped persons are unable to drive, access to public transportation for these residents is also important.

Formatted: Not Highlight

Formatted: Not Highlight

There are a limited number of day treatment facilities and programs in Guadalupe, including drop-in socialization centers, to serve persons with mental disabilities. These individuals do not have regional centers as do the persons with physical disabilities and there is no respite care to families who care for their relatives with mental disabilities on a 24-hour basis.

Formatted: Not Highlight

In 1984, Title 24 of the State Uniform Building Code mandated that all multiple-family residential construction projects containing in excess of five units under construction after September 15, 1985, conform to specific disabled adaptability/accessibility regulations. In 1988, the Federal government enacted the US Fair Housing Amendment Act, also with the intent of increasing the number of rental units being built that would be accessible to handicapped individuals. In July 1993, the State of California issued "California Multifamily Access Requirements" based upon the Act. However, despite these regulatory changes, the actual increase in the number of accessible units available on the current rental market has been small.

Formatted: Not Highlight

The housing needs of several other categories of disabled persons, including developmentally disabled persons and the mentally ill are typically not addressed by Title 24 Regulations. The housing needs of persons with these types of disabilities, in addition to basic affordability, range from needing slight modifications of existing units to the need for a variety of supportive housing arrangements. Some of this population can only live successfully in housing which provides a semi-sheltered, semi-independent living state, such as clustered group housing or other group- living quarters; others are capable of living independently if affordable units are available.

Formatted: Not Highlight

The Santa Maria Independent Living Environment (SMILE) is a 24-hour residential care home for developmentally disabled adults. SMILE is located in Santa Maria, but it provides service for all of Santa Barbara County, as well as San Luis Obispo and Ventura counties. SMILE also provides job training and

Formatted: Not Highlight



community integration services to its clients. Additionally, the Santa Barbara County Housing Authority's Aftercare Program provides housing assistance to very low-income mentally, physically, or developmentally disabled persons who would not otherwise be able to live independently.

### 5. Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through permanent or seasonal agricultural labor. Permanent farm laborers work in the fields, processing plants, or support activities on a generally year-round basis. When workload increases during harvest periods, the labor force is supplemented by seasonal workers, often supplied by a labor contractor. For some crops, farms may hire migrant workers, defined as those whose travel prevents them from returning to their primary residence every evening.

Estimating the size of the agricultural labor force is problematic as farmworkers are historically undercounted by the Census and other data sources. For instance, the government agencies that track farm labor do not consistently define farm labor (e.g., field laborers versus workers in processing plants), length of employment (e.g., permanent or seasonal), or place of work (e.g., the location of the business or field). The 2000 Census reported that there were approximately 12,094 farmworkers in Santa Barbara County and 590 in the City of Guadalupe. The 2011 Census reports that there are approximately 16,732 in Santa Barbara County and 829 in the City of Guadalupe. This equals 26 percent of all employed persons in the City.

Formatted: Not Highlight

However, a study conducted in 2000 by the Migrant Health Program of the US Department of Health and Human Services, Migrant and Seasonal Farmworker Enumeration Profiles Study, also attempts to count farmworkers at the county level. They used several approaches. One estimates the crop acreage and labor required for growing and harvesting. The study also uses the unemployment insurance reports by employers similar to what the Employment Development Department tabulates. For nursery and greenhouse workers an estimate of the amount of area devoted to greenhouses was made. The results of this study showed that the Migrant Seasonal Farm Workers for Santa Barbara County was approximately 24,400 (SBCAG 2002 Regional Housing Needs Assessment).

Formatted: Not Highlight

Similarly, the US Department of Agriculture 2002 Census of Farmworkers reported 23,510 farmworkers. Approximately 35 percent of these farmworkers (8,132 workers) were categorized as seasonal and the remainder permanent. Discussions with local government agency personnel, staff at the local school district, and local businesses indicate that the figures may be much higher.

Formatted: Not Highlight

In addition, The U.S. Census of Agriculture (Ag Census) estimates that farms and ranches across Santa Barbara County hired 21,768 laborers in 2007, a 58-percent increase over a 15-year period. According to the Ag Census, while the number of hired farm laborers has increased, the number of farms has decreased—down 20 percent since 1992. As a result, the average number of workers per farm has doubled in 15 years. With an annual payroll of \$232 million, the average income per worker is under \$11,000 (Santa Barbara County 2010 Adopted Housing Element).

Formatted: Not Highlight

Multiplying the 2007 Census of Agriculture datum of 21,768 farmworkers by the percentage of Santa Barbara County farmworkers estimated to be living in Guadalupe according to 2011 U.S. Census data, yields an estimate of 1,088 farmworkers living in Guadalupe (See Table 26). Since the average income per farmworker is estimated to be \$11,000 per year, all farmworkers are assumed to fall into the extremely low-income classification.

Formatted: Not Highlight

**Table 26. Estimated Farmworker Population**

Area	U.S. Census 2011 Farmworker Total	Percentage	U.S. Census of Agriculture Farmworker Estimates
Guadalupe	829	5%	*1088
Santa Barbara County	16,732	100%	21,768

Source: 2007 U.S. Census of Agriculture; U.S. Census Bureau ACS 5-year estimates DP03

\*Santa Barbara 2007 Farmworkers total 21,768 X.05

As mentioned previously, the number of farm workers employed in the County has almost doubled within a fifteen year span; rising from 13,806 in 1992, to 21,768 in 2007. This is partially attributable to the rapid expansion of the vineyard and wine industry in the County, which has displaced cattle grazing (a non-labor intensive agricultural use), with crops that require care and harvesting. This scale and the type of agricultural production throughout the County, as well as the sector's lasting importance to local and State economies, points to a significant need for decent and sanitary housing options for the workforce. In addition, the motivation to save as much of their paychecks as possible, so that earnings may be sent to their countries of origin to support families, often leads migrant farmworkers to seek the lowest-cost alternatives for housing during their stay in the County. This further exacerbates the need for housing that is affordable to farmworkers in the region.

Formatted: Not Highlight

**Table 27. Santa Barbara County Top 10 Agricultural Products by Rank**

Santa Barbara County Top 10 Agricultural Products by Rank			
2012 Rank	Crop	Value	2011 Rank
1	Strawberries	\$441,360,224	1
2	Broccoli	\$130,894,229	2
3	Wine Grapes	\$91,107,064	3
4	Head Lettuce	\$66,427,588	4
5	Avocados	\$56,148,583	5
6	Cauliflower	\$41,207,145	6
7	Celery	\$39,982,702	7
8	Cattle	\$31,781,250	8
9	Lily Cut Flowers	\$26,832,406	9
10	Gerbera Cut Flowers	\$25,197,957	10

Source: Santa Barbara County Agricultural Commissioner's Crop Report 2012



Conditions in Guadalupe appear to be consistent with this finding. Given the importance of agriculture and its labor force, the provision of adequate farmworker housing is a critical issue for Guadalupe as many of these workers are believed to be living in poor housing conditions and face the problems of overpayment and/or overcrowding. ~~Local officials regularly receive complaints from tenants regarding overpayment, overcrowding, inadequate upkeep, and substandard, unsafe units. Farmworkers with inadequate kitchen facilities often make arrangements with local restaurants in Guadalupe to pay for food bills on a weekly basis. Although the restaurants serve an important need, this practice can be very expensive and adds to the overall living expenses of farm laborers.~~

Formatted: Not Highlight

An effective means to address the housing needs of the City's farmworker population is to facilitate development of new rental housing that is affordable to low and very low-income households. This should include both single and multiple room units. The City has recently approved the Guadalupe Court affordable housing project, including 38 extremely low, very low, and low-income rental housing units. The City also has several programs in place to increase affordable housing within the City. Examples of such programs include density bonuses for subdivisions that include an affordable housing component and an ongoing pursuit of state and federal monies to assist in the development of affordable housing.

Formatted: Not Highlight

## 6. Homeless

Homeless persons are those in need of temporary or emergency shelter. They are individuals who lack a fixed income and regular nighttime residence. Some are in need of short-term (immediate crisis) shelter, while others have long-term (chronic) needs. The homeless represent a broad category including single men and women, couples, families, displaced youths without parents, and seniors. They can include individuals who are victims of economic dislocation, physically disabled, teen parents with their children, veterans, hospital and jail discharges, alcohol and drug abusers, survivors of domestic violence, persons with AIDS, immigrants, refugees, and farm labor workers.

According to the Guadalupe Police Department, there are rarely any homeless persons in the City. According to a Point-In-Time count of homeless individuals encountered conducted by the Central Coast Collaborative on Homelessness in January 2013, one homeless individual was encountered in Guadalupe. In the past, homeless persons have been transient farmworkers who have not yet found a place to live and did not remain unsheltered for long. Most transients that have employment are able to afford some form of shelter, although often in a form that includes conditions that are overcrowded or otherwise not completely adequate.

Formatted: Not Highlight

The need for an emergency shelter or transitional housing facility is not currently needed justified in Guadalupe based upon the rare occurrence homelessness in the City; however, such a facility is permitted by right in areas zoned R-3 for residential uses (further discussed in Chapter IV, Constraints). There are a number of services for the homeless in the City and County, including social services and year-round shelters located in Santa Maria and Santa Barbara. The Santa Barbara County Housing Authority has an office location in Guadalupe which provides public housing assistance. The City also meets and coordinates with other government agencies and community groups to address homelessness.



### 7. Extremely Low Income Households

Extremely low-income (ELI) is defined as a household with income less than 30 percent of area median income (HCD, 2013). The area median income in Santa Barbara County for a 4-person household is \$73,300 (HCD State Income Limits for 2013). For ELI households, this results in a household income of \$23,900 or less. ELI households have a variety of housing situations and needs. For example, most families and individuals receiving public assistance, such as social security insurance (SSI) or disability insurance, are considered extremely low-income households (HCD, 2013). ELI households can face overpayment, overcrowding, and substandard housing conditions.

Formatted: Not Highlight

An effective means to address ELI housing needs is to facilitate development of single and multiple room rental housing, as well as supportive rental housing linked to a range of support services. Supportive housing is designed to enable residents to maintain stable housing and lead more productive lives (HCD, 2013). Services may include childcare, after-school tutoring, career counseling, etc. Currently, the River View affordable housing development in Guadalupe offers supportive services to its residents. The recently approved (October 2014) Guadalupe Court affordable housing project will also offer supportive services to its residents.

Formatted: Not Highlight

### F. Assisted Housing At-Risk of Conversion

This section identifies all residential projects in Guadalupe that are under an affordability covenant, along with those housing projects that are at-risk of losing their low-income affordability restrictions within the ten year period 2015-2025. This information is used to establish quantified objectives for units that can be conserved during this planning period. The inventory of assisted units includes all units that have been assisted under any federal Department of Housing and Urban Development (HUD), state, local and/or other program.

#### 1. Inventory of Potential At-Risk Units

Table 28 provides a list of developments within Guadalupe that participate in a federal, state, or local program that provided some form of assistance, either through financial subsidy or a control measure.



**Table 28. Assisted Affordable Housing Developments – Guadalupe**

Project Name	Address	Year	Number of Units	Authority	Program	Covenant Expires
Escalante Tract (Guadalupe Ranch Acres)	1050 Escalante Drive	1975	50	Federally Subsidized; administered by Santa Barbara County Housing Authority	Apartment complex rents to low-income families. Rent is based on a percentage of the family's income.	Permanent
Guadalupe Ranch Senior Apartments	4651 Tenth Street	1975	6	Federally Subsidized; administered by Santa Barbara County Housing Authority	Apartments for elderly low-income residents	Permanent
River View Townhomes	230 Calle Cesar Chavez	2003	80	People's Self Help Housing Corporation	80 affordable rental units, 39 of which are for farmworkers. Includes a community center, health clinic, and learning center.	Permanent
Point Sal Dunes	Point Sal Dunes Way	2000	18	Community Development Block Grant from the State of California	Provides 18 mortgage subsidies for the low-income residents. Units have a 30-year deed restriction that limits the resale price of these units to the average increase of median income in the County.	2030
Guadalupe Court	11th Street	2014	38	HOME Block Grant, administered by the State of California	38 affordable rental units, a community room and offices for owner staff and other service providers.	2070

Formatted: Not Highlight

**2. Risk of Conversion**

According to the Santa Barbara County Housing Authority and City data, there are currently no units at-risk of converting to market rate during the 2015-2025 time period.

Formatted: Not Highlight

**G. Future Growth Needs**

In accordance with State law, this section provides a quantification of Guadalupe's share of the regional housing need as established in the Regional Housing Needs Assessment (RHNA) prepared by the Santa Barbara County Association of Governments (SBCAG).

**1. Overview of the Regional Housing Needs Assessment**

The RHNA is a key tool for local governments to plan for anticipated growth. The RHNA quantifies the anticipated need for housing within each jurisdiction based on California Department of Finance



regional population forecasts. Communities then determine how they will address this need through the process of updating the housing elements of their general plans.

SBCAG has the responsibility of preparing the RHNP for the cities within Santa Barbara County, which includes Guadalupe, and for the unincorporated portion of the County. The current RHNP was adopted in July 2013 and covers a period from February 15, 2015 through February 15, 2023. The methodology used by SBCAG to allocate housing units to each jurisdiction is summarized below.

Formatted: Not Highlight

SBCAG estimates the future population within each jurisdiction based upon State Department of Finance projections and knowledge of circumstances particular to Santa Barbara County. The population change is then converted into housing units necessary to accommodate projected population increases. This estimate includes a vacancy rate that reflects a “healthy” housing market, and replacement of existing units that may be demolished.

The estimate of housing needs is then divided into four groups based on income: very low, low, moderate, and above moderate income. This step is to ensure that a sufficient quantity of housing is available for all income groups in the community.

The housing needs for each jurisdiction are first allocated based on the percentage of the total population that falls into each category. In other words, if 15 percent of the population is classified as low-income, then 15 percent of future housing needs should be affordable to households within that income category.

The allocations are then adjusted for factors particular to each jurisdiction, such as disproportionate housing types, number of renters, or number of persons receiving public assistance, employment patterns, commuting patterns, and avoidance of over impaction of low-income in particular jurisdictions.

Recent legislation, Senate Bill 375 (SB 375) (Steinberg, 2008) and Senate Bill 575 (Steinberg, 2009), affects the RHNA process and this fifth Housing Element cycle in several ways. The main changes in this cycle include the integration of the RHNA process with the Regional Transportation Plan (RTP) and the Sustainable Communities Strategy (SCS), required coordination/consistency with the RTP and SCS per SB 375, and the length of the housing element cycle. The fifth cycle for the Santa Barbara County region covers an eight –year planning period (February 15, 2015 – February 15, 2023) in order to synchronize the housing element with the SBCAG 2014 -2022 Regional Housing Needs Allocation Plan. Previously, Housing Element updates were on a five - year cycle. (SBCAG Regional Housing Needs Allocation Plan, 2014 – 2022)

Formatted: Not Highlight

Table 29 shows SBCAG’s 2010 breakdown of existing households within Guadalupe by income group. The highest percentage, 36 percent, is in the ‘very low’ income group in Guadalupe. This means that Guadalupe will have to plan for a high proportion of ‘very low’ income housing units in the future.

Formatted: Not Highlight

Formatted: Not Highlight

According to the 2010 Census Bureau there were 1,810 households in Guadalupe. Of these 1,810 households 36 percent were very low income and 21 percent were low income. 15 percent were moderate income and 28 percent were above moderate income. With 57 percent of residents, more than half of the population of households, falling between the very low and low-income bracket, it is clear that providing affordable housing in Guadalupe is imperative. While the vast majority of residents were financially stable and thus able to afford housing costs, the median income of Guadalupe is not particularly high and thus affordability in housing is a problem for the City.

Formatted: Not Highlight

Formatted: Not Highlight



**Table 29. Households by Income Group – Guadalupe, 2010**

Income Group	Income Range	Households	Percent
Very Low	Less than \$23,338	652	36%
Low	\$23,338 to \$37,341	380	21%
Moderate	\$37,342 to \$56,012	272	15%
Above Moderate	More than \$56,013	507	28%
<b>Total</b>	-	<b>1,810</b>	<b>100%</b>

Source: US Census Bureau, DP1, 2010; SBCAG, Regional Growth Forecast 2040, December 2012

Formatted: Not Highlight

Most housing allocation plans simply apply the income percentages to the total number of needed housing units to determine the needed number of each type of housing. However, as briefly discussed above, SBCAG adjusts such percentages to account for special circumstances.

Based on this methodology, SBCAG projects a need for 49 new housing units to be constructed in Guadalupe by July 2022. Table 30 shows this housing needs allocation, as well as the percentage in each income category of the total allocation. Guadalupe needs to maintain a sufficient amount of affordable housing for 'very low' and 'moderate' income categories, as well as increase the amount of housing for 'above moderate'. In addition, presuming that 50 percent of the very low-income households qualify as extremely low-income (ELI) households, 6 of the households allocated to the very low-income group will be designated for ELI needs.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 30. Guadalupe 2014-2022 Regional Housing Need Allocation by Income**

Income Group	Households	Percent
Very Low *	12	24%
Low	8	16%
Moderate	13	27%
Above Moderate	16	33%
<b>Total**</b>	<b>49</b>	<b>100%</b>

Source: SBCAG, Regional Housing Needs Allocation Plan, 2013

\* Half of these units, or 6, are allocated for Extremely Low-income (ELI) housing

\*\*Miscalculation on SBCAG chart, which listed total as 50

Formatted: Not Highlight

### III. RESOURCES FOR RESIDENTIAL DEVELOPMENT

#### A. Land Availability

Government Code Section 65583(a)(3) requires the Housing Element to contain “an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.” A detailed analysis of vacant land and potential development opportunities is provided in Appendix B. The results of this analysis are summarized below.

To accommodate the City's share of the regional housing need (49 units), focus is placed on the development potential of vacant land zoned for residential uses (infill sites), underdeveloped General-Commercial sites that could accommodate mixed use development in the City's Central Business District<sup>2</sup>, and the DJ Farms Specific Plan area. Sites that are zoned R-3, Multiple Dwelling Residential (high density), would allow a density of up to 26 dwelling units per acre and are most appropriate for development of new developments with lower income households. R-3 zoned parcels are located to the north, east, and west of Guadalupe's downtown commercial core located on both sides of State Highway 1, between Sixth Street and Twelfth Street. There are many parcels within this area that are either vacant or could be redeveloped with projects that would exceed 20 units/acre to accommodate 49 units or greater. Additionally, the DJ Farms Specific Plan area includes 44-acres that are zone RSL-14, that would allow higher density residential development and up to 322 dwelling units.

Formatted: Not Highlight

Development potential is based on the residential density standards outlined in the City's General Plan, and refined by a consideration of whether site constraints and land use controls can achieve the permitted density. In general, the acreage of the parcel was multiplied by the allowable density under the General Plan's Land Use Element, which is more restrictive than the minimum lot area per unit set forth in the Zoning Code. Any fractional component on the number of units allowed under the density standards was dropped. The application of density bonuses was not included in the allowable units calculation; rather, the allowable base land use density was used. A parcel by parcel evaluation of any unusual site characteristics or land use controls was conducted, and the allowable number of residential units was adjusted further downward if additional constraints to development were noted. Constraints that in some cases resulted in lower residential development potential included road access constraints, irregular lot shapes, difficulty (for additional subdivision) of meeting minimum roadway frontage requirements, and existence of wetlands or drainage courses on the parcel. Such constraints had enough of an effect to result in reduced residential capacity on approximately 15 percent of the lots. Adherence to this methodology provides a realistic residential capacity that takes into consideration any special or unusual circumstances.

Although in many cases, lot consolidation could result a larger percentage of buildable area and a higher number of housing units, this methodology to calculate development potential does not take this into account. It should be noted, however, that there are opportunities for lot consolidation, particularly in the City's Central Business District. For example, development of multiple contiguous parcels has occurred in Guadalupe, with the Ruiz Apartments project on Olivera Street and the Dune Villas project

<sup>2</sup> The General Plan Land Use Element defines the Central Business District as the area comprised of approximately seven City blocks whose boundaries consist of Pioneer Street to the west, Olivera Street to the east, Eleventh Street to the north, and Seventh Street to the south.

on Eleventh Street representing recent examples (this is discussed in greater detail later in this subsection).

With respect to the degree to which the housing densities used in the residential development capacity methodology is realistic for Guadalupe, past development projects on multi-family residentially (R-3) zoned lots in the City have been approved or developed at a density of 20-units per acre. Examples of this include residential projects such as the 74-unit La Plaza Villas at 736-754 Olivera Street (built in 2006), the 7-unit Dune Villas project at 4623 Eleventh Street (approved in May 2006, with an extension of the tract map granted until 2010), the 38-unit Guadalupe Court (approved October 14, 2014), and the 34-unit Pioneer Street Apartments (currently in process).

Formatted: Not Highlight

**1. Vacant Residential Parcels**

According to the 2014 Land Use Inventory conducted by the California Polytechnic State University, San Luis Obispo, City and Regional Planning Department, vacant land within the City's existing residential zones, excluding the DJ Farms Specific Plan Area, equals 10.12 acres (Table 31). Based on the residential densities set forth in the Zoning Code and Land Use Element, and as further evaluated for site and planning constraints (refer to Table B-1 in Appendix B), these 10.12 acres can realistically accommodate approximately 102 units, which exceeds the needed 49 RHNA units.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 31. Existing Vacant Land Building Capacity Excluding DJ Farms Property**

Zone	Vacant Land (acres)	Allowable Density (units per acre)	Realistic Unit Capacity
R-1, R-1-SP	4.56	6	23
R-1-M, R-1-M-SP	0.37	10	0*
R-2, R-2-SP	1.03	10	10
R-3	4.16	20	69
<b>Total</b>	<b>10.12</b>	-	<b>102</b>

Formatted: Not Highlight

Source: Cal Poly Land Use Inventory, 2013; City of Guadalupe 2002 General Plan, Land Use Element, 2002; City of Guadalupe Zoning Code; DJ Farms Specific Plan, August 2012

Note: \* Though zoned R-1-M, this parcel is designated for a park in the City's Land Use Element.

While several (all but one) of the vacant higher density sites are less than one half acre in size, and all but four sites are less than one-third acre in size, an analysis of the suitability for residential development was included in the evaluation of realistic unit capacity in Appendix B. It should also be noted that the City's Land Use Element has policies and programs that promote the consolidation of small lots, which would be expected to result in larger unit production potentials for consolidated properties. The City's support for such consolidation of housing sites includes existing policies in the General Plan's Economic Development/Redevelopment Element (refer to Policy 4, and Programs 1 and 3).<sup>3</sup> In addition, the Planned Residential Development Overlay provides for flexibility in design and

<sup>3</sup> Economic Development/Redevelopment Policy 4 states: Revitalize the Central Business District by providing additional parking, upgrading properties, providing architectural compatibility and improved circulation. Economic Development/Redevelopment Program 1 states: Acquire and assemble land for redevelopment to new residential, commercial and industrial use. Economic Development/Redevelopment Program 3 states: Rehabilitate and reconstruct substandard commercial or residential structures.

allows modifications to base zoning district development standards to provide for more efficient utilization of housing sites to generate additional housing units.

The City has been active in facilitating development of smaller lots to produce affordable housing projects. City support for such affordable housing projects is primarily through the application of the Planned Development overlay district, which provides for flexibility with respect to density, on-site parking requirements, and other design standards. In addition, the City has utilized reductions in water meter connection fees and the negotiation development agreements as an additional tools to promote affordable housing. For example, the City worked directly with Cabrillo Economic Development Corporation to approve a 38-unit multi-family affordable housing project on 3.12 acres located at 4202 11<sup>th</sup> Street in October 2014.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

## 2. Mixed Use Development

Parcels zoned General-Commercial in the City's Central Business District allow for mixed use development and would provide additional housing opportunities, including those for lower income residents. According to the County of Santa Barbara Assessor's Office, there are 26.86 acres of commercially zoned land in the Central Business District that could accommodate mixed use development.

As stated above, for the purposes of calculating the realistic unit capacity, no assumptions on lot consolidation were included, although lot consolidation would provide increased residential capacity. Based on maximum building intensity standards set forth in the General Plan Land Use Element, which allows a floor-to-area (FAR) of 0.35, and an assumption of 20 percent buildout potential, commercially zoned sites could realistically accommodate 54,874 square feet of residential development, or 77 dwelling units (refer to Table B-2 in Appendix B for a detailed methodology).

## 3. DJ Farms Specific Plan Area

At 209 acres of undeveloped land, the DJ Farms Specific Plan area also provides ample opportunities for both market-rate and affordable residential development. The Specific Plan adopted in 2012 calls for residential development for 146 acres of the Plan area, located in the southeastern section of the City, south of West Main Street/State Route 166, with up to 802 primary housing units (Table 32). Even in the absence of infill development elsewhere in the City, if only 34 percent of the projected housing in the DJ Farms Specific Plan area is developed, the 49 RHNA units can be accommodated.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Table 32. DJ Farms Specific Plan Area Vacant Land Building Capacity**

Density	Land Available (acres)	Allowable Density (units per acre)	Realistic Unit Capacity
Very Low	4.6	6 units/acre	15
Low	25.4	7 units/acre	108
Medium	71.4	8 units/acre	357
High	44.6	14 units/acre	322
<b>Total</b>	<b>146</b>		<b>802</b>

Source: Revised DJ Farms Specific Plan, August 2012