

City of Laguna Woods Agenda Report

FOR: January 21, 2009 City Council Meeting
TO: Mayor and City Councilmembers
FROM: Leslie A. Keane, City Manager 
Agenda Item: Inclusionary Housing Regulations

Recommendation (Staff and Planning Advisory Committee):

- A. Receive Staff Report.
- B. Open Public Hearing
- C. Receive Public Comment.
- D. Close Public Hearing.
- E. Adopt an Ordinance Entitled:

AN ORDINANCE OF THE CITY OF LAGUNA WOODS,
CALIFORNIA, ADDING CHAPTER 13.25 TO THE
LAGUNA WOODS MUNICIPAL CODE, ESTABLISHING
INCLUSIONARY HOUSING REGULATIONS

Background

Current California law declares that:

- A decent home and suitable living environment for every resident is the primary housing goal for the state (CA Government Code Section 65580).
- Counties and cities must recognize and plan for attainment of the state goal (CA Government Code Section 65581).

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The State has established a set of minimum housing production targets (Regional Housing Needs Analysis allocation) that must be met if Laguna Woods is to provide for its share of the region's population and job growth during the period 2006-2014. Meeting these goals is a component of the City's Housing Element, a required element of the City's General Plan. The housing production goals for Laguna Woods are listed below:

Household Income Level	New Unit Requirement (2006-2014)	Under Construction	Revised New Unit Requirement
Very Low	25	0	25
Low	23	15	8
Moderate	27	15 (estimate)	12
Above Moderate	60	104 (estimate)	0
<u>TOTAL</u>	135	134	45

Regarding the current Regional Housing Needs Analysis (RHNA) allocation, it should be noted that:

- 1) The City of Irvine has filed a lawsuit regarding its allocation; should they prevail, the City of Laguna Woods current allocation could be significantly increased.
- 2) The Southern California Association of Governments growth forecast assumes additional new housing allocations for Laguna Woods City post-2014. Failure to meet – or make progress toward meeting – new construction allocations could subject the City to negative consequences, such as loss of grant funding and legal interference with local regulations.

It is often difficult to assure that new development projects will include affordable, rather than market rate housing, particularly in instances when zoning is already in place. The City's update General Plan includes Implementation Program 3.A.3, which commits the City to consider the adoption of an inclusionary housing ordinance. Inclusionary zoning is a land use policy that either requires or encourages housing developers to include a specified percentage of low and/or moderate income housing in new residential developments. More than 100

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California cities have adopted inclusionary housing regulations including eight in Orange County – Brea, Huntington Beach, Irvine, Laguna Beach, Lake Forest, Newport Beach, San Clemente and San Juan Capistrano. Adoption of inclusionary housing regulations does not entitle or insure development, nor does it assure that there will be an actual construction activity. It simply put potential developers and redevelopers on notice that affordable housing must be a component of future proposals.

Although inclusionary regulations are a tool that may assist the City in meeting its RHNA allocation, the purpose of an inclusionary ordinance is not simply to meet this requirement; it is, instead, intended to assist the City in maintaining an economically balanced community that provides the opportunity for affordable housing for all segments of its population – current and future.

Discussion

Applicability and Affordability

The proposed inclusionary ordinance would require any new residential development, consisting of five or more units, to provide 15 percent of its newly constructed units to low and/or moderate income individuals. In the case of rental housing - 7.5% of the units would need to be provided each to very-low and low income residents. In the case of for-sale housing – 10% would need to be provided for low income residents and 5% for moderate income residents. Individuals who live or work in the City would have the first priority to rent or purchase inclusionary units.

The 2008 Orange County Affordable Income Limits are listed below:

Income Category	1 Person	2 Persons	3 Persons	4 Persons	5 Persons
Very Low	32,550	37,200	41,850	46,500	50,200
Low	52,100	59,500	66,950	74,400	80,350
Moderate	70,600	80,700	90,800	100,900	109,000

Regulatory agreements and resale restrictions would allow owners of an affordable unit to earn a reasonable equity upon resale, but except for certain limited circumstances, affordable units would need to remain affordable for a forty-five (45) year period. In the case of for-sale units, if no qualified buyer was available, the City would retain the first right of refusal prior to allowing a unit to be placed for sale at a market rate.

Alternatives to On-Site Construction

The proposed ordinance includes some flexibility in implementation by allowing for the consideration of alternatives to the construction of actual units within a project:

- 1) Off-site construction if: a) determined to further affordable housing opportunities in the City, and b) units are at least equal in size and amenities, and 3) a completion is concurrent with market rate units.
- 2) Dedication of suitable land – this option was added after the November 19th discussion of this item
- 3) Payment of an in-lieu fee in exchange for for-sale units.

Exemptions and Replacement Housing

The requirements of the ordinance would not apply to the reconstruction of units destroyed by fire, flood, earthquake or other act of nature, provided reconstruction did not increase the number of units by more than four.

If a Residential Development Project results in the loss of existing affordable housing, it would be required to provide an equal number of affordable replacement units, by type. The formula requirements for additional affordable units under this chapter would apply to residential units in addition to those removed and replaced.

Use and Expenditure of In-Lieu Fees

The proposed ordinance establishes a Housing Trust Fund into which in lieu fees (and any interest on such fees) would be deposited. Money in the Trust Fund would need to be expended exclusively to provide or assure continued provision of affordable housing in the City through acquisition, construction, development assistance, rehabilitation of existing units, rent subsidies or other methods and for costs of administering programs which serve those needs.

Laguna Woods Village Concerns

Staff, representing the Golden Rain Foundation, has identified several preliminary concerns with the proposed regulations:

- 1) GRF requested that the inclusionary requirements be limited to the RHNA allocation – once those units are constructed, the regulations would

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be suspended. This request is not supported by City staff for the reasons noted on pages two and three above. The inclusionary ordinance is a tool that may assist the City in attaining its RHNA new construction allocation, but its primary purpose is to provide affordable housing opportunities for current and future residents. And, the ordinance is drafted to allow the City Council the flexibility to waive or modify requirements when they believe appropriate.

2) Section 13.25.050 (c) (2) requires that the mix of bedroom in inclusionary units be the same as those in market range units in a particular project up to four bedrooms. GRF asked that the number of bedrooms be limited to three, citing the typical residential units available in the City. The current mix of housing in the City would support GRF's request; however, the type of housing that might be constructed in the future is unknown. GRF has indicated that they may want to consider equestrian housing in the vicinity of the 23 acre site and that such housing might include four or more bedrooms. Staff believes that there is sufficient flexibility in the proposed ordinance to make exceptions for particular projects. As proposed, the City Council would have the ability to reduce the four bedroom requirements to a lower number on a project by project basis; however, if the number of bedrooms in affordable units is limited to three in the ordinance, the Council would not be able to increase the number without a modification to the ordinance. The Planning Advisory Committee voted 4-2 to retain the existing wording and flexibility.

3) The proposed regulations permit a developer to dedicate land or pay a fee in lieu of constructing required affordable units under certain circumstances. Any fees which are collected must be segregated in a separate Trust Fund and can only be used to support affordable housing and/or pay for the City's costs associated with managing the program. GRF has asked that the amount the City can use for administration be capped at 1%. This request is not supported by City staff. As noted in the body of the ordinance, management of both the for-sale and rental units to assure that they remain affordable for 45 years will require City resources. In addition, funding committed to rehabilitation projects would require plan checking and building inspections. Depending on the balance in the Trust Fund at any point in time, 1% might be insufficient to cover these costs. State law specifies how fees collected from development projects must be spent. Any expenditure from the Trust Fund would first need to be budgeted by the

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City Council, offering interested parties, including the Village, to speak at the time expenditures are proposed.

4) Several cities in California have expanded their inclusionary regulations to require financial contributions from commercial and industrial development. GRF has asked the City to modify the proposed regulations to include this aspect. Since this nexus is much more difficult to make, the current proposal does not include any development activity except residential; however, the City Attorney has been asked to research this matter and provide a proposal for a future modification.

Building Industry Association (BIA) Communication

The City received a letter from the Orange County BIA suggesting that the California Housing and Community Development Department opposes inclusionary zoning ordinance. BIA quotes a 2004 letter to Home Builders Association of Northern California that notes the requirement to review the actual impact of such regulations on the production of housing. A more recent letter to the Orange County BIA, while including the same cautionary language, also notes that many cities have used inclusionary regulations to successfully further their housing element goals.

Fiscal Impact

The cost to the City to administer the inclusionary regulations would be covered by development processing fees already in place, revenues associated with the new development (sales and property taxes) and Trust Fund fees.

Conclusion

Inclusionary housing regulations have been used successfully by a number of local cities and counties to provide affordable housing opportunities through new construction, rehabilitation of existing units or rental subsidies. Adoption of the proposed regulations does not entitle any development in the City, nor does it assure that there will be any actual construction activity. It simply puts developers and redevelopers on notice that affordable housing will need to be a component of any future proposal. There is also protection included for existing affordable housing since the proposed ordinance requires the replacement of any affordable housing lost in a renovation project.

If the City Council adopts the proposed ordinance, it would become effective at the end of February.

ORDINANCE NO. 09-__

**AN ORDINANCE OF THE CITY OF LAGUNA
WOODS, CALIFORNIA, ADDING CHAPTER 13.25 TO
THE LAGUNA WOODS MUNICIPAL CODE,
ESTABLISHING INCLUSIONARY HOUSING
REGUALTIONS**

WHEREAS, the City of Laguna Woods desires to accommodate and facilitate the development and maintenance of affordable housing for current and future residents; and

WHEREAS, as a part of the California Regional Needs Housing Assessment process, the City has received a new construction affordable housing allocation; and

WHEREAS, Implementation Program 3.A.3 of the Laguna Woods Housing Element commits the City to the establishment of an inclusionary ordinance by June 2009.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. A new Chapter 13.25, entitled Inclusionary Housing, is hereby added to Title 13 (Zoning) of the Laguna Woods Municipal Code, to read as follows:

Chapter 13.25

INCLUSIONARY HOUSING

Section 13.25.010 GENERAL PROVISIONS.

This chapter shall be known and may be cited and referenced as the "Laguna Woods Inclusionary Housing Ordinance."

Section 13.25.020 PURPOSE

The purpose of this chapter is to enhance the public welfare by ensuring that future Residential Development Projects contribute to the attainment of the affordable housing goals set forth in the Housing Element of the General Plan of the City of Laguna Woods.

Section 13.25.030 FINDINGS

The City Council of the City of Laguna Woods hereby finds and determines that:

- (a) The California Legislature has required each local government agency to develop a comprehensive, long-term general plan establishing policies for future development. As specified in the Government Code sections 65300, 65302 (c), and 65583 (c), the plan must: (i) encourage the development of a variety of types of housing for all income levels, including multifamily rental housing; and (ii) “[a]ssist in the development of adequate housing to meet the needs of low-and moderate-income households.”
- (b) The City has limited land available for new housing. High land prices have prevented development of new affordable housing. Providing the affordable units required by this ordinance will help to ensure that part of the City’s remaining developable land is used to provide affordable housing.
- (c) The actions contemplated by this ordinance are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 (b) 3, in that they do not have the potential for causing significant effects on the environment.

Section 13.25.040 DEFINITIONS

- (a) *Affordable Unit* is defined as an ownership or rental housing unit whose price is set at an “affordable housing cost” as defined in this section.
- (b) *Affordable Housing Cost, Affordable Ownership Housing Costs and Affordable Rental Housing Costs* are defined as the percentage of gross income a household spends on housing costs for a given income group as defined in California Health and Safety Code (Section 50052 through 50053).

(c) *Applicant* is defined as any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities who seek real residential property development permits or approvals from the City of Laguna Woods.

(d) *Affordable Unit In-Lieu Fee* is defined as a fee alternative to meet affordable housing requirements. The fee shall be set by the City Council in accordance with a specific formula.

(e) *Area Median Income (AMI)* is defined as the median income for Orange County as defined annually by the U.S. Department of Housing and Urban Development (HUD) and adopted by the California Department of Housing and Community Development (HCD). Income groupings that are subdivisions of AMI, such as Very Low, Low, and Moderate-Income households, are also defined and published by HUD and adopted by HCD.

(f) *Community Development Director* is defined as the City Manager or his/her designee.

(g) *Dwelling unit* is defined as a dwelling designed and intended for residential occupancy by one household.

(h) *Household* is defined as a person or persons living together in the same residence.

(i) *Household Income* is defined as the gross annual household income adjusted for household size and includes the income of all wage earners, elderly or disabled family members and any other sources of household income.

(j) *Housing costs* are defined for:

(1) Ownership units, as the monthly mortgage principal and interest, property taxes, homeowner's insurance, and homeowner/condominium association fees (where applicable); and,

(2) Rental units, the monthly rent plus cost water, sewer, electricity and basic telephone services.

(k) *Mixed-Use Development Project* is defined as a project that may include a mix of commercial, office, industrial or residential uses.

(l) *Presumed Occupancy Levels* used to establish the maximum household income to set rent levels and sales prices and are defined as:

- (1) One person for a studio unit;
- (2) Two people for a one bedroom unit;
- (3) Three people for a two bedroom unit; and
- (4) One additional person for each additional bedroom thereafter.

(m) *Resale controls and/or rent restrictions* are defined as the restrictions, set forth by the City or by state and/or federal law, by which the rents on affordable units are limited to ensure that the unit remains affordable to very-low- and low-income households, as applicable, for a term of no less than 45 years. Such resale controls and/or rental restrictions shall generally be consistent with the requirements of Health and Safety Code Section 33334.3 (f) (2). With respect to rental units, such rent restrictions shall generally be in the form of a regulatory agreement recorded against the applicable property. With respect to owner occupied units, such resale controls shall generally be in the form of resale restrictions, deeds of trust and/or other similar documents recorded against the applicable property.

(n) *Residential Development Project* is defined as detached single-family dwellings, multiple dwelling structures, groups of dwellings, condominium or townhouse developments, condominium conversions, cooperative developments, and mixed use developments that include housing units. This definition also includes contiguous or non-contiguous parcels that have one or more applications filed within a twenty-four month period and which are under the same ownership.

(o) *Reserved unit* is defined as a residential dwelling unit deed restricted for occupancy by a low or moderate income household pursuant to the requirement of this chapter.

Section 13.25.050 RESIDENTIAL DEVELOPMENT

(a) UNIT THRESHOLD FOR AFFORDABLE PROJECTS AND PERCENTAGE OF AFFORDABLE UNITS

(1) All Residential Development Projects consisting of five (5) or more dwelling units designed and intended for permanent occupancy located in any zoning district, for which application for any use permit, site development permit or subdivision map is filed after the effective date of this chapter, shall maintain a percentage of total number of dwelling units or parcels within the development as affordable units, according to the terms of this chapter. The foregoing requirement shall be applied no more than once to an approved development, regardless of changes in the character or ownership of the development, provided the total number of units does not change.

(2) At least 15% of the dwelling units of the Residential Development Project shall be set aside as Affordable Units. Where the calculation of the inclusionary requirement results in a fraction of a unit, such fraction shall be rounded to the next highest number and that resulting unit shall be subject to the affordability requirements of this chapter. If a change in the subdivision design or site plan results in a change in the total number of units, the number of Affordable Units required will be recalculated to coincide with the final approved project.

(3) For purposes of calculating the number of Affordable Units, any additional units authorized as a density bonus under California Government Code Section 65915 (b) (1) or (b) (2) will not be counted in determining the required number of Affordable Units.

(b) AFFORDABILITY LEVELS AND INCOME GROUPS

(1) All units provided pursuant to the requirements of this chapter shall be made affordable to very-low, low and moderate income households pursuant to the following minimum distributions:

Rental Residential Projects

Reserved for	Percentage of Units
Very Low Income	7.5%
Low Income	7.5%

Owner-Occupied Residential Projects

Reserved for	Percentage of Units
Low Income	10%
Moderate Income	5%

In applying these percentage allocations, any fraction of a unit shall be rounded up to a whole unit.

(2) If a development is built on a condominium map, but the units are placed on the rental market rather than being sold, then the provisions for rental units shall apply.

(c) DESIGN, DISTRIBUTION AND TIMING OF AFFORDABLE UNITS

Affordable Units shall be integrated with Residential Development Project as a whole and shall be comparable in infrastructure (including sewer, water and other utilities), construction quality and exterior design to the market-rate units. Specifically:

(1) Rental Residential Development Projects: All Affordable Units shall reflect the range and numbers of bedrooms provided in the project as a whole, and shall not be distinguished by design, construction, or materials. All Affordable Units shall be reasonably dispersed throughout the project.

(2) Owner-occupied Residential Development Projects: When Affordable Units are required in owner-occupied Residential Development Projects, the units should be integrated with the project as a whole. Affordable Units may be smaller in aggregate size and have different interior finishes and features than market-rate units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing. The number of bedrooms must be the same as those in the market-rate units, except that if the market-rate units provide more than four bedrooms, the Affordable Units need not provide more than four bedrooms.

(3) No building permits will be issued for market-rate units until permits for all Affordable Units have been obtained, unless Affordable Units are to be constructed in phases pursuant to a plan approved by City Council.

(4) Market-rate units will not be inspected for occupancy until all Affordable Units have been constructed, unless Affordable Units are to be constructed in phases pursuant to a plan approved by City Council.

(d) DURATION OF AFFORDABILITY REQUIREMENT.

Affordable Units produced under this chapter must be legally restricted to occupancy by households of the income levels for which the units were designated for a minimum of 45 years.

Section 13.25.060 COMPLIANCE PROCEDURES.

(a) GENERAL

(1) The provisions of this Article shall apply to all agents, successors and assignees of an Applicant, developer, builder or property owner proposing a Residential Development Project governed by this Article. No tentative map, use permit, special development permit or occupancy permit shall be issued for any Residential Development Project unless exempt from or in compliance with the terms of this Chapter.

(2) The City may institute any appropriate legal actions or proceedings necessary to ensure compliance herewith, including but not limited to actions to revoke, deny or suspend any permit or development approval.

(b) INCLUSIONARY HOUSING PLAN.

(1) The Applicant must submit an Inclusionary Housing Plan (IHP) which will be treated as part of the development application. In accordance with the Permit Streamlining Act, and subject to the time limits thereof, the Community Development Director shall determine whether the IHP is complete. If the IHP is incomplete, the IHP will be returned to the Applicant with a list of the deficiencies or the information required. No application for a site plan review, tentative map, or building permit to which this Article applies shall be finalized until the IHP is deemed complete by the Community Development Director. At any time during the review process, the Community Development Director may require from the Applicant additional information reasonably necessary to clarify and supplement the application or determining the consistency of the proposed IHP with the requirements of this chapter.

The IHP must be submitted at time of application and include:

(i) The location, structure (attached, semi-attached, or detached), proposed tenure (for-sale or rental), and size of the proposed market-rate, commercial space and/or Affordable Units and the basis for calculating the number of Affordable Units;

(ii) A floor or site plan depicting the location of the Affordable Units;

(iii) The income levels to which each Affordable Unit will be made affordable;

(iv) The documents that will be used to assure that the units remain affordable for the desired term, such as resale and rental restrictions, deeds of trust, and rights of first refusal and other documents;

(v) For phased Residential Development Projects, a phasing plan that provides for the timely development of the number of Affordable Units proportionate to each proposed phase of development as required by this Article;

(vi) A description of any incentives that are requested by the Applicant;

(vii) Any alternative means proposed for the Residential Development Project along with information necessary to support the findings required for approval of such alternatives;

(viii) A marketing plan that describes how the Applicant will inform the public, and those within the appropriate income groups, of the availability of Affordable Units; and

(ix) Any other information reasonably requested by the Community Development Director to assist with evaluation of the IHP under the standards of this Article.

(2) Inclusionary Housing Plans that meet all of the requirements of this Article shall be approved by the Community Development Director. An

Inclusionary Housing Plan that requests a waiver of any of the requirements set forth in this Article shall require approval of City Council.

(c) INCLUSIONARY HOUSING AGREEMENT.

(1) The form of the Inclusionary Housing Agreement (IHA) will vary, depending on the manner in which the provisions of this Chapter are satisfied for a particular development. An IHA must include, at minimum, the following:

(i) Description of the development, including whether the Affordable Units will be rented or owner-occupied;

(ii) The number, size and location of Very Low-, Low- or Moderate-Income Units;

(iii) Inclusionary incentives by the City (if any), including the nature and amount of any local public funding;

(iv) Provisions and/or documents for resale restrictions, deeds of trust, rights of first refusal or rental restrictions;

(v) The Marketing Plan for sale or rental of the Affordable Units;

(vi) Provisions for monitoring the ongoing affordability of the units, and the process for qualifying prospective resident households for income eligibility; and

(vii) Any additional obligations relevant to the compliance with this Article.

(2) The form of the IHA resale and rental restrictions, deeds of trust, rights of first refusal and other documents authorized by this section must be approved by the City Manager or his or her designee prior to being executed with respect to any Residential Development Project.

(3) Approval of an IHA and implementation of an approved IHA is a condition of any tentative map or building permit for any Residential Development Project for which this section applies.

(d) EXEMPTIONS.

The requirements of this section do not apply to the reconstruction of any structures that have been destroyed by fire, flood, earthquake or other act of nature, provided that the reconstruction of the site does not increase the number of residential units by more than four.

(e) AFFORDABLE UNIT IN-LIEU FEE.

(1) In Residential Development Projects consisting solely of for-sale units, the Applicant may request a waiver of the requirement to build Affordable Units in exchange for the payment of an Affordable Unit In-Lieu Fee, as defined in this section.

(2) The Applicant shall furnish a report identifying all overriding conditions impacting the for-sale Residential Development Project that prevent the Applicant from meeting the requirement to construct the Affordable Units and provide sufficient independent data, including appropriate financial information, to support the Applicant's claim that it is not feasible to construct the required Affordable Units. A detailed analysis of why the various concessions and incentives identified cannot mitigate the identified conditions that are preventing the Applicant from constructing the Affordable Units.

(3) Such requests shall be considered on a case-by-case basis by the City Council and may be approved, at the City Council's sole discretion, if the City Council determines that there are overriding conditions impacting the project that prevent the Applicant from meeting the requirement to construct Affordable Units and that payment of the in-lieu fee will further housing opportunities.

(4) The amount of the Affordable Unit In-Lieu Fee shall be established by resolution of the City Council in accordance with the following formula:

(i) The median sales price of homes sold in the City of Laguna Woods based on the last quarter of the calendar year prior to the year in which the building permit is issued, minus the maximum affordable sales price for a two bedroom unit as defined in section 14C.4(a)(1). However, the area median income figures in effect during the last quarter of the

calendar year prior to the year in which the building permit is being issued shall apply.

(Median sales price of new home - affordable two-bedroom sales price = In-Lieu Fee.)

(ii) To obtain the per unit in-lieu fee the entire in-lieu fee shall be divided by the total number of units in the project.

(5) The In-Lieu Fee amount will be reviewed and adjusted as appropriate by the City Council.

(6) Fees shall be paid prior to issuance of the first building permit for the Residential Development Project or secured at that time by an approved letter of credit. No Certificate of Occupancy will be issued for any dwelling unit in that Residential Development Project unless the fees required under this section have been paid in full.

(7) The In-Lieu Fee shall be placed in an Affordable Housing Trust Fund and used to develop affordable housing units. All In-Lieu Fees collected hereunder shall be used by the city exclusively to provide housing opportunities for low income households within the city. For the purposes of this subsection, the term "provide housing opportunities for low income households" means any expenditure authorized by law which directly or indirectly makes housing units affordable to low or moderate-income households.

Section 13.25.070 REPLACEMENT HOUSING

If a Residential Development Project results in the loss of currently existing affordable housing, it shall be required to provide an equal number of replacement units. The requirements for inclusionary housing under this chapter shall apply only to residential units in addition to those removed and replaced.

Section 13.25.080 DEVELOPMENT ALTERNATIVES.

In addition to the in lieu fee discussed in Section 13.25.060 (e), the following alternatives are available to Applicant in lieu of the construction of affordable units:

(a) Off-Site Construction. City policy is that Affordable Units must be integrated within Residential Development Projects as much as possible. Where Affordable Units are required, an Applicant may instead construct units not physically contiguous to the development (off-site) if the City Council determines that:

(1) Off-site construction will further affordable housing opportunities in the City to a greater extent than construction of the required units as part of the proposed residential project;

(2) A schedule for completion of the off-site units concurrently with completion of the related market-rate units is provided and agreed upon as a condition of approval for the project;

(3) The off-site units are at least equal in size and amenities to Affordable Units which would be allowed in the project, or any comparative deficiency in size or amenities is compensated for by additional units, larger units or affordability to households with lower incomes;

(b) Land dedication. Applicant may dedicate land to the City or city-designated local non-profit housing developer in lieu of construction of some or all of the required affordable units, if the Council finds that:

(1) That dedication of land in lieu of constructing units is consistent with the chapter's goal of creating, preserving, maintaining, and protecting housing for very-low, low- and moderate-income households.

(2) That the dedicated land is useable for its intended purpose, is free of toxic substances and contaminated soils and is fully improved, with infrastructure, adjacent utilities, grading in place.

(3) That the proposed land dedication is of equivalent or greater value than that produced by applying the City's current in lieu fee. The determination of suitability shall be the sole responsibility of the City Council.

(c) Combination of Alternatives. The City Council may choose to accept any combination of on-site construction, off-site construction, In-Lieu Fees

and land dedication that at least equal the cost of providing the Affordable Units on-site as would otherwise be required by this chapter.

Section 13.25.090 DEVELOPMENT INCENTIVES

(a) Density Bonus. Any units authorized and approved as a density bonus unit pursuant to the City's Affordable Housing Policies and Procedures will not be counted in determining the number of Inclusionary Units or the In-Lieu Fee required by this Chapter.

(b) Expedited Processing. Expedited processing of development approvals and permits will be available for Residential Development Projects with Affordable Units.

(c) Technical and Financial Assistance. Upon request, information shall be provided to developers, builders or property owners regarding design guidelines and financial subsidy programs, if any, available for Residential Development Projects.

Section 13.25.100 IMPLEMENTING THE REGULATORY AGREEMENT OR DEED RESTRICTION.

(a) TERM OF AGREEMENT.

Prior to the issuance of a Certificate of Occupancy, a regulatory agreement shall be recorded against parcels having Affordable Units and shall be effective for a term of at least 45 years. This term shall begin on the date on which the Certificate of Occupancy is issued.

(b) RIGHT OF FIRST REFUSAL FOR OWNER-OCCUPIED UNITS.

It is the responsibility of the seller of a Dwelling Unit, subject to the affordability terms of this chapter, to select a purchaser that meets the income requirements of this chapter. Information regarding potential purchasers who may meet the income criteria may be obtained from the City of Laguna Woods Community Development Department. The resale restrictions shall provide that in the event of the sale of a unit subject to the requirements of this chapter, if the seller is unable to find an eligible and

qualified purchaser, the City shall have the right to purchase said unit at the price that could be charged to an income-eligible purchaser.

(c) RECORDING OF AGREEMENT.

An approved Inclusionary Housing Agreement must be recorded against owner-occupied Affordable Units and Residential Development Projects containing rental Affordable Units. Additional rental or resale restrictions, deeds of trust, rights of first refusal and/or other documents acceptable to the Community Development Director must also be recorded against owner-occupied Affordable Units. In cases where the requirements of this Chapter are satisfied through the development of Off-Site Units, the Inclusionary Housing Agreement must simultaneously be recorded against the Residential Development Project site and the property where the off-site units are to be developed.

Section 13.25.110 ELIGIBILITY FOR AFFORDABLE UNITS.

(a) SELECTION CRITERIA.

No household shall be permitted to occupy an Affordable Unit unless the Community Development Director has first approved the household's income eligibility. Income-eligible occupants of Affordable Units will be qualified on the basis of household income adjusted for household size in accordance with California Health and Safety Code 50052 and 50053, or any successor statute. The developer, property owner or property manager shall use an equitable selection method established in compliance with the terms of this chapter and approved by the Community Development Director. If qualified, persons shall be selected for occupancy of an Affordable Unit governed by this chapter based on the following criteria:

(1) First Priority: Persons who live or work within the City of Laguna Woods

(2) Second Priority: All other eligible households.

(b) CONFLICT OF INTEREST.

The following individuals are ineligible to purchase or rent an Affordable Unit:

(1) City employees and officials (and their immediate family members) who have policy-making authority or influence regarding City housing programs and do not qualify as having a remote interest as provided by California Government Code.

(2) The Applicant and its officers and employees (and their immediate family members)

(3) The Owner and its officers and employees (and their immediate family members).

(c) OCCUPANCY.

Any household who occupies an Affordable Rental Unit or purchases an Affordable Ownership Unit must occupy that unit as a principal residence. Should the household cease to occupy that unit as their primary residence then the household will be in default of their affordable housing agreement or lease.

(d) OWNER-OCCUPIED UNITS.

(1) Sales Price. The initial and subsequent sales prices of the Affordable Unit shall be set at the Affordable Ownership Housing Cost for one, two, three or more bedroom units, as appropriate.

(2) Transfer of Restrictions. When the ownership of an owner-occupied Affordable Unit is transferred, prior to the expiration of the 45-year affordability period, each new owner must sign an Inclusionary Housing Agreement to complete the 45-year term.

(3) Resale. The maximum sales price permitted on resale of an Affordable Unit designated for owner-occupancy shall be the lower of (1) fair market value or (2) the seller's lawful purchase price, increased by the lesser of (i) the rate of increase of Area Median Income during the seller's ownership or (ii) the rate at which the consumer price index increased during the seller's ownership. To the extent authorized in any resale restrictions or operative Inclusionary Housing Agreement, seller may recover, at time of sale, the value of capital improvements made by the seller (for which there are receipts) and the seller's necessary and usual costs of sale. The

Community Development Director may authorize an increase in the maximum allowable sales price to achieve such recovery. Capital improvements are limited to new construction on the house or property. Repairs of any type, including but not limited to roofs, bathrooms and kitchens, are not considered capital improvements.

(4) Changes in Title. Title to the Affordable Unit may change due to changes in circumstance, including death, marriage and dissolution of marriage. If the owners are joint tenants with right of survivorship, upon the death of one of the owners, title to the property may transfer to the surviving owner without respect to the income-eligibility of the household.

(i) If the owners are tenants-in-common, upon the death of a sole owner, all owners or one of the owners, inheritance of the Affordable Unit by a non-income-eligible child, stepchild or other party is not allowed. The Affordable Unit should be sold as soon as feasible; however, there will be a one year compassion period between the death and the time when the Affordable Unit must be sold to an income-eligible household.

(ii) Except as otherwise provided by this section, if a change in title is occasioned by events, such as a marriage or dissolution of a marriage and subsequent remarriage, that change the financial situation of the household so that it is above moderate income, then the property must be sold to an income-eligible household within one year.

(e) RENTAL UNITS.

(1) Affordable Rental Units shall be offered to eligible households at an Affordable Rental Housing Cost.

(2) The owner of rental Affordable Units shall certify each tenant's Household Income to the Community Development Director at the time of initial rental and annually thereafter. The owner must obtain and review documents that demonstrate the prospective tenant's Household Income, such as income tax returns or W-4's for the previous calendar year, and submit such information on a form approved by the Community Development Director.

(3) The Community Development Director or his designee will review all income verifications and documents that substantiate the prospective tenant

household's total income to determine their completeness and accuracy. No tenant may move into an Affordable Unit prior to authorization by the Community Development Director.

(f) MARKETING PLAN.

Owners may fill vacant units by selecting income-eligible households in accordance with the approved Marketing Plan contained in the Inclusionary Housing Agreement.

(g) COMPLIANCE REPORTS.

The Property Owner shall submit quarterly compliance reports summarizing the occupancy of each Affordable Unit. Annually, the owner shall re-certify the tenant for income-eligibility and submit an annual report

(h) SUBSEQUENT RENTAL TO INCOME-ELIGIBLE TENANT.

The Property Owner shall apply the same rental terms and conditions to tenants of Affordable Units as are applied to all other tenants, except as required to comply with this Chapter (e.g., rent levels, occupancy restrictions and income requirements) or with other applicable government subsidy programs. Discrimination against persons receiving housing assistance is prohibited.

(i) CHANGES IN TENANT INCOME.

If, after moving into an Affordable Unit, a tenant's Household Income exceeds the limit for that unit, the tenant household may remain in the unit as long as his or her household income does not exceed 140 percent of the income limit. Once the tenant's income exceeds 140 percent of the income limit, the following shall apply:

(1) If the tenant's income does not exceed the income limits of other Affordable Units in the Residential Development Project, the owner may, at the owner's option, allow the tenant to remain in the original unit and re-designate the unit as affordable to households of a higher income level, as long as the next vacant unit is re-designated for the income category previously applicable to the tenant's household. Otherwise, the tenant shall be given one year's notice to vacate the unit. If, during the year, an

Affordable Unit becomes available and the tenant meets the income eligibility for that unit, the owner shall allow the tenant to apply for that unit.

(2) If there are no dwelling units designated for a higher income category within the Residential Development Project that may be substituted for the original unit, the tenant shall be given one year's notice to vacate the unit. If, within that year, another unit in the Residential Development Project is vacated, the property owner may, at owner's option, allow the tenant to remain in the original unit and raise the tenant's rent to market-rate and designate the newly vacated unit as an Affordable Unit at the income-level previously applicable to the unit converted to market rate. The newly vacated unit must be comparable in size (for example, number of bedrooms, bathrooms, square footage, etc.) as the original unit.

Section 13.25.120 ADJUSTMENTS AND WAIVERS.

(a) If the Applicant demonstrates to the City Council that there is not a reasonable relationship between the impact of a proposed Residential Development Project and the requirements of this chapter, or that applying the requirement of this chapter would take property in violation of the United States or California Constitutions, the requirements of this chapter may be adjusted or waived.

(b) To receive an adjustment or waiver, the Applicant must make a showing of necessity and demonstrate the lack of reasonable relationship or taking of property when making application for the Residential Development Project, and/or as part of any appeal that the City provides as part of the process for the first approval.

(c) In making a determination on an application to adjust or waive the requirements of this chapter, the City Council may assume each of the following when applicable: (i) that the Applicant is subject to the inclusionary housing requirement or in- lieu fee; (ii) the extent to which the Applicant will benefit from inclusionary incentives; (iii) that the Applicant will be obligated to provide the most economical Affordable Units feasible in terms of construction, design, location and tenure; and (iv) that the Applicant is likely obtain other housing subsidies where such funds are reasonably available.

Section 13.25.130 MODIFICATION OF PLAN .

If the City Council determines that the application of the provisions of this chapter lacks a reasonable relationship between the impact of a proposed residential project and the requirements of this chapter, or that applying the requirement of this chapter would take property in violation of the United States or California Constitutions, the Inclusionary Housing Plan shall be modified, adjusted or waived to reduce the obligations under this chapter to the extent necessary to avoid an unconstitutional result. If the City Council determines no violation of the United States or California Constitutions would occur through application of this chapter, the requirements of this chapter remain applicable.

Section 13.25.140 AFFORDABLE HOUSING TRUST FUND.

(a) TRUST FUND.

There is hereby established a separate Affordable Housing Trust Fund ("Fund"). This Fund shall receive all In-Lieu Fees and may also receive monies from other sources.

(b) PURPOSE, LIMITATIONS AND ADMINISTRATION.

Monies deposited in the Fund must be used to increase and improve the supply of housing affordable to Low-, and Very Low-Income households in the City. Monies may also be used to cover reasonable administrative or related expenses associated with the administration of this Chapter. The Fund shall be administered by the Community Development Director or his/her designee who shall develop procedures to implement the purposes of the Fund consistent with the requirements of this chapter and the adopted budget of the City.

(c) PERIODIC REVIEW

Annually, the city council shall review the status of compliance with this chapter, and the degree to which reserved units provided and fees collected pursuant to this chapter are addressing the shortfall of affordable housing units. Not later than five years after the effective date of this chapter, the City Council shall consider a report by the Community Development Director reviewing the reservation requirement and fee formula established

to implement the provisions of this chapter to determine whether any adjustments in the reservation requirement or fee formula are warranted.

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 3. This Ordinance shall take effect and be in full force and effect thirty (30) days from and after the date of its final passage and adoption, or until otherwise superseded by action of the City Council or by operation of State Law.

SECTION 4. The Deputy City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

PASSED, APPROVED AND ADOPTED THIS __ DAY OF _____, 2009.

BOB RING, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

APPROVED AS TO FORM:

STEPHEN A. MCEWEN, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, California DO
HEREBY CERTIFY that the foregoing Ordinance No. 09-__ was duly introduced and placed
upon its first reading at a Regular Meeting of the City Council on the 10th of December, 2008,
and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City
Council on the ____ day of _____, 2009 by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk

City of Laguna Woods Agenda Report

DATE: January 21, 2009 City Council Meeting
TO: Honorable Mayor and Council Members
FROM: Leslie A. Keane, City Manager 
AGENDA ITEM: City Council Advisory Committee Appointments

Recommendation

Approve Councilmember nominations and Committee Chair appointments to the Land Use and Design Review, Public Safety and Community Services Committees.

Background

Appointees to the City's Council advisory committees serve two year terms which expire in December of even years.

Each Councilmember may nominate two members to each committee, subject to ratification by the Council as a whole. Committee chairs are appointed by the Council as a whole and are generally senior members of each committee.

In November 2008, the Council unanimously approved modifications to its advisory committee structure, reducing the number of committees from six to three – Land Use and Design Review, Public Safety and Community Services.

The attached list represents Councilmember nomination to committees and staff recommendations for committee chairs. All positions have been nominated with the exception of two nominees to the Land Use and Design Review Committee from Mayor Pro Tem Ross.

Attachment: Nomination List

2009-10 City Council Advisory Committee Appointments

Land Use

Chair	Staff: Leslie Keane
Ring	Ed Miller
Ring	Micelle Lindstrom
Ross	Marilyn Sortino
Ross	
Hack	Noel Hatch
Hack	Bob Morton
Robbins	Sally DeBellis
Robbins	Al Preli
Rhodes	Ira Joss
Rhodes	Gunther Vogt

Community Services

Chair	Staff: Doug Reilly
Ring	Marion Levine
Ring	Mel Gorman
Ross	Loretta Sheppard
Ross	Ellen Dalrymple
Hack	Jan Coles
Hack	Dick Roebecheck
Robbins	Beverly Margolis
Robbins	Justine Ratner
Rhodes	Irena Lawyer
Rhodes	Ros Rhodes
	Marion Rosenstein

Public Safety

Chair	Staff: Leslie Keane
Ring	Jan Brayley
Ring	Hal Horne
Ross	Tom Letcher
Ross	Nate Rosenblatt
Hack	Jo Ann Leuck
Hack	Libby Marks
Robbins	Ken Min
Robbins	Virginia Templeton
Rhodes	Stu Venable
Rhodes	Mark Stein
	Betty Baumann

**City of Laguna Woods
Agenda Report**

DATE: January 21, 2008 City Council Meeting
TO: Honorable Mayor and Council Members
FROM: Leslie A. Keane, City Manager 
AGENDA ITEM: City Councilmember Regional Appointments

Recommendation

Appoint individual councilmembers and staff to represent the City of Laguna Woods on various regional boards and committees.

Background

Following municipal elections, the Council appoints its members and staff to various regional boards and committees. The attached chart identifies available positions, councilmembers currently filling positions and councilmembers interested in re-appointments or vacant positions.

Appointments are generally for two years, although they can be changed by a majority of the Council at any regular meeting. Appointment to the Vector Control District Board of Directors may be designated for either two or four years; this person cannot be removed by the City Council following appointment. At a recent meeting, the City Council appointed Bob Bouer to a two year term, which will expire at the end of 2010, as the City's representative to the Orange County vector Control District.

Attachment: Appointment List

City Council Appointments to Regional Boards and Committees

<u>Board/Committee</u>	<u>Current Appointee</u>	<u>Proposed Appointment</u>
Director, Orange County Fire Authority	Ross	Ross
Alternate, Orange County Fire Authority	Vacant	Rhodes
Director, San Joaquin Corridor Authority	Hack	Hack
Alternate, San Joaquin Corridor Authority	Vacant	Ring
Member, Orange County Library Advisory Committee	Robbins	Robbins
Alternate, Orange County Library Advisory Committee	Ross	Ross
Director, Laguna Canyon Foundation	Ring	Ring
Director, Laguna Canyon Foundation	Vacant	Rhodes
Member, Coastal Greenbelt Authority	Ring	Ring
Alternate, Coastal Greenbelt Authority,	City Manager	City Manager
Member, OCTA Growth Management Area Committee	Robbins	Robbins
Director, Joint Powers Authority	Robbins	Robbins
Alternate, Joint Powers Authority	City Manager	City Manager

City Council has already appointed former Councilmember Bob Bouer to a two year term with the OC Vector Control District.

City of Laguna Woods Agenda Report

DATE: January 21, 2009 City Council Meeting

TO: Honorable Mayor and Councilmembers

FROM: Douglas C. Reilly, Assistant City Manager 

Agenda Item: Acquisition of Property for El Toro Road/Moulton Parkway Intersection Improvements

Recommendation:

Approve a resolution authorizing the commencement of eminent domain proceedings to acquire interests in real property as described in the Resolution of Necessity for street improvements at the intersection of El Toro Road and Moulton Parkway, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF A PORTION OF 24312 EL TORO ROAD AND A PORTION OF 24112 MOULTON PARKWAY FOR THE STREET WIDENING AND IMPROVEMENT OF MOULTON PARKWAY, A PUBLIC PURPOSE

Background

The City is partnering with the County of Orange (County) to plan and construct improvements to the intersection of El Toro Road and Moulton Parkway as Phase 1 of the Moulton Smart Street project. In October 2001, the City Council approved an agreement with the County for Moulton Smart Street project design and right of way acquisition. The agreement includes a commitment by the City to acquire right of way within Laguna Woods.

Discussion

The El Toro Road and Moulton Parkway intersection improvements entail the widening of El Toro Road to accommodate additional eastbound and westbound

ITEM 9.1

left turn lanes, dedicated right turn lanes on each leg of the intersection, and a bus turnout area for the bus stop on the northwest corner of the intersection, just north of the Moulton Auto Spa car wash. These improvements require the acquisition of three parcels, two along the El Toro Road and Moulton Parkway frontage of the Laguna Woods Village (Village) Equestrian Center, and one fronting Moulton Parkway along the Village golf course.

The Golden Rain Foundation (GRF) is the owner of record of all the subject properties. The Equestrian Center parcels are a total of 22,799 square feet and the golf course parcel is 8,500 square feet. An appraisal was conducted of the fair market value of the properties. On March 27, 2007, the City mailed an offer to acquire these and other properties for the Moulton Smart Street project to the property owner, along with a Summary of the Appraisal. On August 13, 2008, GRF made a counter offer. The City had a second appraisal conducted of the fair market value of the properties and impacts identified in GRF's counter offer. On November 14, 2008, the City mailed an offer to the property owner to acquire the parcels fronting the Equestrian Center, and on December 8, 2008 mailed an offer to the property owner to acquire the parcel fronting the golf course. The offers and accompanying information statements and Appraisal Summaries contained all the factual disclosures required by Government Code Section 7267.2, which outlines the process by which a Resolution of Necessity may be adopted.

The property acquisitions required for the intersection improvements will not affect any residences or buildings, but will affect the Equestrian Center parking lot and landscape screening on both El Toro Road and Moulton Parkway. The planned Phase 1 improvements will involve moving the roadway closer to the stables and arena and removal of mature trees that serve to block the horses' views of passing traffic from the stables and the arena. The improvements will also widen the roadway to the east and remove mature trees that partially block errant golf balls coming from the golf course. The intersection improvement plans include moving and replanting mature trees, where possible, installing new trees, and constructing a block wall along Moulton Parkway in front of the arena.

GRF has not responded to these latest offers to purchase. The properties are required in order for the City and County to initiate phase 1 of the Moulton Smart Street project and to ensure that \$2.5 million of Measure M funds allocated to the project are protected.

A Notice of Hearing Regarding Adoption of a Resolution of Necessity to Acquire Property by Eminent Domain (see attachment to Resolution) was delivered to GRF on January 7, 2009. The Notice advised GRF that the Laguna Woods City Council

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would consider adopting a Resolution of Necessity to take a portion of the property at 24312 El Toro Road and a portion of the property at 24112 Moulton Parkway by eminent domain at its meeting on January 21, 2009, at 2 p.m. if agreement is not reached on the sale of the property.

Pursuant to California Government Code sections 7267.2, 37350.5, and 38000 et seq., California Code of Civil Procedure Section 1230.010 et seq., Section 19, Article I of the California Constitution, and other authorities, the City of Laguna Woods is authorized to acquire interests in property by eminent domain, provided certain procedural steps are followed.

City staff, at the direction of the City Council, has offered to purchase a fee simple absolute interest in the Properties for the street improvement of Moulton Parkway, a public purpose. A copy of the most recent offers the City made to GRF, the property owner of record, is attached as Attachment A. The offers were based upon a limited appraisal of the property. If the City Council adopts the Resolution of Necessity negotiations for the acquisition of the property can and will continue.

Prior to commencing eminent domain proceedings, the City must notice and hold a public hearing on a Resolution of Necessity (Attachment B). The property owner must be afforded an opportunity to be heard at the hearing if he/she so wishes. After conducting the public hearing, if the City Council finds that the public necessity so requires, it may, by 2/3 vote of its members, adopt the proposed Resolution of Necessity, authorizing eminent domain proceedings.

The findings, which need to be made, are set forth in the Resolution of Necessity. Specifically, the City must find:

- That the public interest, convenience and necessity require the acquisition of the Property for the Project. As proposed, the Project will serve public purposes, specifically, for the street widening and improvement of the intersection of Moulton Parkway and El Toro Road; and
- That the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. As set forth above, the Project will protect or preserve the safety and usefulness of the intersection of Moulton Parkway and El Toro Road; and
- That the Property sought to be acquired is necessary for the Project. As explained above, the City's acquisition of the Property is necessary for the

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widening and improvement of the intersection of Moulton Parkway and El Toro Road; and

- That the City Council, acting as the Planning Commission, finds the Project (for the street widening and improvement of the intersection of Moulton Parkway and El Toro Road) to be consistent with the City's General Plan.

Prior to adopting the Resolution of Necessity, the City must conduct an environmental review of the Project. On July 26, 2005, pursuant to Public Resources Code section 21000, et seq., the California Environmental Quality Act ("CEQA"), the Board of Supervisors of the County of Orange adopted Environmental Impact Report Addendum IP 04-233 for the Moulton Smart Street Project, including the intersection of Moulton Parkway and El Toro Road.

Fiscal Impact

Beginning in Fiscal Year 2004-05, the City has set aside just over \$12.5 million of Moulton Parkway traffic mitigation fees (held by the County) and \$2.5 million of Measure M funds for the entire Moulton Smart Street project in Laguna Woods. The budgeted allocations of Measure M funds have been moved several times due to delays in project implementation, which may put these funds at risk as Measure M I comes to a close in April 2011. Further postponement of these funds may require approval by the Orange County Transportation Authority (OCTA) board of directors, which is not certain. Moulton Parkway traffic mitigation funds will cover the costs of acquisition of the proposed properties.

Conclusion

The City of Laguna Woods has worked with the County of Orange on the proposed Moulton Smart Street project since incorporation in 1999. The project includes adding left turn lanes, right turn lanes, bicycle lanes, sidewalks and new landscaping from Via Campo Verde north to Santa Maria Avenue. Phase 1 of the project is the improvements at the intersection of Moulton Parkway and El Toro Road. Offers to acquire property to allow the project to proceed were made to the property owner in March 2007 and, more recently, in November and December 2008. Further delays on a resolution may put Measure M funds at risk. If the City wishes to proceed with the purchase of these properties to allow for Phase 1 of the Moulton Smart Street project to proceed, it may consider eminent domain proceedings. Adoption of a Resolution of Necessity is the first step in that process.

Attachments: Attachment A: Offers to Purchase
 Attachment B: Resolution of Necessity





ATTACHMENT A

CITY of LAGUNA WOODS

Bert Hack
Mayor

Bob Ring
Mayor Pro Tem

Robert Bouer
Councilmember

Milt Robbins
Councilmember

Brenda B. Ross
Councilmember

Leslie A. Keane
City Manager

November 14, 2008

Mr. Erwin Stuller
President, Board of Directors
Golden Rain Foundation of Laguna Hills
P.O. Box 2220
Laguna Hills, CA 92654-6412

Re: Offer to Acquire Real Property Moulton Parkway Smart Street Project
APN: 621-131-02 and 621-131-36 (Equestrian Center)

Dear Mr. Stuller:

On August 13, 2008, the City of Laguna Woods (City) received the response from your attorney on behalf of Laguna Woods Village to the City's March 27, 2007 offers to acquire right of way to facilitate construction of a capital improvement project on Moulton Parkway between Via Campo Verde and Ridge Route Drive. The project is designed to improve traffic capacity and operations. Based on your comments, the City authorized the reappraisal of several properties on which offers were made. In addition, because of project funding deadlines, the project has been split into two phases. The first phase runs from Via Campo Verde to 600 feet north of El Toro Road, with the second phase extending from this terminus to Ridge Route. At this time the City would like to focus on acquiring the right of way for phase I, which includes the subject property.

As specified in our original offer, the City determined that a portion of your property, referenced above and legally described in "Exhibit A" attached hereto, is necessary for the proposed project. In exchange for free and clear title, and subject to the terms, conditions and contingencies contained herein, the City hereby makes a formal offer to purchase the subject property in the amount of:

**Two hundred and Twenty-Five Thousand, Seven-Hundred, Fifty-Five Dollars
(\$225,755.00)**

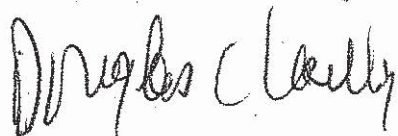
This offer takes into account issues raised in your August 13, 2008 response letter. This offer is the full amount the City believes to be just compensation for your property and is not less than the approved appraisal of its fair market value. The basis for that determination is explained in the attached Statement of Value and Summary of the Basis for Appraisal. The City did not include the value of the planned eight to ten foot concrete block wall that will be constructed for visual screening as part of the project.

This offer and any documents or agreements created hereby are subject to final approval and acceptance by the City and City Council. This offer is further subject to and conditioned upon acceptable soils conditions and the absence from the property of toxic or hazardous substances and any other kind of soil or water contamination, and to the grant of a right-of-entry to the City for the purpose of conducting a soils, toxic and hazardous substances investigation of the subject property at the City's expense.

City and County of Orange staff are happy to meet with you and/of your staff to discuss our offer and answer any questions you may have regarding this offer letter and attached statement. You may reach me at (949) 639-0561.

It is requested that you acknowledge receipt of this offer by signing a copy of this letter and returning same to City of Laguna Woods. Your signature on this copy does not signify acceptance of the City's offer, it only acknowledges receipt of the City's offer.

Sincerely yours,



Douglas C. Reilly
Assistant City Manager

OFFER RECEIVED

By: _____

Date: _____

**Receipt of Offer Does Not
Constitute Acceptance**

cc: County of Orange
Carol Moore, President, Third Mutual
Lloyd Foster, President, United Mutual

STATEMENT OF VALUE AND SUMMARY OF THE BASIS FOR APPRAISAL
Code of Civil Procedures § 1255.010(b)

THE AMOUNT ESTABLISHED AS JUST COMPENSATION
Government Code § 7267.2(a)

OWNERSHIP
Golden Rain Foundation of Laguna Hills
Equestrian Center

The following is a Statement of Value and Summary of the Basis for Appraisal and the Amount that the City of Laguna Woods Established as Just Compensation ("Summary") required by the California Eminent Domain Law. The appraisal on which this summary is based was made in connection with establishing the amount of compensation as required by Code of Civil Procedure section 1255.010(b). The appraisal on which this summary is based was made in accordance with accepted appraisal principles, consistent with California Valuation Law. A statement and summary described the basis for the appraisal from which the City of Laguna Woods established compensation. There follows the Statement of Value and Summary of the Basis for Appraisal and the Amount Established as Just Compensation ("Summary"):

INTRODUCTION

A portion of the larger parcel is being acquired for a street widening project along Moulton Parkway and El Toro Road, in Laguna Woods. The larger parcel is located adjacent to the southwest corner of Moulton Parkway and El Toro Road.

BASIS OF VALUATION

The fair market value for the property proposed to be acquired is based upon an appraisal prepared in accordance with accepted appraisal principles and methodologies.

Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

- (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell, but under no particular or urgent necessity for so doing, nor obliged to sell; and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- (b) The fair market value of property taken for which there is no relevant comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

Section 1263.330 provides that the fair market value shall not include an increase or decrease in the value attributable to the project for which the property is to be acquired.

Recent sales of comparable land parcels are used as appropriate. Full consideration is given to zoning, development potential, and the use the property is capable of producing.

SUBJECT DATA

(A) Property Identification

Owner of Record:

Golden Rain Foundation of Laguna Woods

Assessor's Parcel Numbers:

621-131-02 and a small portion of 621-131-36 for the temporary construction easement

Property Address:

24312 El Toro Road
Adjacent to the southwest corner of Moulton
Parkway and El Toro Road
Laguna Woods, California 92637

General Character of

Interest Being Appraised:

Fee simple value for right-of-way road widening and retaining wall

The Proposed Acquisition:

The proposed acquisitions are situated along Moulton Parkway and El Toro Road and consist of a long irregularly-shaped strip of land on both Moulton Parkway and El Toro Road.

On Moulton Parkway: Starting at the northeastern portion of the site, the total acquisition area (including the street, highway and retaining wall right-of-way) is approximately 29 feet wide at its widest point. The right-of-way runs the entire length of the street, approximately 250 feet. The total street right-of-way for this area is 6,055 square feet with 890 square feet for the retaining wall right-of-way.

On El Toro Road: Starting at the northeastern portion of the site the total acquisition area (including the street, highway and retaining wall right-of-way) is approximately 18 feet wide for approximately 80 feet, then narrows to 13 feet wide for approximately 200 feet. The area widens near the driveway entrance to up to 40 feet at its widest. The total street right-of-way for this area is 7,187 square feet with 1,036 square feet for the retaining wall.

The temporary construction easements (TCE) are approximately 1,489 square feet on Moulton Parkway and 6,142 square feet on El Toro Road.

The acquisition is for street widening and landscape improvements to be done on Moulton Parkway and El Toro Road.

Size of Proposed Acquisition:

A combined total of 22,799 square feet for right-of-way on both Moulton Parkway and El Toro Road, outlined as follows:

13,242 square feet for street and highway right-of-way
1,926 square feet for retaining wall right-of-way
7,631 square feet for temporary construction easements

Improvements Pertaining to Realty:

Topography:

Generally level at grade

Shape:

Mostly rectangular

Access:

The subject property is improved land with access provided off El Toro Road.

Utilities:

Adequate utilities are provided to the site.

Environmental Conditions:

This valuation is premised on the assumption that the property is free and clear of contamination.

Date of Valuation:

October 29, 2008

Highest and Best Use:

As if Vacant: Allowable uses under existing zoning
As Improved: Present Use

Zoning/General Plan Designation:

Urban Activities District, City of Laguna Woods.

(B) The Principal Transaction Used in the Sales Comparison Approach

The three accepted approaches to value are the sales comparison approach, the income approach (capitalization analysis) and the cost approach (reproduction or replacement cost analysis). The sales comparison approach was used as the best indication of market value for vacant land. The sales comparison approach is one of the three accepted approaches to value. The income and cost approach were not considered applicable to this appraisal because the area to be taken is land only. There are no structural improvements within the acquisition areas.

The sales comparison approach is used to derive a value indication by comparing the property being appraised to similar properties that have sold recently, applying appropriate units of comparison to the comparables based on the elements of comparison. This is the preferred method of valuation when comparable sales data are available. A number of sales were examined. The principal transactions relied upon are summarized on the attached table. A map of the comparable properties and photographs follow the summary table.

The four closed sales and one listing reflect vacant land in Orange County. Two of the comparable sales, Comparable Nos. 1 and 3, have very limited potential for development. They represent the lower end of the range in values. Comparable Nos. 2, 4 and 5 have a greater allowable possibility of future development. The sales occurred between May 2006 and May 2008. No more recent comparable sales were found in the data search due to the fully developed nature of the market area.

The sales prices of the comparables range from \$1.68 to \$3.89 per square foot, with the listing reflecting a price of \$5.99 per square foot. The subject site is superior to all of the comparables. The location of the subject site indicates a value above the sales comparable range.

The unit value for the subject land is concluded to be \$4.50 per square foot.

(C) Value of the Existing Improvements

The area to be acquired is currently a portion of an existing lot improved with an equestrian center, stables, parking lot and riding arena. Within the area to be acquired, there is existing landscaping and asphalt for a portion of the parking lot. The value indicated for the existing improvements is based on the information provided by Seven Elk Ranch Design, Inc. The data provided by the landscape design professional reflects a combined total of \$136,580 indicated for the existing landscaping improvements, which will be lost during the acquisition.

The right-of-way will remove a portion of the asphalt paved area. The asphalt paved area to be removed is reported by the project engineer for the County of Orange to be approximately 1,593 square feet. Based on a review of market costs for asphalt paving, compensation is indicated at a cost of \$2.50 per square foot for the area currently improved, or \$3,983.

Additionally, the subject property has street signage which will be removed. A cost of \$1,500 is indicated to replace the existing sign at the driveway entrance.

The combined total for the existing improvements in the area to be acquired is \$142,065.

(D) Temporary Construction Easement (TCE)

As estimated construction period of 12 months has been reported for the project and the TCE compensation. Based on the proposed plans provided by the client, the TCE will encumber a combined total area of approximately 7,631 square feet (1,489 square feet on Moulton Parkway and 6,142 square feet on El Toro Road).

Compensation for the use of this area or ground rent has been estimated using a typical 10% annual return on the base value of the land of \$4.50 per square foot or \$286 per month for 12 months, concluded at \$3,435.

(E) Severance Damages / Benefits Analysis

In addition to determining the compensation for the areas to be acquired, an analysis of severance damages, if any, was made. The basis for this determination is whether or not the remainder would be diminished in value by reason of the proposed acquisition and/or by the construction of the improvement in the manner proposed. Where severance damages are found, then whether or not there are offsetting benefits is determined. Benefits are any increases in value

of the remainder by reason of the construction of the improvement in the manner proposed.

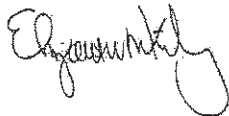
The proposed project will eliminate approximately 1,593 square feet of asphalt area, extending into the parking lot no more than 5 feet. The existing parking striping plan will need to be revised. The County of Orange has provided parking plans which indicate that the existing parking lot, in the after condition, can successfully be restriped to provide a total of 74 parking spaces, a number more than in the before condition. There will be no loss in the total number of parking spaces; however, the parking lot will need to be restriped and the property owner is requesting a new slurry seal coat as well. The cost to slurry coat and restripe is estimated at \$0.30 per square foot, or \$12,000.

(F) Concluded Estimated Compensation

ESTIMATED COMPENSATION	
Right of Way Acquisition Areas	\$68,255
Value of Improvements	\$142,065
Temporary Construction Easement	\$3,435
Severance Damages	\$12,000
Special Benefits	\$0
TOTAL COMPENSATION	\$225,755

The above is a summary of my appraisal prepared at the request of, and to be used by, the City of Laguna Woods to comply with Code of Civil Procedure Section 1255.010(b). My appraisal is the basis for this summary and was made in accordance with accepted appraisal principles, consistent with California Valuation Law. Meredith A. Kneeland, Certified General Real Estate Appraiser, License No. AG043409, provided assistance in this assignment.

BY:



Elizabeth M. Kiley, MAI
Certified General Appraiser
Certificate No. AG005391

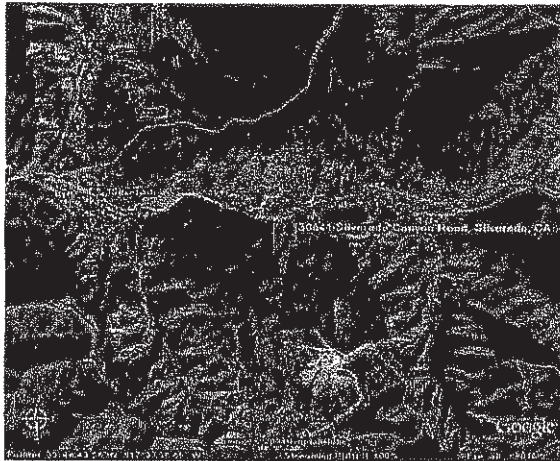
Expiration Date: April 13, 2010

Dated: November 7, 2008

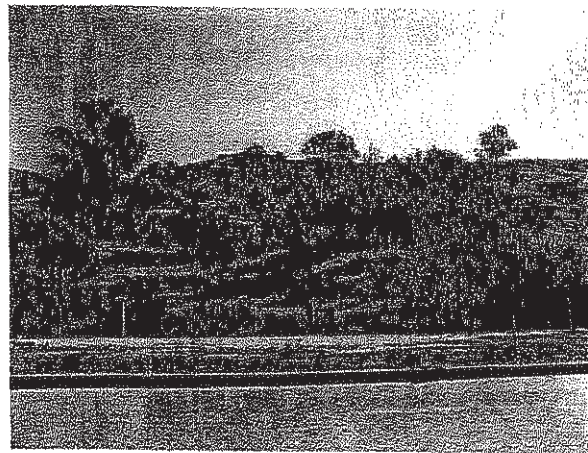
COMPARABLE LAND SALES SUMMARY
October 2008

Data No. Location Assessor's Parcel Number	Sale Date Doc. No.	Acreage SF	Sales Price Price Per SF	Zoning	Comments
Subject Property 24312 El Toro Road Laguna Woods, California APN: 621-131-02 and 36	N/A N/A	8.28 acres 360,677 SF	N/A N/A	UAD Urban Activities District	Subject property
Comparable No. 1 30841 Silverado Canyon Road Silverado, California APN: 105-351-04 <i>Grantor: John R. Bethume and Susan Reed, dba Metron Time Clock Co; Grantee: John T. and Roxanne Lisenby</i>	7/6/07 426319	3.14 acres 135,036 SF	\$227,500 \$1.68	A1 General Agricultural	Mostly undevelopable vacant land, sloping hillside.
Comparable No. 2 Paseo Tirador San Juan Capistrano, California APN: 666-131-07, 13 and 14 <i>Grantor: Capistrano Acres Mutual; Grantee: Buie Stoddard Properties</i>	5/23/06	1.18 acres 51,357 SF	\$200,000 \$3.89	OS Open Space	Small vacant parcel with slope along portion, a portion can be developed.
Comparable No. 3 30182 Oak Lane Silverado, California APN: 105-171-39 and 65 <i>Grantor: Indymac Bank FSB; Grantee: Stepan Lunin and Svetlana P. Zmanovskaia, husband and wife</i>	5/1/08 205297	0.46 acres 20,007 SF	\$37,000 \$1.85	A1 General Agricultural	Previously listed for \$2.00/SF as larger 1.5 acre site, bank-owned property then sold as smaller parcel. Bank retained remainder of site.
Comparable No. 4 26511 Aliso Creek Road Aliso Viejo, California APN: 629-101-14 <i>Grantor: Aliso Commons Corner, LLC; Grantee: Peter Capriotti and Brownyn Capriotti dba Artie LLC</i>	12/28/07 0756866	4.90 acres 213,444 SF	\$671,500 \$3.15	TC-UAC Towne Center/Urban Activity District	Slope area and a portion of existing parking lot purchased for addition of small retail building
Comparable No. 5 Santa Ana Canyon Road Anaheim, California APN: 085-051-04,09,10 <i>Grantor: Not available - property currently listed for sale</i>	Listing N/Av	28.76 acres 1,252,786 SF	\$7,500,000 \$5.99	T Transitional (RH1-RH2 Multi-family Residential)	3 parcels purchased in 2006 for \$4.07 PSF. Relisted for almost one year, sloping area, originally zoned residential; changed to transitional by City

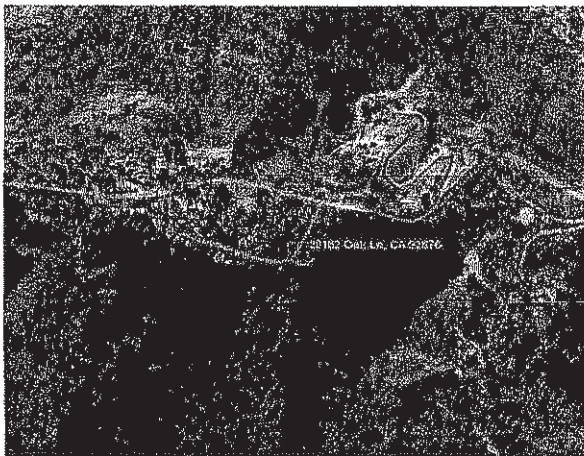
COMPARABLE LAND SALE PHOTOGRAPHS
October 2008



Comparable No. 1



Comparable No. 2



Comparable No. 3



Comparable No. 4



Comparable No. 5

1. 1990年12月，在《中国环境报》上，刊登了“中国环境状况令人堪忧”的标题，并附有“中国环境状况令人堪忧”的副标题。



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CITY of LAGUNA WOODS

Bert Haack
Mayor

Bob Ring
Mayor Pro Tem

Robert Bouer
Councilmember

Milt Robbins
Councilmember

Brenda B. Ross
Councilmember

Leslie A. Keane
City Manager

December 8, 2008

Mr. Erwin Stuller
President, Board of Directors
Golden Rain Foundation of Laguna Hills
P.O. Box 2220
Laguna Hills, CA 92654-6412

Re: Offer to Acquire Real Property Moulton Parkway Smart Street Project
APN: 621-021-26 Portion (Golf Course)

Dear Mr. Stuller:

On August 13, 2008, the City of Laguna Woods (City) received the response from your attorney on behalf of Laguna Woods Village to the City's March 27, 2007 offers to acquire right of way to facilitate construction of a capital improvement project on Moulton Parkway between Via Campo Verde and Ridge Route Drive. The project is designed to improve traffic capacity and operations. Based on your comments, the City authorized the reappraisal of several properties on which offers were made. In addition, because of project funding deadlines, the project has been split into two phases. The first phase runs from Via Campo Verde to 600 feet north of El Toro Road, with the second phase extending from this terminus to Ridge Route. At this time the City would like to focus on acquiring the right of way for phase I, which includes the subject property.

As specified in our original offer, the City determined that a portion of your property, referenced above and legally described in "Exhibit A" attached hereto, is necessary for the proposed project. In exchange for free and clear title, and subject to the terms, conditions and contingencies contained herein, the City hereby makes a formal offer to purchase the subject property in the amount of:

Thirty-Eight Thousand, Two-Hundred, Fifty Dollars
(\$38,250.00)

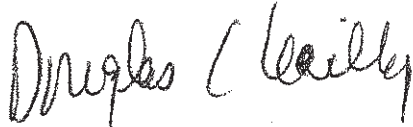
This offer takes into account issues raised in your August 13, 2008 response letter. This offer is the full amount the City believes to be just compensation for your property and is not less than the approved appraisal of its fair market value. The basis for that determination is explained in the attached letter from the Kiley Company, Real Estate Appraisers, reflecting the finding for the value of the area to be acquired.

This offer and any documents or agreements created hereby are subject to final approval and acceptance by the City and City Council. This offer is further subject to and conditioned upon acceptable soils conditions and the absence from the property of toxic or hazardous substances and any other kind of soil or water contamination, and to the grant of a right-of-entry to the City for the purpose of conducting a soils, toxic and hazardous substances investigation of the subject property at the City's expense.

City and County of Orange staff are happy to meet with you and/of your staff to discuss our offer and answer any questions you may have regarding this offer letter and attached statement. You may reach me at (949) 639-0561.

It is requested that you acknowledge receipt of this offer by signing a copy of this letter and returning same to City of Laguna Woods. Your signature on this copy does not signify acceptance of the City's offer, it only acknowledges receipt of the City's offer.

Sincerely yours,



Douglas C. Reilly
Assistant City Manager

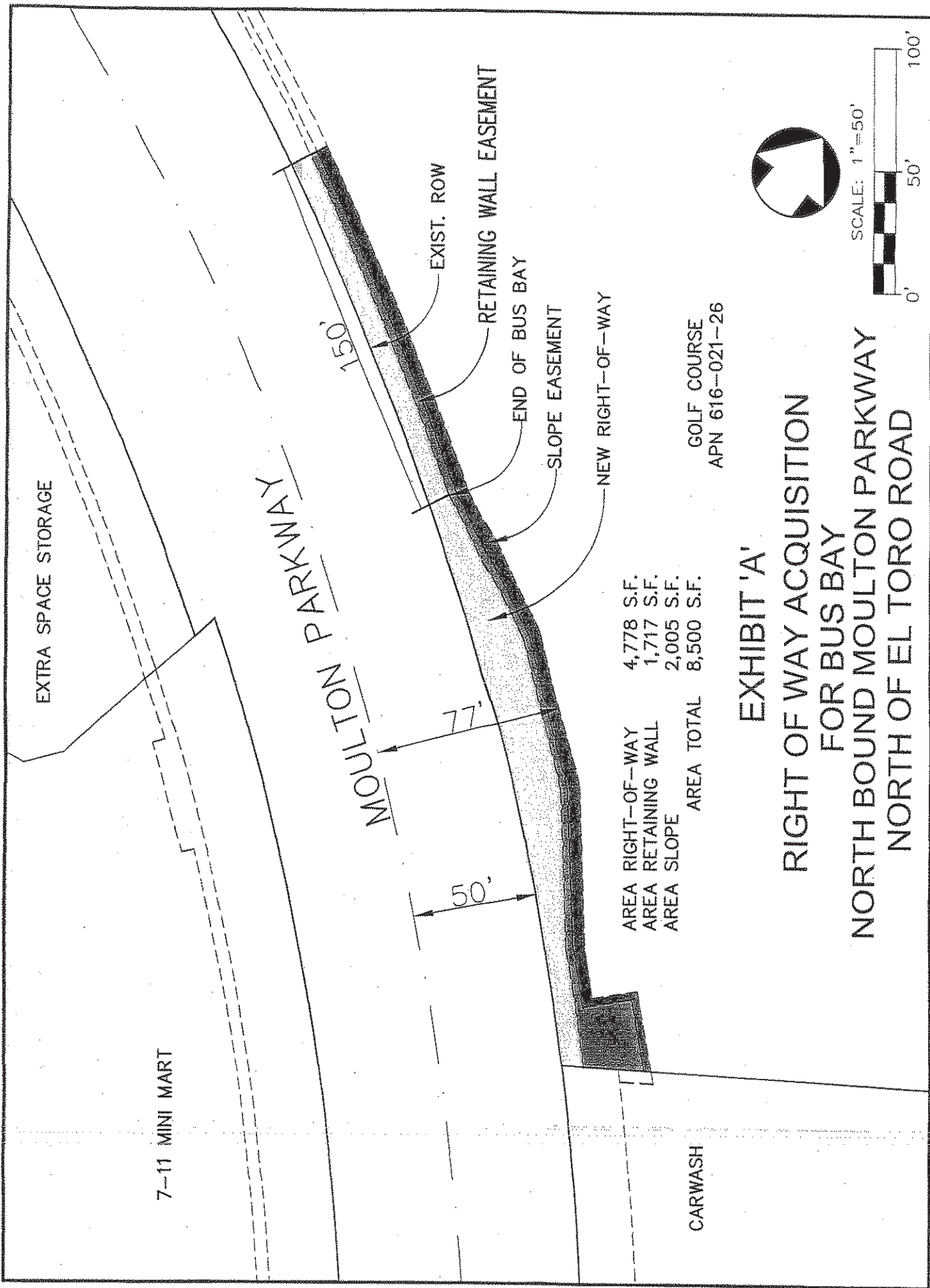
OFFER RECEIVED

By: _____

Date: _____

**Receipt of Offer Does Not
Constitute Acceptance**

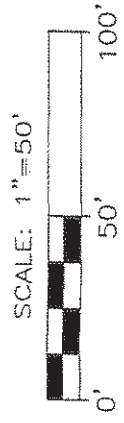
cc: County of Orange
Carol Moore, President, Third Mutual
Lloyd Foster, President, United Mutual



AREA RIGHT-OF-WAY	4,778 S.F.
AREA RETAINING WALL	1,717 S.F.
AREA SLOPE	2,005 S.F.
AREA TOTAL	8,500 S.F.

GOLF COURSE
APN 616-021-26

EXHIBIT 'A' RIGHT OF WAY ACQUISITION FOR BUS BAY NORTH BOUND MOULTON PARKWAY NORTH OF EL TORO ROAD



KILEY COMPANY
REAL ESTATE APPRAISERS

December 8, 2008

Mr. Douglas Reilly
City of Laguna Woods
24264 El Toro Road
Laguna Woods, California 92637

Mr. Dennis Nelson
City of Laguna Woods
21 Technology Drive
Irvine, California 92618

RE: Moulton Parkway Street Widening Project along Moulton Parkway near the intersection of El Toro Road, in the city of Laguna Woods, California

Gentlemen:

In accordance with your request, we are preparing a full appraisal of this property and the other areas effected by the Moulton Parkway/El Toro Road project. You have asked that we provide you with a preliminary indication of the conclusions of a portion of our appraisal. The full appraisal is in the process of being completed. This letter is not an appraisal, it is for your internal discussions only. A completed appraisal is in the process of being completed, which will include all supporting information, assumptions and certifications required by USPAP.

Based on a review of the market data and the specific property characteristics, a price of \$4.50 per square foot for the land has been concluded. This price is applied to the proposed acquisition areas.

Bus Turn-Out Area

You have requested the preliminary finding for the value of the areas to be acquired for this portion of the project. It is noted that this is only a partial finding, the total area to be acquired on the golf course property is much larger and it will contain landscaping improvements and there may be additional compensation required for the repair or realignment of the fairways. This information is being developed by a golf course expert and is not yet available or included.

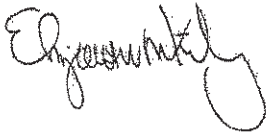
For the proposed bus turn-out area located on the golf course property on Moulton Parkway, the estimated amount is based on the Right-of-Way Acquisition for the Bus Bay map provided by the City of Laguna Woods, which reflects an area of approximately 8,500 square feet for the right-of-way, retaining wall and slope areas. The proposed area being considered will be approximately 400 feet long and up to 27 feet wide.

City of Laguna Woods
December 8, 2008
Page Two

The base land value is concluded to be \$4.50 per square foot. This would reflect \$38,250 for the bus turn-out area to be acquired.

The preliminary amounts indicated in this letter are based on a review of comparable land sales made as part of the appraisal report for the Moulton Parkway Smart Street Widening Project. This letter is for your internal use only and is a summary of some of the preliminary findings which will be fully discussed in the completed appraisal report.

Sincerely,



Elizabeth M. Kiley, MAI
Certified General Real Estate Appraiser
Certificate No. AG005391
Expiration Date: April 13, 2010



Meredith A. Kneeland
Certified General Real Estate Appraiser
Certificate No. AG043409
Expiration Date: December 13, 2009

RESOLUTION NO. 09-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF A PORTION OF 24312 EL TORO ROAD AND A PORTION OF 24112 MOULTON PARKWAY FOR THE STREET WIDENING AND IMPROVEMENT OF MOULTON PARKWAY, A PUBLIC PURPOSE

The City Council of the City of Laguna Woods ("City"), by vote of two thirds or more of its members, FINDS, DETERMINES, DECLARES, AND RESOLVES that:

WHEREAS, City intends to construct the Moulton Parkway Smart Street Improvement Project ("Project"), a public use, and, in connection therewith, acquire interests in certain real property. The Project is for a public use, street widening and improvement, that is a function of City; and

WHEREAS, City intends to construct the Project to carry out and make effective the principal purpose of street widening and improvement in compliance with the City's General Plan, including but not limited to property to be used for the protection or preservation of the attractiveness, safety, and usefulness of the Project as set forth in Code of Civil Procedure section 1240.120(a); and

WHEREAS, the Project requires the acquisition of fee interests and temporary construction easements in certain real property; and

WHEREAS, City is authorized to acquire the parcels described in Exhibit A together with a map thereof (Exhibit B), both attached hereto and incorporated herein by this reference, and exercise the power of eminent domain for the public use set forth herein in accordance with the California Constitution and the California Eminent Domain Law, Code of Civil Procedure Section 1230.010 et seq. and pursuant to Streets and Highways Code Section 10102 (street right of way); and Streets and Highways Code Section 5100 et seq. (Street Improvement Act acquisitions); and

WHEREAS, the real property interest sought to be acquired for the Project consists of two (2) parcels which are located within the territorial limits of City at 24312 El Toro Road and 24112 Moulton Parkway; and

WHEREAS, the plans for the Project are on file with the Director of Public Works of City; and

WHEREAS, the Project is planned and located in a manner which will be the most compatible with the greatest public good and least private injury; and

WHEREAS, City has established the amount it believes to be just compensation for the hereinafter described real property interest sought to be acquired; and

WHEREAS, pursuant to Government Code section 7267.2, City has offered to the owners of the real property and interests therein the full amount established as just compensation for the real property sought to be acquired; and

WHEREAS, City has provided the owner of the real property and interests therein a written statement and summary of the basis for the amount established as just compensation for the real property and interests sought to be acquired; and

WHEREAS, a reasonable length of time has expired since the date of the offers to the owner of the real property and interests therein sought to be acquired, and the owner has failed to favorably respond to the offers of the amounts established by City as just compensation; and

WHEREAS, pursuant to the provisions of the Government Code, section 65402 the City Council, acting as the City's Planning Commission, has determined that the acquisition is of a minor nature, and is therefore exempt from Government Code Section 65402(a); and

WHEREAS, on July 26, 2005, pursuant to Public Resources Code section 21000, et seq., the California Environmental Quality Act ("CEQA"), the Board of Supervisors of the County of Orange adopted Environmental Impact Report Addendum IP 04-233 for the Project; and the City of Laguna Woods has reviewed Environmental Impact Report Addendum IP 04-233 and is relying upon it in considering this acquisition.

WHEREAS, pursuant to the provisions of Code of Civil Procedure, section 1245.235, on January 7, 2009 there was mailed a Notice of Hearing of the intent of City Council to Adopt a Resolution of Necessity for acquisition by eminent domain of the real property described in Exhibits A and B, which Notice of Hearing, Exhibit C, is attached hereto without attachments and incorporated herein by this reference. The Notice of Hearing was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an interest in the property described in Exhibit A and B, and to the address appearing on the Roll. The Notice of Hearing advised those persons of their right to be heard on the matters referred to therein and as specified in Code of Civil Procedure section 1240.030 on the date and at the time and place stated therein.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, STATE OF CALIFORNIA, finds, determines and orders as follows:

SECTION 1. The above recitations are true.

SECTION 2. The staff report has been read and considered along with all evidence presented at the hearing.

SECTION 3. The hearing set out in the Notice of Hearing was held on _____ at the time and place stated therein, and all interested parties were given an opportunity to be heard. The hearing was closed.

SECTION 4. Based upon the evidence presented, including the staff report and all written and oral evidence presented at the hearing this City Council by vote of two thirds or more of its members, further FINDS, DETERMINES, DECLARES, AND RESOLVES each of the following:

- a. The public interest and necessity require the proposed Project.
- b. The project is consistent with the City of Laguna Woods General Plan.
- c. The proposed Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury.
- d. The property described in Exhibit A and B is necessary for the proposed Project.

- e. The offer required by Government Code section 7267.2(a), together with the accompanying statement of and summary of the basis for the amount established as just compensation, was made to the owner or owners of record, which offer and accompanying statement/summary were in a form and contained all of the factual disclosures required by Government Code section 7267.2(a).

SECTION 5. All conditions and statutory requirements necessary to exercise the power of eminent domain ("the right to take") to acquire the property described herein have been complied with by City.

SECTION 6. The City Attorney, is hereby AUTHORIZED and EMPOWERED:

- a. To acquire in the name of City, by condemnation, the property described in Exhibit A and B, in accordance with the provisions of the California Eminent Domain Law and the California Constitution;
- b. To acquire the property in fee simple absolute unless a lesser estate is described in Exhibit A;
- c. To prepare or have prepared and to prosecute or to retain counsel to prosecute in the name of City such proceedings in the proper court as are necessary for such acquisition;
- d. To deposit the probable amount of compensation, based on an appraisal, and to apply to the court for an order permitting City to take immediate possession and use of the property for the public uses and purposes.

PASSED APPROVED AND ADOPTED on this ___ day of _____ 2009.

BOB RING, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 09-xx** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the ____ day of _____ 2009, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

YOLIE TRIPPY, Deputy City Clerk

EXHIBIT A

Parcels 182, 182.1, 182.2, 510, 510.1, 510.2, 174, 174.1 and 174.2
As described in the following legal descriptions:

LEGAL DESCRIPTION

Project Name: Moulton Parkway

Project Number: Y44

Parcel Number: 174

That portion of Parcel 1 of Lot Line Adjustment No. LL94-029, in the City of Laguna Woods, County of Orange, State of California, recorded September 15, 1994 as Document No. 94-0560223 of Official Records in the office of the County Recorder of said county, described as follows:

Beginning at the intersection of a curve that is concentric with and 59.00 feet northeasterly from the centerline of Moulton Parkway per Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder with the northwesterly line of Parcel 2 of said Lot Line Adjustment, said concentric curve being concave southwesterly and having a radius of 1159.00 feet, a radial line of said curve to said intersection bears N.45° 1 2'47"E.; thence Northwesterly 48.26 feet along said concentric curve through a central angle of 2°23'09"; thence leaving said concentric curve N.39°40'48"W., 65.79 feet; thence N.51°56'48"W., 64.33 feet; thence N.64°18'38"W., 64.96 feet to the beginning of a non-tangent curve, concave southwesterly and having a radius of 1159.00 feet, said curve also being concentric with and 59.00 feet northeasterly from said centerline of said Moulton Parkway, to which beginning of curve a radial bears N.33°19'16"E.; thence Northwesterly 150.00 feet along said concentric curve through a central angle of 7°24'56" to the intersection with a radial line which bears N.25°54'20"E.; thence along said radial line S.25°54'20"E., 9.00 feet to the intersection of said radial line with a curve concave southwesterly and having a radius

EXHIBIT A

Page 1 of 2

of 1150.00 feet; thence Southeasterly 385.90 feet along said curve, and concentric with said centerline, through a central angle of $19^{\circ}13'36''$ to the northwesterly line of said Parcel 2; thence $N.55^{\circ}25'03''E.$, 9.15 feet along said northwesterly line to the Point of Beginning.

Containing 4,777 Square Feet more or less.

See Exhibit B attached and by reference made a part.

APPROVED



Date: January 7, 2009

Dennis D. Nelson R.C.E. 23434

Expiration Date: December 31, 2009

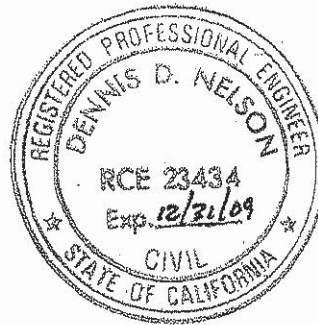


EXHIBIT A

LEGAL DESCRIPTION

Project Name: Moulton Parkway

Project Number: Y44

Parcel Number: 174.1

That portion of Parcel 1 of Lot Line Adjustment No. LL 94-029, in the City of Laguna Woods, County of Orange, State of California, recorded September 15, 1994 as Document No. 94-05 60223 of Official Records in the office of the County Recorder of said county, described as follows:

Beginning at the intersection of a curve that is concentric with and 59.00 feet northeasterly from the centerline of Moulton Parkway per Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder with the northwesterly line of Parcel 2 of said Lot Line Adjustment, said concentric curve being concave southwesterly and having a radius of 1159.00 feet, a radial line of said curve to said intersection bears N.45°12'47"E.; thence Northwesterly 48.26 feet along said concentric curve through a central angle of 2°23'09"; thence leaving said concentric curve N.39°40'48"W., 65.79 feet; thence N.51°56'48"W., 64.33 feet; thence N.64°18'38"W., 64.96 feet to the beginning of a non-tangent curve, concave southwesterly and having a radius of 1159.00 feet, said curve also being concentric with and 59.00 feet northeasterly from said centerline of said Moulton Parkway, to which beginning of curve a radial bears N.33°19'16"E.; thence Northwesterly 150.00 feet along said concentric curve through a central angle of 7°24'56" to the intersection with a radial line which bears N.25°54'20"E.; thence along said radial line N.25°54'20"E., 3.00 feet to the intersection of said radial line with a curve, concave Southwesterly, concentric with said centerline and having a radius of 1162.00 feet; thence Southeasterly 151.10 feet along said curve and concentric with said centerline through a central angle of 7°27'02"; thence non-tangent to said curve S.64°01'16"E., 64.34 feet; thence S.51°56'48"E., 64.47 feet; thence S.39°52'21"E., 64.34

EXHIBIT A

Page 1 of 2

feet; thence S.46°37'07"E., 25.59 feet; thence N.43°27'58"E., 21.43 feet; thence S.47°32' 19"E., 29.64 feet to said northwesterly line of said Parcel 2; thence S.55°25'03"W., 26.00 feet along said Northwesterly line to the Point of Beginning.

Containing 1717 Square Feet, more or less.

See Exhibit B attached and by reference made a part.

APPROVED



Date: January 7, 2009

Dennis D. Nelson R.C.E. 23434

Expiration Date: December 31, 2009



EXHIBIT A

Page 2 of 2

LEGAL DESCRIPTION

Project Name: Moulton Parkway

Project Number: Y44

Parcel Number: 174.2

That portion of Parcel I of Lot Line Adjustment No. LL94-029, in the City of Laguna Woods, County of Orange, State of California, recorded September 15, 1994 as Document No. 94-0560223 of Official Records in the office of the County Recorder of said county, described as follows:

Beginning at the intersection of a curve that is concentric with and 59.00 feet northeasterly from the centerline of Moulton Parkway per Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder with the northwesterly line of Parcel 2 of said Lot Line Adjustment, said concentric curve being concave southwesterly and having a radius of 1159.00 feet, a radial line of said curve to said intersection bears N.45°12'47"E.; thence Northwesterly 48.26 feet along said concentric curve through a central angle of 2°23'09"; thence leaving said concentric curve N.39°40'48"W., 65.79 feet; thence N.51°56'48"W., 64.33 feet; thence N.64°18'38"W., 64.96 feet to the beginning of a non-tangent curve, concave southwesterly and having a radius of 1159.00 feet, said curve also being concentric with and 59.00 feet northeasterly from said centerline of said Moulton Parkway, to which beginning of curve a radial bears N.33°19'16"E.; thence Northwesterly 150.00 feet along said concentric curve through a central angle of 7°24'56" to the intersection with a radial line which bears N.25°54'20"E.; thence along said radial line N.25°54'20"E., 8.00 feet to the intersection of said radial line with a curve, concave Southwesterly, concentric with said centerline and having a radius of 1167.00 feet; thence Southeasterly 151.42 feet along said curve, and concentric with said centerline, through a central angle of 7°26'04"; thence non-tangent to said curve S.64°01'13"E., 64.56 feet; thence S.51°56'48"E., 65.53 feet; thence S.39°52'21"E., 64.58 feet; thence S.46°37'07"E., 22.31 feet; thence N.43°27'58"E., 19.38 feet; thence S.47°32'19"E., 33.27 feet to the northwesterly line

EXHIBIT A

Page 1 of 3

of said Parcel 2; thence S.55°25'03"W., 29.08 feet along said northwesterly line to the Point of Beginning.

EXCEPT that portion of said Parcel I of said Lot Line Adjustment described as follows: Beginning at the intersection of a curve that is concentric with and 59.00 feet northeasterly from the centerline of Moulton Parkway per Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder with the northwesterly line of Parcel 2 of said Lot Line Adjustment, said concentric curve being concave southwesterly and having a radius of 1159.00 feet, a radial line of said curve to said intersection bears N.45°12'47"E.; thence Northwesterly 48.26 feet along said concentric curve through a central angle of 2°23'09"; thence leaving said concentric curve N.39°40'48"W., 65.79 feet; thence N.51°56'48"W., 64.33 feet; thence N.64°18'38"W., 64.96 feet to the beginning of a non-tangent curve, concave southwesterly and having a radius of 1159.00 feet, said curve also being concentric with and 59.00 feet northeasterly from said centerline of said Moulton Parkway, to which beginning of curve a radial bears N.33°19'16"E.; thence Northwesterly 150.00 feet along said concentric curve through a central angle of 7°24'56" to the intersection with a radial line which bears N.25°54'20"E.; thence along said radial line N.25°54'20"E., 3.00 feet to the intersection of said radial line with a curve, concave Southwesterly, concentric with said centerline and having a radius of 1162.00 feet; thence Southeasterly 151.10 feet along said curve and concentric with said centerline through a central angle of 7°27'02"; thence non-tangent to said curve S.64°01'16"E., 64.34 feet; thence S.51°56'48"E., 64.47 feet; thence S.39°52'21"E., 64.34 feet; thence S.46°37'07"E., 25.59 feet;

EXHIBIT A

thence N.43°27'58"E., 21.43 feet; thence S.47°32' 19"E., 29.64 feet to said northwesterly line of said Parcel 2; thence S.55°25'03"W., 26.00 feet along said Northwesterly line to the Point of Beginning.

Containing 2005 Square Feet, more or less.

See Exhibit B attached and by reference made a part.

APPROVED



Date: January 7, 2009

Dennis D. Nelson R.C.E. 23434

Expiration Date: December 31, 2009

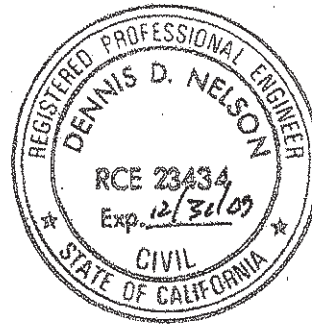


EXHIBIT A

Page 3 of 3

LEGAL DESCRIPTION

Project Name: Moulton Parkway
Project Number: Y44
Parcel Number: 182

That portion of Lot 10 of Tract No. 6157 in the City of Laguna Woods, County of Orange, State of California per map recorded in book 231, pages 41 through 45 of Miscellaneous Maps in the office of the County Recorder of said county, lying northeasterly of the northeasterly line of a strip of land, 3.00 feet wide, the southwesterly line of said strip being described as follows:

Beginning at the intersection of the southeasterly line of Lot 11 of said Tract, with a line that is parallel with and 81.00 feet southwesterly from the centerline of Moulton Parkway per Record of Survey 96-1064 filed in book 166, pages 21 through 26 of Records of Survey in the office of the County Recorder of said county, said intersection also being the most southerly corner of Parcel Z21-509 described in the deed to the County of Orange, recorded September 10, 1996 as Document No. 19960461067 of Official Records in the office of said County Recorder; thence S.29°31'06"E., 51.37 feet along said parallel line; thence leaving said parallel line S.32°19'48"E., 240.55 feet; thence S.29°31'06"E., 5.12 feet to the southeasterly line of said Lot 10.

The northeasterly line of said strip shall be prolonged or shortened to terminate northwesterly at the southeasterly line of said Parcel 509, and southeasterly at the southeasterly line of said Lot 10 respectively.

Containing 0.139 Acre, more or less.

See Exhibit B attached and by reference made a part.

APPROVED

John D. Pavlik Date: 11/12/03
John D. Pavlik L.S. 5168
Expiration Date: June 30, 2007



EXHIBIT A

LEGAL DESCRIPTION

Project Name: Moulton Parkway
Project Number: Y44
Parcel Number: 182.1

A strip of land, 3.00 feet wide, in that portion of Lot 10 of Tract No. 6157 in the City of Laguna Woods, County of Orange, State of California per map recorded in book 231, pages 41 through 45 of Miscellaneous Maps in the office of the County Recorder of said county, the southwesterly line of said strip being described as follows:

Beginning at the intersection of the southeasterly line of Lot 11 of said Tract, with a line that is parallel with and 81.00 feet southwesterly from the centerline of Moulton Parkway per Record of Survey 96-1064 filed in book 166, pages 21 through 26 of Records of Survey in the office of the County Recorder of said county, said intersection also being the most southerly corner of Parcel Z21-509 described in the deed to the County of Orange, recorded September 10, 1996 as Document No. 19960461067 of Official Records in the office of said County Recorder; thence S.29°31'06"E., 51.37 feet along said parallel line; thence leaving said parallel line S.32°19'48"E., 240.55 feet; thence S.29°31'06"E., 5.12 feet to the southeasterly line of said Lot 10.

The northeasterly line of said strip shall be prolonged or shortened to terminate northwesterly at the southeasterly line of said Parcel 509, and southeasterly at the southeasterly line of said Lot 10 respectively.

Containing 890 Square Feet, more or less.

See Exhibit B attached and by reference made a part.

APPROVED

John D. Pavlik Date: 11/12/03
John D. Pavlik L.S. 5168
Expiration Date: June 30, 2007



EXHIBIT A

LEGAL DESCRIPTION

Project Name: Moulton Parkway

Project Number: Y44

Parcel Number: 182.2

That portion of Lot 10 of Tract No. 6157, in the City of Laguna Woods, County of Orange, State of California, per map recorded in book 231, pages 41 through 45 of Miscellaneous Maps in the office of the County Recorder of said county, described as follows:

Beginning at the intersection of the southeasterly line of Lot 11 of said Tract, with a line that is parallel with and 81.00 feet southwestly from the centerline of Moulton Parkway per Record of Survey 96-1064 filed in book 166, pages 21 through 26 of Records of Survey in the office of the County Recorder of said county, said intersection also being the most southerly corner of Parcel Z21-509 described in the deed to the County of Orange, recorded September 10, 1996 as Document No. 19960461067 of Official Records in the office of said County Recorder; thence S.29°31'06"E., 51.37 feet along said parallel line; thence leaving said parallel line S.32°19'48"E., 240.55 feet; thence S.29°31'06"E., 5.12 feet to the southeasterly line of said Lot 10; thence S.42°56'05"W., 5.24 feet along said southeasterly line; thence leaving said southeasterly line N.32°13'34"W., 177.04 feet; thence N.36°37'15"W., 100.77 feet; thence N.29°31'06"W., 21.49 feet to the southeasterly line of said Lot 11; thence N.60°28'54"E., 14.02 feet along the southeasterly line of said Lot 11 to the Point of Beginning.

Containing 2109 Square Feet, more or less.

See Exhibit B attached and by reference made a part.

APPROVED

John D. Pavlik Date: 8/29/08
John D. Pavlik L.S. 5168
Expiration Date: June 30, 2009

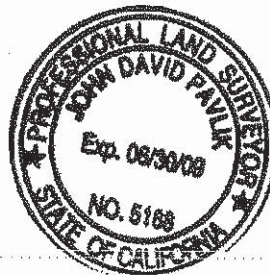


EXHIBIT A

LEGAL DESCRIPTION

Project Name: El Toro Road

Project Number: Z21

Parcel Number: 510

That portion of Lot 10 of Tract No. 6157 in the City of Laguna Woods, County of Orange, State of California per map filed in book 231, pages 41 through 45 of Miscellaneous Maps in the office of the County Recorder of said county, together with that portion of Lot 2 of Tract No. 14915 in said City, County and State, per map filed in book 747, pages 7 and 8 of Miscellaneous Maps, lying generally northerly of the following described line:

Beginning at the intersection of the southwesterly line of Lot 11 of said Tract No. 6157 with a line that is concentric with and 75.00 feet southeasterly from the centerline of El Toro Road, as said centerline is shown on Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder, said intersection also being a point on a non-tangent curve, concave northwesterly and having a radius of 1255.00 feet, to which point a radial bears S.32°43'11"E.; thence Southwesterly 94.77 feet along said curve through a central angle of 4°19'36"; thence non-tangent to said curve S.63°08'08"W., 15.15 feet; thence S.66°01'40"W., 16.21 feet; thence S.68°15'46"W., 32.04 feet; thence S.67°27'30"W., 31.13 feet to a point on a curve that is concentric with and 70.00 feet southerly from said centerline of El Toro Road, said point also being the beginning of a non-tangent curve, concave northerly and having a radius of 1250.00 feet, to which beginning of curve a radial bears S.24°04'30"E.; thence Westerly 154.08 feet along said curve through a central angle of 7°03'45"; thence leaving said concentric curve S.17°00'45"E., 0.38 feet; thence S.34°18'42"W., 32.01 feet; thence S.85°38'35"W., 27.39 feet; thence S.4°21'34"E., 19.15 feet; thence S.85°39'06"W., 26.99 feet; thence N.53°15'36"W., 39.19 feet to a point on the southeasterly line of said El Toro Road, 130.00 feet wide, as shown on said Tract No. 14915.

Containing 0.165 Acre more or less.

See Exhibit B attached and by reference made a part.

APPROVED

John D. Pavlik
John D. Pavlik L.S. 5168
Expiration Date: June 30, 2007

Date: 11/7/03



EXHIBIT A

LEGAL DESCRIPTION

Project Name: El Toro Road
Project Number: Z21
Parcel Number: 510.1

That portion of Lot 10 of Tract No. 6157 in the City of Laguna Woods, County of Orange, State of California per map filed in book 231, pages 41 through 45 of Miscellaneous Maps in the office of the County Recorder of said county, described as follows:

Beginning at the intersection of the southwesterly line of Lot 11 of said Tract 6157 with a line that is concentric with and 75.00 feet southeasterly from the centerline of El Toro Road, as said centerline is shown on Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder, said intersection also being a point on a non-tangent curve, concave northwesterly and having a radius of 1255.00 feet, to which point a radial bears S.32°43'11"E.; thence Southwesterly 94.77 feet along said curve through a central angle of 4°19'36"; thence non-tangent to said concentric curve S.63°08'08"W., 15.15 feet; thence S.66°01'40"W., 16.21 feet; thence S.68°15'46"W., 32.04 feet; thence S.67°27'30"W., 31.13 feet to a point on a curve that is concentric with and 70.00 feet southerly from the centerline of said El Toro Road, said point also being the beginning of a non-tangent curve, concave northerly and having a radius of 1250.00 feet, to which beginning of curve a radial bears S.24°04'30"E.; thence Westerly 154.08 feet along said curve through a central angle of 7°03'45"; thence leaving said concentric curve S.17°00'45"W., 0.38 feet; thence S.34°18'42"W., 4.19 feet to the beginning of a non-tangent curve, concave northerly and having a radius of 1253.00 feet, said curve also being concentric with and 73.00 feet southerly from said centerline of El Toro Road, to which beginning of curve a radial bears S.16°51'47"E.; thence Easterly 157.72 feet along said curve through a central angle of 7°12'43"; thence non-tangent to said curve N.67°28'13"E., 31.02 feet; thence N.68°14'46"E., 32.09 feet; thence N.66°01'05"E., 16.46 feet; thence N.63°08'05"E., 15.16 feet to the beginning of a non-tangent curve, concave northwesterly and having a radius of 1258.00 feet, to which beginning of curve a radial bears S.28°23'32"E., thence Northeasterly 95.02 feet along said curve through a central angle of 4°19'39" to the southwesterly line of said Lot 11; thence N.32°43'11"W., 3.00 feet along said southwesterly line to the Point of Beginning.

Containing 1036 Square Feet more or less.

See Exhibit B attached and by reference made a part.

APPROVED


John D. Pavlik L.S. 5168
Expiration Date: June 30, 2007

Date: 11/12/03

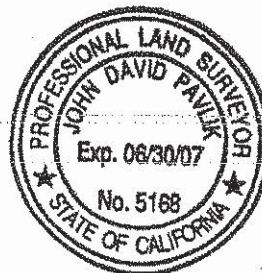


EXHIBIT A

LEGAL DESCRIPTION

Project Name: El Toro Road

Project Number: Z21

Parcel Number: 510.2

That portion of Lot 10 of Tract No. 6157 in the City of Laguna Woods, County of Orange, State of California per map filed in book 231, pages 41 through 45 of Miscellaneous Maps in the office of the County Recorder of said county, together with that portion of Lot 2 of Tract No. 14915 in said City, County and State, per map filed in book 747, pages 7 and 8 of Miscellaneous Maps, described as follows:

Beginning at the intersection of the southwesterly line of Lot 11 of said Tract No. 6157 with a line that is concentric with and 75.00 feet southeasterly from the centerline of El Toro Road, as said centerline is shown on Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder, said intersection also being a point on a non-tangent curve, concave northwesterly and having a radius of 1255.00 feet, to which point a radial bears S.32°43'11"E.; thence Southwesterly 94.77 feet along said curve through a central angle of 4°19'36"; thence non-tangent to said curve S.63°08'08"W., 15.15 feet; thence S.66°01'40"W., 16.21 feet; thence S.68°15'46"W., 32.04 feet; thence S.67°27'30"W., 31.13 feet to a point on a curve that is concentric with and 70.00 feet southerly from said centerline of El Toro Road, said point also being the beginning of a non-tangent curve, concave northerly and having a radius of 1250.00 feet, to which beginning of curve a radial bears S.24°04'30"E.; thence Westerly 154.08 feet along said curve through a central angle of 7°03'45"; thence leaving said concentric curve S.17°00'45"E., 0.38 feet; thence S.34°18'42"W., 32.01 feet; thence S.85°38'35"W., 27.39 feet; thence S.4°21'34"E., 19.15 feet; thence S.85°39'06"W., 26.99 feet; thence N.53°15'36"W., 39.19 feet to a point on the southeasterly line of said El Toro Road, 130.00 feet wide, as shown on said Tract No. 14915, said point also being a point on a non-tangent curve, concave northerly and having a radius of 1250.00 feet, to which beginning of curve a radial bears S.12°10'28"E.; thence Westerly 20.00 feet along said curve through a central angle of 0°55'00"; thence non-tangent to said curve S.11°30'05"E., 5.00 feet; thence N.78°29'15"E., 11.12 feet; thence S.11°45'59"E., 39.95 feet; thence N.85°38'49"E., 121.35 feet; thence N.17°00'45"W., 58.12 feet to the beginning of a non-tangent curve, concave northerly and having a radius of 1258.00 feet, to which beginning of curve a radial bears S.17°00'45"E., said curve also being concentric with and 78.00 feet southerly from the centerline of said El Toro Road; thence Easterly 155.06 feet along said curve through a central angle of 7°03'45"; thence non-tangent to said curve N.67°27'54"E., 30.72 feet; thence N.68°14'54"E., 32.32 feet; thence N.65°58'57"E., 16.84 feet; thence N.63°07'41"E., 15.24 feet to the beginning of a non-tangent curve, concave northwesterly and having a radius of 1263.00 feet, to which beginning of curve a radial bears S.28°23'35"E., said curve also being concentric with and 83.00 feet southeasterly from the centerline of said El Toro Road; thence Northeasterly 95.37 feet along said curve through a central angle of 4°19'36" to said southwesterly line of said Lot 11; thence N.32°43'11"W., 8.00 feet to the Point of Beginning.

EXHIBIT A

EXCEPT therefrom that portion of said Lot 10 described as Follows:

Beginning at the intersection of the southwesterly line of Lot 11 of said Tract 6157 with a line that is concentric with and 75.00 feet southeasterly from the centerline of El Toro Road, as said centerline is shown on Record of Survey 96-1064, filed in book 166, pages 21 through 26 of Records of Survey in the office of said County Recorder, said intersection also being a point on a non-tangent curve, concave northwesterly and having a radius of 1255.00 feet, to which point a radial bears S.32°43'11"E.; thence Southwesterly 94.77 feet along said curve through a central angle of 4°19'36"; thence non-tangent to said concentric curve S.63°08'08"W., 15.15 feet; thence S.66°01'40"W., 16.21 feet; thence S.68°15'46"W., 32.04 feet; thence S.67°27'30"W., 31.13 feet to a point on a curve that is concentric with and 70.00 feet southerly from the centerline of said El Toro Road, said point also being the beginning of a non-tangent curve, concave northerly and having a radius of 1250.00 feet, to which beginning of curve a radial bears S.24°04'30"E.; thence Westerly 154.08 feet along said curve through a central angle of 7°03'45"; thence leaving said concentric curve S.17°00'45"W., 0.38 feet; thence S.34°18'42"W., 4.19 feet to the beginning of a non-tangent curve, concave northerly and having a radius of 1253.00 feet, said curve also being concentric with and 73.00 feet southerly from said centerline of El Toro Road, to which beginning of curve a radial bears S.16°51'47"E.; thence Easterly 157.72 feet along said curve through a central angle of 7°12'43"; thence non-tangent to said curve N.67°28'13"E., 31.02 feet; thence N.68°14'46"E., 32.09 feet; thence N.66°01'05"E., 16.46 feet; thence N.63°08'05"E., 15.16 feet to the beginning of a non-tangent curve, concave northwesterly and having a radius of 1258.00 feet, to which beginning of curve a radial bears S.28°23'32"E., thence Northeasterly 95.02 feet along said curve through a central angle of 4°19'39" to the southwesterly line of said Lot 11; thence N.32°43'11"W., 3.00 feet along said southwesterly line to the Point of Beginning.

Containing 0.141 Acre more or less.

See Exhibit B attached and by reference made a part.

APPROVED

John D. Pavlik
John D. Pavlik L.S. 5168
Expiration Date: June 30, 2007

Date: 11/12/03

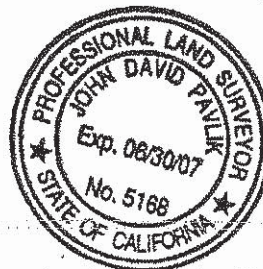


EXHIBIT A

EXHIBIT B

Parcels 182, 182.1, 182.2, 510, 510.1, 510.2, 174, 174.1 and 174.2
As shown on the following right of way maps, sheets 5 and 6

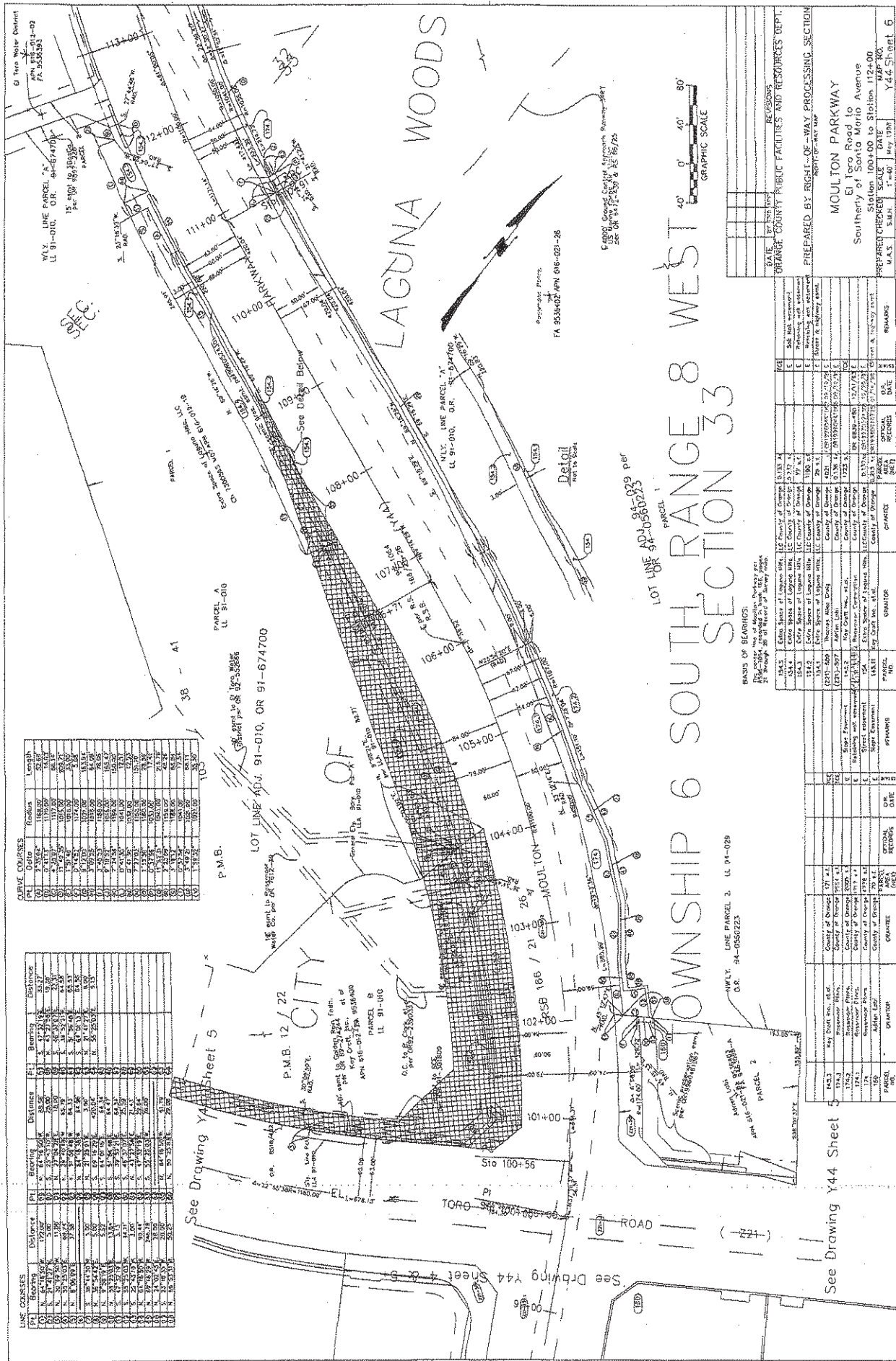


EXHIBIT C



CITY of LAGUNA WOODS

Bob Ring
Mayor

Brenda B. Ross
Mayor Pro Tem

Bert Hack
Councilmember

Marty Rhodes
Councilmember

Milt Robbins
Councilmember

Leslie A. Keane
City Manager

VIA PERSONAL DELIVERY

January 7, 2009

Mr. Erwin Stuller
President, Board of Directors
Golden Rain Foundation of Laguna Hills
P.O. Box 2220
Laguna Hills, CA 92654-6412

Re: NOTICE OF HEARING REGARDING ADOPTION OF A
RESOLUTION OF NECESSITY TO ACQUIRE PROPERTY BY
EMINENT DOMAIN [CALIFORNIA CODE OF CIVIL
PROCEDURE 1245.235]

Dear Mr. Stuller:

I am the Assistant City Manager for the City of Laguna Woods and am authorized to provide you with this notice.

1. **Notice of the Intent of Laguna Woods City Council to Adopt a Resolution of Necessity.** The City Council intends to consider the adoption of a Resolution of Necessity on January 21, 2009 that, if adopted, will authorize the City of Laguna Woods ("City") to acquire a portion of the property located at 24312 El Toro Road and a portion of the property located at 24112 Moulton Parkway, Laguna Woods, California, by eminent domain for the Moulton Parkway Smart Street Improvement Project.

A description of the property being considered for acquisition is attached to the proposed Resolution of Necessity, which accompanies this Notice, as Exhibit A (which property shall be referred to hereinafter as the Property).

2. **Notice of Your Right to Appear and be Heard.** Please take notice that the City Council of the City of Laguna Woods, at a regular meeting to be held on January 21, 2009, at 2:00 p.m., or as soon thereafter as the matter may be heard at Council Chambers, 24264 El Toro Road, Laguna Woods, California 92637, will hold a hearing on whether such a Resolution of Necessity should be adopted, as required by California Code of Civil Procedure section 1245.220 for the commencement of an eminent domain proceeding to acquire real property.

You have a right to appear and be heard and/or submit written testimony before the City Council at the above scheduled hearing on the following matters and

issues, and to have the City Council give judicious consideration to your testimony prior to deciding whether or not to adopt the proposed Resolution of Necessity.

- a. Whether the public interest and necessity require the proposed project;
- b. Whether the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- c. Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project.
- d. Whether the offer required by Government Code section 7267.2, subdivisions (a), (b), and (c), together with the accompanying statement and summary of the basis for the amount established as just compensation, was actually made to you and whether said offer and statement/summary were in a form and contained all of the factual information required by Government Code section 7267.2, subdivisions (a), (b), and (c), a copy of which is attached hereto.
- e. Whether the City has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the "right to take") to acquire the property described herein, as well as any other matter regarding the right to take said property by eminent domain; and
- f. Whether the City has statutory authority to acquire the property by eminent domain.

A copy of the proposed Resolution of Necessity that will be recommended to the City Council for adoption accompanies this Notice.

Your organization's name appears on the last equalized County of Orange assessment roll as the Owner of the property required for the proposed project.

The statutes that authorize the City to acquire the property by eminent domain for this proposed project are Streets and Highways Code Section 10102 (street right of way); and Streets and Highways Code Section 5100 et seq. (Street Improvement Act acquisitions).

3. Failure to File a Written Request to Be Heard Before the City Council Hearing Will Result in Waiver of the Right to Appear and Be Heard. If you desire to be heard, please be advised that you must file a written request with the

City Clerk before the City Council Hearing. You must file your request to be heard at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637, Attention: City Clerk.

Should you elect to mail your request to the City Clerk, it must be actually received by the City Clerk before the City Council Hearing.

The date of delivery appears at the end of this Notice.

If you elect not to appear and be heard in regard to compensation, your nonappearance will not be a waiver of your right to claim greater compensation in a court of law. The amount to be paid for the property will not be considered by the City Council at this hearing.

The amount of the compensation to be paid for the acquisition of the property is not a matter or issue being heard by the City Council at this time. Your nonappearance at this noticed hearing will not prevent you from claiming greater compensation, in and as determined by a court of law in accordance with the laws of the State of California. This Notice is not intended to foreclose future negotiations between you and representatives of the City on the amount of compensation to be paid for your property.

If you elect not to appear and not to be heard, your failure to appear will be a waiver of your right to later challenge the right of the City to take property by eminent domain.

If you elect not to appear and not to be heard, you will only be foreclosed from raising in a court of law the issues that are the subject of this noticed hearing and that are concerned with the right to take the property by eminent domain.

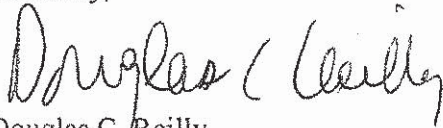
If the City Council elects to adopt the Resolution of Necessity, then within six months of the adoption of the Resolution, the City will commence eminent domain

Erwin Stuller
Golden Rain Foundation
January 7, 2009
Page 4

proceedings in Superior Court. In that proceeding, the Court will determine the amount of compensation to which you are entitled.

Dated and Delivered by Personal Service on January 7, 2009.

Sincerely,

A handwritten signature in dark ink, appearing to read "Douglas C. Reilly". The signature is fluid and cursive, with the first name "Douglas" being more prominent than the last name "Reilly".

Douglas C. Reilly
Assistant City Manager

Attachments

Copy of Government Code section 7267.2, subdivisions (a), (b), and (c)
Proof of Service Form
Proposed Resolution of Necessity

cc: County of Orange
Carol Moore, President, Third Mutual
Lloyd Foster, President, United Mutual
Laguna Woods City Council
Leslie A. Keane, City Manager

City of Laguna Woods Agenda Report

FOR: January 21, 2009 City Council Meeting

TO: Honorable Mayor and Councilmembers

FROM: Leslie Keane, City Manager 

Agenda Item: Fiscal Year 2008-09 Mid-Year Budget Review

Recommendation

Background

It is the City Council's policy to review its annual budget approximately halfway through each fiscal year. Revenues and expenditure status and possible revisions are discussed together with any staff, councilmember or constituent request for changes to the budget and/or City work plan. In addition, staff provides a list of any prior year budgets items that need to be carried forward into the current year.

Discussion:

The Laguna Woods Fiscal Year 2007-08 annual combined funds expenditure budget totals \$10,237,814 and is distributed as follows:

General Fund	\$ 4,871,866
Transportation Fund	3,351,225
Grant Fund	847,375
Self Insurance Fund	93,975
Development Impact Fee Fund	216,000

General Fund

Staff is anticipating a 6% loss in General Fund revenues.

- Although basic property taxes appear slightly higher than initially anticipated, the decrease in the number and price of resale homes is expected to have a

ITEM 9.2

negative effect on property transfer taxes. In addition, the County has begun adjusting the pass through of this revenue source to recover a greater share of its costs.

- Funding received from the state to offset revenue lost in the “triple flip” is distributed to cities in two equal payments. Based on funding received to date, we anticipate a loss of \$118,107 in property tax in lieu fees.
- Sales tax revenue appear consistent with initial projections; however, we anticipate a \$54,509 loss in transient occupancy taxes.
- Vehicle in lieu fees are distributed based on a constitutional formula that allows the state to first cover its own costs; no VLF funds were received by cities in October or November and we anticipate a \$52,363 loss as this trend continues.
- Finally, the City’s excess funds are invested with the Local Agency Investment Fund. Although this Fund tends to trail the market’s ups, the City expects to have less cash invested due to the decrease in revenue, and we expect to see a loss across all Funds in interest revenues with a \$38,799 impact on the General Fund.

The net effect of on the General Fund is a \$269,440 reduction in anticipated revenues.

Staff had reviewed the current expenditure budget and recommends:

- Reductions to the City Attorney (\$20,000), administrative staff (\$5,570) community development staff/consultants (\$30,674), community services (\$20,000) and economic uncertainties (\$193,196) budgets, for a total reduction of \$269,440. Staffing modifications are discussed in a separate section below.
- Carryover expenditures from the Fiscal Year 2007-08 for advance planning projects completed or currently underway (\$75,000) and the balance of community services grants awarded in the prior year (\$71,500). These carryovers were anticipated and \$270,451 was reserved in the General Fund at the close of Fiscal year 2007-08. Since the proposed carryovers are less than originally planned, \$123,951 can be added to the unreserved General Fund balance.

Transportation Fund

Highway Users/Gas Tax and Measure M turnback funds are tied to sales taxes collected in the state, county and city. We anticipate a \$34,000 revenue loss in this

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Fund; however, sufficient funding remains in the Transportation Fund Balance to meet current budget requirements and no modifications are required.

Grant Programs Fund

Grant program funding is restricted to specific activities. Each grant in the fund has a separate account. There should be both revenue gains and losses in the Fund, with a \$194,107 positive effect.

- Grant programs with funding balances should experience a loss of anticipated interest revenue, totaling \$2,853.
- Reflecting a continued increase in program use, user-revenues collected from the taxi voucher program have exceeded initial projections and staff is recommending a \$16,506 increase in both revenues and expenditures.
- Finally, the City has received a \$106,342 grant from the California Integrated Waste Management Board bulky item pick-up program and a \$72,612 grant from the California department of Recycling to purchase bins for an expanded recycling program.

Self Insurance and Development Impact Fee Funds

These are pass-thru Funds and no changes are recommended at this time.

Staff Reorganization

City staffing is provided by a mix of direct employees, full time contract employees and consulting or contract services. Contract employees/services are used when a full time professional may not be required to handle ongoing workload or where the responsibilities can be provided more efficiently by another agency. Current staffing responsibilities are as follows:

City Clerk	City Staff position/vacant
Administrative Coordinator	City staff position
Administrative Assistant/Interim Deputy	
City Clerk	City staff position
Assistant City Manager/Public Works	
Director	City staff position
Community Services Manager	City staff position
Special Projects Manager	City staff position
City Accountant (.75 position)	City staff position
Code Enforcement Officer	City staff position
Community Development Director	City staff position/vacant
City Engineer/as required	Consultant employee

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City Planner/full time	Consultant employee
Deputy Building Official/full time	Consultant employee
Building Official/as required	Consultant employee
Building Inspector/as required	Consultant employee
Plan checking/as required	Contract services
Street and Landscape Maintenance	Contract services
Building Maintenance	Contract services
Police and Fire	Contract services

As noted above, there are two City staff positions that are currently vacant and two consultants serving in full time positions. This situation presents the City with the opportunity to reorganize staffing. I am suggesting the following changes:

- Establish a full time Deputy City Clerk position, with a salary range equivalent to that of the Administrative Coordinator and Code Enforcement Officer; leave the City Clerk position vacant.
- Hire two part time individuals to fill the administrative assistant position.
- Reclassify the .75 City Accountant as a full time Finance Manager and designate this individual as the City Treasurer.
- Establish a full time City staff position of Deputy Building Official and eliminate the consultant position.
- Realign the four managers (Finance, Building, Community Services and Special Projects) salary ranges so that they are equivalent to the current Community Services Manager salary range.
- Establish the full time staff position of City Planner with a salary range equivalent to that of the City Clerk; leave the Community Development Director position vacant. Fill this position with contract services for the balance of the fiscal year.

The anticipated savings from this reorganization is estimated to be \$36,244 in the current fiscal year and \$85,000 in Fiscal Year 2009-10. However, it is also anticipated that in the future the Deputy Building position would transition to that of Building Official; the Deputy City Clerk position would transition to City Clerk; and the City Planner would transition to Community Development Director at higher salary ranges.

Fiscal Analysis

Six months into the fiscal year, the City anticipates a loss of approximately \$95,460 in revenue in the current fiscal year; this is the net effect of projected revenues loss in

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the General and Transportation Funds and an increase in grant program revenues as noted below:

General Fund	(\$ 269,440)
Transportation	(34,043)
Grants	194,107

Staff proposes the following actions to balance the Fiscal Year 2008-09 budget:

- General Fund: reduce expenditures by \$76,244 and the economic uncertainties reserve by a \$193,196.
- Transportation Fund: utilize \$34,043 of available fund balances
- Grants Fund: establish a recycling program budget - \$178,954; increase the taxi voucher program budget - \$16,506; and decrease individual grant fund balances - \$3,432.

General Fund carryovers totaling \$146,500 are recommended for Community Services (\$71,500) and Community Development (\$75,000) programs completed and/or already underway. During the June discussion of the annual budget, a total of \$270,451 in carryovers was reserved. Based on this reduction in the actual amount carried forward and a larger than anticipated Fiscal Year 2006-07 Fund balance, staff estimates that the City will have an unreserved General Fund balance at the end of the 2008-09 fiscal year of \$9,501,868.

Conclusion

Exhibit A to this report summarizes the proposed changes to the City's various expenditure budgets. Adoption of the proposed two resolutions will adjust the budget to meet currently anticipated funding and staffing constraints. The City will continue to meet all current year obligations with current year revenues per budget policy and special revenues will be committed to projects for which they are intended.

Attachments: Exhibit A – Fiscal Year 2008-09 Expenditure Summary
Resolutions (2)

EXHIBIT A - PROPOSED ADJUSTMENTS TO FISCAL YEAR 2008-09 ALL FUNDS BUDGET

	Adopted Budget	City Council Modifications	Prior Year Carryovers	Proposed Modifications	Proposed Budget
GENERAL FUND					
City Council	\$ 51,803	\$ -	\$ -	\$ -	\$ 51,803
Administrative Services	\$ 1,172,365	\$ 3,250	\$ -	\$ (25,570)	\$ 1,150,045
Community Development	\$ 520,980		\$ 75,000	\$ (30,674)	\$ 565,306
Community Services	\$ 225,478		\$ 71,500	\$ (20,000)	\$ 276,978
Public Safety	\$ 1,631,040		\$ -	\$ -	\$ 1,631,040
Public Works	\$ 582,839		\$ -	\$ -	\$ 582,839
Non-Departmental	\$ 687,361	\$ (3,250)	\$ -	\$ (193,196)	\$ 490,915
Subtotal General Fund	\$ 4,871,866	\$ -	\$ 146,500	\$ (269,440)	\$ 4,748,926
TRANSPORTATION FUND	\$ 4,208,598	\$ -	\$ -	\$ -	\$ 4,208,598
SELF INSURANCE FUND	\$ 93,975	\$ -	\$ -	\$ -	\$ 93,975
DEVELOPMENT IMPACT FEE FUND	\$ -	\$ 216,000	\$ -	\$ -	\$ 216,000
GRANT PROGRAMS FUND	\$ 847,375	\$ -	\$ -	\$ 195,460	\$ 1,042,835
TOTAL BUDGET	\$ 10,021,814	\$ 216,000	\$ 146,500	\$ (73,980)	\$ 10,310,334
GENERAL FUND BALANCE					
Unrestricted	\$ 9,270,776		\$ 107,140	\$ 123,951	\$ 9,501,867

RESOLUTION NO. 09-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING RESOLUTION 08-11 AND THE FISCAL YEAR 2008-2009 BUDGET

WHEREAS, on June 25, 2008, the City Council adopted Resolution No. 08-11 establishing the Fiscal Year 2008-2009 annual budget; and

WHEREAS, the Fiscal Year 2008-2009 budget has been amended during the fiscal year by minute order of the City Council; and

WHEREAS, it is now necessary to further amend the current year budget to reflect various midyear budget adjustments;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES HEREBY RESOLVE, DETERMINE. FIND, AND ORDER AS FOLLOWS:

SECTION 1. Section 6 of Resolution No. 08-11, specifying budget appropriations for the Fiscal Year 2008-2009, is amended to read:

General Fund		\$4,748,926
City Council	51,803	
General Administration	1,150,045	
Community Development	565,306	
Community Service	276,978	
Public Safety	1,631,040	
Public Works	582,839	
Non-Departmental	490,915	
Transportation Fund		\$4,208,598
Self-Insurance Fund		\$93,975
Development Impact Fee Fund		216,000
Grant Fund		\$1,042,835

SECTION 2. Section 7 of resolution No. 08-11, specifying authorized full time staff for the Fiscal year 2008-09, is hereby amended to read:

1.00	Administrative Coordinator
1.00	Assistant City Manager
1.00	City Manager

1.00 City Planner
1.00 Code Enforcement Officer
1.00 Community Services Manager
1.00 Deputy Building Official
1.00 Deputy City Clerk
1.00 Finance Manager
1.00 Special Projects Manager

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this ___ day of ___, 2009.

ROBERT RING, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 09**** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the ** day of ***** 2009 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

YOLIE TRIPPY, Deputy City Clerk

RESOLUTION NO. 09-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, RESCINDING RESOLUTION NO. 08-18 AND ESTABLISHING A COMPENSATION SCHEDULE FOR CITY EMPLOYEES

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Effective February 1, 2009, a salary schedule for City employees is established as follows

Full Time Employees (Annual Salary Equivalent)

Administrative Assistant	\$ 31,200 – 43,680
Deputy City Clerk ²	\$ 43,680 – 60,944
Administrative Coordinator ²	43,680 – 60,944
Code Enforcement Officer	43,680 – 60,944
Community Services Manager ¹	57,226 – 80,132
Finance Manager ¹	57,226 – 80,132
Special Projects Manager ¹	57,226 – 80,132
Deputy Building Official ¹	57,226 – 80,132
Assistant City Manager ^{1 2}	91,572 – 128,232
City Clerk ^{1 2}	62,972 – 88,166
City Planner	62,972 – 88,166
Community Development Director ¹	91,572 – 128,232
Assistant City Manager ^{1 2}	91,572 – 128,232
City Manager ^{1 2}	158,574

1 denotes an exempt position

2 denotes a confidential position

Part-Time Employees (Hourly Rate)

Administrative Intern	\$ 12.00 - \$17.00/hour
Clerical Assistant	\$ 12.00 - \$17.00/hour
General Maintenance Technician	\$ 35.00/ hour

The City Manager is authorized to hire, promote and compensate employees within appropriate salary ranges, consistent with the approved budget.

SECTION 2. All employees who work 20 (twenty) or more hours per week on a regularly assigned basis shall be considered "full-time employees". Full time employees shall receive the following benefits prorated to the percentage of time they work:

- A. Retirement: All City employees shall participate in the Social Security system. In addition, the City shall contract with the California Public Employees Retirement System (CalPERS) for retirement benefits for all full time employees. The City shall pay both the employer and employee contribution for CalPERS retirement.
- B. Disability Insurance: The City shall contract for the provision of a long term disability (LTD) insurance program at no cost to employees. Program shall provide full time employees 60% of applicable salary amounts.
- C. Health Insurance: All employees must be covered by basic health insurance. The City shall contract for health insurance through the California Public Employees Retirement System (CalPERS). The City shall contribute \$80.80 per month for each active full time employee enrolled in the CalPERS health program and \$10.12 per month for each retired employee enrolled in the CalPERS health program, as adjusted annually by CalPERS. Employees who do not wish to enroll in the CalPERS program must provide proof of alternate health insurance.
- D. Employee Assistance Program: The City shall contract for an employee assistance program; membership in this program shall be mandatory for all full time employees. The City shall contribute \$2.47 per month, as adjusted annually by the program provider, for each active full time employee enrolled in the employee assistance program.
- E. Cafeteria Benefit Plan: The City shall provide each full time employees with a flexible benefit allowance that may be used for the following City authorized programs: health insurance (City offered programs or reimbursement for a non-City plan on which employee is carried as a spouse), dental insurance, vision care insurance, employee assistance or mental health plan, contribution to a defined deferred compensation plan, child care reimbursement, life insurance, long and short term disability insurance, long term care insurance, health club membership, health equipment and devices, educational reimbursement for professional development, professional memberships not included in

the City budget, additional annual leave (at current hourly rate, up to 5 days per year³), purchase of personal computer or digital equipment and accessories (laptops, PDAs, text messengers, digital cameras, etc.) and cellular or regular telephones that will be used for city as well as personal business, and such other programs as the City Council may from time to time authorize.

The above programs may not all be available at any one time, and it may be that some programs are not available to all classes of employees. Employees shall be required to use their entire allowance on available programs on an annual basis; no cash reimbursement shall be provided. The allowance amount is established as \$1,000 per month for salaried employees and hourly employees working forty hours per week. Full time employees working less than forty hours shall receive a prorated portion of the cafeteria benefit allowance. These amounts shall be less the amount required to meet the City's mandatory health insurance and employee assistance contributions, as noted in Sections C and D above.

F. Leave with pay: City employees shall accrue twenty days per year of annual leave, which may be used for doctors' appointments, personal and family sick time, bereavement leave, vacation and personal business. Employee's may maintain a balance of no more than 480 hours of annual leave, and shall be compensated for excess annual leave at the end of each calendar year. Upon termination from the City, employee shall be compensated for the entire balance in their annual leave account.

G. Holidays: New Years Day, Martin Luther King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving and Friday after Thanksgiving, December Holiday (December 24 through January 1). When a designated holiday falls on a Saturday, it shall be observed on the prior Friday; when a holiday falls on a Sunday, it shall be observed on the following Monday.

SECTION 3. In accordance with her employment agreement, effective January 1, 2009, the City shall deposit the sum of \$9,730 per year into a 401 (a) program on behalf of the city manager. Said funds shall be deposited during the year on a pay period basis. In addition, the City Manager shall receive a car allowance of \$450 per month, and shall accrue twenty-five days per year of annual leave, with a maximum balance of 600 hours. Payment on termination and for excess leave shall be handled in accordance with Section F above.

SECTION 4. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this ____ day of ___, 2009.

ROBERT RING, Mayor

³ Annual leave may only be purchased if it will be used in the calendar year purchased, and if it will not result in an annual leave accrual above an employee's cap.

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 09-__** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the __ day of __, 2009, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk