



CITY COUNCIL MEETING

November 2, 2021



BRENDA OLMOS
Mayor



**VILMA CUELLAR
STALLINGS**
Vice Mayor



ISABEL AGUAYO
Councilmember



LAURIE GUILLEN
Councilmember



PEGGY LEMONS
Councilmember

Call to Order



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Pledge of Allegiance



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Invocation: Reverend Grady Jones



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Councilmember

Roll Call of Councilmembers



Mayor's Award of Excellence

ITEM NO. 1



CITY OF PARAMOUNT



Proclamation: National Home Care and Hospice Month

ITEM NO. 2



CITY OF PARAMOUNT



Proclamation: National Tobacco Awareness Month

ITEM NO. 3



CITY OF PARAMOUNT



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City Council Public Comment Updates



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Public Comments



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Councilmember



PEGGY LEMONS
Councilmember

Consent Calendar



Paramount Municipal Water Rate Adjustments

ITEM NO. 8



CITY OF PARAMOUNT



ITEM NO. 8

Overview



- » Paramount Municipal Water Utility
- » Water rates unchanged since 2016
- » Water rate schedule 20+ years old
- » Water fund operating at deficit
- » Rate study conducted by Public Finance Advisors Bartle Wells Associates

ITEM NO. 8

Why are we here today?



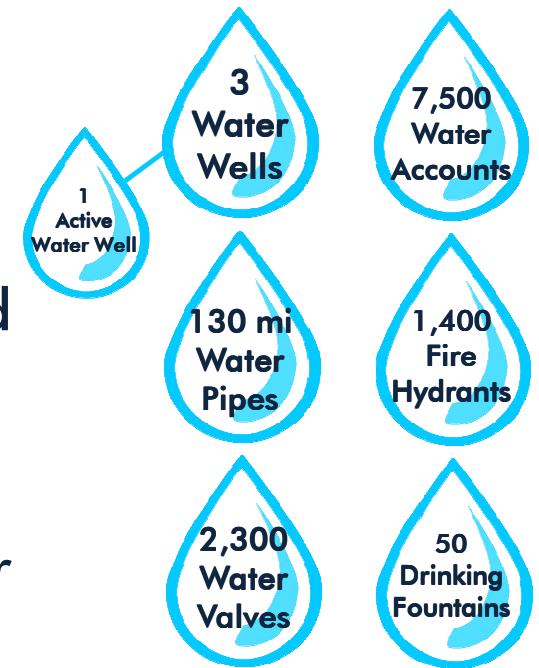
- » Refresher of Rate Study and its findings
- » Recommended actions to correct underperformance and incompliance
- » Update on Prop 218 process
- » But first...

ITEM NO. 8



Paramount Municipal Water

- » Paramount Municipal Water system provides 6 million gallons daily of high-quality groundwater to Paramount customers
- » Locally sourced groundwater extracted, treated, and delivered directly to Paramount customers
- » Paramount's Water system includes Water Production, Water Distribution, and Water Customer Service

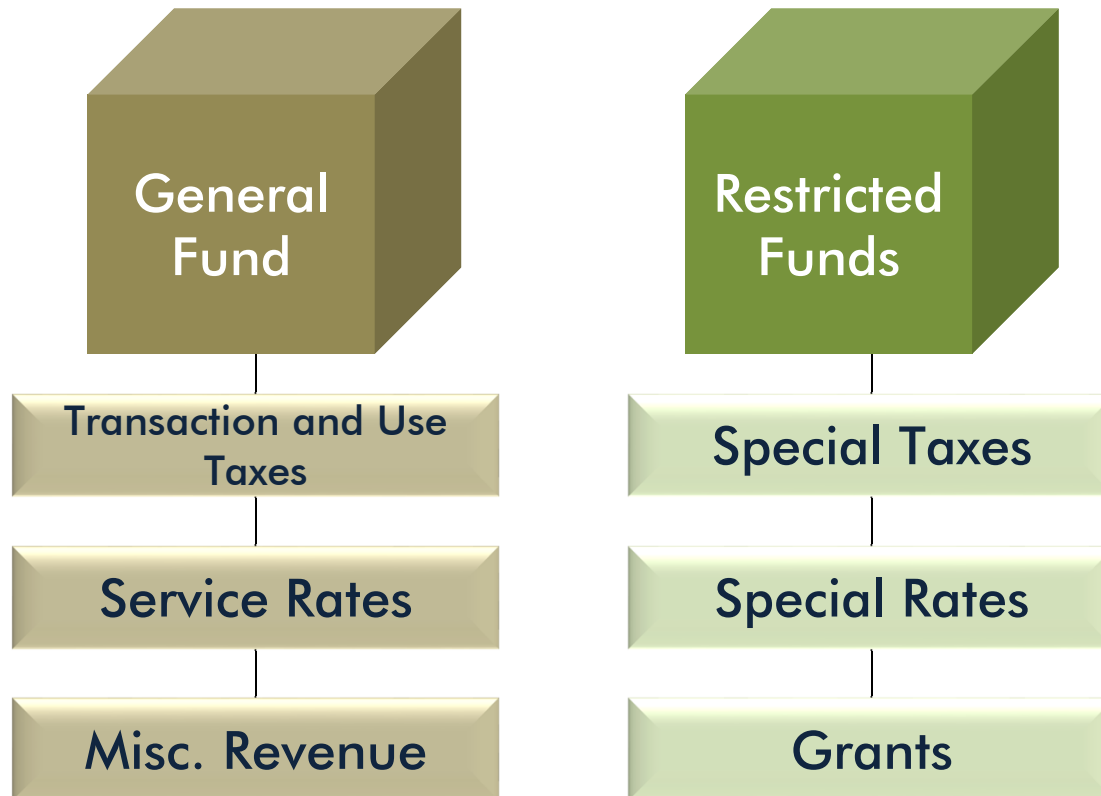


What's the Current Situation?

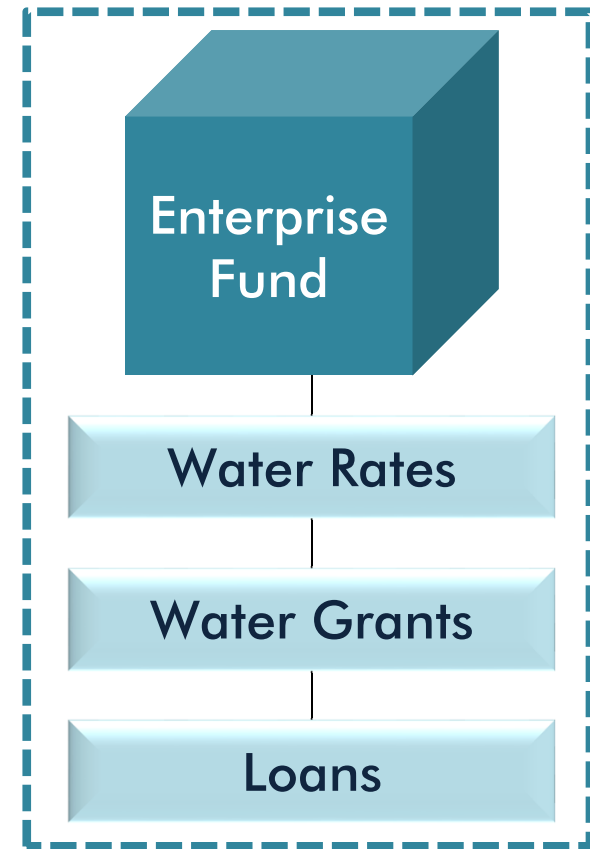
- ⚠ Cost to pump, deliver, and manage water is increasing 4.3% per year, and continues to get more expensive
- ⚠ Well closure resulted in need to purchase more imported water, at about 2x the cost of locally sourced water
 - Optimal water supply ratio: 95% groundwater / 5% purchased water (or less)
- ⚠ Water utility fund is in a deficit **(-\$3.1 Million)**
- ⚠ Within one year, water revenues will not cover the expected water operating expenses

ITEM NO. 8

City Funding Sources

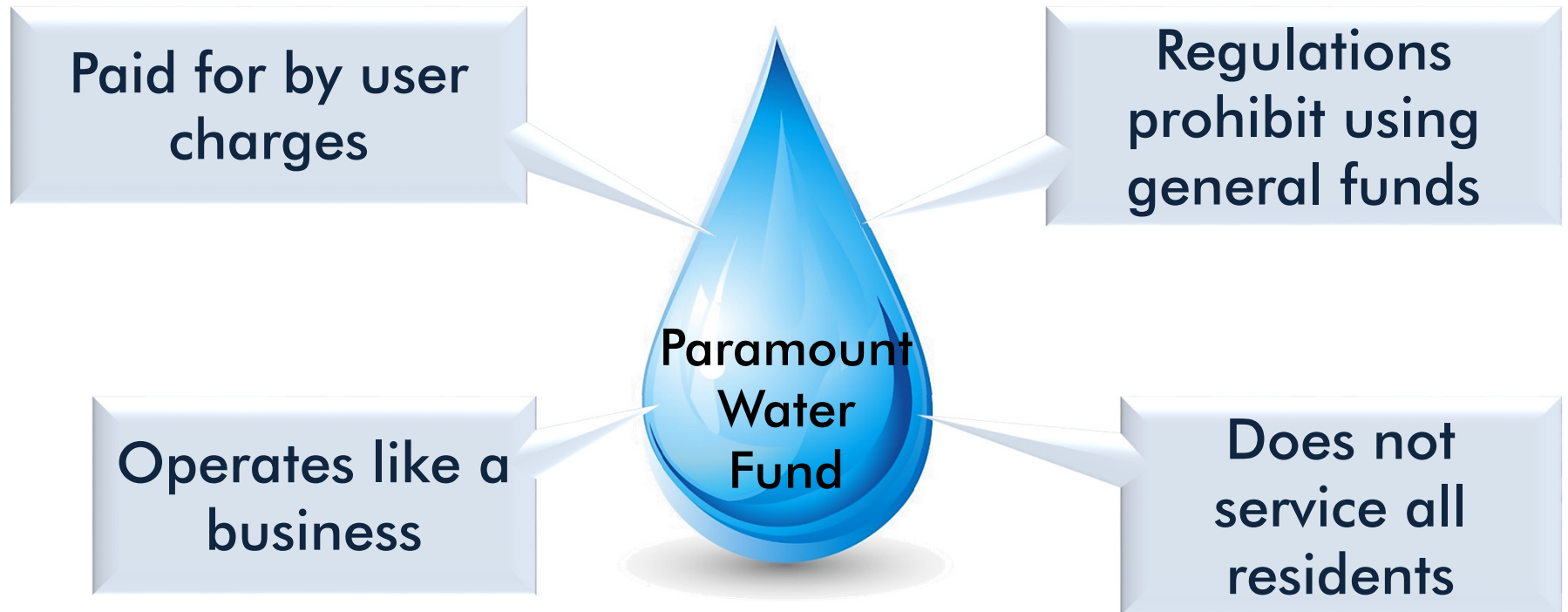


Paramount Water



ITEM NO. 8

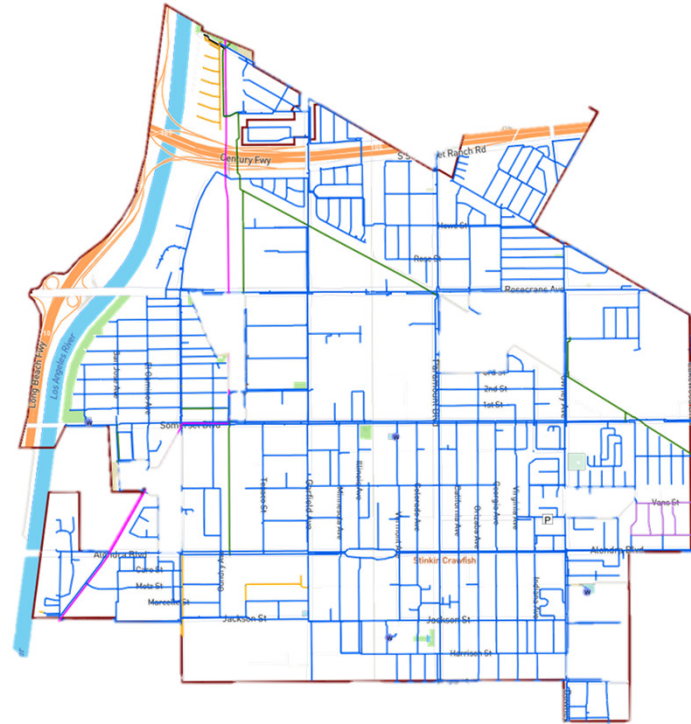
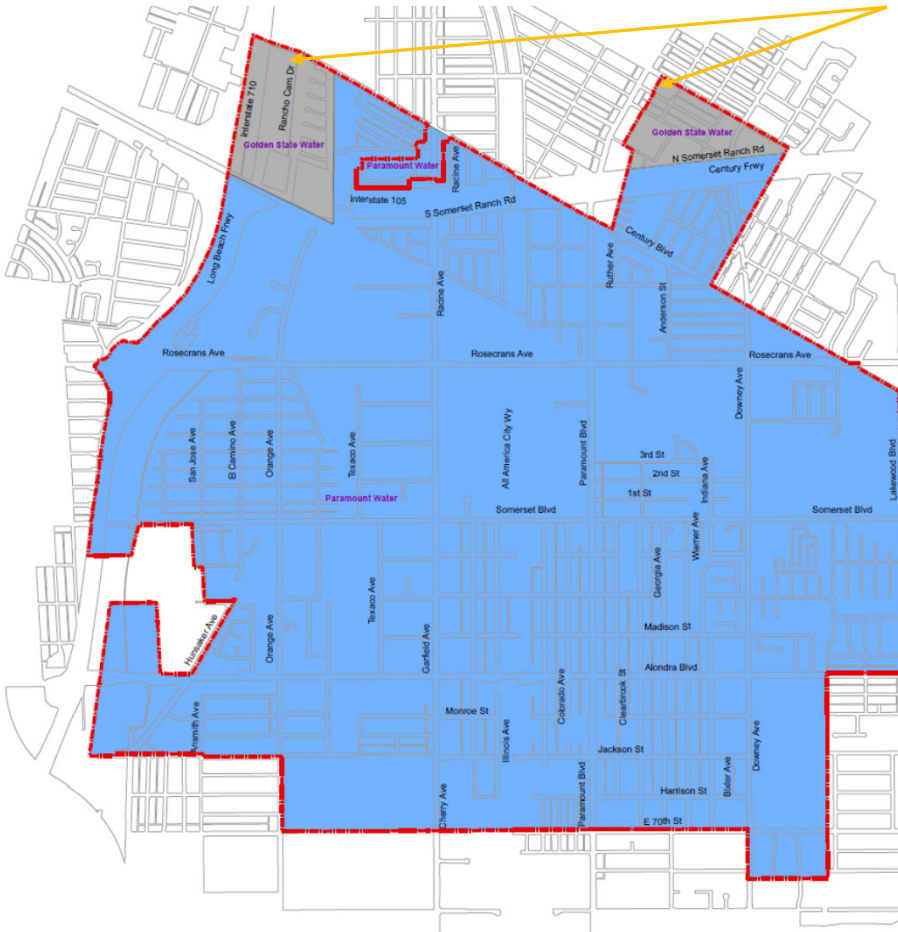
Water Enterprise Fund



ITEM NO. 8

Paramount Municipal Water Map

Golden State Water Company
services some Paramount residents



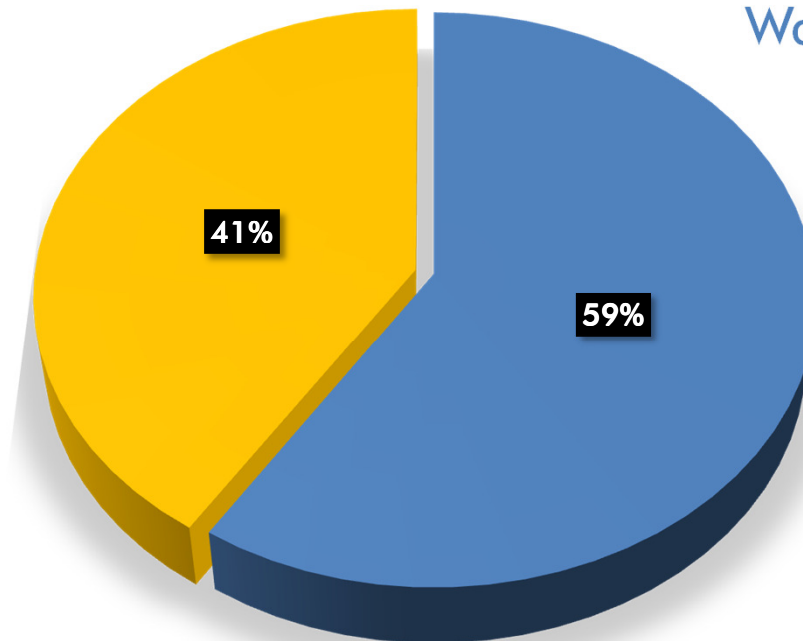
**Actual water pipelines*

ITEM NO. 8

What Do My Water Rates Pay For?

Water Distribution (Delivery) 41%

- Water Pipe Maintenance and Repairs
- Distribution System
- Fire Hydrants
- Water Valves
- Meter Readings
- Labor



Paramount Municipal Water Operations

Water Production (Supply) 59%

- Local Groundwater
- Purchased Water
 - Water Wells
- Water Treatment
- Water Testing
- Water Connection Inspections
- System Automation
- Water Well Loans
- Labor

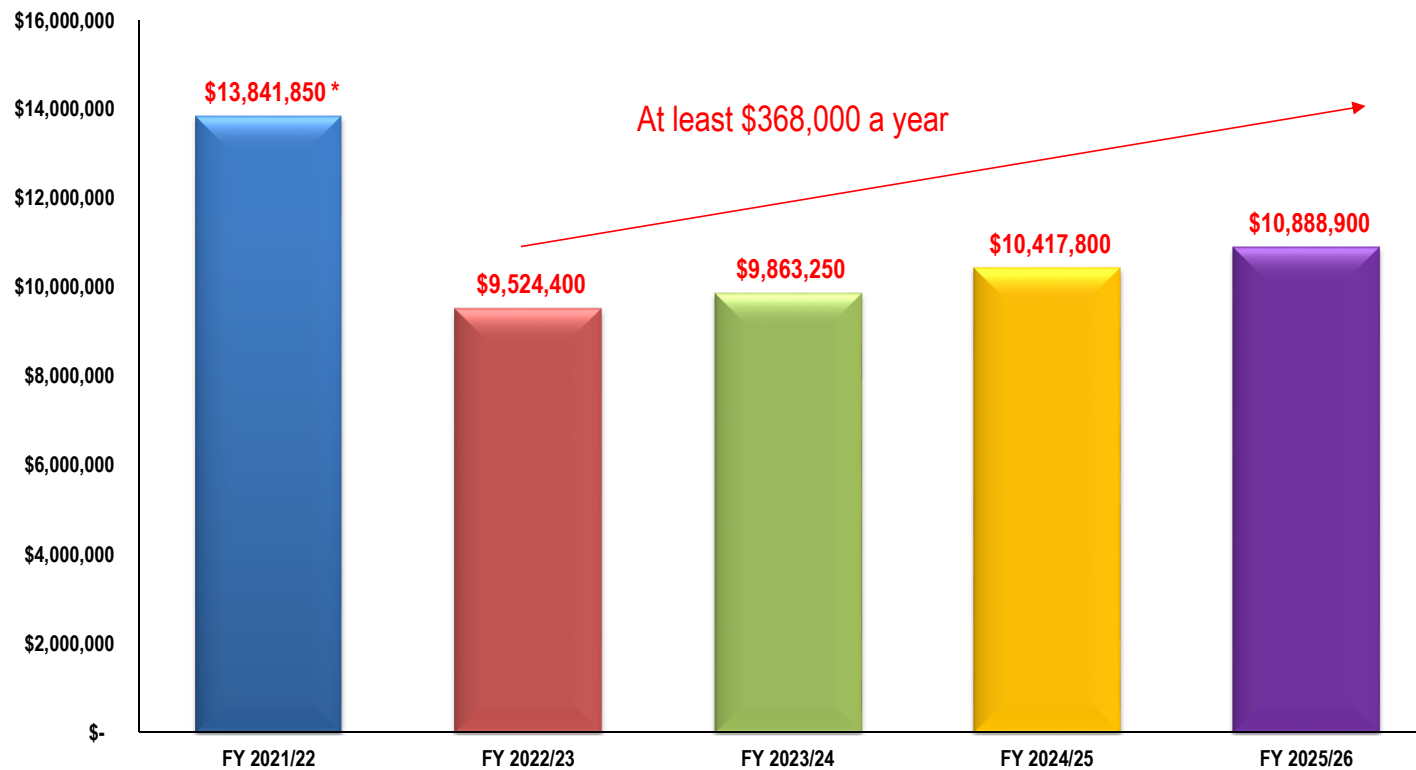
ITEM NO. 8

Water Operation Expenses

	FY21 - Actual	FY22 - Adopted
Water Billing	409,620.44	489,200
Municipal Support	55,583.14	110,300
Public Works Administration	1,266,908.58	1,352,100
Water Production	6,127,150.41	6,787,600
Water Distribution	1,690,899.57	2,100,800
Water Customer Service	223,108.82	308,750
Well 16 Contruction Costs	3,454,120.00	2,500,000
Installation of Services/Hydrants	72,144.00	75,000
Annual Valve Replacement	13,411.70	25,000
Well # 15 VFD Installation	-	90,000
	\$ 13,312,946.66	\$ 13,838,750.00

ITEM NO. 8

Water Expenses Projection



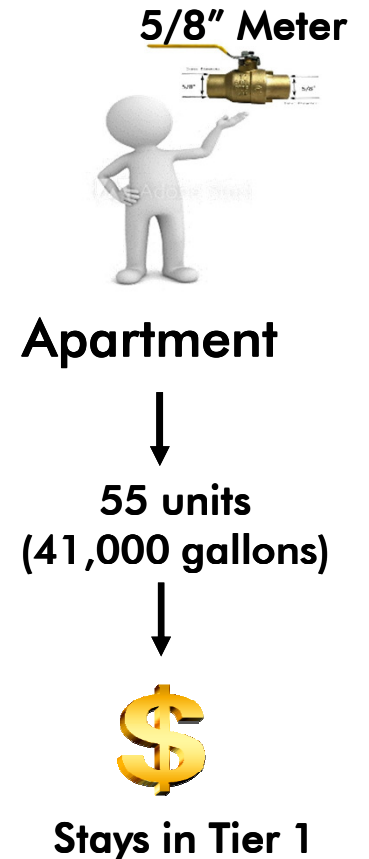
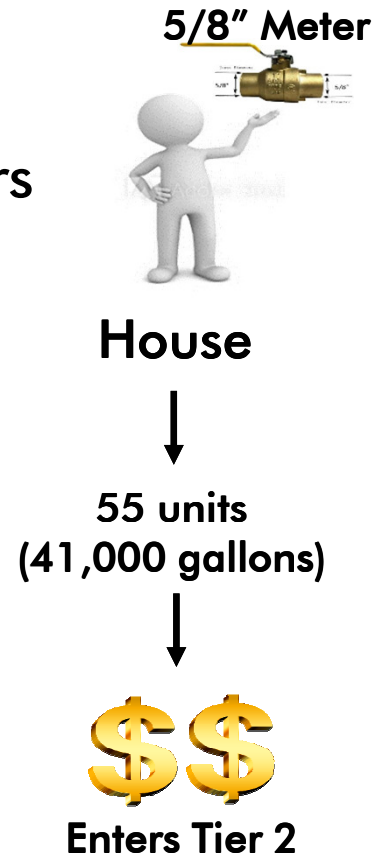
*Construction of Water Well 16

** Assumes ongoing purchasing of imported water at an optimal 95/5 ratio

ITEM NO. 8

Current Water Rate Schedule

- » Rates remained unchanged for 5 years and rate schedule is 20+ years old
- » Too complicated
- » Not consistent with national standards
- » “Seasonal” rates for different customers with the same water meter size
- » Could not sustain local water system



ITEM NO. 8

Most Common Meter: 5/8" Meter



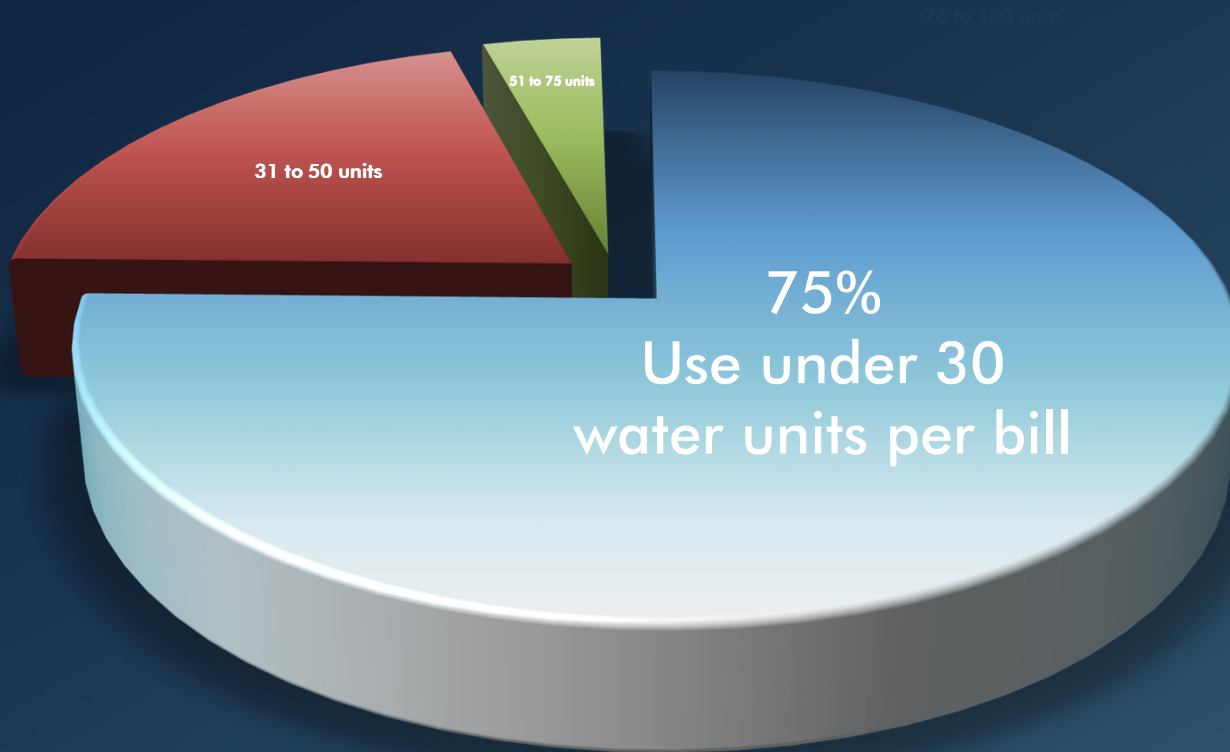
Residential Accounts 5/8" Meters*		
Single Family Residential	3,994	73%
Senior Residential	311	6%
Multi-Family Single Meter	443	8%
Multi-Family Common Meter	427	8%
Detached Houses (Townhomes)	300	5%
Total Residential	5,475	

* 7,500 total accounts. 5/8" Meters make up $\frac{3}{4}$ of all accounts.

ITEM NO. 8

5/8" Residential Account Water Use

1 unit = 1 HCF = 748 gallons



3/4
of single-family
residential water
customers use under 30
water units per bill
(every two months)

ITEM NO. 8



CITY OF PARAMOUNT

Proposed Water Rate Adjustments *(Actual Costs)*

**Most Common Meter: 5/8" Residential
Average Water Use of 20 Units**

Current Rate	Year 1	Year 2	Year 3	Year 4	Year 5
\$ 51.71	\$ 56.48	\$ 61.44	\$ 66.71	\$ 72.28	\$ 78.15
Adjustment per 2-month bill	\$4.77	\$4.96	\$5.27	\$5.57	\$5.87

ITEM NO. 8

1/1/2022 1/1/2023 1/1/2024 1/1/2025 1/1/2026

Bimonthly Minimum Charge - All Users

5/8"	\$20.98	\$22.74	\$24.51	\$26.28	\$28.05
3/4"	\$20.98	\$22.74	\$24.51	\$26.28	\$28.05
1"	\$38.20	\$40.33	\$42.47	\$44.61	\$46.74
1 1/2"	\$57.15	\$66.24	\$75.32	\$84.40	\$93.49
2"	\$87.57	\$103.07	\$118.58	\$134.08	\$149.58
3"	\$171.39	\$198.66	\$225.93	\$253.20	\$280.46
4"	\$285.52	\$331.00	\$376.48	\$421.96	\$467.44
6"	\$779.23	\$818.15	\$857.06	\$895.97	\$934.88
8"	\$1,485.53	\$1,488.10	\$1,490.67	\$1,493.24	\$1,495.81
10"	\$2,209.23	\$2,194.48	\$2,179.73	\$2,164.98	\$2,150.23

Variable Rate - Potable Use above Minimum

Tier 1	\$3.55	\$3.87	\$4.22	\$4.60	\$5.01
Tier 2	\$4.78	\$5.21	\$5.68	\$6.19	\$6.75

Variable Rate - Reclaimed Use Above Minimum

Tier 1	\$3.02	\$3.29	\$3.59	\$3.91	\$4.26
Tier 2	\$4.06	\$4.43	\$4.83	\$5.26	\$5.74

Recommended Water Rate Schedule

ITEM NO. 8

Rates for Seniors 62+



- » Rates for senior water customers include a 20% discount.
- » 20% discount will be applied bi-monthly (every two months) water bill.
- » Existing 62+ will automatically receive discount.
- » New 62+ will be verified when making payments.

ITEM NO. 8

Water Consumption Tier Adjustments

Current

January to April

Water Units	Tier	Charge	Per Unit
0 to 10	Base	\$ 19.21	Not applicable
11 to 54	Tier 1	\$ 3.25	per unit after 11 units
55+	Tier 2	\$ 4.37	per unit after 55 units

May to August

Water Units	Tier	Charge	Per Unit
0 to 10	Base	\$ 19.21	Not applicable
11 to 60	Tier 1	\$ 3.25	per unit after 11 units
61+	Tier 2	\$ 4.37	per unit after 61 units

September to December

Water Units	Tier	Charge	Per Unit
0 to 10	Base	\$ 19.21	Not applicable
11 to 49	Tier 1	\$ 3.25	per unit after 11 units
50+	Tier 2	\$ 4.37	per unit after 50 units

Proposed

Water Units	Tier	Charge	Per Unit
0 to 10	Base	\$ 20.98	Not applicable
11 to 30	Tier 1	\$ 3.55	per unit after 11 units
31+	Tier 2	\$ 4.78	per unit after 31 units

75% of all Paramount
Residential Water
Customers use less than 30
water units per bill

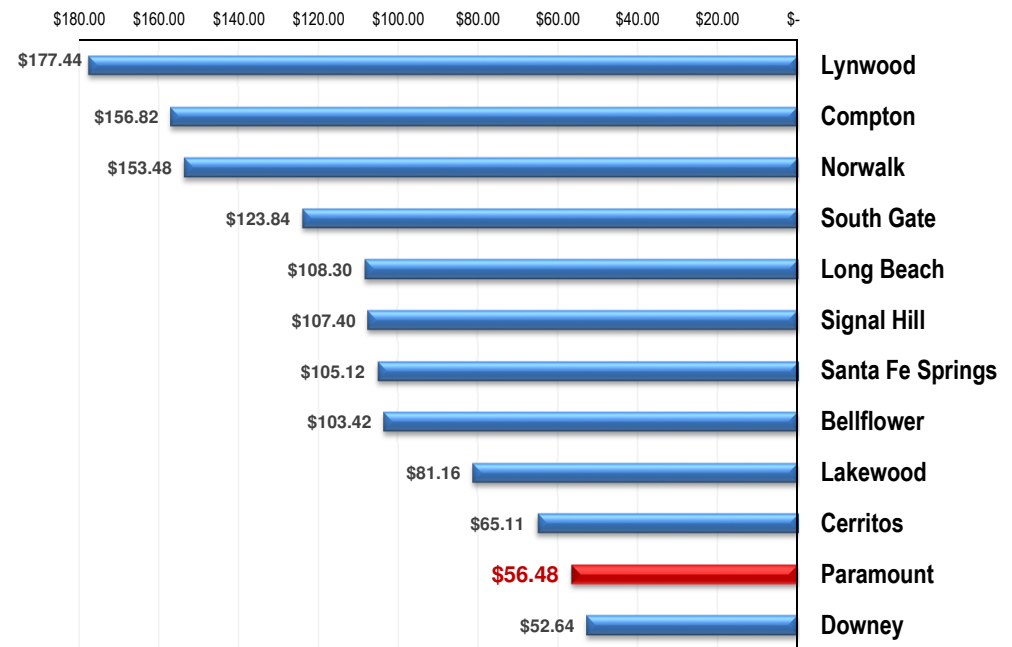
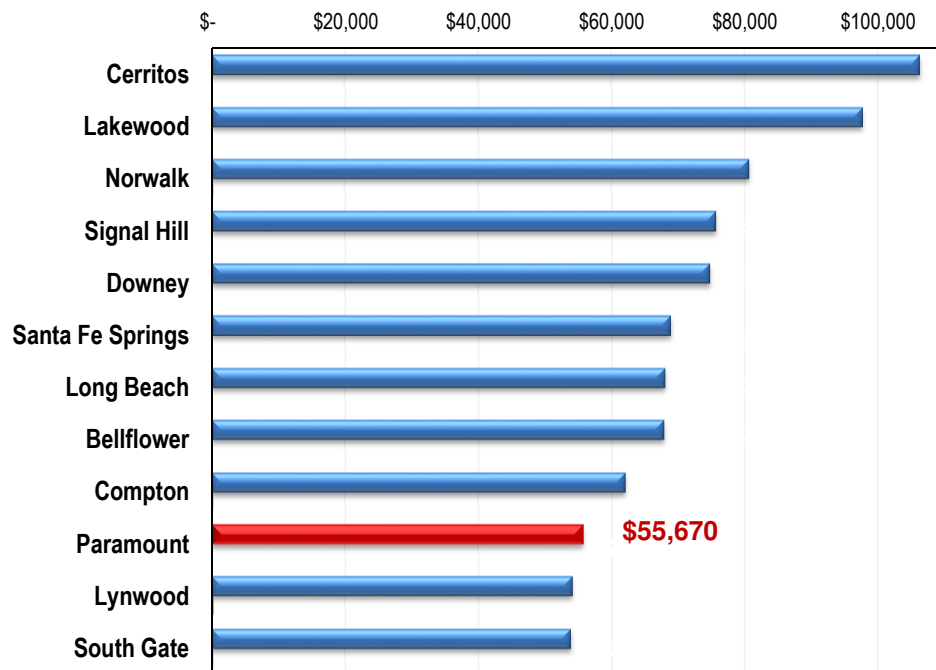
ITEM NO. 8

Bi-Monthly Bill Sample (5/8" Meters)

		Current: 2020/2021	Proposed: 2021/2022	Proposed: 2022/2023	Proposed: 2023/2024	Proposed: 2024/2025	Proposed: 2025/2026
	Units	Charges	Charges	Charges	Charges	Charges	Charges
<u>Single Family Residential 5/8"</u>							
Current Base	10	19.21	20.98				
Proposed Base	10	19.21	20.98	22.74	24.51	26.28	28.05
Proposed 1st Tier	30	84.21	91.98	100.14	108.91	118.28	128.25
	Units	Current: 2020/2021 Charges	Proposed: 2021/2022 Charges	Proposed: 2022/2023 Charges	Proposed: 2023/2024 Charges	Proposed: 2024/2025 Charges	Proposed: 2025/2026 Charges
<u>Senior Citizen Residential 5/8"</u>							
Current Base	12	18.51	22.46				
Proposed Base	10	18.51	16.78	18.19	19.61	21.02	22.44
Proposed 1st Tier	30	74.31	73.58	80.19	87.21	94.62	102.64
	Units	Current: 2020/2021 Charges	Proposed: 2021/2022 Charges	Proposed: 2022/2023 Charges	Proposed: 2023/2024 Charges	Proposed: 2024/2025 Charges	Proposed: 2025/2026 Charges
<u>Multi-family Residential (Single Meter) 5/8"</u>							
Current Base	10	19.21	20.98				
Proposed Base	10	19.21	20.98	22.74	24.51	26.28	28.05
Proposed 1st Tier	30	84.21	91.98	100.14	108.91	118.28	128.25

ITEM NO. 8

Median Household Income vs. Proposed Water Rates



ITEM NO. 8

Water Bill Survey

BI-MONTHLY WATER BILL SURVEY	
(USING 20 UNITS CONSUMPTION) 6/15/2021	
LYNWOOD	177.44
LIBERTY UTILITIES	169.32
COMPTON	156.82
NORWALK	153.48
GOLDEN STATE	126.42
SOUTH GATE	123.84
LONG BEACH	108.30
SIGNAL HILL	107.40
SANTA FE SPRINGS	105.12
BELLFLOWER MUNICIPAL	103.42
BELLFLOWER SOMERSET MUTUAL	98.91
LAKEWOOD	81.16
CERRITOS	65.11
PARAMOUNT/PROPOSED	56.48
DOWNEY	52.64
PARAMOUNT/CURRENT	51.71

ITEM NO. 8



CITY OF PARAMOUNT

What is the Urgency to Adjust Water Rates?

Adjusted water revenues...

- » Increase locally sourced groundwater, which is 2x cheaper than purchased imported water
- » Ensure high-quality water (e.g. testing, maintaining, treating, repairing)
- » Prepares for major or emergency water pipe repairs
- » Prevent defaulting on water loans



LADWP April 2021

ITEM NO. 8



CITY OF PARAMOUNT

What Happens If We Don't Adjust the Rates?

- ⚠ **Out of compliance** with debt service, impacting City's credit rating
- ⚠ Cannot adequately address **critical infrastructure** repairs (i.e. water wells, main lines)
- ⚠ Water revenue needed to sustain the local water system will **deplete in one year**
- ⚠ **Unsustainable** local water system
- ⚠ **Eventually lose local control** – much higher water rates

ITEM NO. 8

City Water Relief Efforts



» COVID-19

- Hardship forbearance for Paramount Water Customers (no shutoffs)
- Waive all late charges
- \$116,000 Rental/mortgage relief

» California Arrearage COVID-19 Relief Program

- 214 delinquent water accounts = \$44,000
- March 4, 2020 to June 15, 2021 only
- City applied for and will receive funding to payoff customers' water bill debt

ITEM NO. 8

Notice to Water Rate Payers

- » Prop 218: Public Hearing notices mailed out public notices on September 11, 2021 (45 days in advance)
- » Zero written protests received



ITEM NO. 8

Public Outreach

- » Presentations to all City Commissions
 - » Public Works
 - » Planning
 - » Community Services
 - » Public Safety

- » Two Community Meetings
 - » Wednesday, October 15, 2021 at 6:30 p.m.
 - » Saturday, October 30, 2021 at 10 a.m.

ITEM NO. 8



Timelines of Events

- » July 6 – Water Rate Study presented to City Council during public meeting
- » September 11 – Public Hearing Notices and “Around Town” newsletter mailed
- » October – Community Educational Meetings @ Progress Park Auditorium
- » November 2 – City Council Public Hearing Meeting
- » January 2022 – If approved, new water rates take effect

ITEM NO. 8



CITY OF PARAMOUNT

Rate Study in Summary



- **Findings:**

- Water expenses increasing each year by \$380,000;
- Rate schedule is outdated (20 years old), overly complicated, and not compliant; and,
- Water Fund is currently in a \$3.1 million deficit and increasing by 9% year over year.
- Without changes, default on our debt obligations and unable to afford to operate by the end of the year.

- **Corrective Actions:**

- ✓ Modifying rate schedule
- ✓ Adjust Tier 1 consumption rates from 50 cmf to 30 cmf; and,
- ✓ Implement 5-year phased-in adjustment base rates to turn around the deficit.

ITEM NO. 8

Recommended Rates in Summary

- » Establishes fair water rates for all customers based on water usage and valve size
- » Simplified schedule and meets Proposition 218 rules
- » Updates water consumption tiers for environmental sustainability



ITEM NO. 8

Recommendation

**It is recommended that the City Council conduct a Public Hearing;
and read by title only and adopt Resolution No. 21:034.**

ITEM NO. 8



CITY OF PARAMOUNT



Paramount Municipal Water Proposed Water Rate Adjustments

ITEM NO. 8



CITY OF PARAMOUNT

CMFA Special Finance Agency Middle Income Housing Program

The Enclave Apartments



Jefferies

Try not to have a good time...this is supposed to be educational."
– by Charles Monroe Schultz



MISSING MIDDLE PROBLEM

The Middle-Income Conundrum

Many California communities have market rate rental housing for higher-income residents and subsidized rental housing for lower-income residents but exclude middle-income households who cannot afford the former and do not qualify for the latter.

Who Are the Missing Middle?

Workers who are critical to California's economy and critical to California's individual communities

They provide education, health care, public safety and services needed in every community



MISSING MIDDLE BENEFITS

Program Enables Middle Income Individuals to Live Where They Work

The “missing middle” includes workers who are critical to your economy and critical to your communities. They provide, education, health care, public safety and services. They will enjoy increased disposable income, reduced commutes, and better quality of life.

No City Funding (Initial reduction in Property Taxes, Recouped on Sale)

The City, at its Sole Discretion, May Force a Sale of the Project between Year 15 and Year 30

The City Participates in the Largest Amount of Net Sale Proceeds



MIDDLE INCOME TEAM

CMFA Special Finance Agency- Governmental Issuer and Owner

BLDG Partners- Project Administrator

FPI Management- Property Manager

Jefferies- Underwriter



Jefferies

CMFA Special Finance Agency



MIDDLE INCOME TEAM

CALIFORNIA MUNICIPAL FINANCE AUTHORITY (CMFA – SFA)

The California Municipal Finance Authority (CMFA) was created in 2004 under California's Joint Exercise of Powers Act, to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects.

About CMFA:

- Over 325 cities, counties and special districts are members to CMFA
- CMFA helps local governments build community infrastructure, provide affordable housing, create jobs and makes access available to quality education and healthcare.
- The CMFA shares 25% of their issuance fee with the City and 25% with nonprofits within the City.

CMFA Special Finance Agency



COMMUNITY FOCUSED



Boys & Girls Club



Long Beach Museum



Oscar de la Hoya Foundation

CMFA at a Glance

- Over **1,000** Transactions; **\$26** Billion in Financings
- #1 Affordable Housing Issuer in CA
- Over **150** Affordable Housing Transactions in Process

Since 2004, the CMFA has donated more than \$27 million to over 925 non-profit organizations and 290 municipalities.

CMFA Special Finance Agency



COMMUNITY FOCUSED

CMFA SFA (Special Finance Agency)

- Over **29** Middle Income transactions have been completed.
- There have been several Southern California Cities that have joined a JPA to partner in the Middle Income space. Below is select few city's: Anaheim, Carson, Huntington Beach, Hawthorne, Long Beach, Monrovia, Glendale, Orange, Pasadena, Santa Clarita.
- The CMFA has 14 Middle Income transactions in process
- The CMFA has 150 Affordable Housing projects in process

CMFA Special Finance Agency



MIDDLE INCOME TEAM

PROJECT ADMINISTRATOR – BLDG PARTNERS

BLDG Partners is a real estate developer, owner and operator based in Southern California. The firm acquires, improves and operates a portfolio of affordable housing communities across the country. BLDG principals have over 50 years of combined experience in this space. Over the past 10 years, BLDG's principals have acquired and operated over 3,500 units in Southern California.

BLDG TEAM

MATTHEW ELLIS

Partner

Matthew is responsible for the acquisition and financing activities of the company. For the first nine years of his career, Matthew worked at a large Wall Street investment house making debt and equity investments in existing and to-be developed affordable residential real estate projects. For the past 11 years, Matthew, as CIO, has overseen real estate acquisitions and capital markets transactions for a significant New York family office in addition to growing BLDG's portfolio. Matthew has been involved in over \$5B of Real Estate transactions and holds two Bachelor's degrees and a Masters in Economics and Finance from the University of North Carolina.

MATT JACOBS

Partner

Matt is responsible for directing design, development, and construction activities. 20-year career, Matt has overseen the development of best-in-class retail, residential, and mixed-use projects for public and private companies, institutions, family offices, and partnerships. Before launching BLDG, Matt oversaw regional development efforts for Turnberry Ltd. and the Pulte Home Corporation. Matt holds a BA in Urban Studies from Yale University and a MBA with a concentration in Real Estate Finance from Columbia Business School.

GUY PENINI

Partner & Chief Financial Officer

Guy is responsible for development, financing Over his and operations activities. Guy has been responsible for the development of over \$1 billion in real estate investments across asset classes as the CFO for a prominent Las Vegas, NV developer and contractor. He has significant experience in developing and guiding mixed-use and residential projects. Guy holds a BA in Literature and Computer Science from Yale University and a MBA from the University of Pennsylvania, Wharton School of Business.

CMFA Special Finance Agency



MISSING MIDDLE SOLUTION

The Agency Acquires Market Rate Apartments

The CMFA Special Finance Agency (“Agency”) issues government bonds to acquire market-rate apartments. The City will have no liability or financial obligation for the bonds.

Project is Converted into Income and Rent Restricted Units

Designed for households earning 61% to 120% of AMI. The typical split of units which can be customizable is:

- One third from 61% - 80% Area Medium Income (AMI)
- One third from 81% - 100% Area Medium Income (AMI)
- One third from 101% - 120% Area Medium Income (AMI)

Annual rent increases would be capped at no more than 4% which is less than the rent limits under AB1482, the recently adopted State tenant protection legislation.

**NO EXISTING TENANTS WOULD BE DISPLACED IN CONNECTION
WITH THE ACQUISITION OF THESE PROPERTIES**

CMFA Special Finance Agency



STEPS TO MOVE FORWARD

Adopt a Resolution approving, authorizing and directing the execution of joint exercise of powers agreement

The City will in no way become exposed to any financial liability by reason of its membership.

- No Fiscal, Legal or Moral Impact to the City
- The City's credit rating, borrowing or bonding capacity is not affected.

Authorize the City Manager to enter into the Public Benefit Agreement

The City, at its sole discretion, may force a sale of the Project between year 15 and year 30.

Project is Acquired/Converted into Income and Rent Restricted Units

The rental Regulatory Agreement limits households earning 61% to 120% of AMI would go into effect. Annual rent increases capped at no more than 4% and no existing tenants would be displaced.



LEANER SUBSIDY

The property tax exemption allows the Agency to restrict rents at the levels described above. Virtually all of the City's public benefit programs enjoy some subsidy or benefit. Compared to the City's affordable housing projects, this is a much leaner subsidy. Virtually all of the City's affordable housing projects are exempt from property taxes, AND use:

- Tax-exempt bonds

- Tax-credits

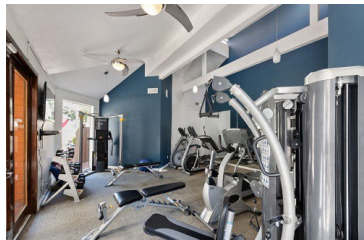
- Other federal funds include multiple HUD programs

- Multiple State Housing Funds

- Multiple County Housing Funds

- Multiple City Housing Funds

The Middle-Income Program only has the property tax exemption to reduce rents.



SUBJECT PROPERTY ENCLAVE- 13801 PARAMOUNT BLVD., PARAMOUNT, CA 90723



CMFA Special Finance Agency



ENCLAVE – PARAMOUNT, CA

- Total Units: 306
- Year Built: 1991
- Unit Amenities: stainless steel appliances, quartz countertops, washer and dryer in select units, private balconies or patios, central heat and air conditioning
- Community Amenities: Pool and spa, dog park, 2 fitness centers, kid's playground and BBQ/picnic area
- Fully gated with recently added secured fob access
- Near 105, 605, 91 and 710 freeways





FREQUENTLY ASKED QUESTIONS – AFFORDABLE DISCOUNT

What are the income restricted rents versus the market rate rents?

Below is a matrix showing the current market rates compared to the “middle-income” rents. Upon recording the regulatory agreement, the rents will be marked down by 21% from the current market rents.

Unit Type	# of Units	Size	Monthly Market Rent	80% AMI	100% AMI	120% AMI	\$ Discount From Market	Total Monthly Savings
1BR	103	798	\$2,100	\$1,656	\$1,748	\$1,840	20.20%	\$260 - \$444
2BR	202	1,039	\$2,750	\$2,145	\$2,264	\$2,383	21.51%	\$367 - \$605
3BR	1	1,708	\$3,100	\$2,741	\$2,893	\$3,045	13.12%	\$55 - \$360
	306	960	\$2,532	\$1,982	\$2,092	\$2,202	21.10%	



FINANCIAL BENEFIT – SENSITIVITY ANALYSIS

Below is a sensitivity analysis, showing the long-term financial benefit of the Middle-Income Housing Program to the City of Paramount. The City can elect to sell the asset anytime after Year 15, when there will be approximately \$95 million in excess sales proceeds. The City of Paramount will benefit from the excess proceeds, which far exceeds the accumulated property tax benefits the City would receive if they chose not to partake in the program.

	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
NOI	\$9,240,126	\$9,517,822	\$9,803,854	\$10,098,472	\$10,401,933	\$10,714,504	\$11,036,456	\$11,368,073	\$11,709,643	\$12,061,466	\$12,423,848	\$12,797,107	\$13,181,570	\$13,577,572	\$13,985,460	\$14,405,589
Value (4.5 Cap)	\$205,336,126	\$211,507,152	\$217,863,419	\$224,410,485	\$231,154,074	\$238,100,083	\$245,254,587	\$252,623,841	\$260,214,289	\$268,032,567	\$276,085,512	\$284,380,165	\$292,923,779	\$301,723,823	\$310,787,992	\$320,124,211
Bond Balance	\$110,605,000	\$105,740,000	\$100,425,000	\$94,640,000	\$88,360,000	\$81,560,000	\$74,210,000	\$66,285,000	\$57,760,000	\$48,595,000	\$38,770,000	\$28,240,000	\$16,985,000	\$140,000	\$0	\$0
Project Equity	\$94,731,126	\$105,767,152	\$117,438,419	\$129,770,485	\$142,794,074	\$156,540,083	\$171,044,587	\$186,338,841	\$202,454,289	\$219,437,567	\$237,315,512	\$256,140,165	\$275,938,779	\$301,583,823	\$310,787,992	\$320,124,211
Accumulated Property Tax Loss		\$27,919,371	\$30,092,210	\$32,308,505	\$34,569,126	\$36,874,959	\$39,226,909	\$41,625,898	\$44,072,867	\$46,568,775	\$49,114,601	\$51,711,344	\$54,360,022	\$57,061,673	\$59,817,358	\$62,628,156
Net Benefit to City	\$66,811,754	\$75,674,943	\$85,129,915	\$95,201,359	\$105,919,115	\$117,313,174	\$129,418,689	\$142,265,974	\$155,885,514	\$170,322,966	\$185,604,168	\$201,780,143	\$218,877,106	\$241,766,466	\$248,159,837	\$254,629,041

CMFA Special Finance Agency



ADDITIONAL PUBLIC BENEFITS

THE CMFA SHARES 25% OF ALL ISSUANCE FEES DIRECTLY WITH ITS MEMBER COMMUNITIES. IN ADDITION, A GRANT EQUAL TO 25% OF THE ISSUANCE FEE IS MADE TO THE CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES (“CFSC”) TO FUND CHARITIES DESIGNATED BY THE MEMBER COMMUNITIES. A PORTION OF THE ANNUAL FEES RECEIVED BY THE CMFA WILL ALSO BE DIRECTED TO CHARITABLE ACTIVITIES WITHIN CALIFORNIA COMMUNITIES. **THIS UNIQUE COMMITMENT TO “GIVE BACK” DIRECTLY TO THE COMMUNITIES IN WHICH WE OPERATE SETS THE CMFA APART.**

CMFA Special Finance Agency



PROPERTY TAX EXEMPTION AND THE IMPACT ON THE PARAMOUNT SCHOOL DISTRICT

“Host Charge” Provision in Public Benefit Agreement

- CMFA can pay an annual “Host Charge” to make the project revenue neutral to the City. The Host Charge will affect underwriting and the potential for more affordability.

*See Legal Opinion issued by Meyers Nave, dated October 25, 2021

Impact on School Districts

- Any reduction in property tax revenue to the Paramount Unified School District would be replaced by an equal amount of increased state funding to the district.

*See Legal Opinion issued by Meyers Nave, dated October 25, 2021



OPINION LETTER

October 29, 2021

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

California Municipal Finance Authority
2111 Palomar Airport Road, Suite 320
Carlsbad, California 92011

Re: CMFA Special Finance Agency

Ladies and Gentlemen:

The CMFA Special Finance Agency ("Agency") was formed pursuant to a Joint Exercise of Powers Agreement, dated as of October 1, 2021 (the "Agreement"), between the City of Escondido, California and the California Municipal Finance Authority, a California joint exercise of powers authority (the "CMFA"). You have asked whether the City of Paramount (the "City") or the CMFA is exposed to liability by virtue of the City's decision to become a member of the Agency (a "Member") and/or by virtue of its approval of bonds proposed to be issued by the Agency.

The Agency is a public entity created under the California Joint Powers Act (California Government Code Section 6500 and following) (the "Act") and the Agreement. Pursuant to Section 6503.5 of the Act, a joint powers agreement may, and the Agreement in Section 3A does, create an entity, the Agency, that is separate from the parties to the Agreement.

The Agency has adopted a policy not to issue bonds or other forms of indebtedness to finance a new project located in the City (a "Project") unless the City and the CMFA approves the issuance of bonds or other indebtedness for the Project.

Section 6508.1 of the Act provides that a joint powers agreement may, and the Agreement in Section 4(a) does, specify that the bonds and other debts, liabilities or obligations of the Agency do not constitute debts, liabilities or obligations of any of its Members.

Pursuant to applicable state law, policies of the Agency, and the documents providing for the issuance of bonds, the bonds will be issued as limited obligations of the Agency, **not** of any Member, and payable solely out of the revenues derived from the Project being financed. Specifically, Section 4(a) of the Agreement provides that "[t]he debts, liabilities and obligations of the Agency shall not constitute debts, liabilities or obligations of any Member, and Bonds issued by the Agency shall be non-recourse to Agency except only as and to the extent moneys or other assets are pledged by the Agency to the Bonds by the indenture, trust agreement, resolution or other instrument pursuant to which such



City of Paramount
October 29, 2021

Bonds are issued." (emphasis added).

Accordingly, bonds issued for a Project located in the jurisdiction of a public entity that is or becomes a Member and approves issuance of the bonds by the Agency will not be a debt, liability or obligation of the City or CMFA but solely indebtedness of the Agency, limited to revenues from that Project which are pledged and available therefor.

Please do not hesitate to contact me if you have further questions with respect to this matter.

Sincerely yours,

A handwritten signature in blue ink that reads "Ronald E. Lee".

Ronald E. Lee

A PROFESSIONAL LAW CORPORATION

OPINION LETTER

CMFA Special Finance Agency



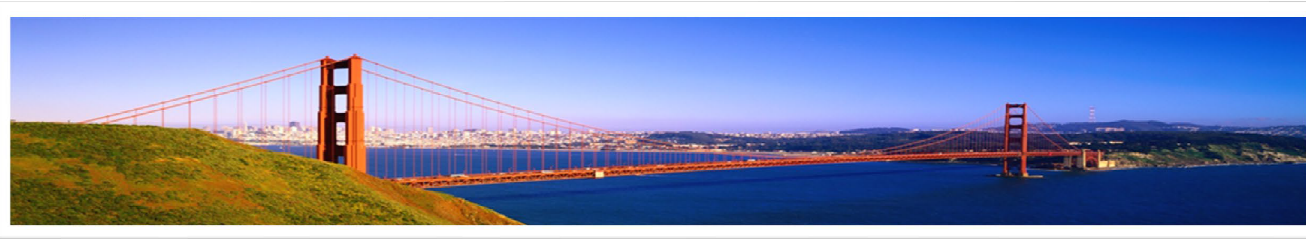
QUESTIONS?

Benjamin M. Barker

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California Municipal Finance Authority
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Carlsbad, CA 92011
(760) 930-1266
bbarker@cmfa-ca.com

Matthew Ellis

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mellis@bldgpartners.com



CMFA Special Finance Agency



Use of Citizens' Option for Public Safety (COPS) Grant Funding for FY 2021-2022

ITEM NO. 10



CITY OF PARAMOUNT



Award of Contract for Paramount Pool Replaster and Deck Repairs (CIP Project No. 9051)

ITEM NO. 11

Background

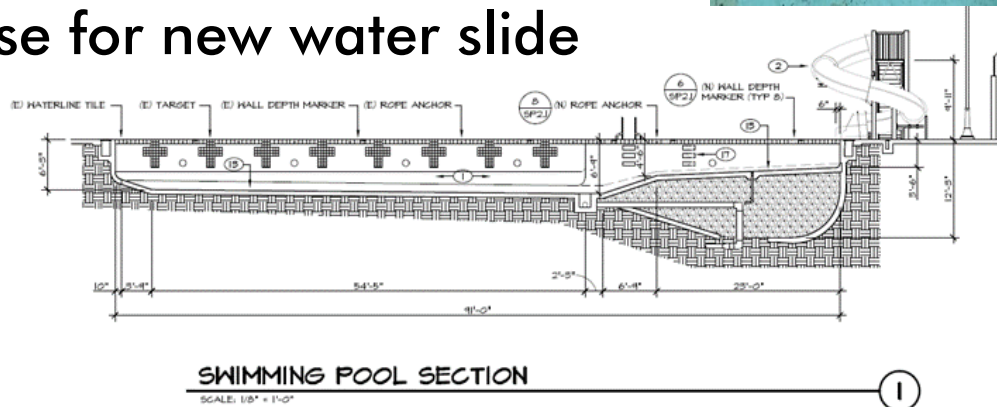
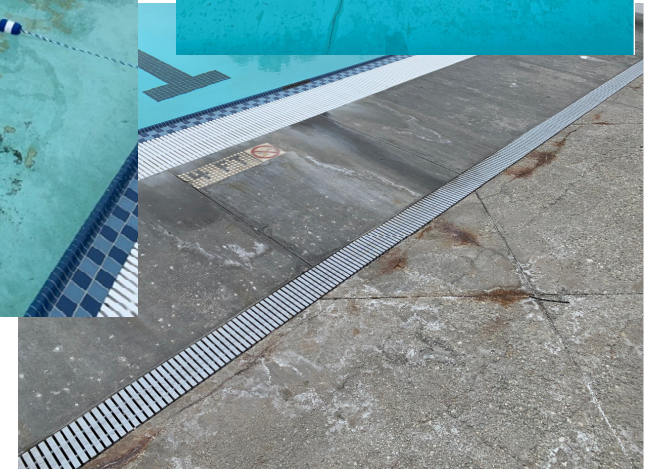
- 2006 - Paramount Park Pool renovation and expansion
- 15 years later - significant cracks in plaster, damaged lighting, and worn out deck
- FY22 Budget
 - Design: CNRA – State Assembly Speaker Anthony Rendon
 - Construction: Measure A annual allocation



ITEM NO. 11

Pool Upgrades

- Replaster pool
- Repair the in-pool lighting
- Replace Pool Deck
- Required code regulations:
 - Lower pool depth for diving
 - Raise for new water slide



ITEM NO. 11

Bid Process

- Bid Opening – October 5, 2021
- 3 bids received
- Apparent low bid - California Waters - \$1,362,657
- Bids analyzed by the City Engineer
- Received a protest letter
 - Upon an extensive review the protest letter is unsubstantiated.
- \$422,757 over budget
 - Adjust at Midyear using Measure A and Capital Reserve
- Construction timeline: November 2021 – March 2022

ITEM NO. 11

Recommendation

It is recommended that the City Council award the contract for Paramount Pool Replaster and Deck Repairs (City Project No. 9051) to California Waters, Yorba Linda, California, in the base bid amount of \$1,362,657, authorize the Mayor or her designee to execute the agreement, and direct Staff to make the necessary adjustments to the Midyear Budget.

*This item aligns with Strategic Outcome
No. 5: Attractive and Well Maintained Infrastructure*

ITEM NO.11



CITY OF PARAMOUNT



Award of Contract for Paramount Pool Replaster and Deck Repairs (CIP Project No. 9051)

ITEM NO. 11



Accounting Support Services for Paramount Youth Sports Leagues

ITEM NO. 12



Proposed 2022 City Special and Holiday Events Schedule

ITEM NO. 13



CITY OF PARAMOUNT

Annual City Events – 2022

Monthly

- Friday Night Paramount (FNP) – 1st of Each Month



Spring Events

- Easter Bunny Photos – April 9-10
- Eco-Friendly Fair – April 16
- PEP Auction/Fundraiser – April 26



ITEM NO. 13



CITY OF PARAMOUNT

Annual City Events – 2022

Summer Events

- Summer Concerts Series – July 1-August 12
 - July 1 & August 12 combined with FNP
- Heritage Festival – August 6
- A Night Under the Hay Tree – August 25 & September 22



ITEM NO. 13

Annual City Events – 2022

Fall Events

- Halloween Hootenanny – October 22
- Halloween Haunted House – October 30-31
- Halloween Festival – October 31
- Veterans Celebration – November 12
- Senior Thanksgiving – November 17



ITEM NO. 13

Annual City Events – 2022

Winter Events

- Tree Lighting Ceremony – November 30
- Santa Photos – December 3-4
- Santa Train – December 5-8
- Breakfast with Santa – December 10



ITEM NO. 13

Annual Co-Sponsored Events – 2022

- Dia De Los Ninos – April 30
- National Day of Prayer – May 12
- Elks Memorial – May 30
- Latinas Art Festival – July 22-24
- Heritage Parade – August 6
- Back to School Fair – August 13
- SEACCA Pet Faire – September 18
- Dia de Los Muertos – November 1-2



ITEM NO. 13



December Holiday Events - 2022

- Busy month with holiday events and City meetings
- Proposed meeting changes:
 - Move first City Council meeting from December 6 (Train conflict) to December 13
 - Move Planning Commission meeting from December 13 to December 15
- Traditionally December Study Session is cancelled





Recommendation

It is recommended that the City Council receive and file this report.

ITEM NO. 13



CITY OF PARAMOUNT



Proposed 2022 City Special and Holiday Events Schedule

ITEM NO. 13



CITY OF PARAMOUNT



CITY COUNCIL MEETING

November 2, 2021



BRENDA OLMOS
Mayor



**VILMA CUELLAR
STALLINGS**
Vice Mayor



ISABEL AGUAYO
Councilmember



LAURIE GUILLEN
Councilmember



PEGGY LEMONS
Councilmember

Environmental Sustainability



CITY COUNCIL MEETING

November 2, 2021



BRENDA OLMOS
Mayor



**VILMA CUELLAR
STALLINGS**
Vice Mayor



ISABEL AGUAYO
Councilmember



LAURIE GUILLEN
Councilmember



PEGGY LEMONS
Councilmember

Comments/Committee Reports





CITY COUNCIL MEETING

November 2, 2021



BRENDA OLMOS
Mayor



**VILMA CUELLAR
STALLINGS**
Vice Mayor



ISABEL AGUAYO
Councilmember



LAURIE GUILLEN
Councilmember



PEGGY LEMONS
Councilmember

Successor Agency for the Paramount Redevelopment Agency