

AGENDA

Garden Grove City
Council

Tuesday, January 25,
2022

6:30 PM



Meeting conducted
Telephonically - Public
attendance at 11300
Stanford Avenue, Garden
Grove, CA 92840, or by
phone at 669-900-6833
ID 82625559715-further
instructions at
[https://ggcity.org/city-
council/meetings-
participation](https://ggcity.org/city-council/meetings-participation)

Steve Jones

Mayor

Diedre Thu-Ha Nguyen

Mayor Pro Tem - District 3

George S. Brietigam

Council Member - District 1

John R. O'Neill

Council Member - District 2

Patrick Phat Bui

Council Member - District 4

Stephanie Klopfenstein

Council Member - District 5

Kim B. Nguyen

Council Member - District 6

COVID-19 Information: Consistent with State Assembly Bill 361, members of the City Council may be present or participate telephonically. Members of the public can address the City Council during the public comment portion of the meeting in person or via teleconference. If you plan to attend the meeting in person, masks or face coverings are required to be worn at all times. If you feel ill or are showing symptoms of COVID-19, please participate via teleconference. Teleconference instructions are available on the City's website at <https://ggcity.org/city-council/meetings-participation>

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the City Council, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: (714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The City Council may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Council Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the City Council meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public who attend the meeting in-person and would like to address the City Council are requested to complete a pink speaker card indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk before the meeting begins. General comments are made during "Oral Communications" and

should be limited to matters under consideration and/or what the City Council has jurisdiction over. Persons wishing to address the City Council regarding a Public Hearing matter will be called to the podium at the time the matter is being considered. Members of the public participating via teleconference should review the instructions on the City's website pertaining to Live Virtual Public Comments at <https://ggcity.org/city-council/meetings-participation>

Manner of Addressing the City Council: After being called by the Mayor, you may approach the podium, it is requested that you state your name for the record, and proceed to address the City Council. All remarks and questions should be addressed to the City Council as a whole and not to individual Council Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the City Council shall be called to order by the Mayor. If such conduct continues, the Mayor may order the person barred from addressing the City Council any further during that meeting.

Time Limitation: When any group of persons wishes to address the City Council on the same subject matter, the Mayor may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the City Council's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

ROLL CALL: COUNCIL MEMBER BRIETIGAM, COUNCIL MEMBER O'NEILL, COUNCIL MEMBER BUI, COUNCIL MEMBER KLOPFENSTEIN, COUNCIL MEMBER K. NGUYEN, MAYOR PRO TEM D. NGUYEN, MAYOR JONES

INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

1. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)

RECESS

CONDUCT OTHER LEGISLATIVE BODIES' BUSINESS

RECONVENE

2. CONSENT ITEMS

(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Council Member.)

- 2.a. Adoption of a Proclamation celebrating February 1, 2022, as the Tet Lunar New Year. *(Action Item)*
- 2.b. Adoption of a Proclamation recognizing January 2022 as Human Trafficking Awareness Month in Garden Grove. *(Action Item)*

- 2.c. Receive and file the Housing Authority Annual Report as Housing Authority and as Housing Successor for Fiscal Year 2020-2021. (*Joint Action Item with the Housing Authority.*)
- 2.d. Acceptance of Project Completion for Project No. CP1254000, Arterial Streets Rehabilitation and Sanitary District Sewer Improvement on Garden Grove Boulevard. (*Joint Action Item with the Garden Grove Sanitary District*)
- 2.e. Ratification of a temporary lease agreement for property located at 11202 Acacia Parkway, Garden Grove. (Cost: \$6,250.00 per month) (*Action Item*)
- 2.f. Receive and file minutes from the meeting held on December 14, 2021. (*Action Item*)
- 2.g. Approval to waive full reading of ordinances listed. (*Action Item*)
- 3. COMMISSION/COMMITTEE MATTERS
 - 3.a. Consideration of an appointment to fill a vacancy on the Neighborhood Improvement and Conservation Commission. (Continued from the meeting held on December 14, 2021, and January 11, 2022.) (*Action Item*)
- 4. ITEMS FOR CONSIDERATION
 - 4.a. Introduction and first reading of an ordinance adding Section 2.04.050 to the Municipal Code Adjusting and Codifying Council Compensation
Entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADDING SECTION 2.04.050 TO CHAPTER 2.04 (CITY COUNCIL) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE GARDEN GROVE MUNICIPAL CODE ADJUSTING AND CODIFYING THE COMPENSATION OF THE CITY COUNCIL. (*Action Item*)
 - 4.b. Introduction and first reading of an ordinance establishing and codifying additional compensation for the Mayor.
Entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADDING SECTION 2.04.060 TO CHAPTER 2.04 (CITY COUNCIL) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE GARDEN GROVE MUNICIPAL CODE ESTABLISHING ADDITIONAL COMPENSATION FOR THE CITY'S ELECTED MAYOR PURSUANT TO GOVERNMENT CODE SECTION 36516.1. (*Action Item*)
- 5. ORDINANCES PRESENTED FOR SECOND READING AND ADOPTION
 - 5.a. Second reading and adoption of Ordinance No. 2929
Entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AMENDMENT NO. A-033-2021, A ZONING TEXT AMENDMENT TO TITLE 9 OF THE GARDEN GROVE MUNICIPAL CODE TO ADOPT NEW REGULATIONS FOR TWO-UNIT RESIDENTIAL DEVELOPMENTS AND PARCEL MAPS FOR URBAN LOT SPLITS IN SINGLE-FAMILY RESIDENTIAL ZONES IN ACCORDANCE WITH SENATE BILL 9 (*Action Item*)

6. MATTERS FROM THE MAYOR, CITY COUNCIL MEMBERS, AND CITY MANAGER

- 6.a. Discussion on a Proclamation recognizing the 40th Annual Tet Festival organized by the Union of Vietnamese Student Associations (UVSA) as requested by Mayor Pro Tem Diedre Thu-Ha Nguyen.

7. ADJOURNMENT

The next Regular City Council Meeting will be on Tuesday, February 8, 2022, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California 92840.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: City Manager Dept.: City Clerk
Subject: Adoption of a Proclamation Date: 1/25/2022
celebrating February 1, 2022,
as the Tet Lunar New Year.
(*Action Item*)

Attached is a Proclamation celebrating February 1, 2022, as the Tet Lunar New Year recommended for adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Proclamation	1/21/2022	Proclamation	1-25-22_Proclamation_- _Lunar_New_Year.pdf

Proclamation
Celebrating February 1, 2022, as Lunar New Year

WHEREAS, Garden Grove enjoys the privilege of a rich diversity that includes the internationally known Little Saigon; and

WHEREAS, Little Saigon is the home of the largest Vietnamese American population and is fortunate to share in its rich and vibrant culture; and

WHEREAS, Tết or the Vietnamese Lunar New Year is one of the most important celebrations in Vietnamese culture; and

WHEREAS, *Tết Nguyên Đán*, which means "Feast of the First Morning of the First Day" that celebrates the arrival of spring based on the Vietnamese calendar; and

WHEREAS, the year 2022 is identified as the year of the Tiger, which represents resilience, courage, and optimism; and

WHEREAS, Tết is an occasion to share traditional foods, enjoy family reunions, and to forget about the troubles of the past year and hope for a healthy, happy and prosperous new year.

NOW THEREFORE BE IT PROCLAIMED that February 1, 2022, be celebrated in Garden Grove as the Vietnamese Lunar New Year and to hope this Lunar New Year will be a year of good health, happiness, and prosperity.

January 25, 2022

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: City Manager Dept.: City Clerk
Subject: Adoption of a Proclamation Date: 1/25/2022
recognizing January 2022 as
Human Trafficking Awareness
Month in Garden Grove.
(*Action Item*)

Attached is a proclamation recognizing January 2022 as Human Trafficking Awareness Month in Garden Grove recommended for adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Proclamation	1/18/2022	Proclamation	January_2022_as_Human_Trafficking_Awareness_Month.pdf

PROCLAMATION

Recognizing January 2022 as Human Trafficking Awareness Month

WHEREAS, human trafficking is a human rights violation and is defined as the recruitment, transportation, transfer, harboring or receipt of persons, by means of threat or use of force or other forms of coercion, or abduction, or fraud, of deception, of the abuse of power or of a position of vulnerability or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation;

WHEREAS, globally and in the United States, human trafficking disproportionately affects women and girls;

WHEREAS, human trafficking also affects other highly vulnerable populations, including but not limited to the economically vulnerable, persons with disabilities, and runaway youth;

WHEREAS, increasingly, since the passage of the Trafficking Victim's Protection Act in 2000, the need to define non-violent forms of psychological coercion exists to support law enforcement's increasing number of human trafficking investigations;

WHEREAS, public awareness about human trafficking still needs to reach broader communities and communicate more information about the nuances of this crime; and

WHEREAS, the City of Garden Grove is committed to the pursuit of public protection of the most vulnerable in our community.

NOW THEREFORE BE IT PROCLAIMED that the City of Garden Grove recognizes January 2022 as Human Trafficking Awareness Month.

January 25, 2022

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	Receive and file the Housing Authority Annual Report as Housing Authority and as Housing Successor for Fiscal Year 2020-2021. <i>(Joint Action Item with the Housing Authority.)</i>		
		Date:	1/25/2022

OBJECTIVE

To provide the City Council and Housing Authority Commissioners the Housing Authority Report as Housing Authority and Housing Successor for Fiscal Year 2020-2021.

BACKGROUND

In 2012, upon the dissolution of redevelopment agencies, the Garden Grove Housing Authority assumed the housing assets and functions of the former Garden Grove Agency for Community Development ("Former Agency"). As a result, the Housing Authority as Housing Successor ("Housing Successor") is responsible for housing monitoring, administration, and certain housing production requirements.

In 2014, the Governor signed into law SB 341 requiring Housing Successors to conduct an annual report of their housing activities associated with their assumed assets and functions of the Former Agency.

DISCUSSION

The attached report includes all of the sections required by the statute. Additionally, the submission of this report satisfies the requirement that this information be provided to the City Council and Housing Authority as Housing Successor prior to December 31, 2021.

A detailed description of the Housing Successor activities undertaken during FY 20-21, as well as the state of the Low and Moderate Income Housing Asset Fund (LMIHAF) are detailed in the attached report, with a brief summary provided below:

- Total deposits into the LMIHAF of \$3,563,721.53, which includes \$3,100,000.00 in

Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) repayments, \$60,339.52 in accrued interest, and \$403,382.01 in miscellaneous revenue, bringing the total ending balance of the LMIHAF to \$7,460,224.01.

- Total expenditures from the LMIHAF of \$226,392.21, which includes \$147,479.40 for monitoring and administration, as well as \$78,912.81 to provide rapid rehousing and homelessness prevention services.
- Total statutory value of housing assets owned by the Housing Successor of \$14,849,341.58, which includes \$2,066,624.53 in real property and \$12,782,717.05 in loans and grants receivable.

As part of the annual reporting process, the Housing Successor must perform three tests to ensure compliance with the statute. These tests include the Extremely Low Income Test, the Senior Housing Test, and the Excess Surplus Test.

Extremely Low Income Test

The Housing Successor is required to expend at least 30% of funds in the LMIHAF on the development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). The Extremely Low Income Test calculates all expenditures on the development of housing over a five (5) year period (2020-2025) to ensure at least 30% of said funds were expended on units for households at or below 30% AMI. The Housing Successor did not expend any funds on the development of rental housing, thus the test is not applicable to this report.

Senior Housing Test

The Housing Successor is limited in the number of rental units it develops for occupancy by senior citizens. This test requires the Housing Successor to compare the total number of housing units assisted by the City, Housing Successor, and/or Former Agency to the number of housing units assisted by the same entities for occupancy by senior citizens over the prior 10-year period. The percentage of housing units for senior may not exceed 50% of the total number of assisted units.

Between July 1, 2011 and June 30, 2021, the City, Housing Successor, and Former Agency assisted a total of 132 housing units, with 16 of those developed for occupancy by senior citizens. The Housing Successor's percentage of senior housing over the past 10 years is 12%, which falls below the 50% threshold.

Excess Surplus Test

An "excess surplus" is defined as an unencumbered amount of funds in the LMIHAF that exceeds \$1,000,000 or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years (\$4,736,687), whichever is greater. The ending balance of the LMIHAF is \$7,410,989.80, which exceeds the aggregate amount of funds deposited into the account during the preceding four fiscal years, therefore, the Housing Successor has an excess surplus of funds.

The Office of Economic Development is in the process evaluating the financial feasibility of an affordable housing project proposal that would encumber a significant portion of the LMIHAF and remedy the excess surplus.

Inventory of Homeownership Units

The Former Agency assisted 55 Garden Grove homeowners with down payment

assistance loans. Of the 55 original loans, the Former Agency has lost a total of 30 housing units due to loans being repaid and affordability covenants expiring. The Housing Successor has received a total of \$127,155.13 in loan repayments since February 1, 2012, with \$18,400 being repaid during FY 20-21.

Housing Choice Voucher Program

The Garden Grove Housing Authority provides rental assistance to up to 2,337 households per month via the federally subsidized Housing Choice Voucher Program (aka Section 8). The lease-up rate by month for FY 2020-21 was as follows:

Month	# of Units Leased
Jul-20	2210
Aug-20	2206
Sep-20	2202
Oct-20	2201
Nov-20	2208
Dec-20	2205
Jan-21	2199
Feb-21	2194
Mar-21	2196
Apr-21	2196
May-21	2207
Jun-21	2222

FINANCIAL IMPACT

None

RECOMMENDATION

Received and file. This item is for information only.

ATTACHMENTS:

Description	Upload Date	Type	File Name
FY 20-21 Housing Successor Annual Report	1/19/2022	Exhibit	GG_FY_2020- 21_Housing_Successor_and_Housing_Authority_Annual_Report_(FINAL).pdf

**GARDEN GROVE HOUSING AUTHORITY ANNUAL REPORT
AS HOUSING AUTHORITY AND AS HOUSING SUCCESSOR
FOR FISCAL YEAR 2020-2021 UNDER CALIFORNIA
HEALTH AND SAFETY CODE SECTIONS 34176.1 AND 34328**

This Annual Report of the Garden Grove Housing Authority (Housing Authority) is prepared under the California Health and Safety Code (HSC)¹, Division 24, Parts 1.8 and 1.85 (Dissolution Law), in particular Section 34176.1 as the housing successor, and under the California Housing Authorities Law, HSC Section 34200, *et seq.* (HAL), in particular Section 34328 as a housing authority (together, Report). The Dissolution Law and HAL respectively require preparation of an annual report on the housing successor and the housing authority's activities for the prior fiscal year. This Report details the Housing Authority's activities during Fiscal Year (FY) 2020-2021 and is intended to satisfy the requirements under both HSC Sections 34176.1 and 34328. More specifically, this Report details the Housing Authority's activities for FY 2020-2021, including the information required about the Low and Moderate Income Housing Asset Fund (LMIHAF) and other information under Section 34176.1(f). A copy of the Report, in this draft form, has been provided to the City Council, as governing body, and to the Housing Authority by December 31, 2021 under Section 34176.1(f), and upon their joint review and action to file the Report after the CAFR (defined below) is completed at the open meeting in December 2021 or January 2022, this Report will be posted on the City's website at <https://ggcity.org/> and thereafter appended to the City's annual update report prepared under Section 65400 of the Government Code.

This Report includes information prepared by City staff on behalf of the Housing Authority and data from the independent financial audit of the LMIHAF Financial Report for FY 2020-2021 that is a part of the City of Garden Grove's (City) Comprehensive Annual Financial Report (CAFR) prepared by Davis Farr LLP, which audit is separate from this Report and attached as Exhibit B hereto; further, this Report conforms with and is organized into sections I. through XIV., inclusive, under HSC Section 34176.1(f) of the Dissolution Law and Section 34328 of the HAL.

- I. Amounts Received and Deposited Under 34191.4(b)(3)(A).** This section provides the total amount of funds paid to the City and the amount deposited into the LMIHAF allocable to 20% of the repayments on the reinstated City/Agency loan(s), if any, per Section 34191.4.
- II. Amount Deposited into LMIHAF.** This section provides the total amount of funds deposited into the LMIHAF in FY 20-21 and itemized by amounts deposited in FY 20-21 for items listed on Recognized Obligation Payment Schedule (ROPS), amounts allocable to Section 34191.4 deposits, and other amounts deposited into the LMIHAF.
- III. Ending Balance of LMIHAF.** This section provides a statement of the balance in the LMIHAF as of the close of FY 20-21. Any amounts deposited for items listed on the ROPS, and amounts allocable to Section 34191.4 deposits, must be distinguished from the other amounts deposited.
- IV. Description of Expenditures from LMIHAF.** This section provides a description of expenditures made from the LMIHAF during FY 20-21. The expenditures are to be categorized among (A) administration for monitoring, preserving covenanted housing units, (B) homeless prevention and rapid rehousing services and (C) development of housing.

¹ In this Report, all statutory references are to the Health and Safety Code unless otherwise stated.

- V. Statutory Value of Assets Owned by Housing Successor.** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.
- VI. Description of Transfers.** This section describes transfers, if any, to another housing successor made in previous fiscal year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.
- VII. Project Descriptions.** This section describes any project for which the Housing Successor receives or holds property tax revenue under the ROPS and the status of that project.
- VIII. Status of Compliance with Section 33334.16.** As and if applicable, this section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.
- IX. Description of Outstanding Obligations under Section 33413.** This section describes outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012, along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plans to meet unmet obligations, if any.
- X. Income Test.** This section presents the information required by subparagraph (B) of paragraph (3) of subdivision (a) of Section 34176.1. In clarification, Section 34176.1(a)(3)(A)(B) and (D) describe and define certain thresholds by income category as to expenditures for development sourced from the LMIHAF. This section of the Report describes expenditures by the Housing Authority, as housing successor, for development that were sourced from the LMIHAF during FY 2020-2021 and in the context of the second five-year reporting period.
- XI. Senior Housing Test.** This section provides the percentage of deed-restricted rental housing units restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same 10-year time period.
- XII. Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.
- XIII. Inventory of Homeownership Units:** This section provides a summary of covenanted homeownership units assisted by the former redevelopment agency or the housing successor that include equity sharing and repayment provisions, including: (A) number of units; (B) number of units lost to the portfolio in the last fiscal year and the reason for those losses, and (C) any funds returned to the housing successor due to losses or repayments.

XIV. Additional Information: Housing Authority's Activities for the Preceding Year FY 20-21 under HSC Section 34328.

This Report and the former Garden Grove Agency for Community Development's (Former Agency) pre-dissolution Implementation Plans are to be made available to the public on the City's website: <https://ggcity.org/econdev/redevelopment-agency-dissolution>.

I. AMOUNT RECEIVED BY THE CITY PER HSC SECTION 34191.4

\$3,100,000.00 was received during FY 20-21 by the City in repayment of reinstated City/Agency loans per Section 34191.4 in accordance with the ROPS process.

II. AMOUNT DEPOSITED INTO LMIHAF

A total of **\$3,563,721.53** was deposited into the LMIHAF during FY 20-21. This amount includes **\$3,100,000** in ERAF/SERAF repayments, **\$60,339.52** in interest, and **\$403,382.01** in miscellaneous revenue.

(A total of \$75,000 was funded through the ROPS 20-21 process and held and expended for items listed on ROPS 20-21 that was attributable to professional services, including legal services, provided during the fiscal period of July 1, 2020 to June 30, 2021. Line Item 55 on ROPS 20-21 was funded and then expended related to continued implementation of the Limon Judgments [term defined below in Section IX].)

III. ENDING BALANCE OF LMIHAF

At the close of FY 20-21, the ending balance in the LMIHAF was **\$7,460,224.01** as reported in the LMIHAF audit that is part of the 2020-21 CAFR. It is noted that for ROPS 20-21, as amended, Line item 55, includes funds held for items listed and approved by DOF for ROPS 20-21, related to implementation of the *Limon* Judgments (See Section IX herein.)

IV. DESCRIPTION OF EXPENDITURES FROM LMIHAF

Below is a table describing expenditures from the LMIHAF:

Description	Fiscal Year 20-21
Monitoring & Administration Expenditures (2020-21 CAFR)	\$147,479.40
Homeless Prevention and Rapid Rehousing Services Expenditures	\$78,912.81
Housing Development Expenditures	
➤ Expenditures on Low Income Units	
➤ Expenditures on Very-Low Income Units	\$0
➤ Expenditures on Extremely-Low Income Units	
➤ Total Housing Development Expenditures	
Total LMIHAF Expenditures in Fiscal Year	\$226,392.21

The administrative expenditures total less than five percent (<5%) of the statutory value of real property owned by the Housing Successor and of loans and grants receivable held by the Housing Successor.

V. STATUTORY VALUE OF HOUSING ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule (HAT) approved by the Department of Finance (DOF) as listed in HAT under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor (2020-21 CAFR).

Description	Ending Balance
Statutory Value of Real Property Owned by Housing Authority	\$2,066,624.53
Value of Loans and Grants Receivable*	\$12,782,717.05
Total Value of Housing Successor Assets	\$14,849,341.58

**This balance includes SERAF and ERAF loans totaling \$7,054,260.00 (which changed in prior fiscal years, based on the State of California, Department of Finance’s (DOF) determination of allowable notes receivable balances.) The total value of loans and grants receivable is gross of any allowance.*

VI. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other housing successor(s) under Section 34176.1(c)(2) during FY 20-21.

VII. PROJECT DESCRIPTIONS

Except as to the \$75,000 funded via ROPS 20-21, Line Item 55, related to continued implementation of the DOF-approved enforceable obligations referred to as the *Limon* Judgments (see Sections II and IX), the Housing Successor did not receive or hold property tax revenue pursuant to the ROPS process.

VIII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; nevertheless, this Report presents a status update on the status of real property, if and as applicable.

With respect to interests in real property acquired by the former redevelopment agency *prior* to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset on the HAT.

The following table provides a status update on the real property or properties housing asset(s) that were acquired prior to February 1, 2012 and compliance with five-year period that commenced on August 30, 2012, the date of the letter issued by DOF approving these properties as housing assets on the HAT:

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
12892-12942 Grove St 10936 Acacia Pkwy, no site address for APNs 089-213-02, 29, 31,32	03/11/2011	04/29/2017	The Housing Authority (both as housing successor and housing authority) and the City of Garden Grove held a public hearing on December 17, 2019 and approved the sale and sold this property to the City, in exchange the City conveyed certain property located at 11391 Acacia Pkwy to the Housing Authority. This parcel sold by the Housing Authority to the City will continue to be used as a public parking lot. The parcel acquired by the Housing Authority is planned for affordable housing purposes.
12291 Thackery Dr.	01/10/2008	04/29/2017	The property located at 12291 Thackery Drive is part of the development site which is currently under a contract with the Developer Kam Sang Company (New Age Garden Grove LLC). New Age has an Amended and Restated Exclusive Negotiation Agreement by and between the City and developer and this property is under negotiation for potential conveyance to New Age Garden Grove LLC. Due to COVID-19 worldwide pandemic, the project has been delayed. However, the project has re-engaged as of September 2020 and we estimate consideration and action on a proposed agreement for disposition of 12291 Thackery Drive in 2022.
12602 Keel Ave.	04/25/1989	N/A	This property is subject to an Affordable Housing Agreement with long-term ground lease, sublease, and sub-sublease dated as of 6/25/1990 with Orange County Community Housing Corporation as ground lessee and ground sublessor, Shelter for the Homeless (now American Family Housing as sublessee and sub-sublessor), and Thomas House as sub-sublessee, and is encumbered with recorded affordable housing covenants (HAT).

The following table provides a status update on the project(s) for property(ies), if any, that have been acquired by the Housing Successor using LMIHAF since dissolution on or after February 1, 2012:

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
11391 Acacia Pkwy	12/17/19	N/A	Site acquired via exchange between the City and Housing Successor. Site is currently occupied by Acacia Adult Day Services.

IX. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO HSC SECTION 33413

Replacement Housing: Whatever unmet obligation that existed according to the 2010-2014 Implementation Plan for Former Agency, if any, this obligation has been superseded and is being met pursuant to that certain *Stipulation to Substitute Party and for Entry of Interlocutory Judgment* approved by the Superior Court, County of Orange, State of California in the action *Marina Limon, et. al., v. Garden Grove Agency for Community Development*, Orange County Superior Court Case No. 30-2009-00291597 (Original *Limon* Judgment), attached as Exhibit A. There were two lawsuits related to this matter, which resulted in judgments that are both enforceable obligations under the Dissolution Law: (i) a lawsuit filed against the former redevelopment agency pre-dissolution that resulted in the Original *Limon* Judgment, and (2) a second lawsuit filed post-dissolution by the Plaintiffs in the original *Limon* action entitled *Marina Limon, et al v. State of California, et al.*, Sacramento Superior Court Case Number: 34-2014-80001994 (Writ Order to DOF), which together are referred to as the “*Limon* Judgments”. In implementation of the *Limon* Judgments, the Successor Agency to the Garden Grove Agency for Community Development (Successor Agency) in cooperation with the Housing Authority and the City have entered into, caused construction through completion, and continue to implement the 38 units of replacement housing required under the *Limon* Judgment through a series of subsidies, contracts and implementing instruments for: (i) Wesley Village a 47-unit, new construction senior and family affordable housing project and (ii) Sycamore Court, a 78-unit substantial rehabilitation multi-family project, both of which have recorded regulatory agreements with 55-year affordability covenants for tenancy and occupancy by qualified very low and low income households. During FYs 17-18, 18-19, 19-20 the Successor Agency, as well as the City and Housing Authority, have provided documentation and supplemental documentation to the plaintiffs’ counsels in the *Limon* Judgments, but to date plaintiffs’ counsel for unstated reasons still have refused to cause the filing in the Superior Court of a full satisfaction of judgment affirming complete satisfaction of the Original *Limon* Judgment. Further, in compliance with the *Limon* Judgments, the plaintiffs and all former residents/tenants at the RV Park were part of the outreach about the availability of the *Limon* Replacement Units for tenancy at the time of initial occupancy of both projects upon completion and issuance of certificates of occupancy. Presently, financial issues exist related to the Wesley Village project that have necessitated restructuring of the existing loans and additional loans by the Housing Authority to ensure that the *Limon* Replacement Housing Units at Wesley Village remain in operation long-term in implementation of the Original *Limon* Judgment. The Successor Agency’s annual ROPS, in particular item 55, includes funding related to

implementation of the *Limon* Judgments, including ROPS 18-19, ROPS 19-20, ROPS 20-21, current ROPS 21-22 and prospective ROPS 22-23, all to ensure that the *Limon* Replacement Housing Units at Wesley Village (and Sycamore Court) remain in operation long-term in implementation of the Original *Limon* Judgment. During FY 20-21, due to issues related to the financial viability of the project, the Housing Authority and the Developer of Wesley Village, and respective counsels, have negotiated draft instruments, and have continued negotiations in FY 21-22, that will modify the existing lien instruments and regulatory covenants that are necessary to preserve the *Limon* Replacement Housing Units at Wesley Village and to ensure continued compliance with the Original *Limon* Judgment.

Inclusionary/Production Housing: Whatever unmet obligation that existed according to the 2010-2014 Implementation Plan for the Former Agency, if any, this obligation has been superseded and has been met by performance, and continued performance, in accordance with the Original *Limon* Judgment (Exhibit A).

X. INCOME TEST

Section 34176.1(a)(3)(A) provides: “The housing successor shall expend all funds remaining in the Low and Moderate Income Housing Asset Fund after the expenditures allowed pursuant to paragraphs (1) and (2) for the development of housing affordable to and occupied by households earning 80 percent or less of the area median income, with at least 30 percent of these remaining funds expended for the development of rental housing affordable to and occupied by households earning 30 percent or less of the area median income and no more than 20 percent of these remaining funds expended for the development of housing affordable to and occupied by households earning between 60 percent and 80 percent of the area median income.” Section 34176.1(a)(3)(B) provides: “If the housing successor fails to comply with the extremely low income requirement in any five-year report, then the housing successor shall ensure that at least 50 percent of these remaining funds expended in each fiscal year following the latest fiscal year following the report are expended for the development of rental housing affordable to, and occupied by, households earning 30 percent or less of the area median income until the housing successor demonstrates compliance with the extremely low income requirement in an annual report described in subdivision (f).” The Housing Authority, as housing successor, reported previously on its expenditures for development sourced from the LMIHAF for the initial five-year reporting period of January 1, 2014 to “the annual report ... for 2019.” The term “development” is defined in Section 34176.1(a)(3)(D): “For purposes of this subdivision, ‘development’ means new construction, acquisition and rehabilitation, substantial rehabilitation as defined in Section 33413, the acquisition of long term affordability covenants on multifamily units as described in Section 33413, or the preservation of an assisted housing development that is eligible for prepayment or termination or for which within the expiration of rental restrictions is scheduled to occur within five years as those terms are defined in Section 65863.10 of the Government Code.”

The second five-year reporting period is in effect, and this section of the Report presents information for FY 2020-2021. In this regard, the Housing Authority’s expenditures, as housing successor, sourced from the LMIHAF for development must meet the income categories and thresholds described above during the second five-year period. During FY 2020 2021, the Housing Authority had \$0 of expenditures for development sourced from the LMIHAF.

See Section XII of this Report for updated information about proposed projects that are planned to be undertaken during the second five-year reporting period; the projects will include extremely low, very low and low income housing units in compliance with the income-targeting requirements of HSC Section 34176.1.

XI. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units. The table below provides information regarding the Housing Successor's Senior Housing Test for the 10-year period of July 1, 2011 through June 30, 2021:

Senior Housing Test		7/01/2011 – 6/30/21
# of Assisted Senior Rental Units (in the Wesley Village project 16 of the 47 units are senior units, and 30 are family units, with one manager's unit)		16
# of Total Assisted Rental Units (Sycamore Court, Wesley Village, 12142 Tamerlane, 12211 Tamerlane)		132
Senior Housing Percentage		12%

XII. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of (i) one million dollars (\$1,000,000) or (ii) the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years (\$4,736,687), whichever is greater. The following provides the Excess Surplus test for the preceding Fiscal Years of the Housing Successor:

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Beginning Balance	\$459,145	\$704,604	\$730,829	\$597,475	\$4,075,333
Add: Deposits	\$500,105	\$402,072	\$210,647	\$3,623,863	\$3,563,722
(Less) Expenditures	(\$254,646)	(\$375,847)	(\$344,001)	(\$146,005)	(\$228,064)
Ending Balance	\$704,604	\$730,829	\$597,475	\$4,075,333	\$7,410,990

The LMIHAF has an Excess Surplus; however, it is noted during FY 19-20, the Housing Authority had negotiated and reached consensus for an 82-unit senior acquisition/rehabilitation project but the Developer withdrew and informed the Housing Authority that it believed the project would not receive a reservation of tax credits nor a bond allocation due to changes to the state regulations establishing lesser priority for acquisition/rehabilitation projects to be considered and approved by TCAC (as to tax credits) and CDLAC (as to multi-family housing bonds); that project would have included eight (8) extremely low, sixty (60) very low, and twelve (12) low income units for an extended 55-year affordability period. Further, during FY 20-21, the Housing Authority negotiated and reached tentative agreement for preservation of 144 very low income units and the reset and extension of the affordability period for 55 years; however, the owner/seller and developer/buyer

did not reach agreement on the sale of the properties. Nevertheless, during FY 21-22, the owner and the Housing Authority entered into an amendment to extend the affordability period for the 144 very low income units until December 31, 2028 for no payment by the Housing Authority. In addition, the Housing Authority's goals for FY 21-22 include seeking to encumber LMIHAF and/or other funding sources to provide financial assistance to several projects in the community. In September 2021, the Housing Authority entered into an agreement with American Family Housing, a nonprofit housing developer, to operate a 10-unit permanent supportive housing (PSH) project with eight extremely low, one very low, and one manager's unit covenanted for a 55-year affordability period; the Housing Authority awarded eight mainstream project-based vouchers for tenants that are age 18 to 62 and disabled. Further, as of preparation of this Report, the Housing Authority is negotiating with several experienced affordable housing developers about both new construction and acquisition/rehabilitation projects, such as a 56-unit new construction project with 20 units of permanent supportive housing, which will include a range of extremely low, very low and/or low income covenanted housing units.

XIII. INVENTORY OF HOMEOWNERSHIP UNITS

This section provides an inventory of homeownership units assisted by the Former Agency or the Garden Grove Housing Authority, as Housing Successor, that are subject to covenants or restrictions or to an adopted program that protects the Former Agency's investment of moneys from the former Low and Moderate Income Housing Fund (LMIHF) per HSC Section 33334.3(f). This inventory includes:

A. Total units assisted by the Former Agency.

1. The total number of homeownership units assisted by the former Agency: **55 units**

Address	# of Units
13741 Clinton #76, Garden Grove, CA	1 Unit
10302 Malinda, Garden Grove, CA	1 Unit
12191 Stanford, Garden Grove, CA	1 Unit
12661 James, Garden Grove, CA	1 Unit
11761 Samuel, Garden Grove, CA	1 Unit
5742 Ludlow, Garden Grove, CA	1 Unit
13180 Ferndale, Garden Grove, CA	1 Unit
8861 Calico, Garden Grove, CA	1 Unit
8183 Larson #D, Garden Grove, CA	1 Unit
12631 Woodland, Garden Grove, CA	1 Unit
10119 Andy Reese, Garden Grove, CA	1 Unit
12582 Spinnaker, Garden Grove, CA	1 Unit
12372 Elmwood, Garden Grove, CA	1 Unit
9852 Orangewood, Garden Grove, CA	1 Unit
1360 River Drive, Norco, CA	1 Unit
9611 Blanche, Garden Grove, CA	1 Unit
13421 Mickey, Garden Grove, CA	1 Unit
6732 Laurelton, Garden Grove, CA	1 Unit

10592 McKeen, Garden Grove, CA	1 Unit
14402 Ward, Garden Grove, CA	1 Unit
11682 MacDuff, Garden Grove, CA	1 Unit
6652 Belgrave, Garden Grove, CA	1 Unit
6662 Park, Garden Grove, CA	1 Unit
5452 Richmond, Garden Grove, CA	1 Unit
13096 Blackbird, Garden Grove, CA	1 Unit
11531 Faye, Garden Grove, CA	1 Unit
13582 Hope, Garden Grove, CA	1 Unit
11450 Brookhurst, Garden Grove, CA	1 Unit
13651 Havenwood, Garden Grove, CA	1 Unit
11291 Garden, Garden Grove, CA	1 Unit
Note: The following homeownership units were identified in further review of Garden Grove files, but had not been located or identified during preparation of the HAT in July 2012 that was submitted to and approved by the DOF or listed in the initial report prepared under HSC Section 34176.1(f)(13) relating to homeownership units assisted by the Former Agency, but are listed in this Report as each is an ownership unit assisted by the Former Agency prior to dissolution. Several of these loans have been paid off or the covenants expired, so are also listed in the tables that follow.	
11861 Winton St., Garden Grove, CA	1 Unit
12741-12831 Arbor Ct. & 12752-12852 Arbor Ct., Garden Grove, CA	17 Units
13143 Michael Monsoor Ct., Garden Grove, CA	1 Unit
10852 Sonoma Ln., Garden Grove, CA	1 Unit
13100 Mendocino Ln., Garden Grove, CA	1 Unit
10803 Sonoma Ln., Garden Grove, CA	1 Unit
10811 Sonoma Ln., Garden Grove, CA	1 Unit
10853 Sonoma Ln., Garden Grove, CA	1 Unit
10831 Sonoma Ln., Garden Grove, CA	1 Unit
Total	55 Units

B. Summary of Lost Units.

1. The total number of homeownership units lost to the Housing Successor's portfolio between *February 1, 2012 up to June 30, 2021*, along with the reason or reasons for those losses: **30 units**

FY	Property Address	Units	Loss Date	Reason for Loss
11-12	11861 Winton St.	1	3/27/2012	Loan Repaid
13-14	9852 Orangewood Ave.	1	11/12/2013	Loan Repaid
14-15	12741-12831 & 12752-12852 Arbor Ct.	17	2014	Covenants Expired
14-15	10831 Sonoma Lane	1	5/8/2015	Loan Repaid
12-13	13741 Clinton #76	1	5/6/2013	Loan Repaid
17-18	10119 Andy Reese	1	9/18/2017	Loan Repaid
14-15	6732 Laurelton	1	3/17/2015	Loan Repaid
14-15	10592 McKeen	1	8/28/2014	Loan Repaid

15-16	6652 Belgrave	1	11/12/2015	Loan Repaid
13-14	11450 Brookhurst	1	3/31/2014	Loan Repaid
12-13	13651 Havenwood	1	6/18/2013	Loan Repaid
14-15	11291 Garden	1	8/11/2014	Loan Repaid
19-20	12661 James Avenue	1	8/27/2019	Loan Repaid
20-21	9611 Blanche, Garden Grove, CA	1	5/03/2021	Loan Repaid

2. Total losses during FY 2020-21 (7/1/20 to 6/30/21): 1 unit

FY	Property Address	Units	Loss Date	Reason for Loss
20-21	9611 Blanche, Garden Grove, CA	1	5/03/2021	Loan Repaid

3. Funds returned to the Housing Successor as part of an adopted program that protects the Former Agency's investment of moneys from the LMIHF. This includes repayments of all Single Family Rehabilitation and First Time Homebuyer loans including principal, interest, and equity sharing payments from February 1, 2012 to June 30, 2021. There were cumulative repayments since dissolution of **\$127,155.13** and repayments during FY 20-21 of **\$18,400.00**.

C. State whether the Housing Successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

1. The City's Neighborhood Improvement Division administered a majority of the Former Agency's Single Family Rehabilitation Program and First Time Homebuyer Program. The Neighborhood Improvement Division does have an existing agreement with Amerinational Community Services, Inc., a Minnesota corporation (dba AmeriNat), relating to certain, but not all, aspects of administration of the Former Agency's Single Family Rehabilitation loans and First Time Homebuyer loans that provided second lien mortgages for homeownership units. These consulting services include assistance with oversight and administration of amortized loan payments, if any, due; with tracking and calculation of loan balances in the event of payoff; and, other administrative activities for these outstanding Single Family Rehab and First Time Homebuyer loans. Additionally, the City has contracted with AIM Asset Property Management for property management services.

XIV. ADDITIONAL INFORMATION ABOUT GARDEN GROVE HOUSING AUTHORITY'S ACTIVITIES FOR THE PRECEDING YEAR FY 20-21 PER HSC SECTION 34328

The Housing Authority, as a housing authority, provides rental assistance to up to 2,337 tenant households per month through federal Section 8 housing choice portable vouchers. The lease-up rate by month for FY 2020-21 was as follows:

Month	# of Units Leased
Jul-20	2210
Aug-20	2206
Sep-20	2202
Oct-20	2201
Nov-20	2208

Dec-20	2205
Jan-21	2199
Feb-21	2194
Mar-21	2196
Apr-21	2196
May-21	2207
Jun-21	2222

During FY 2020-21, there were no terminations of Section 8 portable vouchers for victims of domestic violence.

As discussed in Section XII of this Report, the Housing Authority continues to negotiate toward more affordable housing in the community, both new construction and acquisition/rehabilitation projects. The PSH project described in Section XII above includes a loan sourced with HOME Program funds issued by the Housing Authority.

EXHIBIT A

Original *Limon* Judgment

Limón, et al. v. Garden Grove Agency for Community Development
Case No. 30-2009-00291597

Stipulation to Substitute Party and for Entry of Interlocutory Judgment
(attached)

Exhibit B

2020-2021 Audit of LMIHAF

(pending and to be inserted)

Note: At the time of preparation of this Report, the FY 2020-21 Comprehensive Annual Financial Report (CAFR) is still under final review by the City and its independent auditors. It is anticipated this document will be finalized in early 2022, at which time the City Council and Housing Authority jointly will receive and file the Report.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William E. Murray
Dept.:	City Manager/General Manager	Dept.:	Public Works
Subject:	Acceptance of Project Completion for Project No. CP1254000, Arterial Streets Rehabilitation and Sanitary District Sewer Improvement on Garden Grove Boulevard. <i>(Joint Action Item with the Garden Grove Sanitary District)</i>	Date:	1/25/2022

OBJECTIVE

For City Council and Sanitary District Board to accept the Arterial Streets Rehabilitation Project and Sanitary District Sewer Improvements on Garden Grove Boulevard, CP1254000, as complete and authorize the City Manager/General Manager to execute the Notice of Completion of Public Improvement and Work.

BACKGROUND

The construction effort was comprised of the following projects: 1) Orangewood Avenue Rehabilitation from Brookhurst Street to Euclid Street, 2) Lampson Avenue Rehabilitation from Dale Street to Magnolia Street, 3) Garden Grove Boulevard Rehabilitation and Sewer Improvements from Dale Street to Magnolia Street, and 4) Lampson Avenue Sidewalk Improvements from Haster Street to Jetty Street.

Each project had varying issues surrounding their need for rehabilitation, and were addressed with different rehabilitation measures to properly manage the unique circumstances of each street and involved some, or most, of the following elements which included: street section removal and replacement (dig outs), cold milling, asphalt paving, asphalt rubber and aggregate membrane (ARAM) and slurry seal. Concrete rehabilitation included repair of damaged sidewalk, curb and gutter, cross gutter, catch basin, median curb and handicap access ramps. Other improvements included installation of catch basin inlet filters and CCTV cameras, adjustment of utility covers to finish grade, restoration of traffic signing, striping, pavement markers and reestablishment of centerline ties and monuments.

Lastly, the sewer improvements consisted of modifying existing sewer by rerouting sewer flow, abandoning sections of sewer main, reconnecting house laterals and removal and construction of new sewer manholes.

DISCUSSION

The contractor, All American Asphalt, has completed the improvements in accordance with the plans, specifications, and other contract documents.

FINANCIAL IMPACT

This improvement is included in Fiscal Year 2020-21 and 2021-22 Capital Improvement Budgets, and it is funded by Measure "M2 Local Fair Share," Gas Taxes and Sewer Funds. The retention payments will be released after recordation of the Notice of Completion.

RECOMMENDATION

It is recommended that the City Council and Sanitary District Board:

- Accept Project No. CP1254000 – Arterial Streets Rehabilitation Project and Sanitary District Sewer Improvements on Garden Grove Boulevard;
- Authorize the City Manager/General Manager to execute the Notice of Completion of Public Works Improvement and Work; and
- Authorize the Finance Director to release the retention payment when appropriate.

By: Nick Hsieh, Associate Engineer/Rebecca Li, P.E., Senior Civil Engineer

ATTACHMENTS:

Description	Upload Date	Type	File Name
Notice of Completion CP1254000	1/18/2022	Notice	noa_ts1422_(3).pdf

RECORDING REQUESTED BY

When Recorded Mail To:

City Clerk
City of Garden Grove
P. O. Box 3070
Garden Grove, CA 92842

NOTICE OF COMPLETION
OF PUBLIC IMPROVEMENT AND WORK

NOTICE IS HEREBY GIVEN that the City of Garden Grove, Orange County, California, has caused a public improvement, to wit:

PROJECT NO. 1254000
ARTERIAL STREETS REHABILITATION PROJECT AND SANITARY DISTRICT SEWER
IMPROVEMENTS ON GARDEN GROVE BOULEVARD

to be constructed upon the property hereinafter described. The contract for furnishing of all plant, labor, services, materials, and equipment, and all utilities and transportation, including power, fuel, and water, and performing all work necessary to construct and complete, in a good and workmanlike manner in strict accordance with the specifications, plans, and drawings therefore on file in the office of the City Clerk of the City of Garden Grove, for the construction, installation and completion of the above-described public improvement and work, was heretofore made and entered into with All American Asphalt on the 27th day of April 2021, and filed for record in the office of the City Clerk of the City of Garden Grove; that the work upon said public improvement has been completed, and that the City Engineer has notified the City Council that he has made and completed a final inspection of the materials furnished and installed and the work performed in the construction, installation, and completion of said public improvement hereinabove more particularly described and set forth, and has certified in writing to the City Council that all the provisions of the contract and contract documents for the furnishing of all plant, labor, services, materials, and equipment, and the performing of all work necessary for the construction, installation, and completion of said public improvement above described have been fully complied with to his satisfaction as required by the contract document; that final acceptance of the construction, installation, and completion of said public improvement above described was made on the 25th day of January, 2022 that the nature of the title to said property of said City of Garden Grove is as follows: That is to say, it owns said public improvement in fee except the right-of-way upon which it is constructed, and that it owns an easement upon, over, and along said right-of-way for the purpose of the construction, installation, and completion of said public improvement hereinabove described and the use thereof after said completion; that the property hereinabove referred to and on which said public improvement is situated is described as follows, to wit:

PROJECT NO. 1254000
ARTERIAL STREETS REHABILITATION PROJECT AND SANITARY DISTRICT SEWER
IMPROVEMENTS ON GARDEN GROVE BOULEVARD

NAME OF SURETY on
Labor and Material Bond is:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND
777 S. FIGUEROA STREET, SUITE 3900
LOS ANGELES, CA 90017
Tel No. (213) 270-0600

DATED this _____ day of _____ 20 ____

CITY OF GARDEN GROVE

By _____
City Manager/General Manager

ATTEST:

City Clerk/Secretary

STATE OF CALIFORNIA
COUNTY OF ORANGE

I am the City Engineer of the City of Garden Grove.

I have read the foregoing Notice of Completion of Public Improvement and Work, and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters, which are therein stated upon my information or belief, and as to those matters I believe to be true.

I certify (or declare), under penalty of perjury, that the foregoing is true and correct.

Executed on January 25, 2022 at Garden Grove, California
(Date) (Place)

Dan Candelaria, P. E., T.E.
City Engineer

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Maria Stipe
Dept.:	City Manager	Dept.:	Assistant City Manager
Subject:	Ratification of a temporary lease agreement for property located at 11202 Acacia Parkway, Garden Grove. (Cost: \$6,250.00 per month) (<i>Action Item</i>)		
		Date:	1/25/2022

OBJECTIVE

For the City Council to approve and ratify the temporary lease of 11202 Acacia Parkway for temporary relocation of counter services during the City Hall security enhancement construction project.

BACKGROUND

The City will commence construction of a security enhancement project that will affect access by the public and City employees to the ground floor of City Hall. As part of the preparation for the project, the City Manager has entered into a lease of the vacant building adjacent to City Hall located at 11202 Acacia Parkway, at the south east corner of Acacia Parkway and Euclid Avenue to temporarily relocate counter services pending the City Hall construction project.

DISCUSSION

Due to the urgency of securing the temporary use of the vacant building to relocate counter services during construction, the City Manager has executed the lease for a term of 6 months for a monthly rent in the amount of \$6,250.00.

FINANCIAL IMPACT

Lease payments will be made from the Lease Revenue Bonds 2015A which is available for City capital improvements. These funds are recorded in Public Safety Fund 503. Funds were appropriated to the FY 2019-20 budget and have been carried over to FY 2021-22 to complete this project. There is no financial impact to the General Fund.

RECOMMENDATION

It is recommended that the City Council:

- Approve and ratify the temporary lease agreement, in the amount of \$6,250.00 per month, with Thang Quang Pham and Kathy Tram Pham for property located at 11202 Acacia Parkway.

By: Shawn Park, Sr. Administrative Analyst

ATTACHMENTS:

Description	Upload Date	Type	File Name
GG Euclid-Acacia Lease Agreement	1/20/2022	Agreement	Lease_-_GG_Euclid-Acacia_Clean_2022-01-18-exhibits_removed_FINAL_executed.pdf

PROPERTY LEASE

BETWEEN

**Thang Quang Pham and Kathy Tram Pham,
husband and wife, as Community Property with Right of Survivorship**

as Landlord,

and

**CITY OF GARDEN GROVE,
a municipal corporation**

As Tenant

PROPERTY:

**11202 Acacia Parkway
Garden Grove, CA 92840
APN: 090-164-26**

NOTICE TO ALL PARTIES:

THE SUBMISSION OF THIS DOCUMENT FOR EXAMINATION, NEGOTIATION, AND/OR SIGNATURE DOES NOT CONSTITUTE AND OFFER TO LEASE, OR A RESERVATION OF, OR AN OPTION FOR THE PREMISES. THIS DOCUMENT SHALL NOT BE BINDING OR IN EFFECT AGAINST EITHER PARTY UNTIL, AT LEASE ONE COUNTERPART DULY EXECUTED BY LANDLORD AND TENANT, HAS BEEN RECEIVED BY EACH OF THE LANDLORD AND TENANT.

LEASE

This lease is made and entered into by and between **Thang Quang Pham and Kathy Tram Pham** ("Landlord"), and **City of Garden Grove, a municipal corporation** ("Tenant"), as of January 18, 2022 (the "Effective Date").

Article 1. LEASE OF PREMISES.

1.1. In consideration of the Rent (as defined herein) to be paid by Tenant and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises further described at Section 2. As Is Condition: Landlord shall deliver to Tenant the Premises in "as-is" condition. Any upgrades or addition initiated by the Tenant is the Tenant's responsibility and to maintain in good working order. Other than the warranties mentioned herein, Tenant is leasing the Premises in "as-is" condition and shall be fully responsible for any and all tenant improvements, alterations, and any corrective work necessary. Tenant acknowledges that any modification to the Premises may require additional corrective work per the American with Disabilities Act or any similar laws as a result of Tenant's use. Tenant shall be responsible for any necessary corrective work. There is no Tenant Improvement Allowance given to Tenant. Notwithstanding any provision set forth in this Lease, Landlord shall have no duty to repair or maintain utilities, trade fixtures, alterations or any other equipment, regardless of whether or not the aforementioned has been installed or added by Landlord, or any former occupant of the Premises, if such amenities are not provided to or found in the Premises. Landlord and Tenant acknowledge that the heating ventilation and air-conditioning (HVAC) systems may be inoperable. Lessee acknowledges that property is in "as-is" condition and Landlord does not guarantee the HVAC units.

1.2. **ADA Compliance.** Lessee shall have the sole responsibility for complying, at Lessee's cost, with any and all provisions of the Americans with Disabilities Act of 1990, as it has been and may later be amended ("ADA"), (i) with respect to the Premises (including, but not limited to, the restrooms, access to the Premises and the parking areas servicing the Premises); and (ii) with respect to the common areas of the Project where in the case of this clause (ii) such compliance has been brought about by: (A) any alterations to the Premises or to the common areas made by or on behalf of Lessee, whether by Lessor or otherwise, and whether performed before or after the Commencement Date, or (B) requirements of Lessee's employees, or any changes to Lessee's use of the Premises (items (i) and (ii) collectively, "Lessee's ADA Responsibilities"). Lessee shall indemnify, defend and hold Lessor, its agents and employees harmless from and against any and all claims, damages, or liabilities (including, without limitation, reasonable attorneys' fees and costs) arising directly or indirectly from Lessee's failure to satisfy any of Lessee's ADA Responsibilities. The Premises have not undergone an inspection by a Certified Access Specialist (CAsp). Tenant shall be responsible for the cost, should Tenant wish to obtain a CAsp inspection.

Article 2. DEFINITIONS.

As used in this Lease, the following terms have the following meanings:

2.1. Commencement Date: January 18, 2022.

2.2. Common Areas: All areas, structural portions, facilities and equipment outside the Premises but within the exterior boundaries of the property that are provided and designated by Landlord from time to time for the general use, benefit and/or convenience of Tenant and/or their respective authorized representatives and invitees. Common Areas include without limitation, pedestrian walkways and patios (except for the patio set aside for

Tenant's exclusive use), landscaped areas, sidewalks, service corridors, public restrooms, stairways, roofs, walls, plazas, malls (including any enclosed malls where climate control is provided), throughways, loading areas, parking areas, and roads.

2.3. Floor Area: As to the Premises, the respective measurements of floor area as are from time to time subject to lease by Tenant.

2.4. Landlord's Mailing Address: Thang Quang Pham and Kathy Tram Pham – 46 E. Peninsula Center #366, Rolling Hills Estates, CA 90274

Tenant's Mailing Address: City of Garden Grove, a municipal corporation – 11222 Acacia Parkway, Garden Grove, CA 92840

2.5. Base Rent:

<u>Lease Year</u>	<u>Minimum Monthly Rent</u>
-------------------	-----------------------------

Months 1-6	\$6,250.00
------------	------------

2.6. Term: The Term of this Lease shall begin as of the date hereof and shall continue thereafter for a period of **six (6) months** (plus any partial month) following the Commencement Date.

2.7. Delivery Date: Landlord shall deliver possession of the Premises to Tenant on or before January 17, 2022 subject to delays beyond Landlord's reasonable control. "Lessor shall deliver the Premises to Lessee in its "as-is" condition on the Commencement Date or Early Possession Date, whichever first occurs."

2.8. Premises: 11202 Acacia Parkway, Garden Grove, CA 92840, containing approximately 4,004 square feet of Floor Area.

2.9. Security Deposit (Article 29): \$6,250.00

2.10. Tenant's Use Clause (Article 4): The Premises shall be used and occupied only for the purpose of customary municipal counter services, including payment of water, fees, and business licenses, and processing of plans and permits. Should any standard or regulation now or hereafter be imposed on Lessor or Lessee by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, lessors or lessees, then, except as otherwise specifically set forth in the Lease, Lessee agrees, at its sole cost and expense, to comply promptly with such standards or regulations.

Article 3. RENT.

3.1 Payment of Rent. All Rent and other payments due under this Lease shall be paid by Tenant to Landlord, at Landlord's address provided in Section 2.4, or at such other place as may from time to time be designated by Landlord in writing at least 15 days prior to the next ensuing payment date.

3.2 Triple Net. Tenant is solely responsible for all Common Areas expenses including the maintenance of the landscape and removal of trash and debris. Tenant shall contract its own waste bin. Landlord is responsible for property taxes and property insurance.

Article 4. POSSESSION AND USE

4.1 Permitted Uses and Prohibited Conduct. Possession of the Premises shall be delivered to Tenant free and clear of all tenants and occupants and the rights of either, and free of liens and encumbrances other than those specified in Article 8 hereof. Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or permit the Premises to be used for any other purposes. Tenant shall not, without the prior written consent of Landlord, sell merchandise from vending machines or allow any coin operated vending or gaming machines on the Premises. Tenant shall not use or permit any person to use the Premises for conducting a second-hand store, auction, distress or fire sale or bankruptcy or going-out-of-business sale, or for any use or purpose in violation of the laws, ordinances, regulations and requirements of the United States or the State, County and City where the Premises is located, or any other lawful authority.

Tenant shall, during the Term, keep the Premises in a clean and wholesome condition, free of any objectionable noises, odors or nuisances (except as normally associated with Tenant's use), and shall comply with all health and police regulations. Tenant shall not cause or permit waste to occur in the Premises and shall not overload any floor or abuse the plumbing in the Premises. Additionally, Tenant shall not use the Premises for any use prohibited or restricted by any matter of record specifically including, but not limited to, any Matters of Record (as hereinafter defined in Article 8), and in no event shall the Premises be used in violation of any exclusive use or use restriction provisions now or hereafter applicable to the property.

Tenant may not display or sell merchandise or allow carts, portable signs, devices or any other objects to be stored or to remain outside the defined exterior walls, roof or permanent doorways of the Premises, or in Building hallways. No aerials or antennae shall be erected on the roof or exterior walls of the Premises or Building without first obtaining, in each instance, the written consent of Landlord. Any aerial or antenna so installed without Landlord's written consent may be removed without notice at any time, at Tenant's expense. Tenant shall not solicit or distribute materials in any manner in any of the Common Areas.

4.2 Insurance Coverage Use Restrictions. Tenant shall not carry any stock or goods or do anything in or about the Premises which tends to increase the insurance rates on the Building or impairs Landlord's ability to maintain insurance coverage on the Building. Tenant agrees to pay to Landlord promptly upon demand the amount of any increases in Landlord's insurance premiums caused by Tenant's violation of these restrictions, whether or not Landlord has consented to such act(s) by Tenant. If Tenant installs any electrical equipment in the Premises which overloads the electrical lines of the Premises, Tenant shall, at its expense, make any changes and install any fire extinguishing equipment required by Landlord's insurance underwriters or applicable fire, safety and building codes and regulations. Nothing herein contained constitutes Landlord's consent to such overloading.

4.3 Deliveries. Not applicable.

Article 5. UTILITIES SERVICES.

5.1 Conditions of Premises. Lessee hereby acknowledges and agrees that Lessee has inspected and investigated the Premises and Lessee further acknowledges and agrees that the Premises are in satisfactory condition. Lessee hereby accepts the Premises in their current condition, "AS-IS", "WHERE-IS" and "WITH ALL FAULTS". Notwithstanding anything in the Lease to the contrary, Lessee expressly acknowledges that neither Lessor nor its agents, or representatives have made

any representations or warranties as to the suitability of the Premises for Lessee's intended use. Without limiting the foregoing, Lessor makes no representation or warranty regarding the Premises or the suitability of the existing utility services and systems for Lessee's proposed use. It shall be the sole responsibility of Lessee to verify (i) all governmental requirements applicable to Lessee's use of the Premises, including without limitation zoning, and (ii) the capacity of all mechanical systems and improvements within the Premises to satisfy Lessee's intended use. Lessee hereby agrees and warrants that it has investigated and inspected the condition of the Premises and the suitability of same for Lessee's purposes, and Lessee does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the suitability of same for Lessee's purposes. The taking of possession of the Premises by Lessee shall conclusively establish that the Premises were at such time in satisfactory condition. Lessee hereby waives Subsection 1 of Section 1932 and Sections 1941 and 1942 of the Civil Code of California or any successor provision of law. EXCEPT FOR ANY EXPRESS WARRANTIES SET FORTH IN THE LEASE, LESSEE, FOR ITSELF, AND ITS OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AFFILIATES, SUCCESSORS AND ASSIGNS, EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, MERCHANTABILITY, OR FITNESS OF THE PREMISES FOR A PARTICULAR PURPOSE OR USE.

5.2 Utilities and HVAC System Charges. Tenant shall pay for all utilities used by Tenant on the Premises from and after delivery of possession of the Premises. If Tenant's utilities and/or HVAC system are separately metered, Tenant shall pay directly to the appropriate utility company the cost of all such utilities used on the Premises.

5.3 Failure to Pay. If Tenant fails to pay any amount due to Landlord under this Article 5 within 20 days after receipt by Tenant of a bill therefor, Landlord may (in addition to all other rights and remedies provided herein for breach of this Lease and if permitted by law) cut off and discontinue, upon 10 days' advance notice to Tenant and opportunity to cure, any such utilities furnished to the Premises by Landlord until all such amounts are paid in full.

5.4 No Landlord Liability. Landlord shall not be liable in damages or otherwise for any failure or interruption of (i) any utility service being furnished to the Premises, or (ii) operation of the HVAC system, if any, except to the extent caused by the gross negligence or willful misconduct of Landlord. No failure or interruption of any utilities or utility system shall entitle Tenant to terminate this Lease under any circumstances, and no such failure or interruption shall entitle Tenant to stop making any rent or other payments due.

Article 6. INDEMNITY BY TENANT.

6.1 Indemnity. Lessee shall indemnify, defend with counsel satisfactory to Lessor in all respects, and save harmless Lessor, partners, members, agents, representatives, and employees, and all persons in privity of estate with Lessor or any of such persons, from and against any and all claims, costs, losses, damages and expenses (including, but not limited to, claims made as a result of death, personal injuries, or loss of or damage to property) occurring in or arising in whole or in part, directly or indirectly, out of or in connection with the use and occupancy of the Premises, any Default or Breach of the Lease or Alterations performed by or on behalf of Lessee in or to the Premises, the business conducted in the Premises, or (without limiting the foregoing) as a result in whole or in part of any acts, omissions or negligence of Lessee, or any employee, customer, sublessee, assignee, licensee, or concessionaire occupying or using, or having a right to occupy or use, all or any portion of the Premises, or their respective contractors, subcontractors, vendors, licensees, agents, employees, or customers or other persons and entities in or about the Premises,

and from and against all costs, expenses and liability occurring in or in connection with any such claim or proceeding brought thereon, including reasonable attorneys' fees. If Lessor or any other party so indemnified shall, without fault on its part, be made a party to any litigation, arbitration or other proceeding commenced by or against Lessee, then Lessee shall protect and hold all of such parties harmless, with counsel satisfactory to Lessor in all respects, and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by all of them in connection with such litigation. The provisions of this Paragraph 6.1 of the Lease shall survive the expiration or earlier termination of the Lease.

6.2 Hazardous Substances. Tenant shall not use, store or permit toxic waste or other toxic or hazardous substances or materials on the Premises during the term of this Lease, without the prior written consent of Landlord. In the event Tenant desires to use or store toxic or hazardous substances on the Premises (including but not limited to petroleum based fuels), Tenant shall request such use in an application to Landlord which shall explain in detail the types of chemicals/substances which Tenant desires to use, the proposed location and the manner of storage of same and the manner of disposition of such chemicals/substances or by-products or remains thereof. Tenant shall deliver to Lessor copies of all studies, reports and other information submitted by Lessee to any governmental entity or agency regulating the use of such substances and materials, concurrently with the delivery of same to such governmental agency or entity. In no event shall Tenant store any chemicals/substances in underground tanks. The proposed use of such chemicals/substances shall be approved, if necessary, by the local fire department and the exterior of the Premises shall clearly set forth in a label as to the chemicals/substances located within the Premises. In the event that any such wastes, substances or materials are hereinafter found on, under or about the Premises except as expressly allowed by Landlord, Tenant shall take all necessary and appropriate actions and shall spend all necessary sums to cause the same to be cleaned up and immediately removed from the Premises, and Landlord shall in no event be liable or responsible for any costs or expenses incurred in so doing. Tenant shall at all times observe and satisfy the requirements of, and maintain the Premises in compliance with, all federal, state and local environmental protection, occupational, health and safety and similar laws, ordinances, restrictions, licenses and regulations, including but not limited to, the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), Safe Drinking Water Act (42 U.S.C. Section 3000(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), Comprehensive Environmental Response of Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), California Health and Safety Code (Section 25100 et seq.), California Water Code (Section 13000 et seq.). Should Tenant at any time receive any notice of violation of any laws, including those aforementioned, or be given a citation with respect thereto. Tenant shall (i) immediately notify Landlord of such violation or citation, (ii) provide Landlord with a copy of same, (iii) cure the deficiency set forth in the violation or citation within thirty (30) days after the date of receipt thereof and (iv) immediately provide Landlord with proof of the curing of such deficiency or complained of matter. Should Tenant at any time default in or fail to perform or observe any of its obligations under this Article, Landlord shall have the right, but not the duty, without limitation upon any of the Landlord's rights pursuant to this Lease to perform the same, and Tenant agrees to pay to Landlord on demand, all costs and expenses incurred by Landlord in connection therewith, including without limitation reasonable attorneys' fees, together with interest from the date of expenditure at the highest rate allowed by law. Tenant hereby indemnifies Landlord and agrees to defend with counsel selected by Landlord and hold Landlord harmless for any loss incurred by or liability imposed on Landlord by reason of Tenant's failure to perform or observe any of its obligations or agreements under this Article, or for and for any Hazardous Substances introduced to or released in, on or around the Premises by Tenant or its agents, owners, officers, employees, invitees or contractors. If Tenant is a corporation, or is a partnership whose general partners are

corporations, the undersigned unconditionally personally guarantees the performance by Tenant of all duties of Tenant under this Article and the payment of all sums required hereby. The provisions hereof shall survive the expiration or earlier termination of this Lease.

Article 7. INSURANCE - WAIVER OF SUBROGATION.

7.1 Tenant's Insurance Obligations. Tenant shall, from and after the earlier of (a) delivery of possession of the Premises, or (b) commencement of any of Tenant's Work in the Premises, and for the remainder of the Lease Term maintain, at its expense, the following types of insurance coverage, in the amounts specified and in the forms hereinafter provided for:

(i) **LIABILITY INSURANCE.** Commercial general liability insurance (sometimes known as comprehensive general liability insurance) or a program of self-insurance insuring Tenant against liability for bodily injury, property damage (including loss of use of property) and personal injury arising out of the operation, use or occupancy of the Premises. Such policy shall be an occurrence form and shall include Owner's and Contractor's Protective Liability with respect to construction of improvements by Tenant on the Premises. Tenant shall name Landlord as an additional insured under such policy. In order to provide for the contingency that Minimum Monthly Rent may abate under the provisions of this Lease due to damage, destruction or repair, Tenant shall maintain rental interruption insurance in an amount equal to one year's Minimum Monthly Rent. The initial amount of such insurance shall be not less than \$2,000,000.00 per occurrence. The liability insurance obtained by Tenant under this Article 7.1 (i) shall (1) be primary and noncontributing; (2) contain cross-liability endorsements; and (3) insure Landlord against Tenant's performance under Article 6 if the matters giving rise to the indemnity under Article 6 result from the negligence of Tenant. The amount and coverage of such insurance shall not limit Tenant's liability nor relieve Tenant of any other obligation under this Lease.

(ii) Intentionally omitted.

(iii) **TENANT IMPROVEMENTS.** Insurance covering all of Tenant's leasehold improvements, alterations, additions or improvements permitted under Article 9, and trade fixtures, merchandise and personal property from time to time in, on or upon the Premises. Such insurance shall cover not less than 100% of the full replacement cost of the foregoing from time to time during the Term, and shall provide protection against any peril included within the classification of fire, extended coverage, sprinkler leakage, vandalism, theft, malicious mischief and special extended perils (all risk). Any policy proceeds shall be used first for the repair or replacement of the property damaged or destroyed unless this Lease is terminated under the provisions of Article 16 hereof.

(iv) **GENERAL INSURANCE PROVISIONS.**

(a) Any insurance required to be maintained by Tenant hereunder shall include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days' written notice prior to any cancellation or modification of such coverage.

(b) A certificate of the insurer or the insurer's legal representative evidencing the existence and amount of each insurance policy required of Tenant hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter at least 10 days prior to the expiration of any such policy. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after 10 days written notice to Landlord. If Tenant fails to deliver any such evidence of insurance to Landlord required under this Lease within the prescribed

time period or if any such policy is canceled or modified during the Lease Term without Landlord's consent, Landlord may obtain such insurance coverage, in which case Tenant shall reimburse Landlord for the cost of such insurance within thirty (30) days after receipt of a statement therefor.

(c) All insurance shall be maintained with companies holding a "General Policy Rating" of A-XII or better, as set forth in the most current issue of "Best's Key Rating Guide", or such other insurance company as may be approved by Landlord. Landlord and Tenant acknowledge the insurance markets are rapidly changing and that insurance in the form and amounts described in this Article 7.1 may not be available in the future. Tenant acknowledges that the insurance described in this Article 7.1 is for the primary benefit of Landlord. If at any time during the Lease Term, Tenant is unable to maintain the insurance required under the Lease, Tenant shall nevertheless maintain insurance coverage which is customary and commercially reasonable in the insurance industry for Tenant's type of business, as that coverage may change from time to time. Landlord makes no representation as to the adequacy of such insurance to protect Landlord's or Tenant's interests. Therefore, Tenant shall be responsible for obtaining any such additional property or liability insurance which Tenant deems necessary to protect Landlord and Tenant.

7.2 Landlord's Insurance Obligations. Landlord shall, in connection with its ownership and operation of the Property, maintain in effect policies of insurance providing protection against the following liabilities and/or risks: (a) commercial general liability insurance in an amount not less than \$2,000,000.00 combined single limit for bodily injury and property damage, and (b) fire and extended coverage insurance (including coverage for Common Area sprinkler damage, vandalism and malicious mischief, and, if required by any lender holding a security interest in the Property or if deemed necessary by Landlord, flood and earthquake insurance) on the Building and Property in an amount not less than their full replacement cost (exclusive of the cost of excavations, foundations and footings) from time to time during the Term. The types and coverages of insurance maintained by Landlord hereunder shall be subject to such further requirements as may be imposed by Landlord's lender. Landlord shall also have the right to maintain such additional types and coverages of insurance (including business interruption insurance) as are customary, prudent or reasonable for properties similar to the Property. Landlord's obligation to carry the insurance provided for herein may be satisfied by blanket policies if the coverage required hereunder is satisfied.

7.3 Waiver of Subrogation. Landlord and Tenant (for themselves and their insurers) each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, against any of the parties to the REA referred to in Article 8 hereof (the "Parties") and against other tenants of the Property (provided such Parties and other tenants have waived such rights against Landlord and Tenant), on account of any loss by or damage to the waiving party or its property or the property of others under its control (including as to Tenant the Premises and its contents, and as to Landlord the other portions of the Property), arising from any risk generally covered by fire and extended coverage insurance. The foregoing waivers of subrogation shall be required hereunder only if (a) then available in the State where the Property is located, and (b) such waiver does not invalidate the applicable policy.

Article 8. TITLE OF LANDLORD. Not applicable.

Article 9. TENANT'S RIGHT TO MAKE ALTERATIONS.

9.1 Permitted Improvements. Subject to the terms of this Article 9, Tenant may from time to time after completion of Tenant's Work and at its own expense, make alterations, additions,

improvements and changes (individually and collectively referred to in this Article 9 as "improvement(s)" in and to the interior of the Premises after first giving notice to Landlord of the improvement work proposed to be done and providing Landlord with all plans for such proposed improvement work. Tenant may not make any improvement which reduces the value of the Premises or is of a structural nature. No single improvement costing more than \$25,000.00 may be made without first obtaining the written approval of Landlord. In addition, no improvement shall be made to any storefront, mechanical system, or exterior wall or to the roof of the Premises, nor shall Tenant erect any mezzanine or increase the size of an existing mezzanine, unless and until the written consent and approval of Landlord is first obtained, which approval shall be subject to Landlord's sole discretion.

No penetration into or through the roof or floor of the Premises may be made without Landlord's prior written approval of the reason for such penetration and the method by which it is to be done. If Landlord approves any such penetration, Landlord shall have the absolute right to select and supervise the contractor performing such penetration. Tenant shall be liable for any damage caused by any such penetration, whether or not so approved by Landlord.

9.2 Construction Requirements. All improvements to be made to the Premises which require the approval of Landlord shall be performed under the supervision of a competent architect or competent licensed structural engineer and shall be made in accordance with plans and specifications first approved in writing by Landlord before the commencement of work. All improvements shall be constructed in a good and workmanlike manner in accordance with all applicable laws (including any laws relating to the use of hazardous materials, such as asbestos containing materials) and diligently completed. Before commencement of any construction, Tenant shall deliver a copy of the building permit to Landlord and shall provide Landlord with the name of the general contractor being used to perform the work. Upon completion of such improvements, Tenant shall file a Notice of Completion for record in the office of the County Recorder where the Property is located, as required or permitted by law. Tenant shall provide Landlord with "as built" plans, copies of all construction contracts, and proof of payment for all labor and materials in connection with any improvements made to the Premises. Upon expiration or earlier termination of this Lease, such improvements shall become a part of the Premises and shall not be removed by Tenant. In constructing such improvements, Tenant shall have the work performed in such a manner as not to obstruct access to the premises of any other tenant in the Property.

9.3 Insurance Requirements. If Tenant makes any permitted improvements to the Premises under the provisions of this Article 9, Tenant shall carry insurance covering any such improvements satisfying the requirements of Article 7.1(iii). It is expressly understood and agreed that no such improvements will be insured by Landlord under the insurance it may carry upon the Building or Property, nor shall Landlord be required to reinstall any such improvements made by Tenant under any provision of Article 16 for reconstruction of the Premises.

Article 10. MECHANICS' LIENS.

10.1 Tenant's Covenants. Tenant shall pay all costs for work done by or for Tenant in the Premises, and Tenant shall keep the Premises, Building and Property free of all mechanics' liens and other liens on account of work done for Tenant. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all liability, loss, damage, costs, reasonable attorneys' fees and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished to or for Tenant or persons claiming under Tenant. In addition, Tenant shall keep Tenant's leasehold interest and any of those improvements to the Premises which are or become property of Landlord pursuant to this Lease free of all

attachment or judgment liens.

10.2 Tenant's Contest of Lien. If Tenant desires to contest any claim of lien arising from work done by or for Tenant in the Premises, Tenant shall first furnish Landlord adequate security in the amount of the claim, plus estimated costs and interest, or a bond of a responsible corporate surety in such amount, conditioned on the discharge of the lien. If a final judgment establishing the validity or existence of any such lien for any amount is entered, Tenant shall immediately pay and satisfy such judgment.

10.3 Landlord's Right to Cure. If Tenant is in default in paying any charge for which a lien claim and suit to foreclose the lien have been filed, and Tenant has not given Landlord adequate security to protect the Premises, the property therein, and the Building, Property and Landlord from liability for such claim of lien, Landlord may (but shall not be required to) pay the claim and any associated costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection with such payment shall be immediately due and owing from Tenant to Landlord. Tenant shall pay the amounts so owed to Landlord with interest at the maximum lawful rate from the date of Landlord's payment which rate shall not exceed twelve (12%) percent.

10.4 Notice of Lien. If any claim of lien is filed against the Premises or any action affecting the title to the Premises or the property therein is commenced, the party receiving notice of such lien or action shall immediately give the other party written notice thereof.

10.5 Notice of Non-Responsibility. Landlord or its representatives shall have the right to enter and inspect the Premises at all reasonable times and shall have the right to post and keep posted thereon notices of non-responsibility, or such other notices which Landlord deems proper for the protection of Landlord's interest in the Premises. Tenant shall, before commencing any work which might result in the filing of a lien, give Landlord written notice of its intention to so commence work in sufficient time to enable Landlord to post such notices.

Article 11. ADVERTISING MEDIA. Not applicable.

Article 12. FIXTURES AND PERSONAL PROPERTY.

12.1 Removal and Replacement. All of Tenant's trade fixtures, furnishings, furniture, signs and other personal property not permanently affixed to the Premises (collectively referred to as "Personal Property") shall be in good condition when installed in or attached to the Premises by Tenant and shall remain the property of Tenant. If Tenant is not then in default under the terms of this Lease, Tenant shall have the right to remove its Personal Property from the Premises. Tenant shall, at its expense, immediately repair any damage to the Premises resulting from removal of its Personal Property, and on the expiration or earlier termination of the Term shall leave the Premises in a neat and clean condition, free of debris.

12.2 Fixtures. All improvements to the Premises made by or for Tenant, excluding Tenant's Personal Property, but including mechanical systems, light fixtures, floor coverings and partitions and all other items comprising Tenant's improvements (collectively referred to as "Fixtures"), shall become the property of Landlord upon expiration or earlier termination of this Lease. Tenant shall surrender the Leased Premises in a neat and clean condition, and Tenant shall repair any holes or openings made by Tenant in the walls, roof or floor of the building, remove any protuberance and perform any maintenance or repairs required of Tenant by this Lease. If directed to do so by Landlord, Tenant shall also remove any improvements, additions or alterations made to the Leased Premises by Tenant even though such improvements by the terms of this Lease become a part of

the Leased Premises. At Landlord's election, in lieu of restoring the Premises to its original condition, Tenant shall pay to Landlord on demand Landlord's estimated cost of such restoration.

12.3 Personal Property Taxes. Tenant shall pay before delinquency all taxes (including sales and use taxes), assessments, license fees and public charges levied, assessed or imposed upon its business operations, merchandise, trade fixtures and/or Personal Property. If any such items of property are assessed with any Larger Parcel, Tenant shall pay Landlord the taxes attributable to Tenant's personal property within 30 days after Tenant's receipt of a written statement from Landlord setting forth such personal property taxes. Landlord shall reasonably determine the basis of prorating any such assessments and such determination shall be binding on Landlord and Tenant.

Article 13. ASSIGNING, MORTGAGING, SUBLETTING, CHANGE IN OWNERSHIP.

13.1 One Year Prohibition Against Transfer. Not applicable.

13.2 Restrictions on Transfer. Not applicable.

13.3 Grounds for Withholding Consent. Not applicable.

13.4 No Release from Liability. Not applicable.

13.5 Transferee's Obligations. Not applicable.

13.6 Division of Profit Between Landlord and Tenant. Not applicable.

13.7 Further Restrictions. Not applicable.

Article 14. TENANT'S CONDUCT OF BUSINESS.

14.1 Tenant's Operating Covenants. Tenant agrees that from and after its initial opening for business it shall, subject to the provisions of Article 16.5 hereof, operate and conduct its business in the Premises in accordance with the provisions of this Lease. Tenant shall at all times keep and maintain in the Premises an adequate stock of merchandise and trade fixtures to satisfy the usual and ordinary demands and requirements of its customers and shall keep the Premises in a neat, clean and orderly condition.

14.2 Hours and Days of Operation. Not applicable.

14.3 Radius Provision. Not applicable.

14.4 Financial Statements. Not applicable.

Article 15. REPAIR AND MAINTENANCE OF THE PREMISES.

15.1 Tenant's Obligations. Tenant shall, at its expense and at all times from and after substantial completion of the Premises, repair, replace and maintain in good and tenantable condition, the Premises and every part thereof (except portions of the Premises to be maintained by Landlord under Article 15.2), including without limitation, the utility meters, pipes and conduits serving the interior of the Premises, all fixtures, the storefront, plate glass, all signs, locks and closing devices, all window sashes, casements or frames, doors and door frames, security grilles or similar

enclosures, floor coverings, including carpeting, terrazzo or other special flooring, all other equipment installed in the Premises, and all such items of repair, maintenance, alteration and improvement or reconstruction to the Premises as may at any time or from time to time be required by any governmental agency having jurisdiction thereof. All exterior and interior glass in the Premises shall be maintained by Tenant and any glass broken shall be promptly replaced by Tenant at its expense with glass of the same kind, size, and quality.

Upon surrender of the Premises, Tenant shall deliver the Premises to Landlord in good order, condition and repair, but Tenant shall not be responsible for ordinary wear and tear to the Premises, damage due to insured casualty losses covered by Article 16 or for any items of repair which are Landlord's obligation under Article 15.2.

15.2 Landlord's Obligations. Subject to Tenant's obligations under Article 15.1 and Landlord's further obligations, if any, under Article 18.2, Landlord shall, at the expense of Tenant and all other tenants of the Property, repair and maintain in good and tenantable condition the roof, and HVAC system serving the Premises. Landlord shall bill Tenant for Tenant's Proportionate Share of the cost of such repairs and maintenance as a part of Common Area Costs under Article 18 hereof.

Notwithstanding anything to the contrary contained herein, (i) Tenant shall be responsible for the cost of repairs to the HVAC system serving the Premises (which Landlord may bill to Tenant as a part of Common Area Costs under Article 18 hereof), and (2) Tenant shall be responsible at its expense for making any repairs necessitated by reason of the negligence or intentional misconduct of Tenant, its agents, employees, principals, invitees or contractors, or by reason of the failure of Tenant to perform or observe any of its obligations under this Lease or by reason of alterations, additions, or improvements to the Premises made by Tenant. Notwithstanding the foregoing, Landlord shall have the right (but shall not be required to) make such repairs so necessitated by Tenant. If Landlord elects to make such repairs on Tenant's behalf, Tenant shall pay to Landlord any such costs incurred by Landlord promptly following receipt of a bill therefor.

Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be liable to Tenant for failure to make repairs required of Landlord hereunder unless Tenant has previously notified Landlord in writing of the need for such repairs and Landlord has failed to commence and complete those repairs within a reasonable period of time following receipt of Tenant's notice.

15.3 Tenant's Failure to Maintain Premises. If Tenant fails to repair or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to Landlord, Landlord shall have the right (in addition to all other rights and remedies provided herein for breach of this Lease), but not the obligation, upon giving Tenant reasonable written notice of its election to do so (and opportunity to cure), to make such repairs or perform such maintenance on behalf of and for the account of Tenant. In such event the cost of such work shall be paid to Landlord by Tenant promptly following receipt of a bill therefore, plus an administrative fee equal to fifteen percent (15%) of such costs. Landlord's exercise of such right shall not prejudice Landlord's right to seek otherwise available remedies for Tenant's default.

15.4 Landlord's Right of Entry. Landlord or its authorized representatives may enter the Premises at all times during normal business hours, upon no less than 24 hours prior written or telephonic notice (except in the case of an emergency), to inspect the Premises, make repairs to the Premises authorized hereunder or perform any work therein (i) needed to comply with any laws, ordinances, rules or regulations of any public authority or the Insurance Services Office or any similar body, (ii) that Landlord deems necessary to prevent waste or deterioration in or to the Premises if Tenant fails to make repairs or perform required work promptly after receipt of written demand from

Landlord, or (iii) that Landlord deems necessary in connection with the expansion, reduction, remodeling, or renovation of any portion of the Property. Nothing herein implies any duty of Landlord to do any such work which, under any provision of this Lease, Tenant is required to do, nor shall Landlord's performance of any repairs on behalf of Tenant constitute a waiver of Tenant's default in failing to do such work. No exercise by Landlord of any rights hereunder shall entitle Tenant to any compensation, damages or abatement of Rent for any injury or inconvenience occasioned by such exercise. If Landlord makes or performs any repairs provided for in (i) or (ii) above, Tenant shall pay the cost thereof to Landlord as additional rent promptly upon receipt of a bill therefore, plus an administrative fee equal to fifteen percent (15%) of such costs. Landlord's exercise of such right shall not prejudice Landlord's right to seek otherwise available remedies for Tenant's default. Landlord shall also have the right to enter upon the Premises at any time within the last ninety (90) days of the Term, to show the Premises for lease to subsequent potential tenants.

Article 16. CASUALTY DAMAGE AND RECONSTRUCTION.

16.1 Insured Casualty. If the Premises are damaged by fire or other perils covered by Landlord's fire and extended coverage insurance, then within 90 days after the date of such damage Landlord shall commence repair, reconstruction and restoration of the Premises and diligently complete such repairs, in which event this Lease shall continue in full force and effect. Notwithstanding the foregoing, if there is partial or total destruction of the Premises during the last 3 years of the Term, Landlord and Tenant shall each have the option to terminate this Lease by written notice to the other given within 30 days after such destruction. For purposes of this option "partial destruction" shall mean destruction to the extent of 33 1/3% or more of the full replacement cost of the Premises as of the date of destruction.

16.2 Uninsured Casualty. If the Premises are damaged to any extent by act of war, nuclear reaction, nuclear radiation or radioactive contamination, or from any other casualty not covered by Landlord's fire and extended coverage insurance (including flood or earthquake damage if not covered under insurance maintained by Landlord), Landlord may within 90 days following the date of such damage, either (a) commence repair, reconstruction or restoration of the Premises and diligently complete it, in which event this Lease shall continue in full force and effect, or (b) elect not to repair, reconstruct or restore the Premises, in which event this Lease shall cease and terminate as of the date of destruction. In either such event Landlord shall give Tenant written notice of its election hereunder within said 90 day period.

16.3 Reconstruction Responsibilities. Any reconstruction of the Premises under this Article 16 shall cover all work set forth therein as "Landlord's Work" and Tenant improvements. Landlord shall reconstruct the Premises only to the extent of Landlord's Work, if any. Tenant, at its expense, shall reconstruct all Tenant improvements, and shall replace its merchandise, trade fixtures, furniture, furnishings and equipment. Tenant shall promptly commence reconstruction of Tenant improvements and shall diligently complete the same, replace its merchandise, trade fixtures, furniture, furnishings and equipment, and resume normal business operations in the Premises.

16.4 Release from Liability. Upon any termination of this Lease under any of the provisions of this Article 16 each party shall be released from further obligations to the other party under this Lease, except for any obligations which have previously accrued. In the event of termination of this Lease, all proceeds from Tenant's fire and extended coverage insurance under Article 7.1 covering Tenant improvements, but excluding proceeds for trade fixtures, furnishings, furniture, merchandise, signs and other personal property, shall be paid to Landlord.

16.5 Abatement of Rent. In the event of reconstruction of the Premises under this Article 16, the Minimum Monthly Rent otherwise payable under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired and to the extent of rental interruption insurance proceeds received by Landlord. Such abatement shall commence on the date of destruction and continue during any period of reconstruction and replacement provided for in Article 16.3. Tenant shall continue to operate its business on the Premises during any such abatement period to the extent practical as a matter of prudent business management, and the obligation of Tenant to pay percentage rental and additional rent hereunder shall remain in full force and effect. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises, Building, Property or Tenant's personal property, or for any inconvenience or annoyance suffered by reason of damage or destruction thereto, or the reconstruction or replacement thereof, provided such limitation on Landlord's responsibility shall not limit Tenant's ability to seek compensation, reimbursement or damages from Tenant's applicable insurance policies or other parties, subject to Landlord's rights to any insurance proceeds as set forth in this Lease.

16.6 Waiver of Statutory Rights of Termination. Tenant hereby waives any statutory rights of termination which may arise by reason of any partial or total destruction of the Premises, Building or Property which Landlord is obligated to restore or may restore under any of the provisions of this Lease, in favor of the provisions of this Article 16.

Article 17. EMINENT DOMAIN.

17.1 Takings Resulting in Termination. If the entire Premises is appropriated or taken (a "taking") under the power of eminent domain by any public or quasi-public authority (an "authority"), this Lease shall terminate as of the date of such taking.

If 25% or more of the Floor Area of the Premises is taken under the power of eminent domain by any authority, or if by reason of any taking, regardless of the amount taken, the remainder of the Premises is not one undivided parcel of property, either Landlord or Tenant may terminate this Lease as of the date Tenant is required to vacate a portion of the Premises, upon giving notice in writing of such election within 30 days after receipt by Tenant from Landlord of written notice that the Premises have been so taken. Landlord shall promptly give Tenant notice in writing of any taking after learning of it.

If more than 25% of the Floor Area of the Property or of the Common Areas is taken (whether or not the Premises are so taken) under the power of eminent domain by any authority, Landlord shall have the right to terminate this Lease as of the date any such areas are to be initially vacated by giving Tenant written notice of such election within 30 days of the date of such taking.

If this Lease is terminated as provided in this Article 17.1 Landlord and Tenant shall each be released from any further obligations to the other party under this Lease, except for any obligations which have previously accrued.

17.2 Takings Not Resulting in Termination. If both Landlord and Tenant elect not to exercise any right granted hereunder to terminate this Lease in connection with a taking, or the Lease is not terminable in connection with a taking, Tenant shall continue to occupy that portion of the Premises which was not taken, and (a) at Landlord's cost and expense and as soon as reasonably possible, Landlord will restore the Premises on the land remaining to a complete unit of like quality and character as existed prior to such taking; and (b) the Minimum Monthly Rental provided for in Article 2.5. and Article 3 shall be reduced on an equitable basis, taking into account the relative value of

the portion of the Premises taken as compared to the portion remaining. Tenant hereby waives any statutory rights of termination which may arise by reason of any partial taking of the Premises under the power of eminent domain.

17.3 Award. If this Lease is terminated under Article 17.1, or modified under Article 17.2, Landlord shall be entitled to receive the entire condemnation award for the taking of all real property interests in the Premises. The Rent and other charges for the last month of Tenant's occupancy shall be prorated and Landlord shall refund to Tenant any Rent or other charges paid in advance. Notwithstanding the foregoing and provided Tenant's award does not reduce or affect Landlord's award, Tenant's right to receive a condemnation award for the taking of its merchandise, Personal Property, goodwill, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this Article 17.3.

17.4 Transfer Under Threat of Taking. For the purposes of this Article 17, a voluntary sale or conveyance under threat of and in lieu of condemnation shall be deemed a taking under the power of eminent domain.

Article 18. COMMON AREAS.

18.1 Use of Common Areas. Tenant and its employees and invitees are, except as otherwise specifically provided in this Lease, authorized to use the Common Areas in common with other persons during the Term.

18.2 Landlord's Maintenance Responsibilities; Common Area Costs. Tenant shall keep the Common Areas reasonably neat, clean and orderly, lighted and landscaped, and shall repair any damage to Common Area facilities, to standards reasonably determined by Landlord.

18.3 Method of Payment. Not applicable.

18.4 Control of Common Areas. Landlord shall have the right at all times to determine the nature and extent of the Common Areas and to make changes from time to time which in Landlord's opinion are desirable and in the best interests of all persons using the Common Areas. Landlord's rights hereunder include without limitation, the right to install, remove, relocate and change driveways, entrances, exits, automobile parking spaces, the direction and flow of traffic, prohibited areas, landscaped areas, utilities and all facilities of the foregoing. Landlord shall give written notice to Tenant no later than 10 days prior to commencing any such work on the Common Areas that would reasonably be expected to affect Tenant's business operations or access to the Premises.

18.5 Rules and Regulations. Landlord shall have the right to establish, and from time to time change, alter and amend, and to enforce against Tenant and the other users of the Common Areas, such reasonable rules and regulations (including the exclusion of employees' parking from Common Areas) as Landlord may deem necessary or advisable for the proper and efficient operation and maintenance of the Common Areas. The rules and regulations may include, without limitation, the hours during which the Common Areas, including any enclosed mall, shall be open for use.

18.6 Employee Parking. Not applicable.

18.7 Customer Parking. Tenant and Tenant's customers and employees shall be permitted to park, at no cost to Tenant, in the non-exclusive areas in the Common Areas designated for parking.

Article 19. DEFAULTS BY TENANT.

19.1 Events of Default. Each of the following shall constitute a material default and breach under this Lease:

- (a) If Tenant is at any time in default of its obligation to pay any Rent or other charges, and such default continues for more than 5 days after written notice of such default;
- (b) If Tenant is in default in the prompt and full performance of any other of its obligations under this Lease and such default continues more than 30 days after written notice specifying the particulars of such default, (provided, however, if the default cannot be rectified or cured within such thirty (30) day period, the default shall be deemed to be rectified or cured if Tenant, within such thirty (30) day period, shall have commenced to rectify or cure the default and shall thereafter diligently and continuously prosecute same to completion, provided the total cure period shall not exceed ninety (90) days);
- (c) If Tenant vacates or abandons the Premises or otherwise fails to occupy and operate the Premises in accordance with Article 14;
- (d) (i) If Tenant or any guarantor of this Lease makes a general assignment or general arrangement for the benefit of creditors; or (ii) if a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Tenant or any guarantor and is not dismissed within thirty (30) days; or (iii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease and possession is not restored to Tenant within thirty (30) days; or (iv) if substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If a court of competent jurisdiction determines that any of the acts described in this subparagraph (d) is not a default under this Lease, and a trustee is appointed to take possession of Tenant's assets or if Tenant remains a debtor in possession and such trustee or Tenant transfers Tenant's interest in this Lease, then Landlord shall receive, as additional rent, the excess, if any, of the rent (or any other consideration) paid in connection with such assignment or sublease over the Rent payable by Tenant hereunder; or
- (e) If any guarantor of the Lease revokes or otherwise terminates, or purports to revoke or otherwise terminate, any guaranty of all or any portion of Tenant's obligations under the Lease. Unless otherwise expressly provided, no guaranty of the Lease is revocable.

19.2 Remedies Upon Breach of Lease. On the occurrence of any breach of this Lease by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

- (a) Terminate Tenant's right to possession of the Premises and reenter the Premises by any lawful means, in which case this Lease shall terminate. In such case Tenant shall immediately surrender possession of the Premises to Landlord; or
- (b) Maintain Tenant's right to possession of the Premises, in which case this Lease shall continue in effect whether or not Tenant has abandoned the Premises. In such event Landlord shall be entitled to enforce all Landlord's rights and remedies under this Lease, including the right to recover the Rent as it becomes due and Landlord shall have the right to occupy or re-let the whole or any part of the Premises for the account of Tenant; (Landlord shall have the remedy described in California Civil Code § 1951.4); or

(c) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Property is located.

If Landlord reenters the Premises under the provisions of subparagraph (b) above, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Rent or other charges that are due or thereafter accruing, or Tenant's liability for damages under any of the provisions hereof. In the event of any entry or taking possession of the Premises as aforesaid, Landlord shall have in addition to its rights under Article 19.4 hereof, the right, but not the obligation, to remove from the Premises any personal property located therein and to place it in storage at a public warehouse at the expense and risk of Tenant.

Notwithstanding any other term or provision hereof to the contrary, this Lease shall terminate on the occurrence of any act which affirms Landlord's intention to terminate this Lease as provided in this Article 19.2, including the filing of an unlawful detainer action against Tenant. On such termination, Landlord's damages for default shall include all costs and fees, including reasonable attorneys' fees, incurred by Landlord in connection with the filing, commencement, pursuing or defending of any action in any bankruptcy court or other court with respect to the Lease, the obtaining of relief from any stay in bankruptcy restraining any action to evict Tenant, or the pursuing of any action with respect to Landlord's right to possession of the Property. All such damages suffered (apart from Minimum Monthly Rent and other Rent payable hereunder) shall constitute pecuniary damages which must be reimbursed to Landlord prior to assumption of the Lease by Tenant or any successor to Tenant in any bankruptcy or other proceeding.

Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

It is understood and agreed that this Lease is a lease of real property within the meaning of 11 U.S.C. Section 365(b)(3) of the Bankruptcy Code.

19.3 Landlord's Damages. If Landlord elects to terminate this Lease and Tenant's right to possession of the Premises in accordance with the provisions of this Lease, Landlord may recover from Tenant as damages, all of the following:

- (i) The worth at the time of award of any unpaid Rent and other charges which has been earned at the time of such termination; plus
- (ii) The worth at the time of award of the amount by which the unpaid Rent and other charges which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves Landlord could have reasonably avoided; plus
- (iii) The worth at the time of award of the amount by which the unpaid Rent and other charges which Tenant would have paid for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves Landlord could have reasonably avoided; plus
- (iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including without limitation, any costs or expenses incurred by Landlord in (a) maintaining or preserving the Premises after such default, (b) recovering possession of the Premises, including reasonable attorneys' fees therefore, (c) expenses of re-letting the Premises to a new tenant, including necessary renovations or alterations of the

Premises, reasonable attorneys' fees incurred, and leasing commissions incurred; plus

(v) Such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State where the Property is located.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is computed by allowing interest on unpaid amounts at the rate of 10% per annum. As used in subparagraph (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank located nearest to the Property in effect at the time of award, plus 1%.

For purposes of this Article 19, all Rent other than Minimum Monthly Rent, shall, for purposes of calculating any amount due under the provisions of subparagraph (iii) above, be computed on the basis of the average monthly amount of Rent payable by Tenant during the immediately preceding 36 month period, except that if it becomes necessary to compute such rental before such 36 months of the Term has expired, then such Rent shall be computed on the basis of the average monthly amount of Rent payable during such shorter period.

19.4 Landlord's Termination Option. Landlord shall, upon the occurrence of two (2) Events of Default during the base term or any extensions thereof, have the right to cancel and terminate this Lease. Landlord shall give notice to Tenant of Landlord's exercise of the Termination Option not later than thirty (30) days prior to the proposed termination date set forth in such notice. In the event Landlord shall give such notice of termination pursuant to the provisions of this Article 19.4, this Lease, along with any subsequent amendments, addenda, options, or other lease-related documents shall come to an end and expire on the termination date set forth in the notice of termination, with the same force and effect as though said date were the Expiration Date, unless sooner terminated pursuant to any other term, covenant or condition of this Lease, or pursuant to law.

19.5 No Waiver. The waiver by Landlord of any breach by Tenant of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition, of any subsequent breach thereof, or of any other term, covenant or condition of this Lease. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease or of any right of Landlord to a forfeiture of the Lease by reason of such breach, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No term, covenant or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing and signed by Landlord.

Article 20. DEFAULTS BY LANDLORD.

If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within 30 days after receipt of written notice from Tenant specifying such failure (or if such failure cannot reasonably be cured within 30 days, if Landlord does not commence to cure the failure within that 30 day period), then such failure shall constitute a default hereunder and Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's default; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title and interest in the Premises or Building, and no other real, personal or mixed property of Landlord (or of any of the partners which comprise Landlord, or of partners or principals of such partners comprising Landlord, if any, or of Landlord's officers, shareholders or directors, if

any) wherever situated, shall be subject to levy, attachment or execution, or otherwise used to satisfy any such judgment. Tenant hereby waives any right to satisfy a judgment against Landlord except from the rents, issues, profits and other income actually received on account of Landlord's right, title and interest in the Premises or Building.

If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided below, Tenant shall not have the right to terminate this Lease, or to withhold, reduce or offset any cost of such cure against any payments of Rent or any other charges due and payable to Landlord under this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or and injunction.

Tenant agrees to send by certified or registered mail to any mortgagee or deed of trust beneficiary of the property whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, Tenant shall provide any such mortgagee or beneficiary with notice of such failure and such mortgagee or beneficiary shall have an additional 30 days following receipt of such notice to cure such default; provided that if such default cannot reasonably be cured within that additional 30 day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.

Article 21. ATTORNEYS' FEES.

If at any time after the date hereof either Landlord or Tenant institutes any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, the losing party in such action or proceeding shall reimburse the winning party for its reasonable expenses of attorneys' fees and all costs and disbursements incurred, including, without limitation, any such fees, costs or disbursements incurred on any appeal from such action or proceeding. Subject to the provisions of local law, the winning party shall recover all such fees, costs or disbursements as costs taxable by the court or arbiter in the action or proceeding itself without the necessity for a cross-action by the winning party.

Article 22. SUBORDINATION – ATTORNMENT.

22.1 Subordination. This Lease is subject and subordinate to the lien of any mortgages or any liens resulting from any method of financing or refinancing now or hereafter existing and secured by all or a part of the Project (hereinafter collectively referred to as "Mortgage") and to include all renewals, modifications, replacements, consolidations and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required. Notwithstanding the above, within 10 days after receipt of a written request from Landlord, any first mortgagee or first deed of trust trustee or beneficiary of Landlord, or any lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien or security interest of the first mortgage or deed of trust (including all future advances made thereunder subsequent to the effective date of this Lease), the interest of any lease in which Landlord is the lessee, or any REA that may burden the Premises, Building, , Property or any future improvements made to the Property (or, at Landlord's direction, cause the lien of said mortgage, deed of trust or the interest of any lease in which Landlord is the lessee to be subordinated to this Lease). Without prejudice to any remedies provided for in connection with Tenant's default of this Lease, if Tenant fails to timely provide such written subordination in accordance with this Article, then upon an additional ten (10) days notice from Landlord, Tenant will pay to Landlord as Additional Rent a late charge of \$250.00 per day for each day thereafter until such documents are provided.

22.2 Attornment. If Landlord's interest in the Premises is acquired by any ground lessor, beneficiary under a deed of trust, mortgagee or purchaser at a foreclosure sale, then Tenant shall upon request, attorn to such transferee of or successor to Landlord's interest in the Premises and recognize such transferee or successor as Landlord under this Lease, provided such transferee or successor accepts the Premises subject to this Lease.

22.3 Estoppel Certificate. Tenant shall, at any time and from time to time, within ten (10) calendar days' written notice from Landlord, execute, acknowledge and deliver to Landlord a written statement certifying (i) that this Lease represents the entire agreement between Landlord and Tenant, and is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (ii) the dates to which the Rent and other charges are paid in advance, if any; (iii) the Commencement Date and expiration date of the Lease Term; (iv) whether Tenant has assigned or transferred this Lease or any interest of Tenant therein; and (v) that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder and that Tenant has no right of offset, counterclaim or deduction against Rent, or specifying such defaults if any are claimed together with the amount of any offset, counterclaim or deduction alleged by Tenant. Any such statement may be relied upon by any prospective purchaser or lender upon the security of the real property of which the Building and the Premises are a part. Tenant's failure to deliver such statement within the time required shall be conclusive and binding upon Tenant that (a) this Lease is in full force and effect, without modification except as may be represented by Landlord, (b) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counterclaim or deduction against Rent, and (c) no more than one month's Rent has been paid in advance. Without limiting the foregoing, or prejudicing any remedies provided for in this Lease, if Tenant fails to timely provide such certificate in accordance with this Article, then upon an additional ten (10) days notice from Landlord, Tenant will pay to Landlord as Additional Rent a late charge of \$250.00 per day for each day thereafter until such documents are provided.

Article 23. QUIET POSSESSION.

Landlord agrees that Tenant, upon paying the Rent and timely performing its obligations under this Lease, may quietly have, hold and enjoy the Premises during the Term or any extension thereof; subject, however, to any rights of entry specifically granted to Landlord hereunder, any REA and any mortgages, deeds of trust, ground or underlying leases, agreements, encumbrances and/or other Matters of Record to which this Lease is subordinate.

Article 24. HOLDING OVER.

If Tenant remains in possession of the Premises after the expiration of the term of this Lease without executing a new Lease, or after Landlord has declared a forfeiture by reason of a default by Tenant, then such holding over shall be construed as a tenancy from month to month, subject to all the conditions, provisions and obligations of this Lease insofar as they are applicable to a month-to-month tenancy. The Minimum Monthly Rental payable during any period of holding over should be equal to one hundred fifty percent (150%) of the Minimum Monthly Rental payable during the period immediately preceding Tenant's holding over.

Article 25. CAPTIONS; JOINT AND SEVERAL LIABILITY.

25.1 Captions. The captions of the Articles and Sections of this Lease are for convenience only, are not operative parts of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

25.2 Joint and Several Liability. If two or more persons or entities execute this Lease as Landlord or Tenant then such persons or entities shall be jointly and severally liable for compliance with and performance of all the terms, covenants and provisions of this Lease.

Article 26. NOTICES.

Wherever this Lease requires or permits notice or demand to be given by either party to the other, such notice or demand shall be in writing and given or served either personally or in writing forwarded by certified mail, return receipt requested, or by overnight mail carrier addressed to the parties at the addresses specified in Section 2.4. hereof. Either party may change such address by written notice to the other as herein provided.

Article 27. OBLIGATIONS OF SUCCESSORS.

Except as otherwise provided herein, all of the provisions of this Lease shall bind and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns.

Article 28. CONSENT OF LANDLORD AND TENANT.

Wherever in this Lease consent or approval is required from either party to any action by the other, such consent or approval shall be given in writing and shall not be unreasonably withheld, unless otherwise expressly provided in this Lease. Landlord shall not be deemed to have withheld its consent unreasonably where Landlord's right to give its consent is dependent on Landlord obtaining the consent of any other person, agency or authority having the right to withhold its consent pursuant to any agreement or law and such person, agency or authority does withhold its consent.

If Landlord or Tenant unreasonably fails to give any such consent, the other party shall be entitled to specific performance in equity and shall have such other remedies as are reserved to it under this Lease, but in no event shall Landlord or Tenant be responsible in monetary damages for failure to give consent unless such consent is withheld maliciously or in bad faith.

Article 29. SECURITY DEPOSIT.

29.1 Payment of Security Deposit. Tenant has deposited with Landlord the sum specified in Section 2.9. hereof as the "Security Deposit," receipt of which is hereby acknowledged. The Security Deposit shall be held by Landlord without liability for interest as security for the faithful performance by Tenant of all of its obligations under this Lease. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the prior written consent of Landlord and any such action by Tenant without such consent shall be without force and effect and not binding on Landlord.

29.2 Application of Security Deposit. If any Rent herein reserved or any other sum payable by Tenant to Landlord is overdue and unpaid or paid by Landlord on Tenant's behalf, or if Tenant fails to perform any of its obligations under this Lease, then Landlord may, at its option and without prejudice to any other remedy which Landlord may have, appropriate and apply the entire Security Deposit or so much as is necessary to compensate Landlord for loss of Minimum Monthly Rent or additional rent, or other damages sustained by Landlord due to such default by Tenant. Tenant shall forthwith upon demand restore the Security Deposit to the original sum deposited. If Tenant complies with all of the terms of the Lease and promptly pays when due all Rent and all other sums

payable by Tenant under this Lease, the Security Deposit (or the balance thereof remaining) shall be returned in full to Tenant not later than 14 days following the end of the Term and delivery of possession of the Premises to Landlord.

29.3 Bankruptcy. In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for the earliest periods prior to the filing of such proceedings.

29.4 Transfer of Landlord's Interest. Landlord may deliver the funds deposited hereunder by Tenant to the purchaser of Landlord's interest in the Premises and Landlord shall thereupon be discharged from any further liability to Tenant for the Security Deposit. This provision shall also apply to any subsequent transfers of Landlord's interest in the Premises. In the case of such transfer of the Security Deposit, Landlord shall give written notice to Tenant of any existing claims against the Security Deposit and of the name and address of Landlord's successor.

Article 30. MISCELLANEOUS.

30.1 Relationship of the Parties. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for the debts or obligations of Tenant or anyone else.

30.2 Severability. If any provision of this Lease is determined to be void by any court of competent jurisdiction, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. It is the intention of the parties that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

30.3 Corporate Authority; Partnership Authority. If Tenant is a corporation, each person signing this Lease on behalf of Tenant represents and warrants that he has full authority to do so and that this Lease binds the corporation. Within thirty (30) days after this Lease is signed, Tenant shall deliver to Landlord a certified copy of a resolution of Tenant's Board of Directors authorizing the execution of this Lease or other evidence of such authority reasonably acceptable to Landlord. If Tenant is a partnership, each person or entity signing this Lease for Tenant represents and warrants that he or it is a general partner of the partnership, that he or it has full authority to sign for the partnership and that this Lease binds the partnership and all general partners of the partnership. Tenant shall give written notice to Landlord of any general partner's withdrawal or addition. Within thirty (30) days after this Lease is signed, Tenant shall deliver to Landlord a copy of Tenant's recorded statement of partnership, certificate of limited partnership or other evidence of partnership satisfactory to Landlord.

30.4 Entire Agreement. It is understood that there are no oral or written agreements or representations between the parties hereto affecting this Lease, and that this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, displays, projections, estimates, agreements and understandings, if any, made by or between Landlord and Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret, construe, supplement or contradict this Lease. This Lease, and all amendments hereto, are the only agreement between the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included in this Lease. There are no other representations, covenants or warranties between the parties and any reliance on representations

of a party is based solely upon the express representations, covenants and warranties contained in this Lease. Although the printed provisions of this Lease were drawn by Landlord, the parties agree that this circumstance alone shall not create any presumption, canon of construction or implication favoring the position of either Landlord or Tenant. The parties agree that any deletion of language from this Lease prior to its mutual execution by Landlord and Tenant shall not be construed to have any particular meaning or to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse, obverse or opposite of the deleted language.

30.5 Governing Law. The laws of the state where the Property is located shall govern the validity, performance and enforcement of this Lease.

30.6 Waiver or Consent Limitations. A waiver of any breach or default under the Lease shall not be a waiver of any other breach or default. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

30.7 Force Majeure. The occurrence of any of the following events shall excuse performance of such obligations of Landlord or Tenant as are rendered impossible or reasonably impracticable to perform while such event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes therefore; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental action; civil commotion; fire or other casualty; and other causes beyond the reasonable control of the party obligated to perform. Notwithstanding the foregoing, the occurrence of such events shall not excuse Tenant's obligations to pay Minimum Monthly Rent and additional rent (unless the provisions of Article 16 apply) or excuse such obligations as this Lease may nevertheless otherwise impose on the party to obey, remedy or avoid, despite such event. If any work performed by Tenant or Tenant's contractor results in a strike, lockout and/or labor dispute, such strike, lockout and/or labor dispute shall not excuse Tenant's performance hereunder.

30.8 Waiver of Redemption Rights. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event Tenant is evicted from or dispossessed of the Premises for any cause, or in the event Landlord obtains possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise. The rights given to Landlord herein are in addition to any rights that may be given to Landlord by any statute or otherwise.

30.9 Amendments. To be effective and binding on Landlord and Tenant, any amendment, modification, addition or deletion to the provisions of this Lease must be in writing and executed by both parties in the same manner as the Lease itself.

30.10 Right to Enter. Upon not less than twenty-four (24) hours notice, Landlord and/or its authorized representatives shall have the right to enter the Premises at all reasonable times for the purpose of showing the Premises to prospective purchasers or lenders.

30.11 Definition of Landlord. As used in this Lease, the term "Landlord" means only the current owner of the fee title to the Property or the leasehold estate under a ground lease of the Property at the time in question without personal liability of any of the principal of Landlord. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest in the Property

is relieved of all liabilities for the obligations of Landlord under this Lease to be performed on or after the date of transfer.

30.12 Tenant's Financial Condition. Within ten (10) days after written request from Landlord, Tenant shall deliver to Landlord such current financial statements as Landlord reasonably requires to verify the net worth of Tenant or any guarantor of Tenant, certified by an authorized representative of Tenant or guarantor, as applicable. In addition, Tenant shall deliver to any lender designated by Landlord any financial statements reasonably required by such lender to facilitate the financing or refinancing of the Property. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth in this Lease.

Article 31. BROKERS.

31.1 No Other Brokers. Tenant represents and warrants to Landlord that there are no brokers representing Tenant who are or may be entitled to any commission or fee with respect to this Lease.

Article 32. COMPLIANCE.

The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

Article 33. OTHER TERMS AND CONDITIONS.

33.1 – Total Due at Execution:

Rent for the period from January 18, 2022 to January 31, 2022: \$2,822.58
 Rent for the period from February 1, 2022 to February 28, 2022: \$6,250.00
 Security Deposit: \$6,250.00
Total Due at Execution: \$15,322.58

33.2 – Landlord Termination Option: Landlord shall have the right to terminate this Lease at any time by providing written notice at least thirty (30) calendar days prior to the then scheduled date of termination. Upon termination of this Lease, Tenant shall not be required to remove any improvements and may vacate the premises as-is.

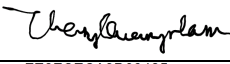
33.3 – Delivery Provisions. Landlord agrees to deliver to Tenant, on or before the Delivery Date, in "as is" condition.

33.4 – Tenant's Improvements. Tenant shall be permitted, at its sole cost and expense, to install plexiglass, dividers, etc. consistent with its use as defined in Section 2.10, provided that installation of such materials shall not damage any portion of the Premises as further described in Article 15.


LANDLORD AND TENANT have entered into this Lease on the date first above set forth.

LANDLORD: THANG QUANG PHAM & KATHY TRAM PHAM

By:


DocuSigned by:

Thang Quang Pham
FE8FCECA3D08425

By:


DocuSigned by:

Kathy Tram Pham
CF3BAB7E7A1941C...

TENANT: CITY OF GARDEN GROVE, a municipal corporation

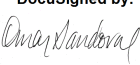
By:

DocuSigned by:

Scot C. Stiles
84F85165795F455...
Its: City Manager

By:

DocuSigned by:

Teresa Pomeroy
807E3F6CD47B463...
Its: City Clerk

Approved as to form:

DocuSigned by:

City Attorney
8A01EE779B44411...

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: City Manager Dept.: City Clerk
Subject: Receive and file minutes from the meeting held on December 14, 2021. (*Action Item*) Date: 1/25/2022

Attached are the minutes from the meeting held on December 14, 2021, recommended to be received and filed as submitted or amended.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Minutes	1/21/2022	Minutes	cc-min_12_14_2021.pdf

MINUTES

GARDEN GROVE CITY COUNCIL

Regular Meeting

Tuesday, December 14, 2021

Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE MEETING

At 6:45 p.m., Mayor Jones convened the meeting.

ROLL CALL PRESENT: (7) Council Members Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein, Mayor Pro Tem K. Nguyen, Mayor Jones

ABSENT: (0) None

INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

PRESENTATION - "MOST SUPPORTIVE CITY AWARD" FOR THE 2021 TIP, TOSS, TAKE ACTION CAMPAIGN! AS PRESENTED BY ORANGE COUNTY VECTOR CONTROL

PRESENTATION - LEGISLATIVE UPDATE FROM STATE ASSEMBLY MEMBER JANET NGUYEN

PRESENTATION - COMMUNITY SPOTLIGHT IN RECOGNITION OF CLAUDIA ALARCON FOR LEADERSHIP AND PARTICIPATION WITH THE GARDEN GROVE POLICE DEPARTMENT NEIGHBORHOOD CLEAN UP DAY

ORAL COMMUNICATIONS

Speakers: Nicholas Dibs, John Rawls, Maritza Sanchez, Kyle Mason, Rich Gomez

Written Communications: Lam Huynh, Tony Flores

SELECTION OF MAYOR PRO TEM (F: 10.2 - VIP)

It was moved by Council Member O'Neill, seconded by Mayor Pro Tem Kim Nguyen that:

Council Member D. Nguyen be selected as Mayor Pro Tem.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

CONSIDERATION OF A WRITTEN REQUEST FROM WEST GARDEN GROVE YOUTH
BASEBALL FOR CO-SPONSORSHIP OF THE 2022 OPENING DAY PARADE (F: 88.1)

Following staff introduction and City Council discussion with a request from Council Member K. Nguyen that staff provide a list of legacy events of co-sponsorships approved by the City Council, it was moved by Council Member Brietigam, seconded by Council Member Klopfenstein that:

The West Garden Grove Youth Baseball Opening Day Parade on Saturday, February 26, 2022, be co-sponsored in an amount equal to \$5,270.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

RECESS

At 7:29 p.m., Mayor Jones recessed the meeting.

RECONVENE

At 8:18 p.m., Mayor Jones reconvened the meeting with all Council Members present.

ADOPTION OF A PROCLAMATION DECLARING THAT DECEMBER 10, 2021, IS
RECOGNIZED AS HUMAN RIGHTS DAY IN GARDEN GROVE (F: 83.1)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

December 10, 2021, be and hereby proclaimed as Human Rights Day in Garden Grove.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

ADOPTION OF A RESOLUTION APPROVING PARTICIPATION IN THE NATIONAL OPIOID SETTLEMENT AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS (F: 55.1B 2021)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Resolution No. 9717-21 entitled: A Resolution of the City Council of the City of Garden Grove, California, approving participating in the National Opioid Settlement Agreement, and authorizing the City Manager to execute all related documents, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

ADOPTION OF A RESOLUTION AND APPROVAL TO SUBMIT LETTERS TO CONGRESS IN SUPPORT OF PENDING PER- AND POLYFLUROALKYL (PFAS) FEDERAL LEGISLATION (F: 67.2) (XR: 24.12)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Resolution No. 9718-21 entitled: A Resolution of the City Council of the City of Garden Grove supporting Federal PFAS legislation that protects ratepayers and water/wastewater agencies, be adopted; and

Letters be sent to Federal Congress Members and Senators requesting consideration of legislation to protect ratepayers to be signed by Mayor Jones on behalf of the City.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

ADOPTION OF A RESOLUTION ESTABLISHING A FINANCIAL HARDSHIP WAIVER PROGRAM FOR THE CITY'S NON-RESIDENT FIRST RESPONDER FEE (F: 123.1) (XR: 60.2)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Resolution No. 9719-21 entitled: A Resolution of the City Council of the City of Garden Grove establishing a fee waiver program for the City's non-resident first responder fee based on financial hardship, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

ADOPTION OF A RESOLUTION AMENDING THE SALARY SCHEDULE FOR THE CLASSIFICATION OF PUBLIC WORKS TRAINEE (F: 78.1)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Resolution No. 9720-21 entitled: A Resolution of the City Council of the City of Garden Grove, California, approving an amendment to the publicly available citywide salary and pay schedule as required by CalPers, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

ADOPTION OF A RESOLUTION FOR FISCAL YEAR 2020-2021 RENEWED MEASURE M (M2) ANNUAL EXPENDITURE REPORT (F: 23.18C)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Resolution No. 9721-21 entitled: A Resolution of the City Council of the City of Garden Grove concerning the Fiscal Year 2020-21 Measure (M2) annual expenditure report, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

APPROVAL OF AMENDMENT NO. 1 TO THE AGREEMENT WITH THE ORANGE COUNTY
CONSERVATION CORPS FOR PARK MAINTENANCE, LITTER ABATEMENT, AND
RECYCLING SERVICES (F: 55-ORANGE COUNTY CONSERVATION CORP)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Amendment No. 1 to the agreement with the Orange County Conservation Corps, in the amount of \$56,251, to provide park maintenance, litter abatement, and recycling services, be approved; and

The City Manager be authorized to sign Amendment No. 1 on behalf of the City, and to make minor modifications as necessary.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

AUTHORIZE AN INCREASE TO THE PURCHASE ORDER WITH HOME DEPOT CREDIT
SERVICES FOR THE PURCHASE OF MATERIALS AND SUPPLIES

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

The Finance Director be authorized to increase the blanket purchase order with Home Depot Credit Services for an additional \$50,000 for the purchase of building materials and supplies.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER TO NATIONAL AUTO FLEET
GROUP FOR TWO (2) NEW ADMINISTRATION VEHICLES

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

The Finance Director be authorized to issue a purchase order in the amount of \$70,946.60 to National Auto Fleet Group for the purchase of two (2) new administration vehicles.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

AUTHORIZE AN INCREASE OF A PURCHASE ORDER WITH CHARLES P. CROWLEY COMPANY FOR THE PURCHASE OF SUPPLIES FOR THE CITY'S SODIUM HYPOCHLORITE SYSTEMS AT VARIOUS WATER PRODUCTION FACILITIES

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

The Finance Director be authorized to increase the blanket purchase order with Charles P. Crowley Company, in an additional amount of \$100,000, for the purchase of parts for the City's sodium hypochlorite systems at various water production facilities.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

RECEIVE AND FILE MINUTES FROM THE MEETING HELD ON NOVEMBER 9, 2021
(F: Vault)

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

The Minutes from the meeting held on November 9, 2021, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

WARRANTS

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Payroll Checks 184751 through 184767; Direct Deposits D388431 through D389026; and Wires W2854 through W2857 have been audited for accuracy and have been verified by the Finance Director for payment, be received and filed; and

Payroll Checks 184768 through 184782; Direct Deposits D389025 through D389621; and Wires W2858 through W2861 have been audited for accuracy and have been verified by the Finance Director for payment, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

APPROVAL TO WAIVE FULL READING OF ORDINANCES LISTED

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

Full reading of ordinances listed be waived.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

PUBLIC HEARING – INTRODUCTION AND FIRST READING OF AN ORDINANCE APPROVING AMENDMENT NO. A-032-2021 (OUTDOOR DINING AREAS) (F: 115.A-032-2021)

(As approved earlier in the meeting, it was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein, and approved by a 7-0 vote, that full reading of ordinances listed be waived.)

Following staff introduction and City Council discussion Mayor Jones declared the public hearing open and asked if anyone wished to address the City Council on the matter.

Speakers: Nicholas Dibbs

There being no further response from the audience, Mayor Jones closed the public hearing.

It was moved by Mayor Jones, seconded by Council Member Bui that:

Ordinance No. 2926 entitled: An Ordinance of the City Council of the City of Garden Grove approving Amendment No. A-032-2021, a zoning text amendment to portions of Chapter 9.16 (Commercial, Office Professional, Industrial, and Open Space Development Standards) of Title 9 of the City of Garden Grove Municipal Code establishing enhanced development and operational standards and modified parking requirements for incidental outdoor dining areas associated with eating establishments/restaurants within the commercial and industrial zones, be passed to second reading.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

CONSIDERATION OF AN APPOINTMENT TO FILL A VACANCY ON THE
NEIGHBORHOOD IMPROVEMENT AND CONSERVATION COMMISSION (F: 122.4)

This item was continued to the next meeting.

ADOPTION OF AN URGENCY ORDINANCE RELATING TO TWO-UNIT RESIDENTIAL
DEVELOPMENT AND URBAN LOT SPLITS IN SINGLE-FAMILY RESIDENTIAL ZONES
PURSUANT TO SENATE BILL 9 (2021) (F: 128.5)

(As approved earlier in the meeting, it was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein, and approved by a 7-0 vote, that full reading of ordinances listed be waived.)

Following General Counsel introduction and City Council discussion, it was moved by Council Member K. Nguyen, seconded by Mayor Jones that:

Ordinance No. 2927 entitled: An Urgency Ordinance of the City Council of the City of Garden Grove relating to two-unit residential developments and urban lot splits in single-family residential zones pursuant to Senate Bill 9 (2021), be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

APPROVAL OF A CITYWIDE ENGINEERING AND TRAFFIC STUDY SURVEY, AND
INTRODUCTION AND FIRST READING OF AN ORDINANCE AMENDING CHAPTER 36 OF
TITLE 10 OF THE MUNICIPAL CODE (F: 100.1)

(As approved earlier in the meeting, it was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein, and approved by a 7-0 vote, that full reading of ordinances listed be waived.)

Following staff introduction and City Council discussion, it was moved by Council Member Klopfenstein, seconded by Council Member K. Nguyen that:

Ordinance No. 2928 entitled: An Ordinance of the City Council of the City of Garden Grove amending Chapter 36 of Title 10 of the Garden Grove Municipal Code establishing speed limits for certain designated city streets based upon an updated traffic and engineering speed survey, be passed to second reading.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

AWARD A CONTRACT TO THOMCO CONSTRUCTION INC., FOR PROJECT NO.
5031021280, GARDEN GROVE CITY HALL SECURITY ENHANCEMENT CONSTRUCTION
PROJECT (F: 55-THOMCO CONSTRUCTION INC.) (XR: 48.2)

Following staff introduction and City Council discussion, it was moved by Council Member Brietigam, seconded by Council Member K. Nguyen that:

A contract be awarded to Thomco Construction, Inc., in the amount of \$795,215.00, for Project No. 5031021280 Garden Grove City Hall Security Enhancement Construction Project;

The City Manager be authorized to execute the agreement, and make minor modifications as appropriate thereto, on behalf of the City; and

The Finance Director be authorized to request construction fund disbursements as necessary from the fiscal agent construction fund and account for all related contract transactions in fund 503.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

AWARD A CONTRACT TO VASILJ INC., FOR PROJECT NO. CP-1007000 ACACIA-
JOSEPHINE STORM DRAIN IMPROVEMENTS (F: 92.PROJ.CP-1007000)

Following staff introduction and City Council discussion, it was moved by Council Member Brietigam, seconded by Council Member K. Nguyen that:

A contract be awarded to Vasilj Inc, in the amount of \$3,197,655, for Project No. CP-1007000, Acacia-Josephine Storm Drain Improvements; and

The City Manager be authorized to execute the agreement, and make minor modifications as appropriate thereto on behalf of the City.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

SECOND READING AND ADOPTION OF ORDINANCE NO. 2925
(F:20.GPA-003-2021)(XR: 115.A-031-2021)(XR: H-20.1)

(As approved earlier in the meeting, it was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein, and approved by a 7-0 vote, that full reading of ordinances listed be waived.)

Following the reading of the title, it was moved by Mayor Jones, seconded by Council Member K. Nguyen that:

Ordinance No. 2925 entitled: An Ordinance of the City Council of the City of Garden Grove approving Zoning Amendment No. A-031-2021 making focused amendments to Title 9 of the Garden Grove Municipal Code and the zoning map to implement the General Plan Housing Element and Land Use Element updates by increasing the maximum permitted residential density in mixed use zones, implementing a mixed-use overlay zone allowing residential and mixed-use development on specified parcels, and rezoning specified parcels to allow multiple-family residential uses, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

DISCUSSION REGARDING A CITY COUNCIL POLICY TO RESTRICT CELL PHONE USE BY CITY COUNCIL MEMBERS AND STAFF DURING CITY COUNCIL MEETINGS AS REQUESTED BY COUNCIL MEMBER BRIETIGAM AND COUNCIL MEMBER BUI

Council Members Brietigam and Bui brought this matter forward, pointing out their concerns regarding public perception of council members and staff using cell phones during council meetings.

Council Members Klopfenstein and K. Nguyen expressed opposition to creating a policy that appeared to undermine their judgment in their pursuit of good governance, and that a cell phone is a tool that is used for fact checking as well as staying connected in light of any emergencies.

City Council discussion ensued with no action taken.

DISCUSSION REGARDING A FORMAL VOTE FOR PLACEMENT OF A STRAWBERRY ZEST STATUE IN FRONT OF FIRE STATION 84 ON VALLEY VIEW STREET AS REQUESTED BY COUNCIL MEMBER BRIETIGAM (F: 122.65)

Council Member Brietigam brought this matter forward noting that he is in the process of raising funds for a public art project entitled "Strawberry Zest." He passed out a photograph of the prototype that depicted a strawberry covered partially by an orange peel to pay homage to Orange County and to Garden Grove's annual Strawberry Festival. He stated he has received a commitment for funding from the Garden Grove Community Foundation, and that the piece would be sculpted by Jennifer Stewart. He asked for support from the City Council to place the sculpture in front of Fire Station 84 on Valley View Street upon completion.

Following Mayor Jones expressing support and offering assistance to fund raise, it was moved by Council Member Brietigam, seconded by Mayor Jones to place this matter on the next City Council agenda for action to consider the completed sculpture be placed in front of Fire Station No. 84 on Valley View Street pending funds raised to pay for the artwork and future maintenance.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, D. Nguyen, Bui, Klopfenstein,
K. Nguyen, Jones
Noes: (0) None

Council Member K. Nguyen congratulated the Community Services Department for their work on obtaining a six million dollar grant for improvements to Woodbury Park. She requested staff follow up with Enterprise for their annual sponsorship of Movie Night at the Buena Clinton Youth and Family Center. She thanked the City

Manager for attending her first meeting as President of the Orange County division of the League of California Cities. She is looking forward to working with the 33 member cities on pertinent issues. She congratulated Council Member Diedre Thu-Ha Nguyen for being selected as Mayor Pro Tem.

Council Member Klopfenstein congratulated Mayor Pro Tem Diedre Thu-Ha Nguyen. She expressed her pride in Garden Grove's staff outreach on behalf of Vector Control and recognized Vector Control's Community Relations staff along with Garden Grove's Community Relations staff for all of their work and community outreach.

Council Member Bui announced free COVID-19 testing available in front of QT Golden Marketplace and Food Court at 9772 Garden Grove Boulevard between 10:00 am and 2:00 pm. The tests are CDC certified, and a government ID card is required. He noted that due to allergies, he has been testing every two weeks and happily reports he is negative for COVID.

Mayor Pro Tem D. Nguyen thanked Sergeant Haller for taking her and a local reporter on a ride-along to get the story from "behind the wheel" this past Sunday, and on Saturday, she will have another ride-along during the night shift between 5:00 p.m. through 3:00 a.m. She thanked staff and volunteers at the Senior Center, noting she assisted with handing out 150 meals today through the heavy rain. She expressed her gratitude for being selected as Mayor Pro Tem, and wished everyone Happy Holiday, Merry Christmas and Happy New Year.

Council Member O'Neill expressed optimism that negotiations between Republic Services and the labor union will soon be resolved, and advised residents to continue to roll out their trash cans for pick up and be sure to put them back at night whether or not the trash has been removed. He wished everyone a Merry Christmas and Happy New Year.

Council Member Brietigam congratulated Mayor Pro Tem Diedre Thu-Ha Nguyen and wished everyone a Merry Christmas and Happy New Year. He requested staff follow-up on the flood channel gate lock off of Gilbert and Brookhurst Streets that was brought up during oral communications. He noted that with the Republic Waste labor strike for the past two weeks, there needs to be a plan in place by the City for alternatives for waste management.

City Manager Stiles reminded the community that Thursday, December 16, 2021, is the last day to turn in receipts at the Garden Grove Chamber of Commerce on Main Street for the BiGG Black Friday campaign. Details available at ggcity.org. On Saturday, December 18, 2021, SteelCraft is hosting a Holiday Hope Bizarre in partnership with Wells Fargo Foundation and Calasian Chamber of Commerce in celebration of Garden Grove's Asian American and Pacific Islander communities. He noted the Wells Fargo Foundation generously donated \$3000.00 for upgrades to Main Street with Wells Fargo employees volunteering to hang new potted plants.

Main Street merchants, Ric Lerma, Jennifer Stewart, and Elizabeth Dang have all been instrumental in putting this event together to take place Saturday, December 18, 2021, from 10:00 a.m. to noon.

Mayor Jones expressed heartfelt condolences to the families of two community members Tony Lombardi and Michelle Chupp who both recently passed away. Tony Lombardi started the Grove Body Shop in 1976, and the Lombardi name is iconic in Garden Grove and he will always be remembered with great honor. Michelle Kennedy-Chupp, a mother, wife, and teacher whose priority was her family and the safety of her community, which inspired her to spearhead a Blue Ribbon campaign to honor our Garden Grove Police Officers.

At 10:13 p.m., Mayor Jones adjourned the meeting in memory of Tony Lombardi and Michelle Kennedy-Chupp. The next Regular City Council Meeting will be on Tuesday, January 11, 2021, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy
City Clerk

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Teresa Pomeroy
Dept.:	City Manager	Dept.:	City Clerk
Subject:	Consideration of an appointment to fill a vacancy on the Neighborhood Improvement and Conservation Commission. (Continued from the meeting held on December 14, 2021, and January 11, 2022.) (<i>Action Item</i>)	Date:	1/25/2022

OBJECTIVE

For the Mayor to appoint and for the City Council to approve an appointment to fill the vacancy on the Neighborhood Improvement and Conservation Commission (NICC).

BACKGROUND

Neighborhood Improvement and Conservation Commissioner Brandon Chavira resigned on September 14, 2021, and at the City Council meeting on September 28, 2021, Mr. Chavira's resignation was accepted with regret. The City Clerk's Office posted and published a vacancy notice for the NICC on October 6, 2021, the vacancy was also published in a press release and on the City's social media platforms.

DISCUSSION

Pursuant to Garden Grove Municipal Code 2.21.010(A) and Government Code Section 40605, the Mayor, with the approval of the City Council, shall make all appointments to boards, commissions, and committees unless otherwise specifically provided by statute. The attached lists Garden Grove residents who submitted applications for the NICC who were not selected during the 2020 recruitment; as well as applications that were submitted between and for vacancies.

FINANCIAL IMPACT

None.

RECOMMENDATION

It is recommended that the Mayor and City Council:

- Consider and appoint a Neighborhood Improvement and Conservation Commissioner to fill the vacancy and complete Brandon Chavira's term.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Vacancy Notice	10/20/2021	Backup Material	NICC-_Special_Vacancy_Notice_Affidavit_of_Publication_-_OCN.pdf
Press Release	10/20/2021	Backup Material	10-4-21_NICC_vacancy_press_release.pdf
List of Applicants	1/20/2022	Backup Material	Neighborhood_Improvement_and_Conservation_Commission_List.pdf

AFFP

110966 NICC Vacancy Notice

Affidavit of Publication

STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principle clerk of the printer of ORANGE COUNTY NEWS, a newspaper of general circulation, published ONCE WEEKLY in the city of GARDEN GROVE, County of ORANGE, which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of ORANGE, State of California under the date of March 20, 1964, Case Number A-31502; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

October 06, 2021

CITY OF GARDEN GROVE

NEIGHBORHOOD IMPROVEMENT AND
CONSERVATION COMMISSION SPECIAL
VACANCY NOTICE

Pursuant to Garden Grove Municipal Code Section 2.21.013, notice is hereby given that the Garden Grove Neighborhood Improvement and Conservation Commission has an unscheduled vacancy with the term expiring December 2022. Information and a Commission application can be obtained by accessing the City's website at: www.ggcity.org or by visiting the City Clerk's Office, City Hall, 11222 Acacia Parkway, Garden Grove, California or by calling (714) 741-5040.

Commissioners are non-compensated volunteers. The Neighborhood and Conservation Commission consists of seven members who are electors residing in Garden Grove. The current vacancy is to complete the term held by Commissioner Brandon Chavira. Neighborhood Improvement and Conservation Commission meetings are regularly scheduled on the 1st Monday of March, June, September, and December at 6:30 p.m., and are held in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

/s/ TERESA POMEROY, CMC
City Clerk
Orange County News 10/6/2021-110966

That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Orange County News

Subscribed to and sworn by me this 6th day of October 2021.

00007270 00110966

75 LEGAL
OCN-CITY OF GARDEN GROVE
P.O. BOX 3070
GARDEN GROVE, CA 92842



CONTACT:
Teresa Pomeroy (714) 741-5040
City Clerk

FOR IMMEDIATE RELEASE

Public Information Office (714) 741-5280

Follow the City of Garden Grove on Social Media

Monday, October 4, 2021



CITY SEEKS CANDIDATE FOR NEIGHBORHOOD IMPROVEMENT AND CONSERVATION COMMISSION

The City of Garden Grove is seeking a qualified candidate to serve as a non-compensated commissioner on the Neighborhood Improvement and Conservation Commission (NICC). Applicants must be and remain a Garden Grove resident and a registered voter until the term expires in December 2022. To apply online, visit ggcity.org/city-clerk/applications, or request an application from the City Clerk's Office, located in Garden Grove City Hall, at 11222 Acacia Parkway. The position will remain open until filled.

Regular NICC Meetings are held on the first Monday in March, June, September, and December at 6:30 p.m., at the Garden Gove Community Meeting Center, located at 11300 Stanford Avenue. Applicants must be able to attend all meetings. The Neighborhood Improvement and Conservation Commission is an advisory commission that promotes citizen awareness, involvement, and support for neighborhood improvement and preservation, and for the efficient use and conservation of energy resources throughout the community. For more information, visit ggcity.org/city-clerk or call (714) 741-5040.

###

APPLICATIONS RECEIVED FOR THE NICC DURING THE 2020 OPEN RECRUITMENT NOT SELECTED			
	NAME	DATE SUBMITTED	DISTRICT
1.	Marion Cubero	February 1, 2020	1
2.	Juliane Nguyen	September 18, 2020	5
3.	Jarad Wallace	September 28, 2020	4
4.	Julie Rojas	October 15, 2020	4
5.	Melinda Melendez	December 10, 2020	3
6.	Donald Taylor	December 13, 2020	3
7.	William Slusser	December 19, 2020	3
8.	Ramiro Landeros Jr.	December 22, 2020	5
9.	Peterson Pham	December 23, 2020	4
10.	Tanya Cook	January 21, 2020	5

APPLICATIONS RECEIVED IN RESPONSE TO VACANCY FOR PARKS, RECREATION AND ARTS COMMISSION NOT SELECTED			
	NAME	DATE SUBMITTED	DISTRICT
1.	Kelly Seay	May 4, 2021	5
2.	Mark Merlino	May 4, 2021	3
3.	Yvonne Murray	May 5, 2021	2
4.	Donald Taylor	May 5, 2021	3
5.	Pamela Buck	May 6, 2021	1
6.	Josephine Hernandez	May 8, 2021	4
7.	Marti Carroll	May 8, 2021	5
8.	Kelli Price	May 15, 2021	2
9.	Nicholas Dibs	May 20, 2021	1

APPLICATIONS ON FILE BETWEEN RECRUITMENT AND VACANCIES			
	NAME	DATE SUBMITTED	DISTRICT
1.	Hermilo Marquez	March 3, 2021	2
2.	Briyana Negrette	September 29, 2021	5

APPLICATIONS RECEIVED IN RESPONSE TO 2021 NICC VACANCY			
	NAME	DATE SUBMITTED	DISTRICT
1.	Andy Ngo	October 19, 2021	3
2.	Miguel Curiel	October 25, 2021	6
3.	Michelle Truong	January 17, 2022	4

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Omar Sandoval
Dept.:	City Manager	Dept.:	City Attorney
Subject:	Introduction and first reading Date: 1/25/2022 of an ordinance adding Section 2.04.050 to the Municipal Code Adjusting and Codifying Council Compensation		

OBJECTIVE

For the City Council to consider introduction of an ordinance adjusting and codifying the compensation of the City Council.

BACKGROUND

Government Code section 36516 authorizes the City Council to establish the compensation of the members of the City Council, which includes the Mayor, by ordinance. Subdivision (a)(4) of Government section 36516 provides that the salary of council members may be increased in an amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance is enacted. The last adjustment to Council compensation was established in 1988 pursuant to Ordinance No. 2067.

DISCUSSION

Because the Council's salary was last adjusted in 1988, the Council is authorized to adjust its compensation by increasing the current compensation by 5 percent for each calendar year from the operative date of the last adjustment to its salary.

The 1988 ordinance adjusting the Council's salary established it at \$486.05. With the 5% per year adjustment, the increase is \$826.29, which yields a total compensation amount of \$1,312.34 per month for each councilmember.

Prior ordinances establishing and adjusting Council compensation have been uncoded. The attached ordinance codifies the adjusted monthly compensation into the Municipal Code.

Government Code section 36516.5 provides that adjustments in compensation to the Council cannot take effect until one or more members of the council becomes eligible for a salary increase by virtue of the council member beginning a new term of office. Consequently, the attached ordinance provides that the adjustment in Council compensation will take effect the first day of the month following the date when the term of office commences for a member of the Council elected at the November 8, 2022 general municipal elections. It is expected that the effective date for the adjustment in compensation will be January 1, 2023.

FINANCIAL IMPACT

The Council compensation adjustment will be incorporated into the FY 2022-2023 Continuation Budget.

RECOMMENDATION

Approve and pass to second reading the attached ordinance entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADDING SECTION 2.04.050 TO CHAPTER 2.04 (CITY COUNCIL) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE GARDEN GROVE MUNICIPAL CODE ADJUSTING AND CODIFYING THE COMPENSATION OF THE CITY COUNCIL.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ordinance Adjusting and Codifying Council Compensation	1/19/2022	Ordinance	GG_Ordinance_Establishing_Council_Compensation_2022.DOCX

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADDING SECTION 2.04.050 TO CHAPTER 2.04 (CITY COUNCIL) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE GARDEN GROVE MUNICIPAL CODE ADJUSTING AND CODIFYING THE COMPENSATION OF THE CITY COUNCIL.

City Attorney Summary

This Ordinance adds Section 2.04.050 to the Garden Grove Municipal Code adjusting and codifying the compensation of the City Council. Council compensation is set by ordinance. Prior ordinances establishing Council compensation were uncodified ordinances. This ordinance codifies the City Council compensation setting the compensation at \$1312.34 per month pursuant to Government Code section 36516(a)(4). The adjustment in compensation will become effective after the terms of office commence for the council members elected at the November 2022 general municipal elections.

WHEREAS, Government Code section 36516 authorizes the City Council to establish the compensation of the members of the City Council by ordinance;

WHEREAS, subdivision (a)(4) of Government section 36516 provides that the salary of council members may be increased in an amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance is enacted;

WHEREAS, the last adjustment to Council compensation was established in 1988 pursuant to Ordinance No. 2067.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY ORDAINS AS FOLLOWS:

SECTION 1: Section 2.04.050 of Chapter 2.04 of Title 2 of the Garden Grove Municipal Code is hereby added to read as follows:

2.04.050 City Council Salaries.

Pursuant to Government Code sections 36516 and 36516.5, beginning with the first day of the month following the date when the term of office commences for a member of the City Council elected at the November 8, 2022 general municipal elections, the compensation of City Council Members, including the Mayor, shall be one thousand three hundred twelve dollars and thirty-four cents (\$1312.34) per month.

SECTION 2: Repeal of prior inconsistent ordinance. Ordinance No. 2067 is repealed.

SECTION 3: If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

SECTION 4: The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after adoption.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Omar Sandoval
Dept.:	City Manager	Dept.:	City Attorney
Subject:	Introduction and first reading Date: 1/25/2022 of an ordinance establishing and codifying additional compensation for the Mayor.		

OBJECTIVE

For the City Council to approve an ordinance establishing the additional compensation for the City's elected Mayor in the amount of \$200 per month.

BACKGROUND

Government Code section 36516 authorizes the City Council to establish the compensation of the members of the City Council by ordinance. In addition, Government Code section 36516.1 provides that an elected mayor of a general law city may be provided with compensation in addition to that which he or she receives as a council member.

DISCUSSION

Prior ordinances establishing the compensation for the Council and the City's Mayor were uncodified. The attached ordinance codifies the additional compensation for the City's Mayor at \$200 per month.

The additional compensation will take effect after the November 2022 elections, provided that the ordinance adjusting the City Council's compensation takes effect.

FINANCIAL IMPACT

This compensation adjustment will be incorporated into the FY 2022-2023 Continuation Budget.

RECOMMENDATION

Approve and pass to second reading the attached ordinance entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE

ADDING SECTION 2.04.060 TO CHAPTER 2.04 (CITY COUNCIL) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE GARDEN GROVE MUNICIPAL CODE ESTABLISHING ADDITIONAL COMPENSATION FOR THE CITY'S ELECTED MAYOR PURSUANT TO GOVERNMENT CODE SECTION 36516.1.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ordinance Setting Mayor's Additional Compensation	1/19/2022	Ordinance	GG_Ordinance_Establishing_Additional_Compensation_for_Mayor_2022.DOCX

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADDING SECTION 2.04.060 TO CHAPTER 2.04 (CITY COUNCIL) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE GARDEN GROVE MUNICIPAL CODE ESTABLISHING ADDITIONAL COMPENSATION FOR THE CITY'S ELECTED MAYOR PURSUANT TO GOVERNMENT CODE SECTION 36516.1.

City Attorney Summary

This Ordinance adds Section 2.04.060 to the Garden Grove Municipal Code establishing additional compensation for the City's elected Mayor pursuant to Government Code Section 36516.1. City Council compensation, including the Mayor, is set by ordinance. Prior ordinances establishing compensation for the Mayor and the City Council were uncodified ordinances. This ordinance codifies the additional compensation for the Mayor in the sum of \$200 per month as authorized by Government Code section 36516.1. The additional compensation will become effective upon the effective date of the adjustment in compensation for the City Council after the November 2022 general municipal elections.

WHEREAS, Government Code section 36516 authorizes the City Council to establish the compensation of the members of the City Council by ordinance;

WHEREAS, Government Code section 36516.1 provides that an elected mayor of a general law city may be provided with compensation in addition to that which he or she receives as a council member;

WHEREAS, the City Council wishes to provide the Mayor an additional compensation in the amount of \$200 per month.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY ORDAINS AS FOLLOWS:

SECTION 1: Section 2.04.060 is hereby added to Chapter 2.04 of Title 2 of the Garden Grove Municipal Code to read as follows:

2.04.050 Additional Compensation for Elected Mayor.

Beginning with the effective date of the adjustment in compensation for City Council Members after the November 8, 2022 general municipal election, the City's elected Mayor shall receive an additional compensation in the amount of two hundred dollars (\$200.00) per month.

SECTION 2: If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

SECTION 3: The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after adoption.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Lisa Kim

Dept.: City Manager Dept.: Community and Economic
Development

Subject: Second reading and adoption Date: 1/25/2022
of Ordinance No. 2929

Attached is Ordinance No. 2929, recommended for second reading and adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ord No. 2929	1/18/2022	Ordinance	A-033- 2021_Draft_Ordinance_1st_reading.docx

ORDINANCE NO. 2929

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AMENDMENT NO. A-033-2021, A ZONING TEXT AMENDMENT TO TITLE 9 OF THE GARDEN GROVE MUNICIPAL CODE TO ADOPT NEW REGULATIONS FOR TWO-UNIT RESIDENTIAL DEVELOPMENTS AND PARCEL MAPS FOR URBAN LOT SPLITS IN SINGLE-FAMILY RESIDENTIAL ZONES IN ACCORDANCE WITH SENATE BILL 9

City Attorney Summary

This Ordinance approves an amendment to Title 9 of the City of Garden Grove Municipal Code to implement the provisions of California Government Code Sections 65852.21 and 66411.7, added by Senate Bill (SB) 9, by adding regulations and objective development standards for two-unit housing developments and parcel maps for urban lot splits. The amendment also adds Section 9.40.250 Urban Lot Splits to Chapter 9.40 (Subdivisions) of Title 9 that addresses the processing of urban lot splits.

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, The proposed Code Amendment is a text amendment intended to implement recent changes in State law requiring ministerial approval of proposed parcel maps for urban lots splits and certain proposed housing development containing no more than two residential units in single-family residential zones.;

WHEREAS, effective January 1, 2022, Senate Bill (SB) 9 adds Sections 65852.21 and 66411.7 to the Government Code. Section 65852.21 to the Government Code requires local agencies to consider a proposed housing development containing no more than two residential units within a single-family residential zone ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements. Section 66411.7 requires local agencies to ministerially approve a parcel map for an urban lot split that meets certain requirements. Both statutes permit the City to impose objective zoning, subdivision, and design standards on such projects as long as those standards would not have the effect of physically precluding the construction of up to two units on a lot or physically preclude either of the two units from being at least 800 square feet in floor area. The proposed text amendment would establish objective development standards for proposed SB 9 two-unit residential developments and urban lot splits and establish procedures for ministerial review consistent with these new State laws;

WHEREAS, Amendment No. A-033-2021 was initiated by the City of Garden Grove and is a Code Amendment to add Chapter 9.56 and Section 9.40.250 to Title 9 of the Municipal Code to establish regulations and objective development standards for SB 9 Two-Unit Residential Development and Parcel Maps for Urban Lot Splits pursuant to Senate Bill (SB) 9;

WHEREAS, following a Public Hearing held on December 2, 2021, the Planning Commission adopted Resolution No. 6035-21 recommending approval of Amendment No. A-032-2021;

WHEREAS, pursuant to a legal notice, a Public Hearing regarding the proposed adoption of this Ordinance was held by the City Council on January 11, 2022, and all interested persons were given an opportunity to be heard;

WHEREAS, the City Council gave due and careful consideration to the matter; and

WHEREAS, the City Council hereby incorporates by reference the findings and reasons set forth in Planning Commission Resolution No. 6035-21, and makes the following findings regarding Amendment No. A-033-2021:

A. The Amendment is internally consistent with the goals, objectives and elements of the City's General Plan.

B. The Amendment will promote the public interest, health, safety and welfare.

WHEREAS, the City Council finds that the proposed Code Amendment is statutorily exempt from review under the California Environmental Quality Act ("CEQA") pursuant to new Government Code Sections 65852.21(j) and 66411.7(n).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES ORDAIN AS FOLLOWS:

SECTION 1: The above recitals are true and correct.

SECTION 2: The facts and reasons stated in Planning Commission Resolution No. 6053-21 recommending approval of Amendment No. A-033-2021, a copy of which is on file in the Office of the City Clerk, are hereby incorporated herein by reference with the same force and effect as if set forth in full.

SECTION 3: Add new Chapter 9.56 to Title 9 (land Use) of the City of Garden Grove's Municipal Code as follow:

CHAPTER 9.56 SB 9 TWO-UNIT RESIDENTIAL DEVELOPMENTS AND URBAN LOT SPLITS

9.56.010 Purpose, Applicability, Definitions, Interpretation.

A. Purpose. The purpose of this chapter is to appropriately regulate qualifying SB 9 two-unit residential developments and urban lot splits within single-family residential zones in accordance with California Government Code Sections 65852.21 and 66411.7.

- B. Applicability. The standards and limitations set forth in this chapter shall apply to urban lot splits and the development and use of SB 9 two-unit residential developments within a single-family residential zone in the City, notwithstanding any other conflicting provisions of this code. In the event of a conflict between the provisions of this chapter and any other provision of this code, the provisions of this chapter shall prevail.
- C. Definitions. As used in this chapter, the following terms shall have the following meanings:
1. The terms ADU and JADU shall have the meanings ascribed to these terms in chapter 9.54.
 2. The term "Director" means the City of Garden Grove Director of Community and Economic Development, or his or her designee.
 3. The term "individual property owner" means a natural person holding fee title individually or jointly in the person's own name or a beneficiary of a trust that holds fee title. "Individual property owner" does not include any corporation or corporate person of any kind (partnership, limited partnership, limited liability company, C corporation, S corporation, etc.) except for a community land trust (as defined by Revenue and Taxation Code Section 402.1(a)(11)(C)(ii)) or a qualified nonprofit corporation (as defined by Revenue and Taxation Code Section 214.15).
 4. The term "new primary dwelling unit" means either a new, additional dwelling unit that is created or an existing dwelling unit that is expanded, but does not include an ADU or a JADU.

5. The term "single-family residential zone" shall have the same meaning as in California Government Code Section 65852.21. A single-family residential zone includes the R-1 (Single-Family Residential) zoning district and any property within a planned unit development district or a specific plan area where a single-family dwelling is a permitted use, but a duplex, triplex, or multiple-family dwelling is not a permitted or conditionally permitted use.
 6. The term "SB 9 two-unit residential development" shall mean a housing development containing no more than two primary residential units within a single-family residential zone that qualifies for ministerial review pursuant to California Government Code Section 65852.21 and this chapter. A housing development contains two residential units if the development proposes no more than two new units or if it proposes to add one new unit to one existing primary unit.
 7. The term "urban lot split" shall have the same meaning as stated in California Government Code Section 66411.7.
- D. Interpretation. The provisions of this chapter shall be interpreted to be consistent with the provisions of California Government Code Sections 65852.21 and 66411.7 and shall be applied in a manner consistent with state law. The city shall not apply any requirement or development standard provided for in this chapter to the extent prohibited by any provision of state law.

9.56.020 Permit Application and Review Procedures

- A. Application. An applicant for an SB 9 two-unit residential development or an urban lot split shall submit an application on a form prepared by the city, along with all information and materials prescribed by such form. No application shall be accepted unless it is completed as prescribed and is accompanied by payment for all applicable fees.
- B. Review. Consistent with state law, the Director will consider and approve or disapprove a complete application for an SB 9 two-unit residential development or an urban lot split ministerially, without discretionary review or public hearing.
- C. Nonconforming Conditions. An SB 9 two-unit residential development may only be approved if all nonconforming zoning conditions are corrected. The correction of legal nonconforming zoning conditions is not a condition for ministerial approval of a parcel map for an urban lot split.

- D. Effectiveness of Approval. The ministerial approval of an SB 9 two-unit residential development or a parcel map for an urban lot split does not take effect until the city has confirmed that all required documents have been recorded.
- E. Hold Harmless. Approval of an SB 9 two-unit residential development or a parcel map for an urban lot split shall be conditioned on the applicant agreeing to defend, indemnify and hold harmless the city, its officers, agents, employees and/or consultants from all claims and damages (including attorney's fees) related to the approval and its subject matter.
- F. Specific, Adverse Impacts. Notwithstanding anything else in this section, the Director may deny an application for an SB 9 two-unit residential development or a parcel map for an urban lot split if the building official makes a written finding, based on a preponderance of the evidence, that the project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of California Government Code Section 65589.5, on either public health and safety or on the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

9.56.030 Qualifying Requirements.

A proposed urban lot split or SB 9 two-unit residential development must meet all of the following requirements in order to qualify for ministerial review pursuant to the provisions of this chapter. It shall be the responsibility of the applicant to demonstrate to the reasonable satisfaction of the Director that each of these requirements is satisfied. The applicant and each owner of the property shall provide a sworn statement, in a form approved by the Director, attesting to all facts necessary to establish that each requirement is met. The city may conduct its own inquires and investigation to ascertain the veracity of the sworn statements, including, but not limited to, interviewing prior owners and occupants of the subject property, interviewing owners and occupants of nearby properties, and reviewing tax records, and may require additional evidence necessary to support the sworn statements, as determined by the Director in his or her reasonable discretion.

- A. The subject property shall be located within a single-family residential zone.
- B. The proposed development shall not be located on any site identified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of California Government Code Section 65913.4, unless the development satisfies the requirements specified therein. Such sites include, but are not limited to, prime farmland, wetlands, high or very high fire hazard severity zones, special flood hazard areas, regulatory floodways, and lands identified for conservation or habitat preservation as specifically defined in Government Code Section 65913.4.

- C. The proposed development shall not be located within a historic district or on property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the California Public Resources Code, or within a site that is designated or listed as a city landmark or historic property pursuant to a city ordinance.
- D. The proposed development shall not require the demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.
- E. The proposed development shall not require the demolition or alteration of housing that is subject to any form of rent or price control.
- F. The proposed development shall not require the demolition or alteration of housing that has been occupied by a tenant within the last three (3) years.
- G. If any existing or previously demolished housing unit on the lot has been occupied by a tenant in the last three (3) years, the proposed development shall not involve the demolition of more than 25 percent of the existing exterior structural walls of any housing unit on the lot.
- H. The subject property shall be owned solely by one or more individual property owners.
- I. In the case of an urban lot split, the lot proposed to be subdivided shall not have been established through a prior urban lot split.
- J. In the case of an urban lot split, the lot proposed to be subdivided ("subject lot") is not adjacent to any lot that was established through an urban lot split by the owner of the subject lot or by any person acting in concert with the owner of the subject lot.
- K. No unpermitted construction or illegal nonconforming zoning conditions shall exist on the property.

9.56.040 Permitted Locations

A lot on which an urban lot split or SB 9 two-unit residential development is proposed must be located within a single-family residential zone. A lot located within a multiple-family or mixed-use zone shall not be eligible to be subdivided through an urban lot split or developed with an SB 9 two-unit residential development pursuant to this chapter.

9.56.050 Number of Dwelling Units Permitted on a Lot

- A. Notwithstanding any other provisions of this code, state law requires the city to permit a lot located within a single-family residential zone to contain two primary dwelling units, provided both units are developed and maintained in compliance with the standards and requirements set forth in this chapter.
- B. Provided the lot is not subdivided or created through an urban lot split, development of two primary dwelling units on a lot through an SB 9 two-unit residential development in conformance with this chapter does not preclude the development or maintenance of one or more ADUs and/or JADUs on the lot to the extent permitted by chapter 9.54 and state law.
- C. No more than two (2) dwelling units of any kind may be constructed or maintained on a lot that results from an urban lot split. For purposes of this subdivision, the two-unit limitation applies to any combination of primary dwelling units, ADUs, and JADUs.

9.56.060 Separate Conveyance

- A. Primary dwelling units located on the same lot may not be owned or conveyed separately from one another. All fee interest in a lot and all dwellings must be held equally and undivided by all individual owners of the lot.
- B. Separate conveyance of the two lots resulting from an urban lot split is permitted. If dwellings or other structures (such as garages) on different lots are adjacent or attached to each other, the urban lot split boundary may separate them for conveyance purposes if the structures meet building code safety standards and are sufficient to allow separate conveyance. If any attached structures span or will span the new lot line, or if the two lots share a driveway pursuant to subsection 9.56.060(Q)(2), appropriate covenants, easements or similar documentation allocating legal and financial rights and responsibilities between the owners of the two lots ("CC&Rs") for construction, reconstruction, use, maintenance, and improvement of the attached structures and any related shared drive aisles, parking areas, or other portions of the lot must be recorded before the city will approve a final parcel map for the urban lot split. Notwithstanding the provision of such CC&Rs, however, where attached structures and/or related shared facilities span a lot line resulting from an urban lot split, all owners of both lots shall be jointly and severally responsible for the use and maintenance of such structures and/or shared facilities in compliance with all provisions of this Code.
- C. Condominium airspace divisions and common interest developments are not permitted on a lot created through an urban lot split or containing an SB 9 two-unit residential development.

9.56.070 Residential Use Only

No non-residential use is permitted on any lot created through an urban lot split or containing an SB 9 two-unit residential development.

9.56.080 No Short-Term Rentals Permitted

The rental of any dwelling unit on a lot created through an urban lot split or containing an SB 9 two-unit residential development shall be for a term longer than 30 consecutive days.

9.56.090 Housing Crisis Act Replacement Housing Obligations.

If the proposed development will result in the demolition of protected housing, as defined in California Government Code Section 66300, the applicant shall replace each demolished protected unit and comply with all applicable requirements imposed pursuant to subsection (d) of Government Code Section 66300.

9.56.100 Development Standards and Design Criteria

A. Development Standards. A qualifying SB 9 two-unit residential development and any development on a lot created through an urban lot split shall be subject to the standards and criteria set forth in this section. In addition, except as modified or provided by this section or state law, an SB 9 two-unit residential development and any development on a lot created through an urban lot split shall conform to all objective development standards applicable to the lot as set forth in this title and/or in an applicable specific plan or planned unit development ordinance or resolution, along with all applicable objective standards and criteria contained in standard plans and specifications, policies, and/or standard conditions duly promulgated and/or adopted by the city, the Garden Grove Sanitary District, and the Orange County Fire Authority.

B. Unit Size.

1. Minimum Size. Each new primary dwelling unit shall be at least the following minimum sizes based on the number of sleeping rooms provided:
 - a. Studio / One bedroom: 500 square feet.
 - b. More than one bedroom: 700 square feet.
2. Maximum Size.
 - a. The total floor area of each new primary dwelling unit developed as part of an SB 9 two-unit residential development or on a lot

created through an urban lot split shall not exceed 800 square feet.

- b. A primary dwelling that was legally established on the lot prior to the submittal of a complete application for an SB 9 two-unit development or an urban lot split and has a total floor area of 800 square feet shall be limited to its current lawful floor area and may not be expanded.
 - c. A primary dwelling that was legally established prior to the submittal of a complete application for an urban lot split or an SB 9 two-unit residential development and that is smaller than 800 square feet may be expanded to 800 square feet.
- C. Unit Height; Stories. Each new primary dwelling unit shall be one story, constructed at ground level, and should not be more than 17 feet in height measured from ground level to the highest point on the roof.
- D. Setbacks.
 - 1. New Primary Dwelling Units. The following minimum setbacks from the property lines shall be observed for each new primary dwelling unit and any garages and accessory structures that are attached to a new primary dwelling unit. Detached garages and accessory structures shall comply with the setbacks contained in subsection 2. The required setbacks shall be maintained open and unobstructed from the ground to the sky, except for the permitted intrusions.
 - a. Front Setback: 20 feet
 - b. Interior Side Setback: 5 feet
 - c. Street Side Setback: 10 feet
 - d. Rear Setback: 15 feet.
 - 2. Detached Garages and Accessory Structures. The following minimum setbacks from the property lines shall be observed for detached garages and accessory structures on a lot.
 - a. Front Setback: 20 feet
 - b. Interior Side Setback: 5 feet
 - c. Street Side Setback: 10 feet
 - d. Rear Setback: 5 feet.

3. Any construction occurring on a lot that abuts a street that has not been fully improved shall observe all building setbacks from the ultimate right-of-way of the street.
4. Exceptions. The above minimum setback requirements do not apply or shall be modified in the following circumstances
 - a. No increased setback is required for an existing legally established structure or for a new primary dwelling unit that is constructed in the same dimensions as an existing legally established structure, provided that the new primary dwelling unit shall not be greater than 800 square feet.
 - b. A required minimum setback may be reduced pursuant to subsection W of this section to the degree it would (i) physically preclude the development or maintenance of two dwelling units on a lot or (ii) physically preclude any new primary dwelling unit from being 800 square feet in floor area; but in no event may any structure be less than four feet from a side or rear property line.
 - c. Permitted Intrusions. The following permitted intrusion may project into any required setback a maximum of two feet: cornices, eaves, belt courses, sills, buttresses, planter boxes, masonry planters, guard railings, chimneys, and architectural projections with no floor area, including, but not limited to, windows and pilasters.
- E. Building Separation. Except as otherwise allowed by state law, a minimum building separation of six (6) feet shall be maintained between all detached structures on a lot, including all residential units, garages, and accessory structures.
- F. Lot Coverage. The maximum lot coverage shall not exceed 50%. The lot coverage shall include all buildings and structures (primary and accessory), covered porches and patios, and covered parking areas.
- G. Maximum Front Setback Coverage. No more than 50% of the front setback area may contain hardscape, excluding the allowed standard driveway in the front yard.
- H. Open Space. Each new primary dwelling unit shall provide, at a minimum, a continuous private recreation area of 225 square feet with minimum interior dimensions of 10 feet. The private recreation area shall be open and unobstructed from the ground to the sky. The private recreation area may be located within the interior side, street side, or rear setback areas.

- I. Landscaping. All setback areas, and all areas not designated for walkways, parking, drive aisles, and private recreation areas, shall be fully landscaped and irrigated. Each development shall comply with the landscaping and irrigation requirements contained in Chapter 9.08 of Title 9.
- J. Perimeter Block Walls. Each development shall provide a masonry perimeter wall with a minimum height of six feet, as measured from the highest point of the finished grade next to the wall, and shall comply with the following stipulations:
 1. All perimeter walls shall comply with the requirements as contained in Section 9.08.040.110, Wall, Fences and Hedges.
 2. New walls shall not exceed a height of seven feet as measured from the finished point of grade next to the wall. At no time shall the overall height of the wall, as measured from adjacent neighbor's finished grade, exceed eight feet in height.
 3. Walls located within the front yard areas, or adjacent to driveways shall not exceed 36 inches in height.
 4. Perimeter walls located along any side street shall maintain a minimum setback of three feet from the property line for landscaping purposes.
 5. All walls shall be designed to ensure proper vision clearance for cars entering or leaving the driveway and parking areas. No wall or fence shall cause an exceedance of the applicable site distance standards set forth in City of Garden Grove Traffic Engineering Policy TE 13 or in any revised or updated standard or policy promulgated by the city.
 6. The property owner shall work with the adjoining property owners in designing and constructing the perimeter block walls to avoid the use of double walls. If the property owner cannot obtain approval from the adjoining property owners, the property owner shall construct the new wall with a decorative cap to be placed between the new and the existing wall.
 7. Street facing perimeter block walls shall be decorative and utilize stucco finish, slump stone or split-face block and shall include trailing vines and other landscaping to deter graffiti.

K. Off-Street Parking.

1. Required Parking. One off-street parking space must be provided for each new primary dwelling unit unless one of the following applies:
 - a. The lot is located within one-half mile walking distance of either (i) a high-quality transit corridor as defined in subdivision (b) of Section 21155 of the California Public Resources Code, or (ii) a major transit stop as defined in Section 21064.3 of the California Public Resources Code.
 - b. The lot is located within one block of a car-share vehicle location.
2. Off-street parking spaces for an existing primary dwelling shall continue to be provided in accordance with the standards for the underlying zone.
3. Required parking for new primary dwelling units may be provided within an enclosed garage or as open spaces on the lot, but not as tandem parking. Open spaces may be located within the side or rear setbacks, and in the front setback for driveways that are not shared by more than one housing unit.
4. All required parking spaces provided shall be a minimum of 9 feet wide and 19 feet in depth and shall comply with the size requirements for full size stalls set forth in Standard B-311 of the Standard Plans and Specifications adopted by the city. Parking spaces adjacent and parallel to walls shall be a minimum of 11 feet wide.
5. Any proposed enclosed garage shall meet the following standards:
 - a. Each enclosed garage shall maintain the following minimum interior parking clearance based on the number of cars it is designed to hold. No storage cabinets or mechanical equipment, including, but not limited to water heaters, utility sinks, or washers and dryers, shall encroach into the required parking area.

Number of Cars	Minimum Interior Parking Area
1	10 feet x 20 feet
2	20 feet by 20 feet

- b. The garage shall be equipped with an automatic roll-up garage door opener.

- c. Each garage shall maintain the ability to park the required number of vehicles at all times.

L. Unit Design Standards.

1. If there is an existing primary dwelling that was legally established on the lot prior to the filing of a complete application for a two-unit development or an urban lot split, any new additional primary dwelling unit must match the existing primary dwelling unit in exterior materials, color, and dominant roof pitch. The dominant roof slope is the slope shared by the largest portion of the roof.
 2. If two new primary dwelling units are developed on the lot, the dwellings must match each other in exterior materials, color, and dominant roof pitch. The dominant roof slope is the slope shared by the largest portion of the roof.
 3. All exterior lighting must be limited to down-lights.
 4. Each new primary dwelling unit shall have a main entry that is clearly defined, and to the extent possible, be oriented directly toward the street(s) in order to provide consistency with the neighborhood. The main entry shall be covered, with a minimum depth of three feet. Each covered entry shall be in proportion with the building and shall incorporate architectural features that are used in the overall building design. All doors shall have standard door locks and dead bolts.
- M. Storage Facilities. Each new primary dwelling unit shall provide a minimum 144 cubic feet of private secure storage space. Normal closets and cupboard space located within the unit shall not count toward meeting the requirement.
- N. Laundry Facilities. Each new primary dwelling unit shall have a laundry space located within the unit or within a garage accessible from the unit that is equipped with washer and dryer hook-ups. If the laundry facilities are located within an enclosed garage, the laundry equipment shall not encroach into the interior garage parking area.
- O. Water Heaters. Each new primary dwelling unit shall have a separate hot water. The location of the water heater shall be incorporated into the design of each unit. No exterior water heater enclosures shall be permitted. Water heaters may be substituted with tankless water heaters provided all building codes are complied with.
- P. Mechanical Equipment, Metering Devices. All roof and ground mounted mechanical equipment and metering devices shall be completely screened from view from either on or off the property. All ground mounted equipment and above-ground utility meters, including, but not limited to, heating, cooling, or ventilating equipment, water meters, gas meters, and irrigation

equipment, shall be shown on the site plan, and, to the extent possible, be placed outside of the required front setback area. If mechanical equipment or metering devices are to be located between a structure and the property line, an unobstructed path at least three feet wide shall be provided between the equipment and the property line.

Q. Access and Circulation.

1. Each development shall be designed to provide adequate on-site vehicular access, circulation, back-up, and turn-around areas that comply with all the applicable city standards.
2. Where the street frontage of a lot (or the combined street frontage of the two lots created through an urban lot split) is less than 81 feet, all units on the lot (or all units on both lots created through an urban lot split) shall share the same drive approach and driveway.
3. Driveways shall maintain a minimum width of 20 feet, unless a wider width is required for emergency access.
4. Adequate access to each residential unit on the lot for fire and emergency medical service personnel and vehicles must be provided. The Orange County Fire Authority must confirm that all applicable fire and emergency access requirements are met before the city will approve an application.

R. Refuse Storage Areas. All developments shall provide each unit with the appropriate number of containers for recyclables, organics, and non-recyclable solid waste ("trash containers") as required by the Garden Grove Sanitary District, and shall comply with the following:

1. Trash containers shall be stored within designated storage areas only and not within the garage parking area.
2. The placement of trash containers for pick-up, and the duration of time prior to and after trash collection of those trash containers, is subject to the Garden Grove Sanitary District requirements.
3. The area required for each container shall be a minimum of 38 inches by 38 inches.
4. The trash areas shall be paved and accessed by gates and a walkway for ease of taking trash containers to and from the street.

S. Utilities.

1. Each primary dwelling unit on a lot must have its own direct utility connection to the utility / public service provider.

2. All necessary and/or required easements for the provision of electricity, gas, water, sewer, and other utility or public service to the lot and each primary dwelling unit must be obtained by the property owner / applicant. The city may condition approval of an application under this section upon the applicant providing evidence that such easements have been agreed to and/or recorded.
 3. Submitted plans shall show the location and dimension of all proposed above-ground and underground utility and public service facilities serving the lot and each dwelling unit and the location and dimensions of all related easements.
- T. Building and Safety. All structures built on the lot must comply with all current local building standards.
- U. Drainage and Stormwater Management. Each lot shall drain to the street or to an approved storm drain facility. The design of parkway culverts and storm drain lateral pipe connections to city-maintained storm drains within the city right-of-way shall comply with applicable city standards. SB 9 two-unit residential developments and the development of lots created through an urban lot split are subject to Chapter 6.40 of this code ("Stormwater Quality") and must comply with all applicable related rules, requirements, and standards, including, but not limited to, the preparation and implementation of a water quality management plan that meets applicable requirements.
- V. Address Identification. Each residential unit shall have a separate address and shall be provided with approved address identification that is visible from the street fronting the lot in accordance with Section R319 of the California Residential Code. Where the unit address on the building cannot be viewed from the street fronting the lot, a monument, pole, or other means consistent with city standards shall be used to identify the unit. Where required by the fire code official, address identification shall be provided in additional approved locations to facilitate emergency response.
- W. Exceptions to Objective Standards.
1. Any objective zoning, subdivision, or design standard that would have the effect of physically precluding the construction of up to two primary residential units on a lot or that would physically preclude each new unit from being 800 square feet in floor area shall be modified or waived to the extent necessary to allow the development of two primary residential units on a lot pursuant to this chapter that are each 800 square feet in floor area. The city prioritizes some objective development standards over others, as provided in subsection 2, below. In applying the exceptions required by this subsection, a proposed project shall be designed such that a

development standard given a lower priority is modified or waived before a development standard given a higher priority. If a proposed project can be designed such that each lot can accommodate two 800 square foot primary dwelling units by modifying or waiving a development standard with a lower priority, then an application that proposes a design requiring the modification or waiver of a development standard with a higher priority will be denied.

2. Priority of Development Standards. The city prioritizes the following development standards in the following descending order of priority, with the first development standard listed having the highest priority:
 - a. Height; Stories.
 - b. Front setback.
 - c. Maximum front setback hardscape coverage (50%).
 - d. Open space (225 square feet).
 - e. Minimum unit size.
 - f. Side or rear setback (a minimum of 4 feet must be maintained).
 - g. Lot coverage (50%).
 - h. Building separation (minimum separation required by Building Code must be maintained).
3. This subsection shall not be interpreted to permit the construction of new garages or accessory structures, or the maintenance of existing accessory structures not providing required parking, where the development or maintenance of two 800 square foot dwelling units on the lot would not be physically precluded in the absence of such proposed or existing structures.
4. Building standards, standards required by federal, state or local law or for sanitation or safety reasons, the off-site parking requirements in subsection K of this section, and the lot size, access, and frontage requirements set forth in Section 9.56.110 will not be waived or modified unless otherwise required by state law.
5. As part of its application, the applicant shall provide a written explanation that (a) specifically describes every development standard the applicant seeks to modify and waive, and to what extent, (b) demonstrates why waiver or modification of each development standard is needed to prevent physically precluding the construction of up to two primary residential units on the lot and/or each new unit

from being at least 800 square feet in floor area, and (c) demonstrates that the requested modifications and/or waivers are consistent with the priority set forth in this subsection.

9.56.110 Additional Requirements for Urban Lot Splits

- A. An urban lot split must conform to all applicable objective requirements of the Subdivision Map Act, including implementing requirements in this code, except as otherwise provided in this chapter. Notwithstanding the foregoing, no dedication of rights-of-way or construction of offsite improvements is required solely for an urban lot split.
- B. Lot Size. The parcel map for an urban lot split must subdivide an existing lot to create no more than two new lots of approximately equal lot area, provided that one lot shall not be smaller than 40 percent of the lot area of the original lot proposed for subdivision. Both newly created lots must each be no smaller than 1,200 square feet.
- C. Easements.
 - 1. The owner must enter into an easement agreement with each utility/public-service provider to establish easements that are sufficient for the provision of public services and facilities to each of the resulting lots.
 - 2. Each easement must be shown on the tentative parcel map and the final parcel map.
 - 3. Copies of the unrecorded easement agreements must be submitted with the application. The easement agreements must be recorded against the property before the final parcel map may be approved.
- D. Lot Access.
 - 1. Each resulting lot must adjoin the public right-of-way.
 - 2. Each resulting lot must have frontage on the public right-of-way of at least 25 feet.
- E. Improvements Required. Each resulting lot must be developed in accordance with improvement plans processed concurrently with the parcel map application and approved by the city, showing the location and dimensions of all structures, drive aisles, parking areas, pedestrian pathways, and other improvements proposed to be constructed or to remain on each lot. Approval of a parcel map for an urban lot split shall be subject to the city's approval of such related improvement plans and all related entitlements or other approvals required by this code. Any proposed development on one of the lots that is inconsistent with or not shown on the improvement plans

approved concurrently with the urban lot split shall be subject to review and approval by the city in accordance with the applicable requirements of this code.

- F. Required Affidavit. The applicant for a parcel map for an urban lot split must sign an affidavit provided by the city stating that the applicant intends to occupy one of the dwelling units on one of the resulting lots as the applicant's principal residence for a minimum of three years after the final parcel map for the urban lot split is approved.

9.56.120 Compliance with Emergency Access and Service Requirements

Development of a lot pursuant to this chapter must conform and comply with all applicable provisions of the fire code and applicable requirements promulgated by the Orange County Fire Authority intended to ensure sufficient emergency access is provided or maintained. Prior to submitting a complete application for an SB 9 two-unit residential development or an urban lot split, the applicant shall obtain and provide city with written confirmation from the Orange County Fire Authority that the proposed development complies with all such requirements.

9.56.130 Deed Restriction.

Prior to approval of a parcel map for an urban lot split and/or the issuance of a building permit for the development of an SB 9 two-unit residential development, the owner(s) of record of the property shall provide the Director a copy of a covenant agreement, declaration of restrictions, or similar deed restriction ("deed restriction") recorded against the property, which is in a form prepared by and/or acceptable to the Director, and that does each of the following:

- A. Expressly requires the rental of any dwelling unit on the property be for a term longer than 30 consecutive days.
- B. Expressly prohibits any non-residential use of the lot.
- C. Expressly prohibits primary dwelling units located on the same lot from being owned or conveyed separately from one another.
- D. Expressly requires all fee interest in each lot and all dwellings to be held equally and undivided by all individual owners of the lot.
- E. Expressly prohibits condominium airspace divisions and common interest developments on the property.
- F. States that the property was formed and/or developed pursuant to the provisions of this chapter and is therefore subject to the city regulations set forth in this chapter, including all applicable limits on dwelling size and development.

- G. Expressly prohibits more than two (2) dwelling units of any kind from being constructed or maintained on a lot that results from an urban lot split.
- H. States (i) that the deed restriction is for the benefit of and is enforceable by the city, (ii) that the deed restriction shall run with the land and shall bind future owners, their heirs, and successors and assigns, (iii) that lack of compliance with the deed restriction shall be good cause for legal action against the owner(s) of the property; (iv) that, if the city is required to bring legal action to enforce the deed restriction, then the city shall be entitled to its attorneys' fees and court costs; and (v) that the deed restriction may not be modified or terminated without the prior written consent of the Director.

9.56.140 Fees

Development of lots pursuant to this section shall be subject to all applicable fees, including development impact fees, and assessments, duly adopted by the city.

9.56.150 Objective Standard Conditions.

The Director is authorized to promulgate objective standard conditions implementing this section, which are consistent with this Code and state law, that shall apply to the application and development of two-unit developments and urban lot splits, and to publish such standard conditions on the city's internet website. Applicants must comply with all standard conditions duly promulgated by the Director and published on the city's internet website.

9.56.160 Expiration of Approval.

The approval of an SB 9 two-unit residential development shall become null and void if construction is not commenced within one (1) year of the approval and diligently advanced until completion of the project. In the event construction of the project is commenced, but not diligently advanced until completion, the rights granted pursuant to the approval shall expire if the building permits for the project expire.

SECTION 4: Add new Section 9.40.250 to Chapter 9.40 (Subdivisions of Title 9 (Land Use) of the City of Garden Grove's Municipal Code as follow:

9.40.250 Urban Lot Splits

- A. The provisions of this section apply to the processing of parcel maps for urban lot splits pursuant to California Government Code section 66411.7 and chapter 9.56 of this code.
- B. Approval. Notwithstanding the Subdivision Map Act or any other provision of this chapter, an application for a parcel map for an urban lot split is approved or denied ministerially, by the city's community and economic development director, without discretionary review. A tentative parcel map for an urban

lot split is approved ministerially if it complies with the requirements of chapter 9.56 and applicable objective requirements of this chapter 9.40 and the Subdivision Map Act. The tentative parcel map may not be recorded. A final parcel map is approved ministerially as well, but not until the owner demonstrates that the required documents have been recorded, such as the deed restriction and easements.

- C. Guidance and Procedures. The city engineer has the authority to interpret and establish guidance and procedures for the processing, approving, and finalizing parcel maps for urban lot splits, which are consistent with state and local law.

SECTION 5: If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

SECTION 6: The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after adoption.

The foregoing Ordinance was passed by the City Council of the City of Garden Grove on the ____ day of _____.

MAYOR

ATTEST:

CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, TERESA POMEROY, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Ordinance was introduced for first reading and passed to second reading on January 11, 2022, with a vote as follows:

AYES:	COUNCIL MEMBERS:	(5)	BRIETIGAM, NGUYEN D., KLOPFENSTEIN, NGUYEN K., JONES
NOES:	COUNCIL MEMBERS:	(1)	BUI
ABSENT:	COUNCIL MEMBERS:	(1)	O'NEILL

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Mayor and City Council From: Mayor Pro Tem Diedre Thu-Ha Nguyen

Dept.: Dept.:

Subject: Discussion on a Proclamation Date: 1/25/2022
recognizing the 40th Annual
Tet Festival organized by the
Union of Vietnamese Student
Associations (UVSA) as
requested by Mayor Pro Tem
Diedre Thu-Ha Nguyen.

Attached for discussion is a Proclamation recognizing the UVSA for the 40th Annual Tet Festival.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Proclamation	1/21/2022	Proclamation	1-25-22_40th_Annual_Tet_Festival_Proclamation.1.20.22_(5)_(2).pdf

Proclamation

Recognizing the 40th Annual UVSA Tet Festival

WHEREAS, Tết, short for Tết Nguyên Đán, is the Vietnamese Lunar New Year, the most important holiday in Vietnamese culture;

WHEREAS, Tết celebrates the arrival of a new spring where families reunite, enjoy each other's company, forget about the troubles of the previous year and look forward to a better upcoming year;

WHEREAS, The Tết Festival of Southern California (Hoi Tet Sinh Vien) is recognized as the nation's largest Vietnamese Lunar New Year Festival;

WHEREAS, Since 1982, the first UVSA Tết Festival started in Garden Grove;

WHEREAS, Since then, the Festival has significantly grown and improved in many areas, including better display of the Vietnamese culture and traditions, more collaboration with the local community organizations and increased attendance of over 100,000 visitors;

WHEREAS, The UVSA Tết Festival was located in Garden Grove until 2013 and its current home is OC Fair and Event Center in Costa Mesa;

WHEREAS, No matter where the location, the UVSA's vision to hosting the Tết Festival stays true, to create an avenue for everyone to have a better understanding of the Vietnamese culture in many ways: vibrant arrays of traditional food, traditional performance and entertainment, and cultural exhibitions;

WHEREAS, This year, UVSA welcomes everyone to celebrate Tết at their 40th Annual UVSA Tết Festival on February 5-6, 2022, at the Orange County Fair and Event Center in Costa Mesa.

NOW THEREFORE BE IT PROCLAIMED, that the Garden Grove City Council does hereby recognize and congratulate the UVSA on their special 40th Annual Tết Festival milestone, and also commends UVSA's members who have awarded over \$1,500,000 of festival proceeds as community grants to non-profit organizations across Southern California, including Garden Grove, over the past 15 years.