



# CDBG/Home Grant Administration and Residential/Commercial Rehab. Professional Services

ITEM NO. 5



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# Background



- CDBG/HOME Grants: Approx. \$1 million
- Multiple uses of funds
- HUD: Bids required every 5 years
  - CDBG/HOME grant administration
  - Residential Rehabilitation services
  - Commercial Rehabilitation services
- Current contract with MDG

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# Request for Statements of Qualifications (SOQ)

- Advertised in Press Telegram
- Contacted 8 consulting firms
- Received 1 bid from MDG



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# MDG Associates

- Extensive experience in planning/grants
- Provides federal grants management and implementation services to municipalities since 1991
- Currently serves 30 cities and 3 counties
- Fees – hourly rates range from \$48 to \$121
  - Grant Administration
  - Residential Rehab. Program
  - Commercial Rehab. Program

# Recommended Action

- Approve the agreement with MDG Associates and authorize the City Manager to execute it

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# CDBG/Home Grant Administration and Residential/Commercial Rehabilitation Professional Services

ITEM NO. 1



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# Lead Based Paint and Asbestos-Containing Material Testing Services

ITEM NO. 6



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# Background

- CDBG and Home Funds:
  - Provide lead-based paint and asbestos-containing material testing services as part of the City's Rehabilitation Programs for properties built prior to January 1, 1978
- HUD requires us to formally seek Requests for Proposals for these services every five years



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# Request for Proposals (RFP)

- Advertised for lead-based paint and asbestos-containing material testing services in the Press Telegram
- Contacted 11 firms
- Received 1 proposal:
  - Lead Tech Environmental



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# Request for Proposals (RFP)

- Lead Tech Environmental
  - Current provider for over 15 years
  - Company was formed in 1994 to provide environmental consultant services
  - 70% of client base is from public clients and currently serves over 30 municipal agencies
- Rates
  - lead-based paint screening and risk assessment: \$340 plus \$15 per sample
  - Asbestos testing and survey reports: \$325 including up to 4 lab results

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# Recommended Action

- It is recommended that the City Council approve and authorize the City Manager or his designee to enter into agreements with Lead Tech Environmental for lead-based paint and asbestos-containing material testing services

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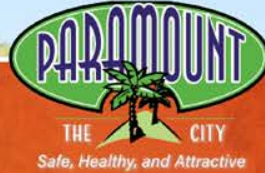
# Lead Based Paint and Asbestos Testing Services

ITEM NO. 7



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# Architectural Services Agreement

ITEM NO. 7



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# Background

- HUD requires us to formally seek Statements of Qualifications for architectural services every five years
- CDBG and HOME Funds:
  - Provide architectural services as part of the City's Rehabilitation Programs
- Architectural services provider works closely with staff developing renderings, plans and specifications for City-assisted projects



# Statement of Qualifications (SOQ)

- Advertised for architectural services in the Press Telegram
- Contacted 7 firms
- Received three proposals:
  - Dahlin Group
  - MDG Associates
  - Studio One Eleven



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# Statement of Qualifications (cont.)

- Dahlin Group:
  - A diverse architecture and planning firm
  - Completed a wide variety of municipal projects for over 45 public agencies
  - Fees range from \$85 per hour to \$300 per hour
- MDG:
  - Serves municipalities and private clients since 1991
  - Provided over 55 commercial rehab façade designs in Paramount
  - Fees range from \$48 per hour to \$121 per hour
- Studio One Eleven:
  - Provided architecture and planning services to public agencies since 1999
  - Fees range from \$95 per hour to \$240 per hour

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# Statement of Qualifications (cont.)



- Entering into agreements with all three firms offers flexibility, allows City to match each project with firm



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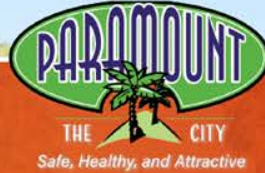
# Recommended Action

- It is recommended that the City Council approve and authorize the City Manager or his designee to enter into agreements with Dahlin Group, MDG Associates and Studio One Eleven for architectural services

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# Architectural Services Agreement

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# Comprehensive User Fee Study

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# Willdan Project Team

- Chris Fisher, Project Director
  - Cost-of-service expert
  - Resource coordination, QA/QC
  - Review of reports and models
  - 21 years experience at Willdan with cost-of-service studies, including cost allocation, user fee, impact fee, utility rates
- Tony Thrasher, Senior Project Manager
  - Lead analytical and modeling efforts, strategy development
  - Develop models, provide support and direction to analysts
  - Extensive Cost Allocation Plan (CAP), user fee (UF), utility rate experience
- Priti Patel, Senior Financial Analyst
  - Assist with analytical and modeling efforts, additional support as necessary
  - Incorporate direct data and City feedback

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# What are User Fees?

- User Fees fund programs and services that provide private benefit to individuals requesting them, with limited or no benefit to the community as a whole
- State Law requires that 1) individual use of the service must be voluntary, and 2) fees must reasonably relate to the services provided



# What is a User Fee Study?

- Primary goal of a User Fee Study is to determine the “reasonable” full cost of providing services
- Each fee or service’s cost is calculated individually
- Develop fully burdened hourly rates for personnel
  - Salary & Benefit cost divided by billable hours
  - Layer on direct and indirect overhead as applicable to the position’s department and services provided
- Up to 100% of the full cost may be recovered
- The City may decide to set fees lower than full cost

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# Objectives of User Fee Study

- Develop a rational basis for setting fees
- Understand total costs of providing services
- Identify subsidy amounts, if applicable
- Identify appropriate fee adjustments that enhance fairness and equity
- Maintain consistency with local policy and objectives, and compliance with state law
- Develop updatable, comprehensive list of fees





# Scope of the Study



- Review and calculate cost of providing services and related fees charged by the following departments and divisions:



- Community Services and Recreation
- Customer Service
- Building
- Planning
- Public Works
- Public Safety



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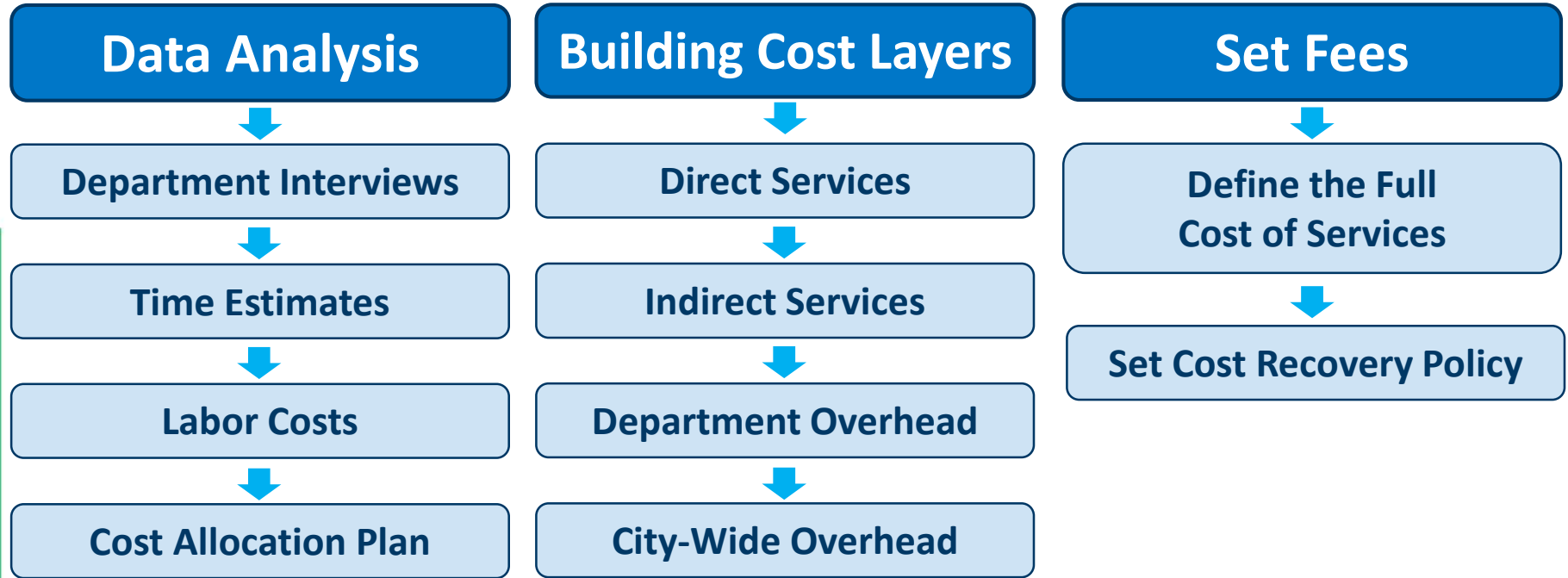
# Data & City Staff Participation

- Willdan used the following to determine full cost of providing each service:
  - Department budgets, Salary & Benefit information, other cost data
  - Staffing Structures
  - Central Service/Indirect Cost Allocation Plan
  - Productive/billable hours
  - Direct & Indirect work hours
  - Time estimates to complete tasks
  - City/Department interviews, feedback and policies



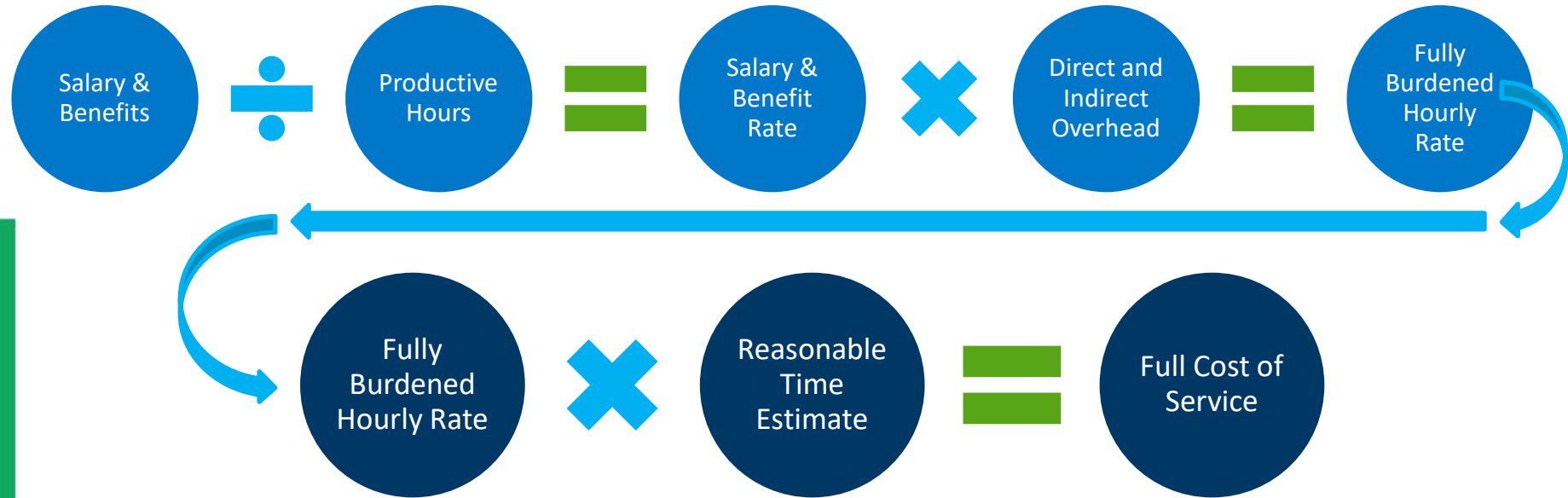
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# Summary Steps of the Study



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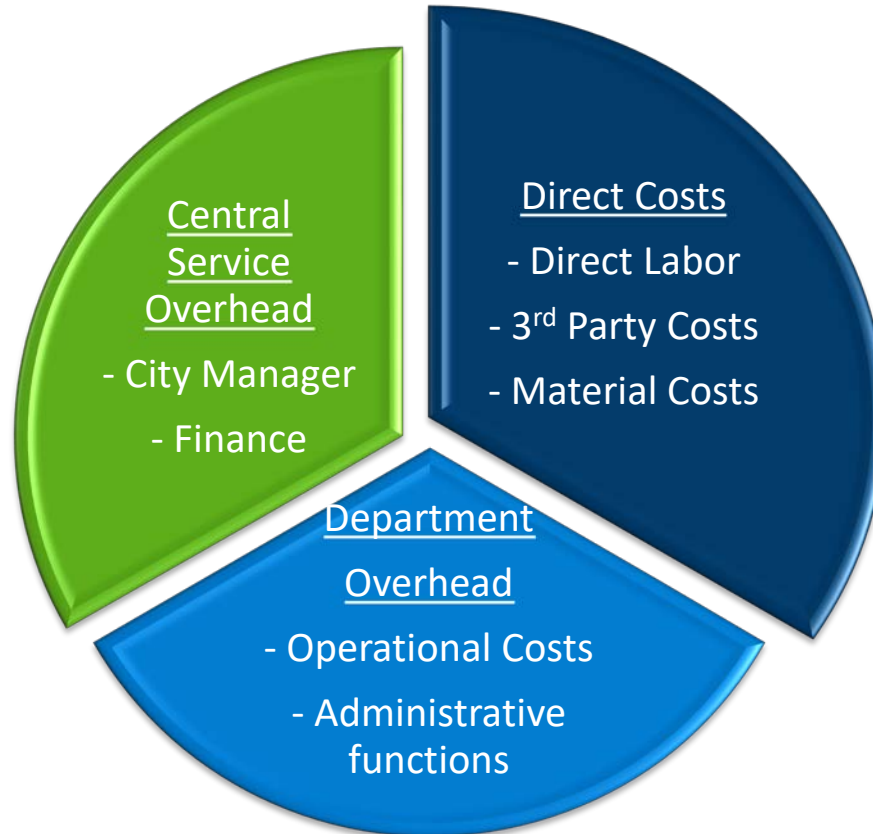
# Cost of Service Calculation



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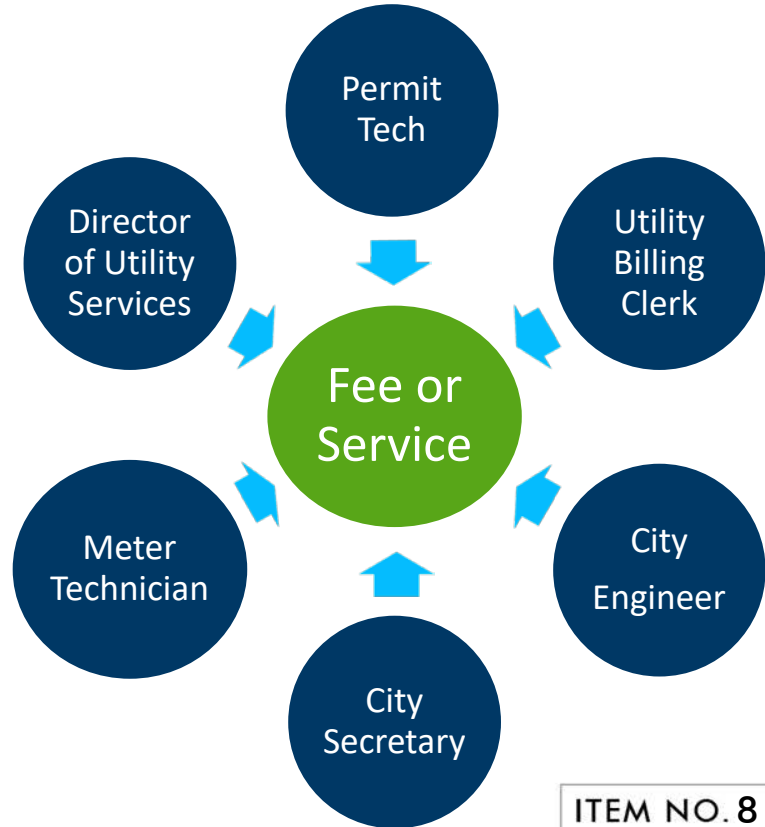
# Typical Fee Composition



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# Fee Cost Composition Example

- Fully Burdened Hourly rates predominately used to calculate full cost for fees
- Important to keep in mind all processes, personnel, and indirect support involved to calculate full cost for services



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# Policy Considerations

- General standard: individuals or groups who receive private benefit from service should pay 100% of cost
- In certain situations, subsidization is an effective public policy tool:
  - Encourage participation
  - Ensure compliance when cost is prohibitive to residents
  - Allow access to services
- Recommended that City include an annual inflation factor which will allow City Council by resolution to annually adjust fees based on CPI or other factor

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# Community Services and Recreation/Customer Service

- Recreation and Community Services consists primarily facility rental fees and other recreation services.
  - Based on City policy rather than cost
  - The department is currently at a 14% cost recovery
- It is generally accepted that Recreation and Community Services programs provide some public benefit to the community and are subsidized.
  - Fee schedules show full cost determination for many programs
- Suggested fee notes:
  - Out of 123 fees, there would be an increase to 3 fees
  - 120 fees would remain as currently set including animal licenses

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# Building

- For fees based on a time-based analysis
  - Out of 129 fees, there would be an increase to 95 fees
  - 8 fees would remain as currently set
  - 11 fees would decrease
  - 15 new fees would be added
- Building Permit Fee Program
  - The City uses valuation to determine the cost of permits.
  - Current cost recovery is at 18%
  - Staff is suggesting a fee increase of 20% which would bring the cost recovery to 22%

# Planning

- Analysis consists of using the fully burdened hourly rates of staff and the time it reasonably takes to provide service.
- Suggested fee notes:
  - Out of 49 fees, there would be an increase to 22 fees
  - 5 fees would remain as currently set
  - 1 fees would change from variable to a flat amount
  - 1 fee would change to the actual cost of service
  - 20 new fees would be added
  - The average fee change would be a 58% increase

# Public Works/Public Safety

- Analysis consists of using the fully burdened hourly rates of staff and the time it reasonably takes to provide service.
- Suggested fee notes:
  - Out of 29 fees, there would be an increase to 9 fees
  - 10 fees would remain as currently set
  - 3 fees changed from LA County to a flat amount
  - 7 new fees would be added
  - Average fee increase would be 25% for flat fee services

# Questions and Answers



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# Comprehensive User Fee Study

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# Long-term Financing Option – Basics of Municipal Bonds

ITEM NO. 9



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# Overview



- Uses of Municipal Bonds
- Types of Municipal Bonds
- Financing Participants
- Security Documents
- Issuance Process
- Debt Policy



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# Use of Municipal Bonds

- To fund CIP and other projects vitally important to sustained economic growth, City has 3 options
  - Pay-as-you-go
  - Intergovernmental revenue (grants)
  - Borrowing (municipal bonds)
- Bonds provide long-term financing for capital facilities with longer useful life



# Types of Municipal Bonds

- **General Obligation Bonds**
  - Tax-Backed; Voter-Approved
  - Lease Revenue Bonds payable from General Fund; payments subject to annual appropriation to comply with State Constitution and Debt Limitations
- **Revenue Bonds**
  - Payable from Special Revenues or Enterprise Funds
  - Tax Allocation Bonds, Water Revenue Bonds

# Financing Participants

Role	Function
Bond Counsel	Drafts legal documents that describe security for the Bonds and gives opinion that the Bonds are legal, value and binding obligations
Municipal Advisor	Provides advice to City on structure, timing, terms of the Bonds; subject to fiduciary duty
Disclosure Counsel	Reviews Preliminary Official Statement to assist in disclosure of all material facts
Underwriter	Purchases the Bonds from the City and sells the Bonds to investors

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# Security Documents

## **Indenture – Contact with Bondholders**

- Terms and conditions of payment
  - Events of default
  - Early prepayment

## **Official Statement – Offering document**

- Describes revenue for repayment
- Describes applicable credit factors
- Describes risks

# Security Documents

**Bond Purchase Agreement – Purchase/Sale Agreement for the Bonds between the City and Underwriter**

**Continuing Disclosure Agreement – City's agreement to comply with the Securities Law obligation to provide ongoing financial information**

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# Issuance Process

- Engage financing professionals
- Approve form of security documents
- Set parameters for Bond sale (not-to-exceed)
- Meet with credit rating agency
- Underwriter markets Bonds to investors
- Sign Bond Purchase Agreement to lock interest rate
- Bond closing – transfer of funds



# Debt Policy

Required by State Law as of January 1, 2017 for new issues

- Purpose
- Types of debt
- Criteria for refinancing existing debt
- Relationship to capital improvement program and budget
- Policy goals related to planning goals and objectives
- Internal control procedures for compliance

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# PERS Unfunded Actuarial Liability (UAL)

- UAL is a debt to CalPERS that accrues interest at 7%
- Refinancing opportunity using Pension Obligation Bonds
  - Achieve lower interest rate and save funds
- Multi-step process
- Assessment of risks and benefits to be presented June 22



# Long-term Financing Option – Basics of Municipal Bonds

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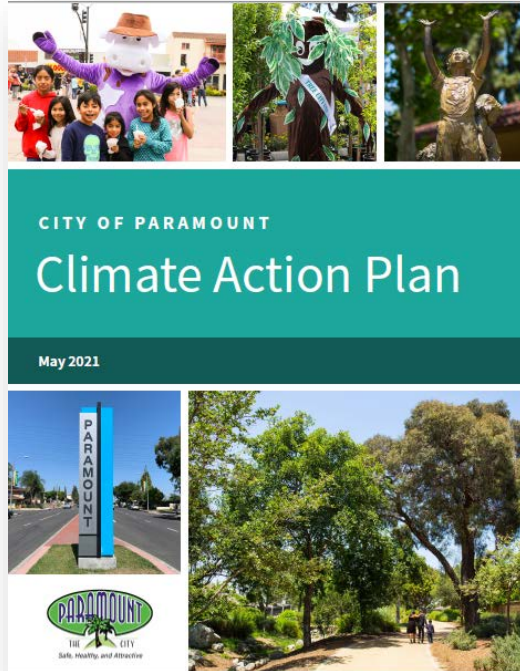
# City of Paramount Draft 2021 Climate Action Plan

ITEM NO. 10



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# Purpose and Objectives



The Climate Action Plan has 3 primary objectives:

- Reduce the community's greenhouse gas emissions in alignment with the State's reduction targets;
- Enhance community resilience by addressing vulnerabilities and risks that are expected to occur as a result of climate change;
- Through implementation of the CAP, provide co-benefits to public health, the environment and the local economy.

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# Community Co-benefits of Climate Action



Improve Air  
Quality



Improve Social  
Equity



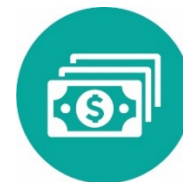
Improve Public  
Health



Improve  
Community  
Resilience



Promote  
Sustainable  
Economics



Provide Cost  
Savings

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# Key Terms

- **Resilience** is the capacity to recover from shocks and stresses, and to adapt and grow from a disruptive experience.
- **Adaptations** are actions that address the projected impacts on all aspects of community function that may result from climate change. This can include impacts related to:
  - Extreme Heat
  - Sea Level Rise / Flood
  - Wildfire / Smoke
  - Drought
  - Severe Storms
- **Greenhouse gases (GHGs)** are gases in Earth's atmosphere that trap heat. Reducing greenhouse gas emissions will lessen future impacts and reduce the need to adapt.

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# State Laws and Regulations Regarding Climate Change

- State law (Senate Bill 32) requires greenhouse gas emissions to be reduced by approximately half by the year 2030 (from 2010 levels).
- The State has also set a goal to reduce emissions 80% by 2050.
- Cities are required to consider climate change in their General Plan (Senate Bill 379)
  - CAP – a major step towards fulfilling this requirement

# Climate Change Impacts in Paramount

- Rising temperatures; more extreme heat
- More extreme droughts
- Smoke from regional wildfires; worsening air quality
- Extreme storms, wind and rain; increased flood risk



Smoke from recent regional wildfires

# Climate Change Impacts in Paramount

## Regional Impacts:

- Increased wildfires and ground level ozone will worsen air quality
- Increased storm intensity and more severe flooding
- Low-lying areas and western border of the city are vulnerable to flooding
- More intense, longer regional droughts
- High level of existing pollution burden
- Temperature increase of 5-10 degrees by 2100
- 12-23 extreme heat days by 2100
- Vulnerable populations have a reduced ability to adapt to climate change impacts

**Climate change will have a disproportionate impact on disadvantaged populations:**

- Elderly and very young
- Low-income
- Undocumented immigrants
- Outdoor workers
- Communities of color
- Individuals suffering from chronic diseases

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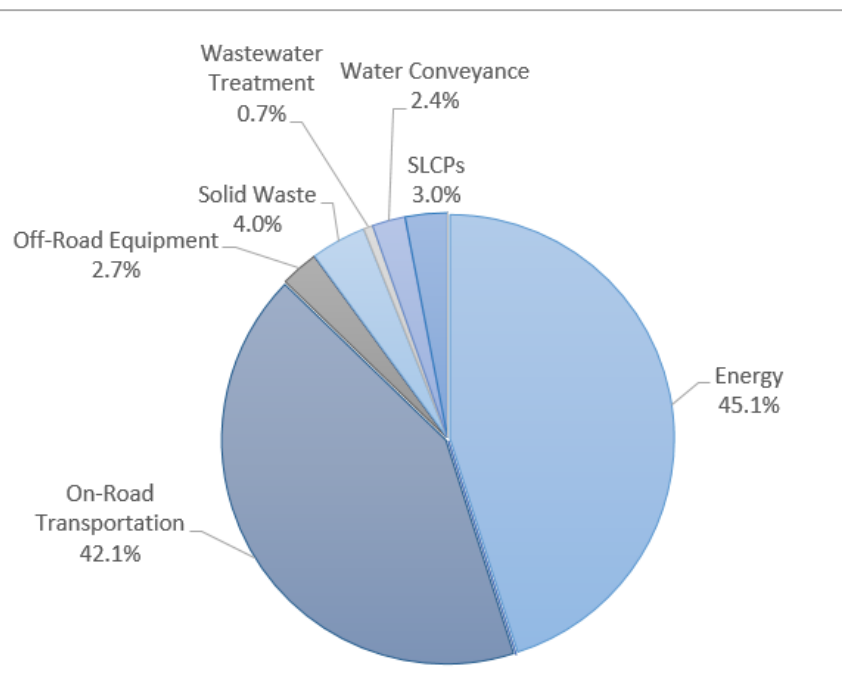


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# Paramount Greenhouse Gas Inventory

## 2010 Community Emissions by Sector

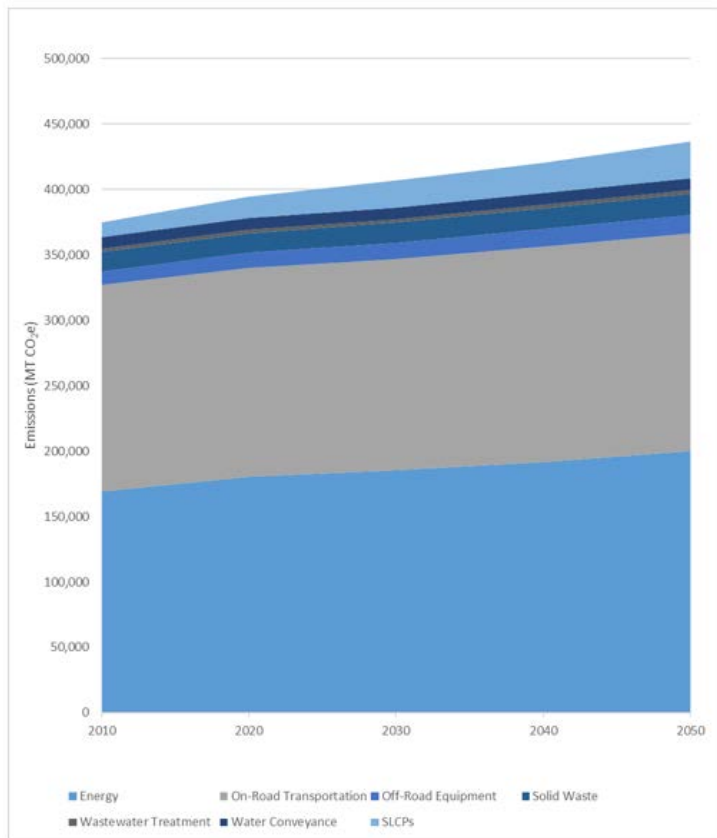


NOTE

a - MTCO2e represents metric tons of carbon dioxide equivalent.



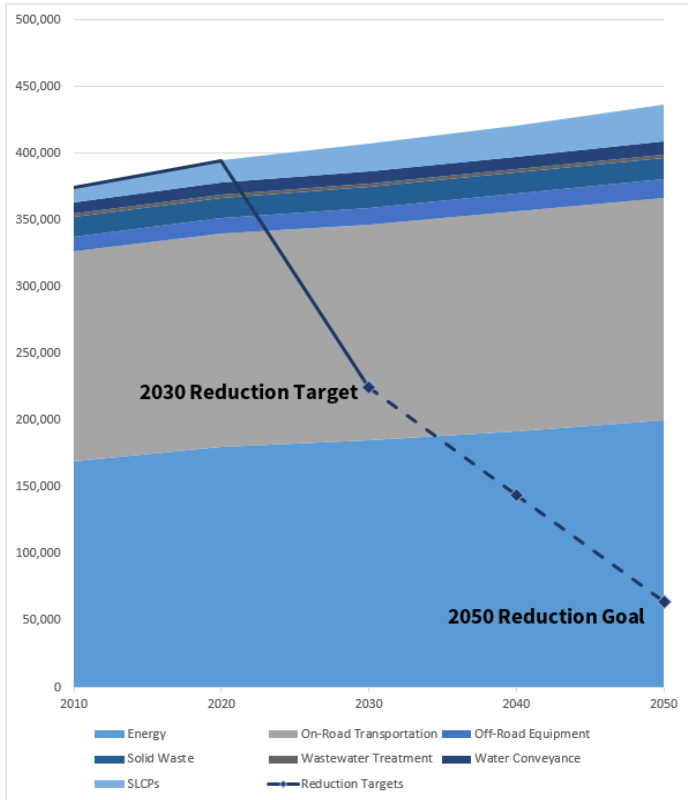
# Paramount Greenhouse Gas Forecast



**“Business as usual” emissions forecast to 2050 – assumes no climate action**

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# Paramount Greenhouse Gas Target

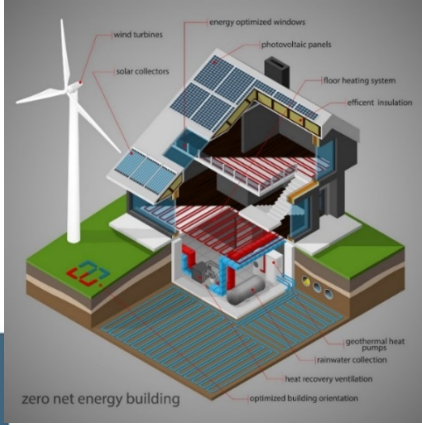


2030 target aligned with SB 32

2050 goal aligned with Governor's Executive Order

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# GHG Reductions from State Measures



## California Regulations and Mandates

- Passenger Vehicle efficiency standards (Pavley; Advanced Clean Cars)
- Renewables Portfolio Standard
- Title 24 Building Energy Standards
- Solid Waste Diversion Mandates

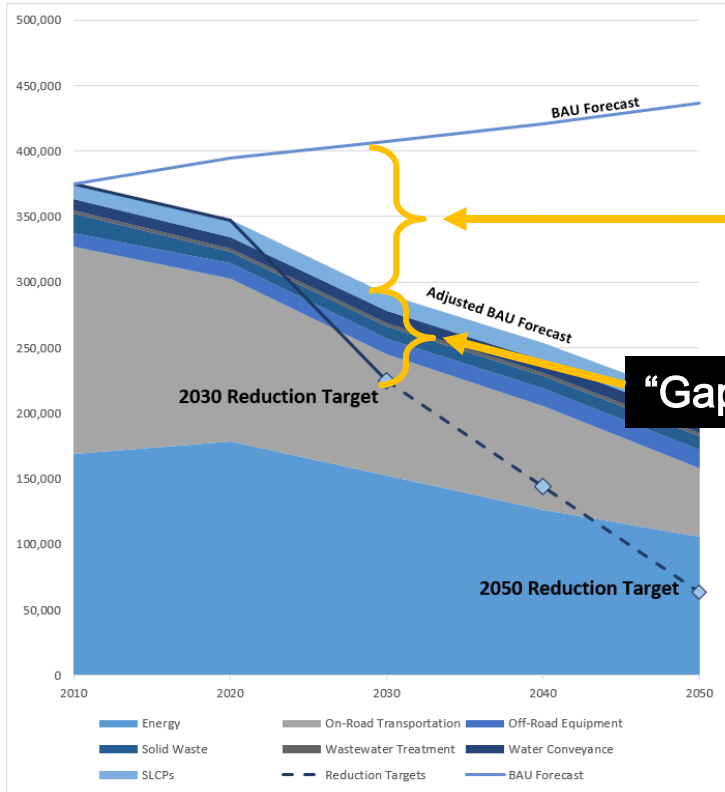


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# Anticipated Effect of State Measures



2030 target aligned with SB 32

Reductions from State Measures

"Gap" to Achieve 2030 Target

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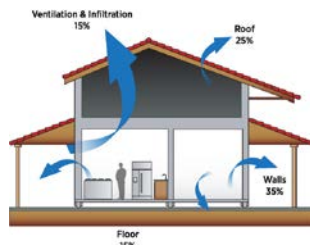
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# GHG Reductions from Local Measures

	ENERGY EFFICIENCY AND CONSERVATION (EE)		WATER AND WASTEWATER SYSTEMS (WA)
	RENEWABLE ENERGY (RE)		WASTE REDUCTION AND RECYCLING (WR)
	SUSTAINABLE TRANSPORTATION (TR)		GREEN INFRASTRUCTURE, PARKS, URBAN FORESTRY AND AGRICULTURE (GA)
	LAND USE & COMMUNITY DESIGN (LU)		GREEN BUSINESS AND INDUSTRY (GB)

MEASURE		2030 ANNUAL REDUCTIONS (MTCO <sub>2</sub> e) <sup>a</sup>
<b>Energy Efficiency</b>		
EE1	Improve Energy Efficiency of Existing Buildings	4,029
EE2	Promote Green Buildings	n/q
EE3	Improve Efficiency of Municipal Operations and Public Infrastructure	27
<b>Renewable Energy</b>		
RE1	Increase Local Renewable Energy Generation	2,912
RE2	Promote and Maximize Community Choice Energy (CCE) and Utility Renewable Energy Offerings	17,857
RE3	Promote Conversion from Natural Gas to Clean Electricity	n/q



**CPA** CLEAN POWER ALLIANCE  
Locally powered energy innovation.











# GHG Reductions from Local Measures

	ENERGY EFFICIENCY AND CONSERVATION (EE)		WATER AND WASTEWATER SYSTEMS (WA)
	RENEWABLE ENERGY (RE)		WASTE REDUCTION AND RECYCLING (WR)
	SUSTAINABLE TRANSPORTATION (TR)		GREEN INFRASTRUCTURE, PARKS, URBAN FORESTRY AND AGRICULTURE (GA)
	LAND USE & COMMUNITY DESIGN (LU)		GREEN BUSINESS AND INDUSTRY (GB)

MEASURE		2030 ANNUAL REDUCTIONS (MTCO <sub>2</sub> e) <sup>a</sup>
<b>Sustainable Transportation</b>		
TR1	Support Fuel Efficient and Alternative Fuel Vehicles	9,388
TR2	Improve Pedestrian and Bicycle Infrastructure	n/q
TR3	Expand Public Transit Options and "last mile" Connectivity	n/q
TR4	Expand Car Sharing, Bike Sharing, and Ride Sharing	n/q
TR5	Infrastructure to Improve Traffic Flow and Efficiency	n/q
TR6	Support Transportation Demand Management	n/q
<b>Land Use &amp; Community Design</b>		
LU1	Promote Smart Growth, TOD, and Complete Neighborhoods	n/q



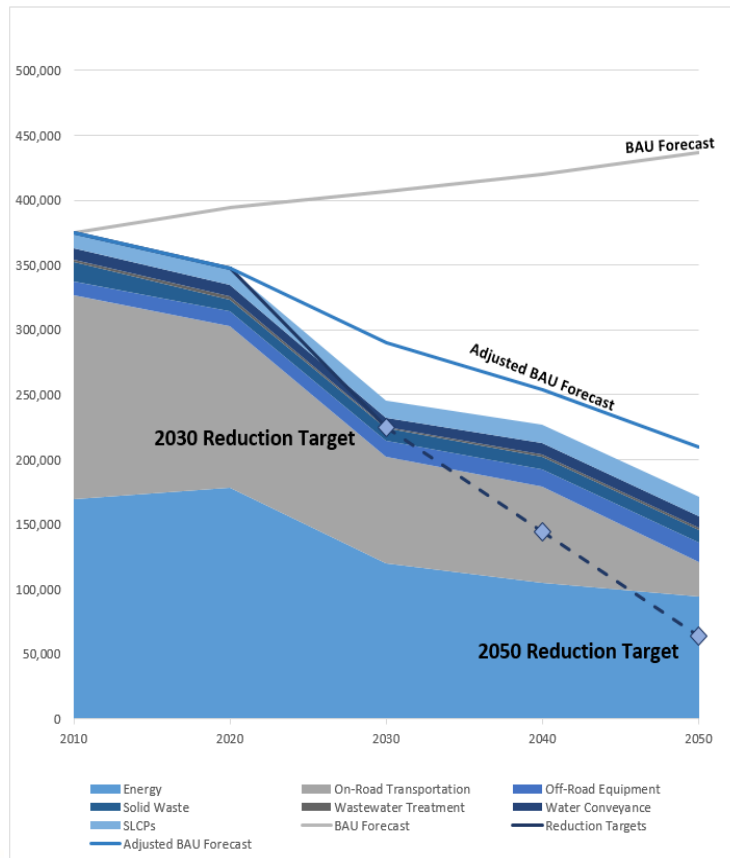
# GHG Reductions from Local Measures

	ENERGY EFFICIENCY AND CONSERVATION (EE)		WATER AND WASTEWATER SYSTEMS (WA)
	RENEWABLE ENERGY (RE)		WASTE REDUCTION AND RECYCLING (WR)
	SUSTAINABLE TRANSPORTATION (TR)		GREEN INFRASTRUCTURE, PARKS, URBAN FORESTRY AND AGRICULTURE (GA)
	LAND USE & COMMUNITY DESIGN (LU)		GREEN BUSINESS AND INDUSTRY (GB)



MEASURE		2030 ANNUAL REDUCTIONS (MTCO <sub>2</sub> e) <sup>a</sup>
<b>Land Use &amp; Community Design</b>		
LU1	Promote Smart Growth, TOD, and Complete Neighborhoods	n/q
<b>Water and Wastewater Systems</b>		
WA1	Promote Water Conservation	10,915
WA2	Promote Water Recycling and Greywater Use	n/q
<b>Green Infrastructure, Parks, Urban Forestry, &amp; Agriculture</b>		
GA1	Support Urban Tree-Planting, Park Access, and Green Infrastructure	Supporting
GA2	Support Sustainable Food and Urban Farming	Supporting
<b>Green Business &amp; Industry</b>		
GB1	Engage and Partner with Local Industries and Businesses to Reduce Emissions	Supporting
GB2	Grow Green Economy/Increase Green Jobs	Supporting

# Overall Effect of State and Local Measures



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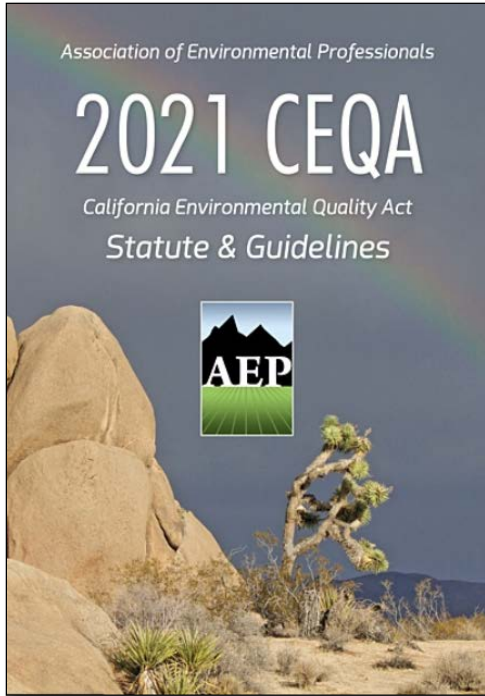
# CEQA-Qualified CAP

## Benefit:

Can use to streamline CEQA review of future development projects if projects can demonstrate consistency with CAP measures and performance standards

## Requirements (per CEQA Guidelines section 15183.5 (b):

- CAP GHG target consistent with State target
- Planning horizon and growth assumptions consistent with City's General Plan
- Includes measures to achieve the reduction target, supported by substantial evidence
- City tracks progress toward achieving target and to require amendment if needed
- CAP itself undergoes environmental review





# Questions?



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# Recommendation

It is recommended that the City Council receive and file the Draft 2021 Paramount Climate Action Plan.

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# City of Paramount Draft 2021 Climate Action Plan

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