



CITY OF HEALDSBURG CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY REGULAR MEETING AGENDA

Meeting Date: February 17, 2026

Time: 06:00 PM

City Hall Council Chamber

401 Grove Street

Healdsburg, CA 95448

To join by computer, tablet, or mobile device:

Go to <https://zoom.us/join> and type in the Webinar ID: 815 8894 3494 or follow this link: healdsburg.gov/zoom (Pre-registration for the meeting is not required.)

To view the agenda online, visit healdsburg.gov/agendas. To view the Council Meeting PowerPoint presentations or correspondence received after the agenda packet has been posted, visit healdsburg.gov/presentations. To electronically submit correspondence regarding an item on the agenda, please email citycouncil@healdsburg.gov. Documents and correspondence received 72 hours prior to the meeting will be posted by 10:00 a.m. the following business day.

Interpretation Services

Interpretation services are available on-site during City Council meetings. To utilize this service, please see the interpreter located in the back of the Council Chamber.

**Councilmember Kelley will be participating remotely from
9100 Marsac Avenue
Park City, UT 84060
Library Room**

The agenda shall be posted at this location

1. CALL TO ORDER/ROLL CALL

1.a Pledge of Allegiance

1.b Approval of Agenda

2. REPORT ON CLOSED SESSION(S)

3. ANNOUNCEMENTS/PRESENTATIONS

3.a Proclamation Declaring February 2026 as Black History Month in the City of Healdsburg

4. CITY MANAGER REPORTS

5. PUBLIC COMMENTS ON ITEMS ON THE CONSENT CALENDAR AND NON AGENDA ITEMS

This time is set aside to receive comments from the public regarding matters of general interest not on the agenda, but related to City Council/RSA business. Pursuant to the Brown Act, however, the City Council cannot consider any issues or take action on any requests during this comment period. Public comment on non-agenda items is limited to thirty (30) minutes total for all speakers, with each speaker given no more than three (3) minutes. If there are more than ten (10) audience/public comment speakers, the Mayor may reduce each speaker's time from three (3) minutes so that all speakers have an equal time to speak. At the Mayor's discretion, the public comment period may be extended past 30 minutes. Members from the public wishing to speak on a Consent Agenda item should notify the Mayor during Public Comments.

6. CONSENT CALENDAR

The following items listed on the Consent Calendar are considered routine in nature or have been previously reviewed by the Council and require little or no further discussion by the Council, public, or applicant and action will be taken by the City Council by a single motion. A Councilmember may request that an item be removed from the Consent Calendar and action taken separately. Consent by a majority of the Councilmembers present will be required in order to remove the item. In the event an item is removed, the matter will be considered immediately following the adoption of the Consent Calendar.

6.a Patrick Clark Consulting - Negotiation Services

Adopt a Resolution amending the existing negotiation services agreement with Patrick Clark consulting to increase the not-to-exceed amount by \$50,000 to \$200,000 and authorizing the City Manager to execute the agreement amendment.

6.b General Fund Surplus and Pension Liability Funding Policy Review.docx

Adopt a Resolution rescinding Resolution No. 125-2022 and approving the updated General Fund Surplus Policy.

6.c Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Project Bid Award to Diablo Roofing, Inc.

Adopt a Resolution conditionally awarding the Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Project construction contract to Diablo Roofing Inc., in the amount of \$62,450; authorizing the City Manager to

execute the contract and negotiate and approve contract change orders up to 20% of the original contract amount; and amending the Fiscal Year 2025-2026 Adopted Budget.

6.d Villa Chanticleer Events Management Agreement Amendment

Adopt a Resolution approving an amendment to the Events Management Agreement with Milestone Events Group for the payment of water and sewer charges at the Villa Chanticleer and authorizing the City Manager to execute the amendment.

6.e Approval of Minutes

Approve the February 2, 2026 Regular Meeting Minutes.

7. PUBLIC HEARINGS

7.a Land Use Code Amendments to address recent state laws related to SB 9 and SB 684/1123

1. Conduct a public hearing and, by motion, introduce for first reading, by title only waiving full reading of the text, an ordinance amending Healdsburg Municipal Code Title 20 to add Section 20.20.125: SB 9 Housing Development.
2. Conduct a public hearing and, by motion, introduce for first reading, by title only waiving full reading of the text, an ordinance amending Healdsburg Municipal Code Title 20 Section 20.20.040: Small Lot Subdivisions, and replacing with Section 20.20.040 titled Small Lot Subdivisions and Housing Development to implement SB 684 and SB 1123.

8. OLD BUSINESS

8.a L&M Village Quarterly Report

Receive the L&M Village Quarterly Update.

8.b Fiscal Year 2025-26 Mid-Year Financial Update

Adopt a Resolution approving amendments to the Fiscal Year 2025-26 Adopted Budget.

8.c March Avenue Reconstruction and Pedestrian Upgrades Project Bid Award and Approval of a Cooperative Funding Agreement with Sonoma County Transportation and Climate Authority

Adopt a Resolution conditionally awarding the March Avenue Reconstruction and Pedestrian Upgrades Project to Argonaut Constructors, Inc. in the amount of \$2,427,215.15, authorizing the City Manager to execute the contract and negotiate and approve contract change orders up to 15% of the original contract amount, approving a Cooperative Funding Agreement with Sonoma County Transportation and Climate Authority in the amount of \$700,000, authorizing the City Manager to execute the Agreement and amending the Fiscal Year 2025-2026 Adopted Budget.

8.d Appointment of applicants to the Parks and Recreation and Senior Citizen Advisory Commissions

Appoint two applicants to the Parks and Recreation Commission for a term of three years due to expire January 1, 2029, and appoint two applicants to the Senior Citizen Advisory Commission for a term of three years due to expire January 1, 2029.

9. NEW BUSINESS

10. COUNCIL REPORTS ON MATTERS OF INTEREST OCCURRING SINCE PREVIOUS REGULAR MEETING/EXPENSE REIMBURSEMENT REPORTS

11. ADJOURN CITY COUNCIL/RSA MEETING

12. FUTURE AGENDA ITEMS

12.a Future Agenda Items for 2026

SB 343 - DOCUMENTS RELATED TO OPEN SESSION AGENDAS: *Any writings or documents provided to a majority of the City Council/Redevelopment Successor Agency Board regarding any item on this agenda after the posting of this agenda and not otherwise exempt from disclosure, will be made available for public review in the City Clerk's Office located at City Hall, 401 Grove Street, Healdsburg, during normal business hours. If supplemental materials are made available to the members of the City Council/Redevelopment Successor Agency Board at the meeting, a copy will be available for public review at the City Hall Council Chambers, 401 Grove Street, Healdsburg, CA 95448.*

These writings will be made available in appropriate alternative formats upon request by a person with a disability, as required by the Americans with Disabilities Act.

DISABLED ACCOMMODATIONS: *The City of Healdsburg will make reasonable*

accommodations for persons having special needs due to disabilities. Please contact Raina Allan, City Clerk, at Healdsburg City Hall, 401 Grove Street, Healdsburg, California, 431-3317, at least 72 hours prior to the meeting, to ensure the necessary accommodations are made.

CITY OF HEALDSBURG

PROCLAMATION

A PROCLAMATION OF THE CITY COUNCIL OF THE CITY
OF HEALDSBURG DECLARING FEBRUARY 2026 AS BLACK
HISTORY MONTH IN THE CITY OF HEALDSBURG

WHEREAS, the month of February is officially celebrated as a national event honoring Black History and recognizing the heritage and achievements of African Americans; and

WHEREAS, African Americans have played a central role in our nation's history and the contributions African Americans have made and continue to make are an integral part of our society; and

WHEREAS, the migration of African Americans to all parts of the United States and throughout the world have led to countless indelible contributions in the fields of science, medicine, law, social justice, athletics, the arts, government, and more; and

WHEREAS, the City of Healdsburg recognizes and values diversity, equity, and inclusion within our community; and

WHEREAS, the presence of African Americans in our community continues to enhance the quality of life in the City of Healdsburg; and

WHEREAS, the City of Healdsburg understands that African Americans have endured egregious discrimination and bigotry throughout the course of our Nation's history, conflicting with the core values of the City of Healdsburg; and

WHEREAS, Black History Month calls on our collective need to recognize and combat racism, and to continue to build a community that embraces all ages, races, religions, and genders; and

WHEREAS, Black History is American History; and

WHEREAS, Black History Month is a time where all citizens are encouraged to reflect on past successes and challenges of Black communities, and to look to the future to ensure freedom, equity, and inclusiveness.

NOW, THEREFORE, BE IT PROCLAIMED, that the City Council of the City of Healdsburg hereby declares February 2026 as Black History Month in the City of Healdsburg.

DATED: February 17, 2026

SO ORDERED:

J. Chris Herrod, Mayor



**CITY OF HEALDSBURG
CITY COUNCIL AGENDA STAFF REPORT**

MEETING DATE: February 17, 2026

SUBJECT: Patrick Clark Consulting - Negotiation Services

PREPARED BY: Nicole Lopez, Chief Human Resources Officer

STRATEGIC INITIATIVE(S):
Provide Effective Governance

RECOMMENDED ACTION(S):

Adopt a Resolution amending the existing negotiation services agreement with Patrick Clark consulting to increase the not-to-exceed amount by \$50,000 to \$200,000 and authorizing the City Manager to execute the agreement amendment.

COMMUNITY ENGAGEMENT/OUTREACH:

Not applicable.

BACKGROUND:

In previous years the City has used both outside negotiators and City staff to represent the City Council during labor negotiations and to engage in and consult on meet and confer processes with represented employee groups. These matters require specialized expertise, consistency, and careful navigation of sensitive labor-management relationships. The City has previously engaged Patrick Clark as part of its labor negotiation team in these settings.

On February 1, 2017, the City executed an agreement with Patrick Clark Consulting for negotiation services in the amount not to exceed \$50,000. In 2019, 2020, and 2021 the City Council approved amending the agreement with Patrick Clark Consulting for continued labor relations and negotiation services.

DISCUSSION/ANALYSIS:

The proposed action is requesting an increase of \$50,000 to the not-to-exceed amount of the current agreement. This increase will allow the City to continue utilizing Patrick Clark Consulting for professional labor negotiation consulting services to support statutory meet-and-confer obligations, prepare for impact discussions on negotiated classification and compensation studies, and related labor-management matters.

ENVIRONMENTAL STEWARDSHIP:

Not applicable.

ALTERNATIVES:

The City Council may reject the proposed action, in which case staff asks that the Council provide additional direction.

FISCAL IMPACT:

The proposed amendment increases the contract not-to-exceed amount with Patrick Clark Consulting by \$50,000. The contract term extends beyond the current fiscal year and there are sufficient budget appropriations in the City Manager’s Office departmental budget in the General Fund to support the services anticipated in the current year. Staff will include additional appropriations in the proposed budget to support the continuation of services.

ENVIRONMENTAL ANALYSIS:

The Project is exempt from the provisions of the California Environmental Quality Act (“CEQA”) pursuant to Title 14, the California Code of Regulations, Section 15378(b)(5).

ATTACHMENT(S):

Resolution

CITY OF HEALDSBURG

RESOLUTION NO. ___-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG AMENDING THE EXISTING NEGOTIATION SERVICES AGREEMENT WITH PATRICK CLARK CONSULTING TO INCREASE THE NOT-TO-EXCEED AMOUNT BY \$50,000 TO \$200,000; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AMENDMENT

WHEREAS, on February 1, 2017, the City executed an agreement with Patrick Clark Consulting for negotiation services in the amount not to \$50,000; and

WHEREAS, On March 19, 2019, the City Council approved amending the Original Agreement (First Amendment) with Patrick Clark Consulting to increase the not-to-exceed amount by \$25,000 to \$75,000; and

WHEREAS, on August 3, 2020, the City Council approved amending the Original Agreement (Second Amendment) with Patrick Clark Consulting to increase the not-to-exceed amount by \$25,000 to \$100,000; and

WHEREAS, on May 3, 2021, the City Council approved amendment to the Original Agreement (Third Amendment) with Patrick Clark Consulting to increase the not-to-exceed amount by \$25,000 to \$125,000; and

WHEREAS, on February 22, 2022, the City Council approved amendment to the Original Agreement (Fourth Amendment) with Patrick Clark Consulting to increase the not-to-exceed amount by \$25,000 to \$150,000; and

WHEREAS, staff is requesting an increase of \$50,000 to the not-to-exceed amount of the current agreement to prepare for the negotiated classification and compensation studies and continue services to support statutory meet-and-confer obligations and related labor-management matters; and

WHEREAS, the City's action to increase the not-to-exceed amount in a contract for a labor consultant is not a "project" pursuant to section 15378(b)(5) of the California Environmental Quality Act ("CEQA").

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Healdsburg hereby:

1. Amends the existing negotiation services agreement with Patrick Clark Consulting, increasing the not-to-exceed amount by \$50,000 to \$200,000.

Resolution No. ____-2026

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- 2. Authorizes the City Manager to execute an agreement amendment.
- 3. Finds the Project is not subject to the California Environmental Quality Act because the Council’s action is not a “project” pursuant to section 15378(b)(5) of the California Environmental Quality Act (“CEQA”).

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Healdsburg this 17th day of February 2026 by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk



CITY OF HEALDSBURG CITY COUNCIL AGENDA STAFF REPORT

MEETING DATE: February 17, 2026

SUBJECT: General Fund Surplus and Pension Liability Funding Policy Review

PREPARED BY: Katie Edgar, Finance Director

STRATEGIC INITIATIVE(S):
Provide Effective Governance

RECOMMENDED ACTION(S):

Adopt a Resolution rescinding Resolution No. 125-2022 and approving the updated General Fund Surplus Policy.

COMMUNITY ENGAGEMENT/OUTREACH:

Not applicable.

BACKGROUND:

The Government Finance Officers Association (GFOA) best practices emphasize the importance of formally adopting financial policies to provide the foundation for long-term fiscal health. In 2016 City Council updated the General Fund Reserve Policy to require a minimum reserve equal to 30 percent of the annual operating expenditures to protect the City's essential service programs. In accordance with California Government Code, City Council adopts an Investment Policy annually to guide all investment activities. In 2019 the City Council adopted a Pension Liability Funding Policy establishing a methodology for funding pension liabilities and completed the first biennial review in February 2022, and the second biennial review in February 2024. In August 2022, the City Council adopted the General Fund Surplus Policy to institutionalize prudent financial management by promoting long-term strategic thinking and defining categories for use of one-time funds derived from year end surplus. The first biennial review of the General Fund Surplus Policy was completed in February 2024.

DISCUSSION/ANALYSIS:

Pension Liability Funding Policy

The City participates in the California Public Employee Retirement System (PERS). A pension is a retirement account that an employer maintains to give employees a fixed payout when they retire. PERS is a defined benefit plan. The amount of the pension depends on how long the employee

works for the employer, whether the employee works in public safety, and the employee's salary.

Investment income, employee contributions, and employer contributions fund the total pension cost. Employer contributions are set by actuaries using an investment rate assumption (also known as the "discount rate"), and other assumptions related to salary, payroll, cost of living, mortality rate, disabilities, terminations and retirements. CalPERS has been lowering the discount rate over the last several years, from 7.5% to 7% in 2018, and lowered again from 7% to 6.8% as of June 30, 2021. Every four years CalPERS completes the asset liability management (ALM) process to update the actuarial assumptions based on recent demographic and economic trends. The most recent ALM process concluded at the November 2025 CalPERS board meeting and the discount rate remained unchanged. The maximum employee contribution rates are set by law. When subsequent changes are made to assumptions and actual investment earnings are available the actuaries will calculate the difference to their original annual valuation. The total of these annual differences comprises the unfunded accrued liability (UAL).

Current California law establishes that public employee retirement benefits are a form of deferred compensation. Courts have established that, once a public employee vests in their retirement benefits, those vested rights prevent not only a reduction in the benefits that have already been earned, but also a reduction in the benefits that a member is eligible to earn during future service. As such, changes to the employees' retirement benefits are subject to bargaining with labor groups.

Over the years, the City has taken several steps to control pension costs – refunding the side fund, establishing second tiers for new "classic" members (employees transferring from other PERS agencies), implementing the Public Employees' Pension Retirement Act ("PEPRA"), and establishing and funding a Pension Stabilization Fund.

On February 20, 2024, the City Council updated the Pension Liability Funding Policy that is in place today. The existing policy does the following:

- Includes language that requires planned use of the Pension Stabilization Fund to be included as part of the 2-year budget planning process.
- Sets as a policy goal the City's desire to limit Pension Stabilization Trust Fund withdrawals to maximize both interest earnings and the long-term benefits of the Trust.
- Prioritizes the allocation of additional contributions to the Pension Stabilization Trust Fund in the event funds are available.

Staff have reviewed the policy and affirm it is alignment with the City's current goals and financial landscape. There are no proposed changes to the policy.

General Fund Surplus Policy

City finance staff complete an analysis of the City's financial condition on a quarterly basis to ensure proactive financial management. Staff update City Council on current trends and request adjustments to revenue and expenditures based on City needs, economic conditions, and overall fiscal health.

The General Fund Surplus Policy memorializes financial priorities to guide staff in recommending additional prudent expenditures when an unanticipated surplus exists. During the third quarter

review staff provide estimates for remaining revenues and expenditures through the end of the fiscal year and prepare a projected ending fund balance. The policy defines a surplus as any anticipated fund balance exceeding \$250,000 of the required reserve. At the time of the third quarter fiscal review, staff recommend allocating any available surplus funds based on the funding priorities outlined in the policy. The policy priorities focus on non-recurring expenditures that will not increase long-term operation costs or result in an expansion of the scope of City operations. The existing policy outlines the following priorities:

- Actions that reduce City debt or liabilities, including but not limited to reducing fund deficits, paying off internal or external loans, early repayment of bonds, and additional contributions to the City’s unfunded pension obligations (CalPERS UAL).
- Contributions that result in investment returns or expand future revenue potential, including but not limited to contributions to the Pension Trust Fund and Long-Range Planning Fund.
- Investments to repair, replace, or expand existing capital assets including but not limited to deferred building maintenance, vehicle replacements, streets and drainage infrastructure, water and sewer infrastructure.

Since the adoption of the policy in 2022, there have been three implementation opportunities. There have been challenges with the timing of the process during each year. In the most recent third quarter financial review staff estimated revenues and expenditures indicated that there was no surplus anticipated for the fiscal year. However, additional unanticipated revenues as well as expense savings were incurred in the fourth quarter and subsequently resulted in an available fund balance at fiscal year-end that met the proposed definition of a surplus.

Staff have reviewed the policy and are proposing to update the timing of surplus determination to occur after the fiscal year has closed. Applying the surplus calculation to the actual fund balance rather than the estimated fund balance would allow staff to more accurately achieve the policy goals.

ENVIRONMENTAL STEWARDSHIP:

Not applicable.

ALTERNATIVES:

City Council could make specific changes to the existing policies. If this direction is provided, staff would request time to update the policy and bring it back at a future meeting.

FISCAL IMPACT:

The proposed action would have no immediate impact on the adopted FY 25-26 budget. The Pension Liability Funding Policy will be incorporated during the FY 26-27 & 27-28 budget development process as we address funding for the annual UAL payments. The General Fund Surplus Policy will be implemented for FY 25-26 during the first quarter review of FY 26-27.

ENVIRONMENTAL ANALYSIS:

Pursuant to Title 14, the California Code of Regulations, Section 15378(b)(5) of the California Environmental Quality Act (“CEQA”) guidelines, the proposed action is an administrative activity of the City that will not result in direct or indirect physical changes to the environment.

ATTACHMENT(S):

Resolution

General Fund Surplus Policy – Redline

General Fund Surplus Policy

Pension Liability Funding Policy

CITY OF HEALDSBURG

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG REPEALING RESOLUTION NO. 125-2022 AND APPROVING AN UPDATED GENERAL FUND SURPLUS POLICY

WHEREAS, a formally articulated budget and strong fiscal policies provide the foundation for assuring the City’s long-term fiscal health; and

WHEREAS, the City Council of the City of Healdsburg adopted an updated Pension Liability Funding Policy by Resolution No. 13-2024; and

WHEREAS, the City Council of the City of Healdsburg adopted a General Fund Surplus Policy by Resolution No. 125-2022; and

WHEREAS, in accordance with both policies staff have completed a biennial review of the policies; and

WHEREAS, the policies are predominantly aligned with the City’s long-term financial goals and current financial position; and

WHEREAS, completing the financial analysis to determine if a surplus is present based on estimated figures at the third quarter review presents challenges to accurate implementation; and

WHEREAS, the City Council desires to update the policy to reflect implementation of the surplus calculation after the close of the fiscal year with allocations made at the first quarter review of the subsequent fiscal year.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Healdsburg rescinds Resolution No. 125-2022 and approves the updated General Fund Surplus Policy attached as Exhibit A.

PASSED, APPROVED AND ADOPTED, by the City Council of the City of Healdsburg this 17th day of February 2026, by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk

City of Healdsburg

General Fund Surplus Policy

1. PURPOSE

The purpose of this policy is to establish a framework for allocating unanticipated annual surplus in the General Fund. This policy establishes a framework for identifying a surplus and the categories of expenditures in which staff will recommend surplus funds be allocated. The policy institutionalizes prudent financial management practices by promoting long-term strategic thinking and defining boundaries for use of one-time funds.

2. BACKGROUND

The City adopts a biennial budget with the goal of balancing the cost of providing services with the amount of revenues received. These planned expenditures and revenues can be further classified as recurring or non-recurring. Recurring expenditures are those that are included in the budget each year to maintain current service levels. Recurring revenues are those that can be reasonably expected to continue every year with some degree of predictability (property taxes, for example). A structurally balanced budget supports financial sustainability for multiple years into the future by balancing recurring revenues with recurring expenses.

The amount of money available after subtracting the total amount of expenditures made from the total amount of revenues received is the fund balance. The City has adopted a general fund reserve policy that requires maintenance of an unrestricted fund balance equal to at least 30% of the annual operating expenditures. The purpose of the reserve policy is to mitigate risks that could disrupt City services. If unforeseen economic conditions result in a reduction of expected revenues or catastrophic events require exorbitant one-time expenses the reserve is available to continue supporting essential recurring expenditures.

In addition to the budget process, the City prepares a long-term forecasting model that provides the opportunity to plan for longer term needs outside of the typical two-year budget cycle. The forecast provides a mechanism to understand the impacts of volatility on recurring revenues like Transient Occupancy Tax and Sales Taxes as well as growth trends associated with pension costs and other recurring expenditures. The forecast model is an important tool for identifying funding shortfalls and understanding the impacts of additional contributions.

3. POLICY

3.1 Definition of Surplus

For this policy, any anticipated remaining fund balance in the general fund that exceeds the reserve by \$250,000 is defined as surplus. The \$250,000 excess allows for reasonable variances within the estimated closing figures.

3.2 Financial Analysis and Review

A budget is a financial plan. Prudent fiscal management practices require ongoing analysis and updating of the City budget. Staff analyze the City's financial condition and bring updates to Council for review on a quarterly basis. During these reviews staff recommend adjustments to revenues and expenditures to align budgeted expectations with current trends and reduce or

increase expenditures based on City needs and the overall fiscal health of the organization. After the close of the fiscal year, staff will review the available fund balance and determine if a surplus exists. If a surplus is present staff will propose additional budgetary appropriations to allocate the surplus consistent with this policy during the first quarter review of the subsequent fiscal year.

3.3 Allocation of Surplus

Identified surplus funds will only be allocated for use on non-recurring expenditures to maintain a structurally balanced budget. Allocations of surplus funds are meant to improve the long-term fiscal health and prosperity of the City. Surplus funds will not increase long-term operational costs or expand the scope of operations. City staff will present surplus funding options consistent with the following categories.

- Actions that reduce City debt or liabilities, including but not limited to reducing fund deficits, paying off internal or external loans, early repayment of bonds, and additional contributions to the City's unfunded pension obligations (CalPERS UAL).
- Contributions that result in investment returns or expand future revenue potential, including but not limited to contributions to the Pension Trust Fund, and Long-Range Planning Fund.
- Investments to repair, replace, or expand existing capital assets including but not limited to deferred building maintenance, vehicle replacements, streets and drainage infrastructure, water and sewer infrastructure.

The ultimate responsibility for determining the allocation of surplus funds, consistent with this policy, rests with the City Council. The third quarter fiscal review will include appropriation adjustments to accommodate the approved allocations, but no expenditures will be incurred until the closing of the fiscal year. Staff will report back to council at the next quarterly financial update if for any reason approved surplus expenditures are not completed.

3.6 Review of Surplus Policy

Maintaining a structurally balanced budget that promotes sustainability of essential services requires a long-term plan. The City will review this policy at a minimum biennially, concurrent with preparation of the budget, to determine if changes to this policy are necessary to ensure resources are being allocated to priorities pertinent in the current financial landscape.

City of Healdsburg

General Fund Surplus Policy

1. PURPOSE

The purpose of this policy is to establish a framework for allocating unanticipated annual surplus in the General Fund. This policy establishes a framework for identifying a surplus and the categories of expenditures in which staff will recommend surplus funds be allocated. The policy institutionalizes prudent financial management practices by promoting long-term strategic thinking and defining boundaries for use of one-time funds.

2. BACKGROUND

The City adopts a biennial budget with the goal of balancing the cost of providing services with the amount of revenues received. These planned expenditures and revenues can be further classified as recurring or non-recurring. Recurring expenditures are those that are included in the budget each year to maintain current service levels. Recurring revenues are those that can be reasonably expected to continue every year with some degree of predictability (property taxes, for example). A structurally balanced budget supports financial sustainability for multiple years into the future by balancing recurring revenues with recurring expenses.

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In addition to the budget process, the City prepares a long-term forecasting model that provides the opportunity to plan for longer term needs outside of the typical two-year budget cycle. The forecast provides a mechanism to understand the impacts of volatility on recurring revenues like Transient Occupancy Tax and Sales Taxes as well as growth trends associated with pension costs and other recurring expenditures. The forecast model is an important tool for identifying funding shortfalls and understanding the impacts of additional contributions.

3. POLICY

3.1 Definition of Surplus

For this policy, any anticipated remaining fund balance in the general fund that exceeds the reserve by \$250,000 is defined as surplus. The \$250,000 excess allows for reasonable variances within the estimated closing figures.

3.2 Financial Analysis and Review

A budget is a financial plan. Prudent fiscal management practices require ongoing analysis and updating of the City budget. Staff analyze the City's financial condition and bring updates to Council for review on a quarterly basis. During these reviews staff recommend adjustments to revenues and expenditures to align budgeted expectations with current trends and reduce or

increase expenditures based on City needs and the overall fiscal health of the organization. ~~After the close of the fiscal year, staff will review the available fund balance and determine if a surplus exists. During the third quarter budget review staff have a good understanding of the remaining revenues to be received and expenditures that will be incurred. During this review staff will provide closing estimates and determine if unanticipated revenues or budgetary savings will result in a surplus in the general fund.~~ If a surplus is present staff will propose additional budgetary appropriations to allocate the surplus consistent with this policy during the first quarter review of the subsequent fiscal year.

3.3 Allocation of Surplus

Identified surplus funds will only be allocated for use on non-recurring expenditures to maintain a structurally balanced budget. Allocations of surplus funds are meant to improve the long-term fiscal health and prosperity of the City. Surplus funds will not increase long-term operational costs or expand the scope of operations. City staff will present surplus funding options consistent with the following categories.

- Actions that reduce City debt or liabilities, including but not limited to reducing fund deficits, paying off internal or external loans, early repayment of bonds, and additional contributions to the City's unfunded pension obligations (CalPERS UAL).
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The ultimate responsibility for determining the allocation of surplus funds, consistent with this policy, rests with the City Council. The third quarter fiscal review will include appropriation adjustments to accommodate the approved allocations, but no expenditures will be incurred until the closing of the fiscal year. Staff will report back to council at the next quarterly financial update if for any reason approved surplus expenditures are not completed.

3.6 Review of Surplus Policy

Maintaining a structurally balanced budget that promotes sustainability of essential services requires a long-term plan. The City will review this policy at a minimum biennially, concurrent with preparation of the budget, to determine if changes to this policy are necessary to ensure resources are being allocated to priorities pertinent in the current financial landscape.

City of Healdsburg

Pension Liability Funding Policy

1. PURPOSE

The purpose of this policy is to memorialize the methodology and process for funding current and future costs associated with the City's contractual obligations to provide pension benefits as set forth in the City's labor agreements. The policy also:

- Demonstrates prudent financial management practices;
- Promotes long-term and strategic thinking;
- Provides guidance in making annual budget decisions;
- Reassures bond rating agencies; and
- Demonstrates to employees and the public how the unfunded pension liability will be funded to ensure adequate funding for negotiated benefits.

2. BACKGROUND

A pension is a retirement account that an employer maintains to give employees a fixed payout when they retire. The City's plan is a defined benefit plan. The payout typically depends on how long the employee works for the employer and the employee's salary.

Investment income, employee contributions and employer contributions fund the total pension cost, including benefits and expenses. Employer contributions are set by actuaries using an investment rate assumption (also known as the "discount rate"), lowered from 7.0% to 6.8% as of July 1, 2021, and other assumptions related to salary, payroll, cost of living, mortality rate, disabilities, terminations, and retirements. The maximum employee contribution rates are set by law.

Current California law establishes that public employee retirement benefits are a form of deferred compensation and part of the employment contract. The Courts have established that the vested rights of public employees prevent not only a reduction in the benefits that have already been earned, but also a reduction in the benefits that a member is eligible to earn during future service. As such, changes to the employees' retirement benefits are considered a negotiable item and must go through the meet and confer process.

Over the years, the City has taken steps to control pension costs. In 2012 the City issued Pension Obligation Bonds to pay off CalPERS side funds at a lower interest rate and established second tiers for classic members. In 2013, the City adopted the Public Employee's Pension Retirement Act ("PEPRA"). In 2015, the City established the Pension Stabilization Fund and began making contributions to the fund. In 2019, the City adopted the initial version of this policy.

3. POLICY

3.1 Establishment of Pension Stabilization Fund

Effective July 21, 2015 the Council adopted the PARS Public Agencies Post-Employment Benefits IRS Section 115 approved trust, also known as the Pension Stabilization Fund. The premise behind the Trust is to set-aside monies in the fund with a City determined investment policy and pull out the funds as needed to achieve a level contribution by the City's budget. The Pension Stabilization

Fund is an important tool the City can use to limit the impact of future decisions made by CalPERS on the City's finances and ensure the delivery of public services.

3.2 Governance and administration of the established Trust:

The City Council established the Trust and defined the initial goals and policies for the administration of the Trust funds. The City Manager and staff have overall responsibility for the Trust and will manage the Trust in accordance with the City Council's adopted policies.

Trust Administrator, PARS, keeps plan documents current to ensure that they reflect the substantive plan and provides ongoing consulting, reporting and plan accounting records.

Trustee, currently US Bank, will be the plan's trust and custodian and will safeguard the assets in the Trust, hold the investment securities for safekeeping and make disbursement on request.

Investment Manager, currently PFM Asset Management (PFMAM), will recommend investment portfolio allocations based upon the Pension Trust Funds. PFMAM has adopted Investment Guidelines based on initial City Council input, revised to comply with existing law in November 2021 (Attachment 1), and manages City assets in accordance with the guidelines.

The Asset Allocation Investment Strategy chosen by a Council committee is rated as Moderately Conservative in regard to risk tolerance. Attachment 1 provides more detail on the asset allocation and breakdown.:

This policy recognizes that there will be future market volatility and that actual economic and demographic experience will differ from assumed experience. Accordingly, this policy is intended to provide flexibility to smooth such volatility and experience in a reasonable, systematic and financially sound manner.

3.3 Liability Funding Plan: Use of Pension Stabilization Fund

The City is required to make annual UAL payments to CalPERS to cover outstanding liabilities based on the amortization schedules for those liabilities. The amount of payment is forecasted annually by CalPERS and is impacted by annual return rates, changes to the discount rate, and changes in actuarial analysis inputs and outputs.

City staff will include in the two-year budget details on projected UAL costs and anticipated use of the Trust. Given the Trust's ability to generate interest, the City will endeavor to limit trust fund withdrawals, maximizing potential for Trust Fund growth over time.

3.4 Additional Contribution: Development of Pension Stabilization Fund

The City will annually review its ability to make additional contributions to the Pension Stabilization Fund. Making additional contributions when funds are available will maximize interest earnings, extend the long-term benefits of the Trust, and provide further flexibility for future UAL funding. Actions to budget additional contributions will be proposed to Council as appropriate.

3.5 Transparency and Reporting

Funding of the City's pension benefit should be transparent to all parties including City employees, retirees, recognized employee organizations, the City Council and City residents. To achieve this level of transparency, the following information shall be available:

- a. Copies of the actuarial valuations for the City's pension plans shall be published on the City's website.
- b. The City's Annual Financial Statements shall be published on the City's website. The financial statements include information on the City's pension plans, contributions to the Trust, and the funded status of the plans.
- c. The City's annual operating budget shall include appropriations for contributions to the Trust, to CalPERS and the annual pension costs.

3.6 Review of Funding Policy

Funding pension liability requires a long-term plan. The City will review this policy at a minimum biennially, coincident with preparation of the actuarial valuations, to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund pension benefits.



**CITY OF HEALDSBURG
CITY COUNCIL AGENDA STAFF REPORT**

MEETING DATE: February 17, 2026

SUBJECT: Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Project Bid Award to Diablo Roofing, Inc.

PREPARED BY: Terrie Zwillinger, Senior Project Manager

STRATEGIC INITIATIVE(S):
Maintain and Improve Infrastructure and Facilities

RECOMMENDED ACTION(S):

Adopt a Resolution conditionally awarding the Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Project construction contract to Diablo Roofing Inc., in the amount of \$62,450; authorizing the City Manager to execute the contract and negotiate and approve contract change orders up to 20% of the original contract amount; and amending the Fiscal Year 2025-2026 Adopted Budget.

COMMUNITY ENGAGEMENT/OUTREACH:

Prior to beginning construction, advance notices will be provided to airport hangar owners and lessees. They will be advised of potential impacts, temporary hangar access restrictions, and the planned work duration. The City Project Manager and Airport Manager's direct contact information will be provided for additional information and for any concerns that arise during the construction process.

BACKGROUND:

In April, 2025, the City entered into a Professional Services Agreement with consultant Strata AP to conduct an assessment of existing roofs on the City-owned buildings at the Healdsburg Municipal Airport, located at 1580 Lytton Springs Road. The report found that many of the roofs and all the light-transmitting panels (sky-lights) showed signs of water leaks.

Strata AP prepared plans and specifications to replace the roof on Hangar 610 and replace the light-transmitting panels on five other hangars. On December 22, 2025, the City posted a notice inviting informal bids for the Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Project and bids were received on January 29, 2026.

DISCUSSION/ANALYSIS:

A notice inviting informal bids was advertised in accordance with all applicable procedures, and the City received two bids. The lowest apparent and responsive bid was from Diablo Roofing, Inc. in the amount of \$62,450. The other bid received was \$84,960. The low bid was lower than the engineer's estimate of \$70,000 by approximately 10% which can be attributed to the current competitive bidding climate with the construction industry.

The bid from Diablo Roofing, Inc. satisfies the bidding requirements for the project as described in the bid instructions. No protests to the bid have been filed as of the time of this report. Staff has verified that Diablo Roofing, Inc. possesses the required license and is otherwise qualified to complete the project.

ENVIRONMENTAL STEWARDSHIP:

Recycling of construction waste will be investigated and implemented if possible.

ALTERNATIVES:

The City Council could choose to reject all bids and direct staff to postpone the project.

FISCAL IMPACT:

The proposed construction contract is \$62,450. Staff recommends that the City Council authorize an additional 20% contingency of \$12,490 because of the small contract value and the high likelihood to encounter unforeseen conditions and potential additional costs with the roof replacement work. With the 20% contingency, the total construction amount is \$74,940. An additional 27% of the total construction value is estimated for staff time and other project related expenses to complete inspections and construction management, for a total project budget of \$95,000. Staff are proposing to create a new capital project, Airport Hanger Roof Replacement Project AP007, and appropriate the project budget of \$95,000 to be funded entirely by Airport Operating Funds. On October 20, 2025, City Council reviewed the five-year Capital Improvement Program, and on Resolution 95-2025 appropriations for Airport Hanger Row C Pavement Rehabilitation Project AP006 from Fiscal Year 2024-25 were approved to lapse due to a reprioritization of projects at the airport. Additional funding appropriations for Project AP006 remain in Fiscal Year 2025-26 that are available to be reallocated to this project. The proposed action will result in a net decrease in Airport Operating Fund expenses of \$38,900.

ENVIRONMENTAL ANALYSIS:

The proposed Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Project involves the replacement of an existing roof only and no expansion of use and therefore is exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines 15302(c).

ATTACHMENT(S):

Resolution

Exhibit A

Bid Summary

CITY OF HEALDSBURG

RESOLUTION NO. -2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG CONDITIONALLY AWARDING THE MUNICIPAL AIRPORT HANGAR RE-ROOF AND REPLACEMENT OF EXISTING LIGHT TRANSMITTING PANELS PROJECT TO DIABLO ROOFING, INC. IN THE AMOUNT OF \$62,450, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND APPROVE CONTRACT CHANGE ORDERS UP TO 20% OF THE ORIGINAL CONTRACT AMOUNT, AND AMENDING THE FISCAL YEAR 2025-2026 ADOPTED BUDGET

WHEREAS, the notice inviting informal bids for the Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Project was advertised in accordance with applicable procedures that resulted in the City receiving two (2) bids; and

WHEREAS, the apparent lowest bid was submitted by Diablo Roofing, Inc. in the amount of \$62,450; and

WHEREAS, staff has verified that Diablo Roofing, Inc. possesses the required license(s) and is otherwise qualified to complete the project; and

WHEREAS, staff recommends awarding the construction contract Diablo Roofing, Inc. in the amount of \$62,450; and

WHEREAS, staff recommends a 20% contract contingency and additional funding for staff inspection and construction management for a total construction phase budget of \$95,000; and

WHEREAS, staff finds the proposed Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Projects involves the replacement of an existing roof involving no expansion of use therefore is exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines 15302(c) and no further action is needed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Healdsburg hereby:

1. Conditionally awards the Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Projects to Diablo Roofing, Inc.
2. Authorizes the City Manager to execute the Municipal Airport Hangar Re-Roof and Replacement of Existing Light Transmitting Panels Projects contract in the amount of \$64,450.

Resolution No. -2026

Page 2

3. Authorizes the City Manager to negotiate and approve contract change orders up to twenty percent (20%) of the bid amount and issue the notice of award to Diablo Roofing, Inc.
4. Amends the Fiscal Year 2025-2026 Adopted Budget as depicted in the attached Exhibit A.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Healdsburg this 17th day of February, 2026, by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk

Resolution No.
Exhibit A

Item 6.c

FY 25-26 Budget Amendment			
Account Number	Increase Amount	Decrease Amount	Description
572-6166-45000-AP007	\$ 95,000		Establish Budget for Airport Roof Replacement Project AP007
570-8080-42301-00000	\$ 95,000		Increase Transfer out to Airport Capital Fund for Project AP007
572-1000-39001-00000	\$ 95,000		Increase Transfer in from Airport Operating Fund for Project AP007
572-6166-45000-AP006		\$ 313,000	Reduce Budget for Airport Hanger Row C Pavement Rehab Project AP006
572-1000-34064-00000		\$ 179,100	Reduce FAA Grant Revenue for Project AP006
572-1000-39001-00000		\$ 133,900	Reduce Transfer in from Airport Operating Fund for Project AP006
570-8080-42301-00000		\$ 133,900	Reduce Transfer out to Airport Capital Fund for Project AP006

Bid Opening: 1/29/2026 @ 2PM; IFB-21-025 Municipal Airport Hangar Re-Roof and Light Transmitting Panel Replacement			
Item	Item Description	Estimated Annual Quantity	Unit of Measure
1	Re-Roof of existing metal roof system on Hangar 610	1	LS
2	Replacement of light transmitting panels	1	LS
Base Bid Total			

Diablo Roofing, Inc.	
Unit Cost (in figures)	Total Cost (in figures)
\$57,400.00	\$57,400.00
\$ 5,050.00	\$5,050.00
	\$62,450.00

Absolute General Contractors	
Unit Cost (in figures)	Total Cost (in figures)
\$ 61,680.00	\$61,680.00
\$ 23,280.00	\$23,280.00
	\$84,960.00

Sub/Location	Trade/Amount

Sub/Location	Trade/Amount



CITY OF HEALDSBURG CITY COUNCIL AGENDA STAFF REPORT

MEETING DATE: February 17, 2026

SUBJECT: Villa Chanticleer Events Management Agreement Amendment for Water and Sewer Charges

PREPARED BY: Mark Themig, Community Services Director

STRATEGIC INITIATIVE(S):

- Maintain and improve infrastructure and facilities
- Provide resident-driven community services

RECOMMENDED ACTION(S):

Adopt a Resolution approving an amendment to the Events Management Agreement with Milestone Events Group for the payment of water and sewer charges at the Villa Chanticleer and authorizing the City Manager to execute the amendment.

COMMUNITY ENGAGEMENT/OUTREACH:

Not applicable.

BACKGROUND:

On June 21, 2022, City Council approved an Events Management Agreement (Management Agreement) with Milestone Events Group (Milestone) for management and operation of the Villa Chanticleer. Since executing the agreement on July 1, 2022, Milestone has been a strong partner for the City handling the day-to-day operations of the Villa and investing approximately \$300,000 improving flooring, lighting, bar configuration, cottages, and basement space. The terms of the Management Agreement for the Villa Chanticleer holds Milestone Events Group responsible for all utility services (Section 6.). Throughout the duration of the Agreement, Milestone has fulfilled this requirement.

In the spring of 2024, the City completed the construction of the Fitch Mountain Access Improvement Project including an extensive revegetation plan required as part of the creek permitting process. A component of the revegetation work included a requirement that the City irrigate vegetation that was planted to restore the impacted areas of the Open Space Preserve at the trailhead and access trail. This irrigation is a temporary requirement to help the vegetation get established. Once the plants are established, the irrigation can be removed.

To provide irrigation water to the trailhead area, staff connected to existing water lines from the Villa Chanticleer rather than incur the costs of excavating and connecting to the water service main in the Villa’s parking lot, installing a new meter, and trenching or laying pipe overland to the trailhead area. While this approach was more efficient overall, connecting to the Villa’s water supply resulted in an increase in water and sewer charges for the Villa. In August 2024, the City took over payment of the water and sewer charges.

The purpose of this agenda item is to authorize the City Manager to execute an amendment to the management agreement to temporarily modify how the Villa Chanticleer’s water and sewer charges are paid during the vegetation restoration establishment period for the Fitch Mountain Access Improvement Project and transfer the share of these costs that reflects the City’s water use for the Fitch Mountain Access Improvement Project irrigation system from Milestone to the City.

DISCUSSION/ANALYSIS:

City staff conducted an analysis of the Villa Chanticleer’s water and sewer use before and after the irrigation system installation. From this analysis, staff extrapolated the Villa’s average historical water and sewer use and projected future costs inclusive of approved rate increases, to determine the Villa Chanticleer’s water and sewer charges for the duration of the temporary irrigation system’s operations, anticipated through July 2027. In accordance with the proposed agreement amendment, the Villa would pay the following amounts:

Villa Water & Sewer Charges	Annual	Monthly
08/2024 thru 07/2025	\$ 16,550.88	\$ 1,379.24
08/2025 thru 07/2026	\$ 19,619.16	\$ 1,634.93
08/2026 thru 07/2027	\$ 22,464.84	\$ 1,872.07

The recommended amendment would be retroactive to August 2024, when the City assumed the water and sewer charges for the Villa. The amendment includes a requirement that the Villa reimburse the City (in addition to the pro-rated monthly service fee) for water and sewer payments made by the City, on behalf of Milestone, from August 2024 through February 2026, as follows:

Retroactive Charges	Amount
08/2024 thru 07/2025	\$ 16,550.88
08/2025 thru 02/2026	\$ 11,444.51
Monthly Retroactive Fee (Paid over 17 Months)	\$ 1,646.78

Total Monthly Charges	Amount
03/2026 thru 07/2026	\$ 3,281.71
08/2026 thru 07/2027	\$ 3,518.85

Once the Fitch Mountain Access Improvement Project's irrigation requirements are met, the system will be removed and the Villa Chanticleer's original agreement terms will resume. Staff is anticipating that the irrigation system will not be needed after July 2027 when the plants are established.

ENVIRONMENTAL STEWARDSHIP:

Not applicable.

ALTERNATIVES:

The City Council could choose not to approve the Management Agreement Amendment and provide direction to staff.

FISCAL IMPACT:

The City's Community Services Contracted Facility Operations division budget has been funding the Villa Chanticleer's water and sewer charges since August 2024. The proposed amendment outlines that over the next 17 months Milestone Events Group will reimburse the City \$27,995.39 for their respective proportion of water and sewer use from August 2024 through February 2026. This revenue will be received in monthly installments of \$1,646.78 attributed to the Community Services Contracted Facility Operations division where the expenses were incurred. Additionally, they will contribute \$1,634.93 monthly from March 2026 through July 2026 and \$1,872.07 monthly from August 2026 through July 2027 towards the proportionate share of ongoing water and sewer usage until July 2027 when it is anticipated that the Cities irrigation use will cease at which time Milestone Events Group will revert to being responsible for the entire water and sewer bills. These revenues will be attributed to the Open Space division of the Community Services budget as this division will pay for the proportionate share of the open space irrigation costs.

ENVIRONMENTAL ANALYSIS:

Amending a management agreement is not subject to the provisions of the California Environmental Quality Act (CEQA) because amending a management agreement is not a project, since it will not have a direct or reasonably foreseeable indirect impact on the environment.

ATTACHMENT(S):

Resolution

Villa Chanticleer Events Management Agreement Amendment #1

Attachment A - Villa Chanticleer Water-Sewer Charges Analysis

Villa Chanticleer Events Management Agreement

CITY OF HEALDSBURG

RESOLUTION NO. -2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG APPROVING AN AMENDMENT TO THE MANAGEMENT AGREEMENT WITH MILESTONE EVENTS GROUP FOR THE PAYMENT OF WATER AND SEWER CHARGES AT THE VILLA CHANTICLEER AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT

WHEREAS, on June 21, 2022 City Council approved an Events Management Agreement with Milestone Events Group for the operation of the Villa Chanticleer; and

WHEREAS, the City completed the Fitch Mountain Access Improvement Project in June 2024 that involved the installation of temporary irrigation for establishing vegetation impacted by the project; and

WHEREAS, the temporary irrigation system is connected to the Villa Chanticleer's water system resulting in an increase in water and sewer use and charges for the Villa Chanticleer; and

WHEREAS, the proposed amendment temporarily modifies the terms of the Events Management Agreement to pro-rate the Villa Chanticleer and the Fitch Mountain irrigation systems' water use and charges during the timeframe when the City's irrigation system is in use, August 2024 through July 2027; and

WHEREAS, Pursuant to Title 14, the California Code of Regulations, Section 15302(c) of the California Environmental Quality Act ("CEQA") guidelines, approving and amendment to the Management Agreement is an administrative activity of the City that will not result in direct or indirect physical changes to the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Healdsburg hereby:

- 1) Finds that Pursuant to Title 14, the California Code of Regulations, Section 15302(c) of the California Environmental Quality Act ("CEQA") guidelines, approval of an amendment to a Management Agreement is an administrative activity of the City that will not result in direct or indirect physical changes to the environment.
- 2) Authorizes the City Manager to execute Management Agreement Amendment #1 with Milestone Events Group for the payment of water and sewer charges.

PASSED, APPROVED AND ADOPTED, by the City Council of the City of Healdsburg, this 17th day of February, 2026, by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk

**FIRST AMENDMENT TO THE EVENTS MANAGEMENT AGREEMENT WITH
MILESTONE EVENTS GROUP FOR THE VILLA CHANTICLEER**

This First Amendment to the Events Management Agreement for the Villa Chanticleer (Amendment) is made and entered into this ___ day of _____ 2026 ("Effective Date"), between the City of Healdsburg, a California municipal corporation ("City"), and Milestone Events Group LLC, a California limited liability company ("Milestone"). City and Milestone may be each referred to as "Party" or collectively as the "Parties."

WHEREAS, on July 1, 2022, the Parties entered into an Events Management Agreement ("Agreement") for the operation of the Villa Chanticleer; and

WHEREAS, as stated in the Section 6 of the Agreement, Milestone is responsible and directly contracts for all Utility Services required or desired by Milestone for the operation of the Villa Chanticleer; and

WHEREAS, the City completed the Fitch Mountain Access Improvement Project in June 2024. The project required that the City temporarily irrigate vegetation that was planted to restore the impacted areas of the Open Space Preserve at the trailhead and access trail until the vegetation is established; and

WHEREAS, the temporary irrigation system is connected to the Villa Chanticleer's water system, resulting in an increase in water and sewer use and charges for the Villa Chanticleer; and

WHEREAS, the City has been paying all water and sewer charges for the Villa Chanticleer from August 2024 to February 2026; and

WHEREAS, the proposed amendment temporarily modifies the terms of the Management Agreement to require Villa Chanticleer to reimburse the City for payments the City made from August 2024 to February 2026, and adjust the charges for water and sewer to the Villa Chanticleer, to account for the Fitch Mountain irrigation systems' water use, during the timeframe when the Fitch Mountain irrigation system is in use, approximately August 2024 through July 2027.

NOW THEREFORE, the Parties agree as follows:

1. Section 6 of the Agreement is modified to read as follows:

Utilities.

Milestone, at its sole cost and expense, shall be responsible and directly contract and pay for any and all utilities and

The City has paid the fees for water and sewer usage by Milestone, from August 2024 through February 2026, due to an increase in charges cause by City water usage.

From August 2024 through July 2027, the City and Milestone agree that Milestone will pay the amount shown below and on Exhibit A for water and sewer charges. These fees reflect the share of water and sewer services that Milestone used and is anticipated to use during that time period.

<u>Villa Water & Sewer Charges</u>	<u>Annual</u>	<u>Monthly Fee</u>
08/2024 thru 07/2025	\$ 16,550.88	\$ 1,379.24
08/2025 thru 07/2026	\$ 19,619.16	\$ 1,634.93
08/2026 thru 07/2027	\$ 22,464.84	\$ 1,872.07

In addition to the above, beginning in March 2026, Milestone shall reimburse the City for the water and sewer payments the City made, for water and sewer usage by Milestone, from August 2024 through February 2026. The reimbursement payments will be made on a monthly basis as follows:

<u>Retroactive Charges</u>	<u>Amount</u>
08/2024 thru 07/2025	\$ 16,550.88
08/2025 thru 2/2026	\$ 11,444.51
Monthly Reimbursement	\$ \$27,995.39 / 17mos = \$1,646.78/month (17 Months: March 2026 through July 2027)

From August 2024 through July 2027, Milestone, at its sole cost and expense, shall be responsible and directly contract and pay for any and all other utilities and services required or desired by Milestone in connection with its use or occupancy of the Property, including: (i) gas, if applicable; (ii) electricity; (iii) telephone, computer, internet, communications; and (iv) any other utilities .

In the event that, prior to July 2027, the City no longer needs to use the same irrigation system as Villa Chanticleer, Villa Chanticleer shall resume paying, at its sole cost and expense, all water and sewer charges required or desired by Milestone in connection with its use or occupancy of the Property.

- 2. All other provisions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF HEALDSBURG:

By: _____
 Jeff Kay
 City Manager

Date: _____

ATTEST:
 By: _____
 Raina Allan
 City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Samantha W. Zutler
City Attorney

Date: _____

MILESTONE EVENTS GROUP

By: _____

Date: _____

Its: _____

Milestone Events Group LLC
 900 Chanticleer Wy

The Villa

Monthly Average Usage	Water Service		Total Monthly Water Charge	Total Annual Water Charges	Sewer Service		Total Monthly Sewer Charge	Total Annual Sewer Charges
	Charge 2" meter	Water Usage Charge/hcf			Charge 2" meter	Sewer Usage Charge/hcf High Strength		
	@30 HCF		30				30	
08/2024 thru 07/2025	\$ 121.86	\$ 7.61	\$ 350.16	\$ 4,201.92	\$ 396.68	\$ 21.08	\$ 1,029.08	\$ 12,348.96
08/2025 thru 07/2026	\$ 146.24	\$ 9.14	\$ 420.44	\$ 5,045.28	\$ 468.09	\$ 24.88	\$ 1,214.49	\$ 14,573.88
08/2026 thru 07/2027	\$ 165.26	\$ 10.33	\$ 475.16	\$ 5,701.92	\$ 538.31	\$ 28.62	\$ 1,396.91	\$ 16,762.92

Villa Water & Sewer Charges	Annual	Monthly
08/2024 thru 07/2025	\$ 16,550.88	\$ 1,379.24
08/2025 thru 07/2026	\$ 19,619.16	\$ 1,634.93
08/2026 thru 07/2027	\$ 22,464.84	\$ 1,872.07

*rate increases set by City Ordinance #1240

AGREEMENT CHECK LIST

Item 6.d

Contractor/Consultant Name: Milestone Events Group, LLC

Description of Services: Events Management Agreement- Villa Chanticleer

Department: Community Services Project Manager Mark Themig Phone: 431-3116

Initial Contract Amount: _____ (if over \$50,000 must also complete Section 1 below)

Initial Contract Begin Date July 1, 2022 End date June 30, 2027

If contract has multiple years, then encumbrance should be applied in the following manner:

Year 1 _____ Year 2 _____ Year 3 _____ Year 4 _____ Year 5 _____

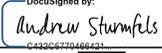
CPI increase per year: Yes No

- List all Amended amounts:**
- Amendment #1- Amount \$ _____ End Date _____
 - Amendment #2- Amount \$ _____ End Date _____
 - Amendment #3- Amount \$ _____ End Date _____
 - Amendment #4- Amount \$ _____ End Date _____
 - Other Amount \$ _____ End Date _____

Total Contract Amount: _____

Funding Source: N/A Budgeted: Yes No
(Include Acct# and Project #) (If no, explain on attached sheet)

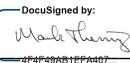
Is applicant reimbursing the City for cost? Yes No If yes, attach Reimbursement Agreement.

Andrew Sturmfels, Administrative Services Director/Risk Manager: 

Check all that apply: Certificate(s) of Insurance attached: GL Auto Excess W/C*

Prof (E&O) *Workers' Comp Declaration Other Liquor Liability

Business License No.: _____ Expiration Date: _____ W-9 (if new vendor)


Department Head Signature

Section 1 - Only applicable for agreements in excess of \$50,000

City Council approval date June 21, 2022 Resolution No. 94-2022

Section 2 -

DocuSign will deliver a fully executed copy of the agreement to the Consultant, City Clerk, Central Services, Project Manager, and Finance Department.

Central Services will place PDF agreement in Tommy Library, index agreement information, place insurance in electronic folder, and enter insurance information into Fastrack.

EVENTS MANAGEMENT AGREEMENT

THIS EVENTS MANAGEMENT AGREEMENT (the “**Agreement**”) is entered into as of July 1, 2022 (the “**Effective Date**”) by and between Milestone Events Group LLC, a California limited liability company (“**Milestone**”) and CITY OF HEALDSBURG, a California municipal corporation (“**City**”) (each a “**Party**” and collectively the “**Parties**”).

RECITALS

- A. City is the owner and operator of real estate and improvements thereon, located at 860-900 Chanticleer Way, Healdsburg, CA 95448 and depicted on Exhibit 1 attached hereto (the “**Property**”). The Property is improved with an event center known as Villa Chanticleer (the “**Villa**”), a garden with a gazebo, a storage shed, a gravel picnic area with picnic tables and a barbeque (“**Picnic Area**”), a City-owned building called the “**Villa Annex**”, a building known as the “**Caretaker’s Cottage**,” two other stand-alone buildings (“**Outbuildings**”), landscaping, trees, walkways, parking areas, drive aisles, fences, and gates. The Villa Chanticleer, Caretaker’s Cottage, the Outbuildings, Picnic Area, garden, gazebo, and storage shed are hereinafter referred to as the “**Premises**.” The Villa, Villa Annex, Caretaker’s Cottage, Outbuildings, and storage shed are each referred to as a “**Building**.” The parking areas, other drive aisles, walkways, fences, gates, trees, landscaping, fire hydrants, storm drains, irrigation lines and utility lines located outside of a Building are hereinafter referred to as “**Common Areas**.”
- B. Milestone is in the business of marketing, booking, organizing, hosting and managing events including, without limitation, banquets, weddings, fundraisers, parties, corporate gatherings, and community meetings (each an “**Event**” and collectively “**Events**”).
- C. On the terms, conditions set forth herein, City wishes to engage Milestone to manage Events on the Premises and, on some occasions, the Villa Annex, and allow Milestone to use the Premises, Villa Annex, and Common Areas in connection therewith.

AGREEMENT

In consideration of the foregoing and other consideration, the adequacy of which is hereby agreed, the Parties agree as follows:

1. Engagement and Use Rights. City grants Milestone the rights pertaining to Event Planning Services described in Section 7 and, in connection therewith, the following use rights on the terms and conditions set forth in this Agreement:

- 1.1 The exclusive right to use the Premises;

1.2 The exclusive right to use those certain parking spaces in the area outlined in red as shown on Exhibit 1;

1.3 The non-exclusive right to use other Common Areas;

1.4 The right to use the Villa Annex subject to the Legion Lease (as defined in Section 8).

2. Consideration. In consideration for the rights granted herein, Milestone will waive certain Event rental fees and offer discounts for certain other Event rental fees as set forth in Section 7.4.

3. Use. The Property will be used solely for Events and for no other use or purpose whatsoever, except as provided in Section 4 or with City's prior written consent.

4. Caretaker's Cottage. The Caretaker's Cottage shall be used as a private dwelling for the person designated as caretaker for the Villa Chanticleer by Milestone and approved in writing by the City ("**Caretaker**"). No one other than the Caretaker and his or her immediate family (spouse, domestic partner, and/or children) may inhabit the Caretaker's Cottage without the prior written consent of the City. Milestone shall enter into an agreement, subject to City's approval, with Caretaker on the following terms:

4.1 Caretaker shall have the right to use the Caretaker Cottage so long as Caretaker is an employee of Milestone and shall comply with all laws, statutes, ordinances and requirements of city county, state and federal authorities now or later in force pertaining to the use of Caretaker Cottage.

4.2 Caretaker shall be responsible for monitoring the Property and calling 911 and notifying the City of any emergencies.

4.3 Caretaker shall not have pets at the Property other than one (1) domestic pet, such as a dog, cat, or bird without the prior written consent of the City.

4.4 The Caretaker's Cottage and surrounding area must be kept free of outdoor storage, litter, etc. and must be maintained in a clean and orderly manner at all times.

4.5 The Caretaker may keep a maximum of two vehicles at the Property on an ongoing basis. Any additional vehicles kept at the Property on an ongoing basis must be approved in writing by the City. Caretaker may not repair any automobiles or any other motor vehicles, heavy machinery, or equipment on the Property without prior written consent of the City.

4.6 Caretaker shall not renovate, paint, paper or otherwise redecorate or make alterations to the Cottage without the prior written consent of the City.

4.7 Caretaker shall not commit or allow any person to commit any act resulting in the destruction, defacement, damage, impairment, or removal of any part of the Cottage, including wall, ceiling, and floor coverings, and the furniture, fixtures, and furnishings.

4.8 Caretaker shall be responsible for damages caused by Caretaker's negligence and that of the Caretaker's family, invitees and guests.

5. Term.

5.1 Initial Term. Unless sooner terminated pursuant to Sections 24 or 27, the initial term of this Agreement shall commence on the Effective Date and expire five (5) years thereafter ("**Initial Term**"). The term "**Year**" as used in this Agreement shall mean the time period commencing on July 1 in a given year and ending on June 30 of the following calendar year. The first Year shall start on July 1, 2022 and end on June 30, 2023 ("**First Year**").

5.2 Extension Options. Provided (i) Milestone is not in default under the terms of this Agreement at the time each renewal option is exercised or at the commencement of the applicable Extension Term (as hereinafter defined) and (ii) Milestone has not been in default more than twice in any twelve (12) month period, Milestone shall have the option to extend the Term for one (1) successive period of five (5) year(s) (the "**Extension Term**"). The Extension Term shall be on all the terms and conditions of this Agreement. There shall be no additional extension terms beyond the Extension Term set forth herein. Milestone must exercise its option to extend this Agreement as to the Extension Term by giving City twelve (12) months written notice prior to the end of the Term of Milestone's election to exercise its extension option. Any notice not given in a timely manner shall be void at City's election, and Milestone shall be deemed to have waived its extension rights. The extension option set forth herein is personal to Milestone and shall not be included in any assignment of this Agreement. The Initial Term and any Extension Term shall hereinafter be referred to as the "**Term.**"

6. Utilities. Milestone, at its sole cost and expense, shall be responsible and directly contract and pay for any and all utilities and services required or desired by Milestone in connection with its use or occupancy of the Property, including: (ii) water; (iii) gas, if applicable; (iv) electricity; (vi) telephone, computer, internet, communications; and (viii) any other utilities (individually and collectively "**Utility Services**").

7. Events. Milestone shall have the exclusive right to market, book, organize, host and manage, pursuant to this Agreement, Events at the Property, including Events for third parties,

HUSD Events, and City Events (“**Event Planning Services**”). Milestone will conduct its use and operation of the Property in a professional manner consistent with the event management practices utilized at other Milestone venues.

7.1 City Obligations in Relation to Events. City shall transfer all payments made to the City or prior operator for Events occurring after July 1, 2022 to Milestone by August 1, 2022. City shall direct to Milestone any inquiries that City receives about Events at the Property for Milestone’s consideration and, upon request, shall reasonably assist Milestone in marketing and implementation of Events at the Property.

7.2 Milestone Obligations with Respect to Previously Scheduled Events. City or City’s prior operator has scheduled the Events, City Events, HUSD Events, and Legion Events set forth on Exhibit 2 on the dates set forth therein. Milestone has received copies of the agreements for and agrees to manage those Events set forth on Exhibit 2, assume any obligations under the agreements pertaining to those Events, and shall not schedule any new Events that would conflict with those Events.

7.3 Milestone Obligations with Respect to City Events and HUSD Events. In scheduling Events, Milestone shall give priority to HUSD Events and City Events so long as Milestone has not previously scheduled an Event for the desired date. Notwithstanding the foregoing, Milestone shall never book an Event on the first Sunday in December to allow City to hold its Senior Appreciation Day on that date.

7.4 Free and Discounted Events

(a) Milestone will waive the rental fee for five (5) Events hosted by the City each calendar year. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits, provided that the City at its option may supply its own food, alcohol, and staff.

(b) Milestone will waive the rental fee for five (5) Events hosted by Healdsburg Unified School District (HUSD) each calendar year. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits, provided that the HUSD at its option may supply its own food and staff.

(c) Milestone will waive the rental fee for three (3) Events hosted by Sotoyome Post No. 111 of the American Legion (“**Legion**”) in the Villa each calendar year. Rentals shall be subject to any additional applicable charges including bar packages, event

planning, specialized staffing needs, cleaning fees and damage deposits provided that Legion at its option may supply its own food, alcohol, and staff.

(d) Events with no rental fee will not occur on a Saturday during the months of April through October.

(e) Individuals residing within Healdsburg City Limits as of the date they reserve an Event shall be eligible to receive a 20% discount off the regular rental fee for Events in effect on the date the Event is reserved. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits.

(f) Nonprofit organizations that are registered with the California Secretary of State with a business address within the Healdsburg City Limits as of the date they reserve an Event shall be eligible to receive a discount of 50% to 70% off the regular facility rental fee for Events in effect on the date the Event is reserved. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits.

7.5 Milestone Obligations with Respect to all Events. In connection with Milestone's rights pursuant to this Section 7, Milestone shall, for all Events, at its sole cost and expense:

a) Market the Property for Events, including deploying Milestone's website for purposes of marketing, designing, managing and implementing the Events. It is agreed that Milestone retains the exclusive right to modify its website from time to time. Milestone retains the right to use its website for Events at other locations;

b) Set fees and prices for all Events and use of the Property;

c) Hire, schedule, and supervise staff necessary for Events at the Property;

d) Order, maintain, and provide sufficient amounts of supplies for Events, including without limitation food, alcohol, hand soap, cleaning supplies and paper products;

e) Update and manage the existing Villa Chanticleer website, <https://www.villachanticleer.com> owned by City ("**Villa Website**");

f) Prepare in consultation with City a list of approved vendors ("**Approved Vendors List**") and periodically evaluate such vendors consistent with procedures manual;

- g) Develop, in consultation with City, a procedures manual (“**Procedures Manual**”) for use of the Property as well as conduct of Events and modify said manual from time to time as appropriate;
- h) Respond to inquiries from customers proposing to host Events at the Property (individually, an “**Event Customer**” and collectively, “**Event Customers**”);
- i) Negotiate, prepare and enter into contracts with Event Customers;
- j) Prepare and enter into contracts with vendors or contractors to supply services for the Events;
- k) Prepare, in consultation with City, rules and regulations (“**Rules and Regulations**”) to govern behavior of guests and vendors at Events;
- l) Secure any necessary security and clean-up of the Property following an Event;
- m) Prepare an annual report detailing Milestone’s revenue and expenses at the Property and provide said report to City no later than March 31 each year for the previous calendar year. The report will be an internal statement, prepared by Milestone in accordance with its regular accounting practices;
- n) Obtain and maintain in full force and effect all permits and licenses required for the use and operation of the Premises or the Property for Events including, without limitation, a business license and a Type 47 general ABC license to serve beer, wine, and distilled spirits (“**Liquor License**”).

8. Use of the Villa Annex. The Parties acknowledge and agree that the Villa Annex is subject to a Lease Agreement between City and Legion, which shall hereinafter be referred to as the “**Legion Lease.**” The Legion Lease is attached hereto as Exhibit 3. City assigns Milestone the City’s rights under the Legion Lease to use the Villa Annex with Legion’s permission. Pursuant to the Legion Lease, Legion provides an American Legion Event Schedule during the last quarter of each calendar year for Legion’s Events on the Property in the following calendar year. City shall cause Legion to provide the American Legion Event Schedule to Milestone, or City shall provide the American Legion Event Schedule to Milestone within two (2) business days of receipt. Milestone shall not have the right to use the Villa Annex on any date listed on the American Legion Event Schedule.

9. As-Is Condition. Except as identified in Section 10 and as may be provided in any mutually agreeable Long-Term Capital Expenditure Plan developed in accordance with Section

11 below, Milestone accepts the Premises and the Property in their current, existing, "AS-IS" condition. Milestone acknowledges that City has made no representation or warranty regarding the condition thereof. City agrees to work as quickly as possible, taking into account the City's budgeting process, to make any repairs that are an obligation of the City in Exhibit 4.

10. City's Work.

10.1 By September 30, 2022, or as soon as reasonably practicable thereafter, City shall:

- (a) Remove and replace all dead landscaping in the garden area;
- (b) Inspect and repair the irrigation to ensure it is in good working order and condition;
- (c) Remove the picnic tables in the Picnic Area;
- (d) Repaint the curb surrounding the Picnic Area;
- (e) Repaint the barbeque in the Picnic Area;
- (f) Add gravel to Picnic Area;
- (g) Repair the crack in the coating of the kitchen floor in the Villa;
- (h) Replace the faucets and dishwasher in the bar area of the Villa;
- (i) Replace the leaking pot filler in the Villa, and replace the mop sink faucet in the Villa;
- (j) Replace the storage shed; and
- (k) Repair the stairs to the Garden.

11. Development of Long-Term Capital Expenditure Plan and Analysis of Milestone's Finances and Operations.

11.1 The City has completed an assessment of the condition of the Property ("**Facilities Assessment**") that identifies recommended repairs and replacements. As soon as reasonably practicable after July 1, 2023, the Parties shall meet and confer to develop a reasonable, mutually agreeable plan for repairs and improvements identified in the Facilities Assessment during the Initial Term and a reasonable allocation of the costs of the repairs and

replacements between the Parties, provided that the costs of repairs and replacements allocated to the City shall be subject to approval during the City's standard budget process ("**Long-Term Capital Expenditure Plan**"). If the Parties reach an agreement on the Long-Term Capital Expenditure Plan, it shall be memorialized in a written amendment to this Agreement that will set forth the Parties' respective responsibilities with regard to the cost and completion of the repairs and replacements identified in the Long-Term Capital Expenditure Plan and the amendment shall be submitted to City Council for approval.

11.2 In addition to meeting and conferring regarding the development of the Long-Term Capital Expenditure Plan, the Parties shall meet and confer as soon as reasonably practicable after July 1, 2023 regarding the reports that Milestone must provide under Section 7, Milestone's compliance with its obligations under this Agreement, and City's obligations under Section 7 with respect to scheduling City Events and HUSD Events.

12. City Maintenance.

12.1 City Obligations. City's obligations are as set forth on Exhibit 4 and, subject to Sections 10, 11 and 12.2, City shall exercise good faith, diligent efforts to make necessary repairs or replacements in a reasonable period of time to bring the item into good working order and repair.

12.2 Limits on City's Maintenance Obligations. Requests by Milestone for maintenance of the Property shall be subject to the City's standard budget process. Requests in excess of Twenty Five Thousand Dollars (\$25,000) annually may be subject to City Council approval. The City will determine maintenance funding as part of its standard budget process. So long as the City maintains the items listed on Exhibit 4 in good working order, City shall not be obligated to make repairs or replacements that make the Premises or the Property more marketable or updated.

13. Milestone's Maintenance Obligations. Milestone's obligations are set forth on Exhibit 4. If an item is listed as City's responsibility on Exhibit 4, Milestone shall promptly notify City of any problem with, malfunction of, or damage to the items for which City is responsible for maintaining pursuant to Section 12 of the Agreement and Exhibit 4. In an emergency (defined as an immediate threat of a) physical harm to persons that Milestone cannot reasonably mitigate; b) structural, roof, or foundational damage to any Building; or c) material damage to Milestone's property), Milestone may hire a qualified and licensed contractor to undertake repairs with prior approval from a City staff member (who shall be designated in a written notice from City, and whose approval shall not be unreasonably withheld) and City shall reimburse Milestone as soon as reasonably practicable after receipt of an invoice for the reasonable cost of the approved

repairs or replacements, taking into account the City's standard budget process. Milestone waives the provisions of Sections 1941 and 1942 of the California Civil Code.

14. Inspection. City reserves the right to enter the Property or the Premises upon reasonable notice to Milestone (except that advance notice shall not be required in case of an emergency) for the following purposes) (i) to inspect the condition of the Property or the Premises; (ii) to ascertain the performance by Milestone of the terms and conditions hereof; (iii) to respond to an emergency at the Property or the Premises; (iv) to maintain, inspect and repair the Property or the Premises to the extent required or permitted under this Agreement; (v) to post notices of non-responsibility for alterations, additions or repairs undertaken by Milestone; (vi) to show the Premises or the Property to prospective tenants in the last ninety (90) days of the Term; (vii) to post a leasing sign in or about the Premises or the Property; and (viii) to perform any other right or duty of City under this Agreement.

15. Trade Fixtures and Alterations.

15.1 Milestone may install necessary trade fixtures, equipment and furniture in the Premises or the Property, provided that such items are installed and are removable without structural or material damage to the Premises or the Property. For purposes of this Agreement, "**trade fixtures**" means specialty fixtures or equipment used in Milestone's trade or business as identified by Milestone and agreed to by City in writing. Milestone shall not construct, or allow to be constructed, any other alterations, physical additions, or improvements in, about, or to the Premises or the Property ("**Alterations**") without the prior written consent of City, and City's review and approval of plans and specifications, or conceptual drawings, photographs or samples if plans and specifications are not ordinarily prepared for the type of Alterations proposed, which consent and approval may be granted or denied in City's sole discretion. If City approves proposed Alterations, City's consent may be conditioned upon Milestone's establishing compliance with Laws (as defined in Section 17) and with City's reasonable requirements regarding selection of contractors and construction of Alterations. Should Milestone make any Alterations without the prior written consent of City, City may, at any time during the Term, require Milestone to remove any or all of the same and restore the Premises or the Property to their prior condition, at Milestone's sole cost and expense.

15.2 Alterations shall, at the expiration of the Term or termination of the Agreement, become the property of City and shall be surrendered by Milestone with the Premises and the Property. Until the expiration of the Term or termination of the Agreement, any Alterations paid for by Milestone and consented to by City shall be considered leasehold improvements and depreciated according to the IRS depreciation method which is 15-year straight line. In the event the Agreement expires or is terminated at any point in time by City, City will reimburse

Milestone for the undepreciated basis Milestone has in the leasehold improvements, provided that in no event shall City's reimbursement obligation under this Section 15.2 exceed \$50,000. Provided that Milestone submits to City and receives City's approval of architectural plans and specifications, which approval shall not be unreasonably withheld or delayed, Milestone shall have the right to perform the following work at its sole cost: upgrade the lighting fixtures in the Villa and replace the flooring in the vestibule and bar areas in the Villa.

15.3 All work to be performed by or on behalf of Milestone shall be performed diligently and in a first-class, workmanlike manner, using licensed contractors, and in compliance with all applicable Laws and all insurance carrier requirements. City shall have the right, but not the obligation, to periodically inspect such work and may suggest changes in the method or quality thereof. In no event shall such work materially obstruct access to the Property or any portion thereof.

15.4 Milestone shall also perform any closure work, investigation and environmental remedial work required by the presence or suspected presence of any Hazardous Materials caused by Milestone or Milestone Parties (as defined in Section 19) under Hazardous Materials Laws (as hereinafter defined) or by any other applicable Laws.

15.5 Milestone shall promptly pay and discharge all claims for labor performed, supplies furnished and services rendered at the request of Milestone and shall keep the Premises and Property and all portions thereof free of all mechanics' and materialmen's liens in connection therewith. Milestone shall provide at least ten (10) business days' prior written notice to City before any labor is performed, supplies furnished or services rendered on or at the Premises or the Property and City shall have the right to post on the Premises or the Property notices of non-responsibility. If any lien is filed, Milestone shall cause such lien to be released and removed within ten (10) days after the date of filing, and if Milestone fails to do so, City may take such action as may be necessary to remove such lien.

16. Insurance.

16.1 Prior to the Effective Date, Milestone shall deliver certificates of insurance for the insurance policies Milestone is required to obtain under Section 16.1(a) through (c) below.

(a) Commercial General Liability Insurance. A Commercial General Liability policy of insurance (including bodily injury, personal injury and property damage) with limits of at least \$2,000,000 per occurrence. The Commercial General Liability policy of insurance shall contain, or shall be endorsed to contain, Liquor Liability Coverage with limits of at least \$1,000,000 per occurrence.

(b) Automobile Insurance. An automobile insurance policy for all owned, hired, or non-owned vehicles with limits of at least \$1,000,000 per accident for bodily injury and property damage.

(c) Workers' Compensation and Employer's Liability. Proof of Workers Compensation and Employers Liability insurance as required by any applicable law, regulation or statute, including the provisions of Division IV of the Labor Code of the State of California, and any act or acts amending it. Worker's compensation insurance must be for Statutory Limits and must cover the full liability of the Consultant. The Consultant's Employer's Liability Insurance must be in an amount no less than \$1,000,000.00 per occurrence. The workers' compensation policy must be endorsed with a waiver of subrogation. The insurance company, in its endorsement, must agree to waive all rights of subrogation against the City, its officers, officials, employees, agents and volunteers for losses paid under the terms of such policy.

16.2 All required insurance must be provided in the form of "occurrence"-type policies underwritten by admitted insurers in the State of California with a rating of A or better from the current year Best's Insurance Guide. All policies must be issued at the expense of Milestone and must be maintained at Milestone's expense. Milestone shall maintain insurance as required by this contract to the fullest amount allowed by law. Upon City's request, Milestone shall also provide a declaration page or copy of each policy.

16.3 Both the Commercial General Liability policy and Automobile policy endorsements must add the City, its officials, officers, employees, agents and volunteers as an additional insured ("**Additional Insured**"). The Additional Insured coverage shall be "primary and non-contributory" and Milestone's coverage will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

16.4 It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the name insured; whichever is greater.

16.5 The limits of insurance required under this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as

a named insured. If an Umbrella or Excess Policy is used to satisfy the requirements, an endorsement must be provided from the insurance carrier/broker and that Umbrella/Excess Policy 'follows form' or is 'continuous' to the General liability and/ Auto liability policy in addition to the required endorsement.

16.6 Milestone shall provide the City with a 30-day written notice of any reduction or cancellation of such insurance required to be furnished by Milestone and include a severability of interest clause acceptable to the City and if requested by the City.

17. Compliance with Laws. At its sole cost and expense and throughout the Term, Milestone shall comply, and require its contractors to comply, with all federal, state and local statutes, ordinances, codes, rules, regulations, conditions of approval and all legislative, administrative, judicial or health orders, emergency declarations, decrees, requirements, permits, rulings or judgments, including without limitation the California Labor Code ("Laws"), which now or in the future may govern or affect the respecting the use or manner of use of the Premises or the Property or the construction, maintenance and operation thereof. Without limiting the foregoing, Milestone shall obtain and keep in full force and effect all permits and licenses required for the use and operation of the Premises or the Property for Events including, without limitation, the Liquor License.

18. Hazardous Materials. Milestone, at its sole cost and expense, will comply with all Environmental Laws (as defined in Section 18.1) including their provisions relating to the generation, handling, presence, storage, transportation, use, and disposal of all Hazardous Materials (as defined in Section 18.2). Neither Milestone nor Milestone Parties shall use, handle, store, transport, treat, generate, release or dispose of any Hazardous Materials anywhere in, on, under or about the Premises or the Property (except that Milestone or Milestone Parties may use plastic products in compliance with applicable Laws and petroleum products so long as the use is in compliance with applicable Laws and so long as petroleum is not stored in an underground storage tank). Milestone shall cause any and all Hazardous Materials brought onto, used, generated, handled, treated, stored, released or discharged on or under the Premises or the Property to be removed from the Premises and Property and transported for disposal in accordance with applicable Hazardous Materials Laws. City shall have the right to enter the Premises and the Property from time to time to conduct tests, inspections and surveys concerning Hazardous Materials and to monitor Milestone's compliance with its obligations concerning Hazardous Materials and Hazard Materials Laws. Milestone shall immediately notify City in writing of: (i) any release or discharge of any Hazardous Material; (ii) any voluntary clean-up or removal action instituted or proposed by Milestone, (iii) any enforcement, clean-up, removal or other governmental or regulatory action instituted or threatened, or (iv) any claim made or threatened by any person against City, Milestone, the Premises, or the Property or any portion

thereof relating to Hazardous Materials or Hazardous Materials Laws. Milestone shall also supply to City as promptly as possible, and in any event within five (5) business days after Milestone receives or sends same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises, the Property, or Milestone's use thereof and concerning Hazardous Materials or Hazardous Materials Laws. In the event Milestone institutes a cleanup or removal action, Milestone shall provide copies of all workplans and subsequent reports submitted to the governmental agency with jurisdiction to City in a timely manner.

18.1 As used in this Agreement, "**Environmental Laws**" shall mean all Laws relating to protection of human health or the environment (including air, surface water, groundwater, land surface or subsurface), whether currently in force, previously enforced, or subsequently enacted, including the following laws: 15 United States Code §§2601–2697 (the Toxic Substances Control Act of 1976, as amended by the Frank R. Lautenberg Chemical Safety for the 21st Century Act (TSCA)); 33 United States Code §§1251–1388 (the Clean Water Act); 42 United States Code §§6901–6992k (the Resource Conservation and Recovery Act of 1976 (RCRA)); 42 United States Code §§7401–7671q (the Clean Air Act); 42 United States Code §§9601–9675 (the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA)); 49 United States Code §§5101–5128 (the Hazardous Materials Transportation Act); 33 United States Code §§2701–2762 (the Oil Pollution Act of 1990); California Health and Safety Code §§25100–25259 (the Hazardous Waste Control Law); California Health and Safety Code §§25270–25270.13 (the Aboveground Petroleum Storage Act); California Health and Safety Code §§25300–25395.45 (the Carpenter-Presley-Tanner Hazardous Substance Account Act); California Health and Safety Code §§25404–25404.9 (Unified Hazardous Waste and Hazardous Materials Management Regulatory Program); California Health and Safety Code §§25500–25547.8 (Hazardous Materials Release Response Plans and Inventory); California Health and Safety Code §§25249.5–25249.14 (the California Safe Drinking Water and Toxic Enforcement Act of 1986, or Proposition 65); California Health and Safety Code §§25280–25299.8 (Underground Storage of Hazardous Substances); California Health and Safety Code §§18901–18949.31 (California Building Standards Law); California Water Code §§13000–16104 (which includes the Porter-Cologne Water Quality Control Act); and California Fish and Game Code §§5650–5656; (b) all regulations that have been adopted or promulgated under such statutes or that are adopted under such statutes after the Effective Date; and (c) all enforceable demands, directives, and orders of any court, administrative body, or government entity relating to Hazardous Materials, whether currently in force, previously enforced, or enacted after the Effective Date ("**Environmental Laws**").

18.2 "**Hazardous Materials**" means (a) substances that now or in the future are defined or regulated by Environmental Laws as "contamination," "contaminants," "hazardous,"

"hazardous substances," "hazardous materials," "hazardous wastes," "pollutants," "pollution," "toxic," "toxic substances," "toxins," or "ultra-hazardous" or are otherwise listed or regulated under any Environmental Laws; (b) petroleum products, crude oil (or any fraction thereof), and their derivatives; (c) asbestos, explosives, lead-based paint, polychlorinated biphenyls, radioactive materials, and urea formaldehyde; and (d) noxious fumes, soot, or vapors.

19. Indemnity.

19.1 Milestone Indemnity. Except to the extent claims are caused by City's sole or active negligence or willful misconduct, Milestone shall indemnify, protect, defend, and hold harmless City and its elected officials, officers, employees, volunteers, lenders, agents, representatives, contractors and each of their successors and assigns from and against any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, arising at any time during or after the Term as a result (directly or indirectly) of or in connection with (i) any default in the performance of any obligation on Milestone's part to be performed under the terms of this Agreement; (ii) the use of the Premises or the Property by Milestone, its agents, representatives, contractors, employees, and Event Customers ("**Milestone Parties**"), the conduct of Milestone's business or any activity, work or thing done, permitted or suffered by Milestone or Milestone Parties in or about the Premises or the Property; (iii) any act, error or omission of Milestone or Milestone Parties in or about the Premises or the Property; (iv) any failure of Milestone or Milestone Parties to comply with Laws in connection with Milestone's obligations under this Agreement or the use of the Premises or the Property; (v) the presence of Hazardous Materials in, on, under, about, or emanating from the Premises or the Property, including, without limitation, any bodily injury, death, property damage, natural resource damage, decrease in value of the Premises or the Property, caused or alleged to have been caused by Milestone or Milestone Parties' use, storage, handling, treatment, generation, presence, discharge or release of Hazardous Materials in violation of Milestone's obligations under this Agreement. Milestone agrees to include in all sub-contracts the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Milestone shall require all sub-contractors to provide a valid certificate of insurance and the required endorsements prior to commencement of any work and Milestone will provide proof of compliance, upon request, to the City.

19.2 City Indemnity. City shall indemnify Milestone from any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon for personal injury or property damage arising from City's

actions in performing its obligations under this Agreement. City shall indemnify, defend, reimburse and hold Milestone, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises or the Property prior to the Effective Date or which are caused by the gross negligence or willful misconduct of City, its agents or employees.

20. Event Customer Insurance and Indemnity. In any contract with an Event Customer, Milestone shall require Event Customer to obtain a policy of event insurance naming Milestone and City as additional insureds, and to indemnify City and Milestone from (i) the use of the Premises or the Property by Event Customer, its agents, employees, guests, and invitees; or (ii) any act, error or omission of Event Customer, its agents, employees, guests, and invitees in or about the Premises or the Property. This requirement may be waived in writing by the City Manager.

21. City Insurance. At all times during the Term, City will maintain insurance covering the Premises and the Property in an amount not less than the full replacement cost of the Property providing protection against any peril generally included in an "all-risk" standard insurance policy, with earthquake coverage insurance if required by any federal, state, county, city, or local authority. City may elect to self-insure, jointly-insure, or maintain insurance policies or an insurance equivalent (including, but not limited to, that offered to a municipality through and by a joint powers authority, a self-insurance pool of liability coverage authorized pursuant to California Government Code Section 6500, or similar collective) to fulfill its obligations under this Section 21.

22. Casualty.

22.1 Conditions of City's Obligations to Repair. If all or any portion of the Premises or the Property is destroyed or damaged by a fire, storm, earthquake, act of terrorism or other active physical peril that causes physical damage to the Premises or the Property (each, a "**Casualty**"), City shall repair and reconstruct the same unless Section 22.3 applies or one of the following circumstances exist:

(a) It is impossible from a physical, engineering standpoint to repair and reconstruct the destroyed or damaged portion of the Premises or the Property and restore the Premises or the Property;

(b) The necessary repairs or restorations are not permitted by Laws; or

(c) The estimated cost to repair the destroyed or damaged portion of the Premises or the Property and restore the Premises or the Property exceeds the proceeds payable to City from City's insurance outlined in Section 21 above.

22.2 City's Election to Repair or Terminate. If City is not required to repair and reconstruct the damaged or destroyed portion of the Property pursuant to Section 22.1 above, then within sixty (60) days of City's receipt of a reasonably detailed estimate of the costs of design and construction work necessary to repair and reconstruct the destroyed or damaged portion of the Property but no later than six (6) months from the date of the Casualty ("**Determination Date**"), City shall elect, by written notice to Milestone to either a) repair and reconstruct the damaged or destroyed portion of the Property with any shortfall in insurance proceeds to be paid by City from its funds or b) to terminate the Agreement.

22.3 Casualty at the End of the Term. If the Premises or the Property are partially or totally destroyed during the last year of the Initial Term or any Extension Term, City and Milestone will each have the right to terminate this Agreement by giving written notice to the other party no later than ninety (90) days from the date of the Casualty.

22.4 City's Repair Following Casualty. If City is required to repair and reconstruct any portion of the Property pursuant to Section 22.1 above, City shall commence such work as soon as reasonably practicable following the date of the Casualty and shall diligently pursue such work to completion.

22.5 Waiver. Milestone and City waive the provisions of California Civil Code §§1932(2) and 1933(4) and any amendments thereto and of any law that may hereafter be passed during the Term authorizing termination on the complete or partial destruction of the demised premises.

23. Non-Discrimination. During the performance of this Agreement, Milestone shall not discriminate against any employee of Milestone or applicant for employment because of race, religion, creed, color, national origin, age, physical, or mental handicap or disability, medical condition, marital status, sex, or sexual orientation. Milestone shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, creed, color, national origin, age, physical, or mental handicap or disability, medical condition, marital status, sex, or sexual orientation.

24. Taxes. Milestone shall pay, before delinquency, all taxes, assessments, license fees, and public charges levied, assessed, or imposed on its trade fixtures, inventory, merchandise, and other personal property in or on the Premises or the Property. This Agreement may create a possessory property interest in Milestone. Milestone's property interest may be subject to

property taxation (collectively, “**Possessory Interest Taxes.**”) . In the event that Possessory Interest Taxes are assessed, the Parties shall promptly meet and confer regarding a fair allocation of the Possessory Interest Taxes between the Parties. In the event that the Parties cannot agree on the allocation of responsibility for Possessory Interest Taxes, either Party shall have the right to terminate by providing sixty (60) days’ advance written notice to the other.

25. Assignment. Milestone shall not assign, sublet or otherwise transfer, whether voluntarily or involuntarily or by operation of Law, this Agreement, the Premises, the Property, or any part thereof, without City's prior written approval, which City may withhold in its sole absolute discretion, without any obligation to consider any proposed assignment, sublet or transfer in good faith or otherwise. Milestone's attempted assignment/subletting without first obtaining City's written consent shall be void at City's election. City's consent to one assignment or subletting shall not be deemed a consent to subsequent assignments and/or sublettings. The merger of Milestone with any other entity or the transfer of any controlling or managing ownership or beneficial interest in Milestone, or the assignment of a substantial portion of the assets of Milestone, whether or not located on the Property shall constitute an assignment hereunder. Any contract with an Event Customer shall not be considered an assignment for purposes of this Section 25.

26. Relocation Waiver. Milestone fully releases and discharges City (in its capacity as property owner and otherwise as a municipal corporation) from all and any manner of rights, demands, liabilities, obligations, claims, or cause of actions, in law or equity, of any kind or nature, known or unknown, now existing or hereinafter arising, which arise from or relate in any manner to the relocation of Milestone’s business operations, or the relocation of any person(s), business(es), or other occupant(s) located on within, on, or about, the Premises or the Property following the full or partial termination or expiration of the Term (collectively, "**Relocation Claims**"), including waiver and release of any relocation rights under Government Code sections 7260 et seq. or any federal Laws ("**Relocation Assistance Law**"). Milestone acknowledges and agrees that the release and waiver set forth in this Section 26 is material consideration for City to enter into this Agreement, and that, but for this release and waiver, City would not have entered into this Agreement. By releasing and forever discharging the Relocation Claims, Milestone expressly waives any rights under California Civil Code section 1542, which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

27. Default.

27.1 “**Default**” refers to any breach of Milestone’s obligations or City’s obligations under this Agreement. Where Milestone's Default continues for the period specified below, it shall, at City's option, constitute an Event of Default giving rise to the remedies set forth in Section 27.2. The occurrence of any of the following events shall, at City’s option, constitute an “**Event of Default.**”

(a) Abandonment of or vacating the Premises or the Property for a period of thirty (30) consecutive days.

(b) The making of a general assignment by Milestone for the benefit of creditors; the filing of a voluntary petition by Milestone or the filing of an involuntary petition by any of Milestone's creditors seeking the rehabilitation, liquidation or reorganization of Milestone under any Laws relating to bankruptcy, insolvency or other relief of debtors and, in the case of an involuntary action, the failure to remove or discharge the same within sixty (60) days of such filing; the appointment of a receiver or other custodian to take possession of substantially all of Milestone's assets; Milestone's insolvency or inability to pay Milestone's debts or failure generally to pay Milestone's debts when due; any court entering a decree or order directing the winding up or liquidation of Milestone or of substantially all of Milestone's assets; Milestone taking any action toward the dissolution or winding up of Milestone's affairs; or the attachment, execution or other judicial seizure of substantially all of Milestone's assets.

(c) Default in the performance of any obligation pursuant to this Agreement following thirty (30) days’ prior written notice to cure with no cure achieved.

27.2 In the event of the occurrence of any Event of Default, in addition to the rights set forth in Section 29.7, City shall have the right to give a written termination notice to Milestone and, on the date specified in such notice (which date shall be at least three (3) business days following the date of delivery of such notice), this Agreement shall terminate unless on or before such date all Events of Default at the time existing shall have been fully remedied to the satisfaction of City. Following termination, without prejudice to other remedies City may have, City may (i) peaceably re-enter the Premises and the Property upon voluntary surrender by Milestone or remove Milestone therefrom and any other persons occupying the Premises and the Property, using such legal proceedings as may be available; (ii) repossess the Premises and the Property or relet the Premises, the Property, or any part thereof for such term (which may be for a term extending beyond the Term), at such rental and upon such other terms and conditions as City in City's sole discretion shall determine, with the right to make reasonable alterations and repairs to the Premises and the Property; and (iii) remove all Milestone’s personal property from

the Premises and the Property. In the event of default, any Events booked by Milestone remain the obligation of City and Milestone unless the booked Events are transferred to a potential new operator of the Property.

27.3 Where City's Default continues for thirty (30) days after Milestone's written notice of City's Default with no cure achieved, or if City has not commenced such cure within such thirty (30) day period if the nature of the default is such that more than thirty (30) days are reasonably required for its cure, it shall be, at Milestone's option, an Event of Default. Milestone shall have the right to send a written termination notice to City and, on the date specified in such notice (which date shall be at least three (3) business days following the date of delivery of such notice), this Agreement shall terminate unless on or before such date all Events of Default at the time existing shall have been remedied. Milestone shall also have the rights set forth in Section 29.7, except that Section 29.15 shall govern with respect to the forum to resolve the disputes set forth therein.

28. CASp. The Premises and the Property have not undergone an inspection by a Certified Access Specialist (CASp). The following language is provided in compliance with California Civil Code Section 1938: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises."

Subject to Sections 11 and 12 above, City shall make any repairs, modifications, and/or additions at City's expense to address conditions of the Premises or the Property existing as of the Effective Date as required to comply with the Americans with Disabilities Act and other state and local accessibility Laws. In the event that Milestone's construction of Alterations causes the Premises or Property to require repairs, modifications and/or additions to the Premises or the Property in order to be in compliance with the Americans with Disabilities Act and other state and local accessibility Laws, Milestone agrees to make any such necessary repairs, modifications and/or additions at Milestone's expense.

29. Miscellaneous.

29.1 Recitals and Exhibits. The Recitals and Exhibits are incorporated into this Agreement by this reference.

29.2 Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, but all of which counterparts, taken together, shall constitute one and the same instrument.

29.3 Relationship of the Parties. The relationship created hereby is not a partnership, joint venture, or consolidated business. It is rather an arm's length contractual relationship on the terms and conditions hereof.

29.4 Surrender. Upon the expiration or other termination of this Agreement or Milestone's right to possession of the Premises and the Property, Milestone will surrender the Premises and the Property, together with all keys, broom-swept clean and in good condition and repair, reasonable wear and tear excepted.

29.5 Liquor License and Website. Following the expiration of the Term or sooner termination of this Agreement, Milestone shall promptly transfer the Liquor License and the Villa Website to a new operator approved by City.

29.6 Notice. Any notice required under this Agreement must be in writing and addressed to the Parties at the following addresses:

To Milestone:

Milestone Events Group LLC
Attn: Marshall Bauer
3663 Laughlin Road, Suite 200
Santa Rosa, CA 95403
Email: mbauer@milestoneeventsgroup.com

To City:

City Manager
Healdsburg City Hall
401 Grove Street
Healdsburg, CA 95448
Email: jkay@healdsburg.gov

With a copy to:

Burke, Williams & Sorensen, LLP
Attn: Samantha Zutler
1 California Street, Suite 3050
San Francisco, CA 94111-5432
Email: szutler@bwslaw.com

Notices may be given by personal delivery, by certified or registered mail with return receipt requested, by recognized overnight commercial courier, or by email during regular business hours. Notices shall be deemed delivered upon receipt or refusal to accept delivery at the address specified above, unless received after business hours, in which case it will be deemed received on the next business day. Each Party may change its address by giving written notice in accordance with this paragraph.

29.7 Limitation of Liability. The Parties have determined that (i) monetary damages are generally inappropriate, and (ii) equitable remedies and remedies at law, not including damages but including specific performance and termination, are particularly appropriate remedies for enforcement of this Agreement. Consequently, Milestone agrees that the City shall not be liable to Milestone for damages under this Agreement, and the City agrees that Milestone shall not be liable to the City for damages under this Agreement, and each covenant not to sue the other for, or claim any right to, monetary damages under this Agreement and each Party expressly waives its right to recover monetary damages under this Agreement, except as follows: (1) either Party shall have the right to recover actual damages only (and not lost profits, damage to business, consequential, punitive, indirect, or special damages, each of which is hereby expressly waived) for a Party's Default if specific performance is not an available remedy.

29.8 Force Majeure. If City or Milestone shall be delayed or prevented from the performance of any act required by this Agreement due to strikes, riots, acts of God, shortages of labor or materials, terrorist activities, acts of war, governmental actions or inactions, laws, or regulations, including, without limitation restrictions, directives or orders, epidemics, pandemics, inability to secure contractors, subcontractors, or labor through ordinary sources by reason of industry-wide delay, regulation or order of any government or regulatory body or due to any other causes of any kind whatsoever that are beyond such party's reasonable control ("**Force Majeure**"), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed. City and Milestone will use diligent and good faith efforts to minimize the effect of any Force Majeure delays and interruptions, and to give the other party five (5) days' advance notice of any planned interruptions of which it is aware, provided that the occurrence or existence of one or more events due to Force Majeure will not be deemed to extend the time periods set forth in this Agreement for the occurrence,

completion or performance of any matter following which Lessee has been granted certain rights of termination, deemed consent, self-help, offset or abatement rights.

29.9 Entire Agreement. This Agreement sets forth all the agreements, and there are no other oral or written agreements, between the Parties concerning the Property, the Premises, or the Event Services.

29.10 Time is of the Essence. Time is of the essence of this Agreement.

29.11 Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns, personal representatives, heirs, executors and legatees.

29.12 Neighbor Relations. City will partner with Milestone to communicate the permissible extent and limitations of Milestone's activities to the neighboring residents and property owners with the intent of clearly reinforcing Milestone's rights to reasonable use of the property as outlined in the agreement. City also agrees to enforce all applicable laws and regulations in the event that activities by neighbors interfere with Milestone's permitted operations.

29.13 Modification. This Agreement may be modified only by a written instrument signed by each of the Parties hereto.

29.14 Governing Law. This Agreement shall be construed and enforced in accordance with the Laws of California, without reference to its choice of law provisions.

29.15 Severability. If any provision of this Agreement or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void or unenforceable to any extent, the remaining provisions of this Agreement and the application thereof shall remain in full force and effect and shall not be affected, impaired or invalidated.

29.16 Venue. If suit is brought by either Party to this Agreement, the Parties agree that venue shall be exclusively vested in the state courts of the County of Sonoma or, where otherwise appropriate, in the United States District Court, Northern District of California.

29.17 No Waiver. No waiver of any default or breach hereunder shall be implied from any omission to take action on account thereof, notwithstanding any custom and practice or course of dealing. No waiver by either party of any provision under this Agreement shall be effective unless in writing and signed by such party. No waiver shall affect any default other than the default specified in the waiver and then such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant shall not be construed as a waiver of any subsequent breach of the same.

29.18 Attorneys' Fees. If a lawsuit, arbitration, or other proceedings are instituted by any Party to enforce any of the terms or conditions of this Agreement against any other Party hereto, the prevailing Party in such litigation, arbitration, or proceedings shall be entitled, as an additional item of damages, to such reasonable attorneys' and other professional fees (including but not limited to expert witness fees), court costs, arbitrators' fees, arbitration administrative fees, travel expenses, and other out-of-pocket expenses or costs of such other proceedings as may be fixed by any court of competent jurisdiction, arbitrator, or other judicial or quasi-judicial body having jurisdiction thereof, whether or not such litigation or proceedings proceed to a final judgment or award. For the purposes of this Section, any Party receiving an arbitration award or a judgment for damages or other amounts shall be deemed to be the prevailing Party, regardless of amount of the damage awarded or whether the award or judgment was based upon all or some of such Party's claims or causes of action. In all other situations, Milestone shall pay all of City's costs and expenses which may be incurred in enforcing or protecting City's rights or interests.

(SIGNATURES CONTAINED ON FOLLOWING PAGE)

The Parties agree to the terms hereof as of the Effective Date written above.

MILESTONE:

Milestone Event Group LLC,
a California limited liability company

By: 

Marshall Bauer, Manager

CITY:

CITY OF HEALDSBURG,
a California municipal corporation

By: 

Jeff Kay, City Manager

Approved as to Form:

By: 

Samantha W. Zutler, City Attorney

EXHIBIT 1
PROPERTY MAP

EXHIBIT 1

Exhibit 1 Villa Chanticleer Property Map

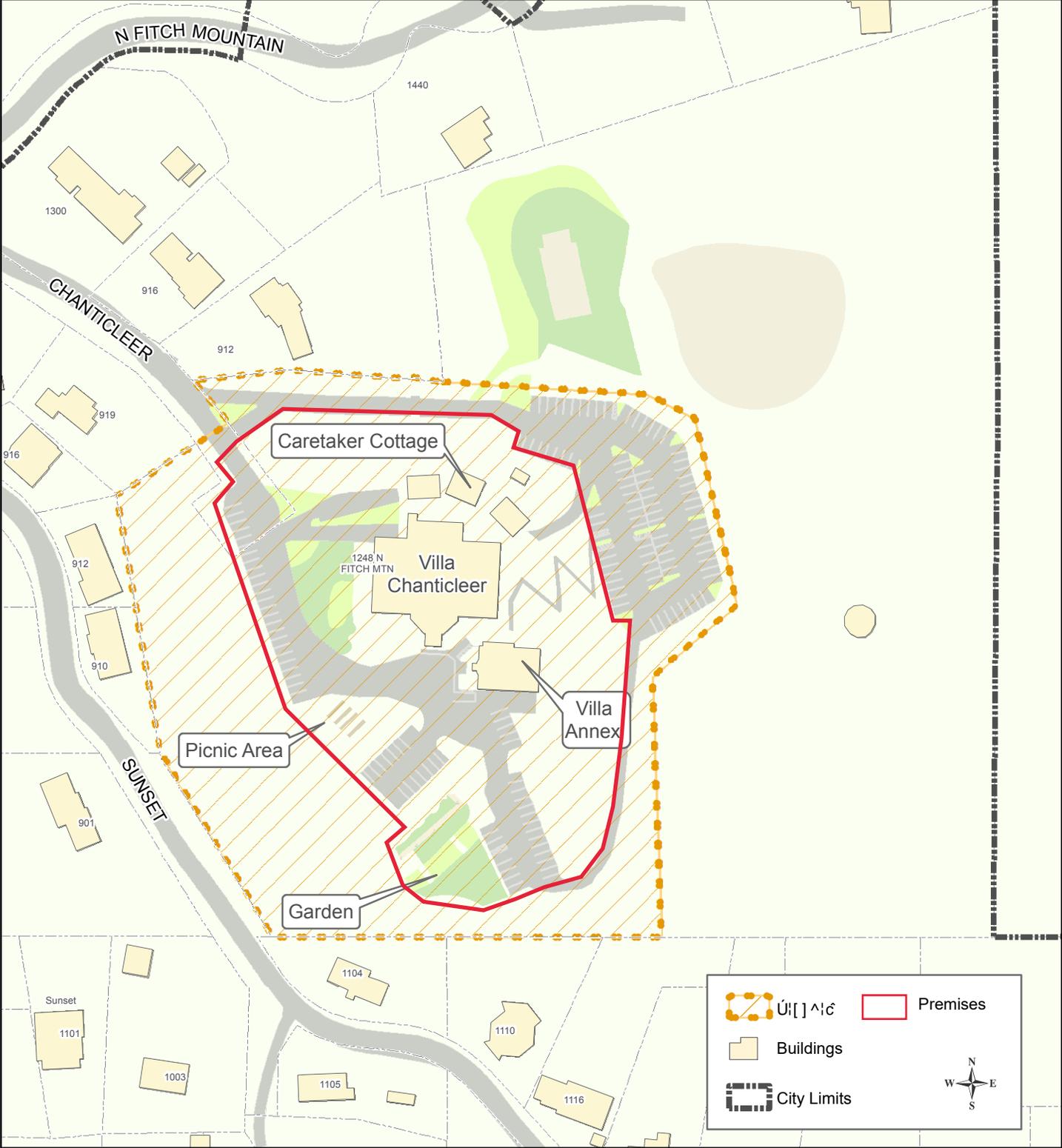


EXHIBIT 2
PREVIOUSLY SCHEDULED EVENTS

EXHIBIT 3

Exhibit 2 Previously Scheduled Events

Item 6.d

Name	Status	Start Date	End Date	Location
#21-015--Kristin & Desmond Wedding	DEFINITE	7/2/2022	7/2/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/2/2022	7/2/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/3/2022	7/3/2022	Villa Chanticleer
#21-082--Nicole & Griffin Wedding	DEFINITE	7/3/2022	7/3/2022	Villa Chanticleer
#22-08--Boy Scouts Pancake Breakfast	DEFINITE	7/4/2022	7/4/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/5/2022	7/5/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/9/2022	7/9/2022	Villa Chanticleer
#21-064--Grace & Aaron Wedding	DEFINITE	7/9/2022	7/9/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/10/2022	7/10/2022	Villa Chanticleer
#19--062--Fitch Mountain Association BBQ	DEFINITE	7/10/2022	7/10/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/12/2022	7/12/2022	Villa Chanticleer
#22-01--Luxe Places Sponsored by 101 Home Loans	DEFINITE	7/13/2022	7/13/2022	Villa Chanticleer
#21-071--Sydney & Thomas Wedding	DEFINITE	7/15/2022	7/15/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/16/2022	7/16/2022	Villa Chanticleer
#22-16--Healdsburg Wrestling Club Poker Tournament	DEFINITE	7/16/2022	7/16/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/17/2022	7/17/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/19/2022	7/19/2022	Villa Chanticleer
#21-081--Bailey & Christopher Wedding	DEFINITE	7/22/2022	7/22/2022	Villa Chanticleer
#21-085--HHS Class of 2000 Reunion	DEFINITE	7/23/2022	7/23/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/23/2022	7/23/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/24/2022	7/24/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/26/2022	7/26/2022	Villa Chanticleer
#22-35--Life Line Screening	DEFINITE	7/27/2022	7/27/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/30/2022	7/30/2022	Villa Chanticleer
#21-054--Class Reunion 90, 91, & 92	DEFINITE	7/30/2022	7/30/2022	Villa Chanticleer
#22-10--Sunday AA June 2021	DEFINITE	7/31/2022	7/31/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/2/2022	8/2/2022	Villa Chanticleer
#21-006--Brianna & Damien Wedding	DEFINITE	8/6/2022	8/6/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/6/2022	8/6/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	8/7/2022	8/7/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/9/2022	8/9/2022	Villa Chanticleer
#22-01--Luxe Places Sponsored by 101 Home Loans	DEFINITE	8/10/2022	8/10/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/13/2022	8/13/2022	Villa Chanticleer

#22-10--Sunday AA	DEFINITE	8/14/2022	8/14/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 8/16-8/18	DEFINITE	8/16/2022	8/16/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/16/2022	8/16/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 8/16-8/18	DEFINITE	8/17/2022	8/17/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 8/16-8/18	DEFINITE	8/18/2022	8/18/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/20/2022	8/20/2022	Villa Chanticleer
#22-55--Leonard Celebration of Life	TENTATIVE	8/21/2022	8/21/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	8/21/2022	8/21/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/23/2022	8/23/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/27/2022	8/27/2022	Villa Chanticleer
#21-078--American Legion Riders BBQ	DEFINITE	8/27/2022	8/27/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	8/28/2022	8/28/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/30/2022	8/30/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/3/2022	9/3/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/4/2022	9/4/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/6/2022	9/6/2022	Villa Chanticleer
#22-09--Briana & Dane Wedding	DEFINITE	9/9/2022	9/9/2022	Villa Chanticleer
#21-088--Sara & Jordan Wedding	DEFINITE	9/10/2022	9/10/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/10/2022	9/10/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/11/2022	9/11/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/13/2022	9/13/2022	Villa Chanticleer
#22-01--Luxe Places Sponsored by 101 Home Loans	DEFINITE	9/14/2022	9/14/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/17/2022	9/17/2022	Villa Chanticleer
#21-048--Courtney & David Wedding	DEFINITE	9/17/2022	9/17/2022	Villa Chanticleer
#21-079--American Legion District Meeting	DEFINITE	9/18/2022	9/18/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/18/2022	9/18/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/20/2022	9/20/2022	Villa Chanticleer
Pack 21 Meeting Annex	DEFINITE	9/21/2022	9/21/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/24/2022	9/24/2022	Villa Chanticleer
#21-031--Cheyenne & Jordan Wedding	DEFINITE	9/24/2022	9/24/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/25/2022	9/25/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/27/2022	9/27/2022	Villa Chanticleer
#21-090--Kyanna & Johnathan Wedding	DEFINITE	10/1/2022	10/1/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/1/2022	10/1/2022	Villa Chanticleer

#22-10--Sunday AA	DEFINITE	10/2/2022	10/2/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/4/2022	10/4/2022	Villa Chanticleer
#22-58--Michelle & Nick Wedding	DEFINITE	10/6/2022	10/6/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/8/2022	10/8/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/9/2022	10/9/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/11/2022	10/11/2022	Villa Chanticleer
#22-13--Rikki & Pranshul Wedding	DEFINITE	10/15/2022	10/15/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/15/2022	10/15/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/16/2022	10/16/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/18/2022	10/18/2022	Villa Chanticleer
Pack 21 Meeting Annex	DEFINITE	10/19/2022	10/19/2022	Villa Chanticleer
#22-23--Kayla & Nick Wedding	DEFINITE	10/22/2022	10/22/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/22/2022	10/22/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/23/2022	10/23/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/25/2022	10/25/2022	Villa Chanticleer
#21-072--Madeline & Jake Wedding	DEFINITE	10/29/2022	10/29/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/29/2022	10/29/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/30/2022	10/30/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/1/2022	11/1/2022	Villa Chanticleer
#20-062--Sarah & Benjamin Wedding	DEFINITE	11/5/2022	11/5/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/5/2022	11/5/2022	Villa Chanticleer
#22-49--Healdsburg Food Pantry Fundraiser	DEFINITE	11/6/2022	11/6/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/6/2022	11/6/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/8/2022	11/8/2022	Villa Chanticleer
#22-22--Erin & Mike Wedding	DEFINITE	11/11/2022	11/11/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/12/2022	11/12/2022	Villa Chanticleer
#22-14--Karina & David Wedding	DEFINITE	11/12/2022	11/12/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/13/2022	11/13/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/15/2022	11/15/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/19/2022	11/19/2022	Villa Chanticleer
#22-47--Wine Country Affordable Housing Fundraiser	DEFINITE	11/19/2022	11/19/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/20/2022	11/20/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/21/2022	11/21/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/22/2022	11/22/2022	Villa Chanticleer

#22-28--Kiwanis Meeting 2022	DEFINITE	11/22/2022	11/22/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/23/2022	11/23/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/24/2022	11/24/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/26/2022	11/26/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/27/2022	11/27/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/29/2022	11/29/2022	Villa Chanticleer
Pack 21 Meeting Annex	DEFINITE	11/30/2022	11/30/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/3/2022	12/3/2022	Villa Chanticleer
#22-44--Healdsburg Senior Center Dinner	DEFINITE	12/4/2022	12/4/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/4/2022	12/4/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/6/2022	12/6/2022	Villa Chanticleer
#22-41--Rotary Crab Feast	TENTATIVE	12/10/2022	12/10/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/10/2022	12/10/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/11/2022	12/11/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/13/2022	12/13/2022	Villa Chanticleer
#22-12--Abby & Andrew Wedding	DEFINITE	12/17/2022	12/17/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/17/2022	12/17/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/18/2022	12/18/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/20/2022	12/20/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/20/2022	12/20/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/21/2022	12/21/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/22/2022	12/22/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/23/2022	12/23/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/24/2022	12/24/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/25/2022	12/25/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/27/2022	12/27/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/31/2022	12/31/2022	Villa Chanticleer
#22-53--Autumn & Alex Wedding	DEFINITE	1/21/2023	1/21/2023	Villa Chanticleer
#22-50--American Legion Crab Feed	DEFINITE	2/4/2023	2/4/2023	Villa Chanticleer
#22-56--Becca & James Wedding	TENTATIVE	2/11/2023	2/11/2023	Villa Chanticleer
#18-063--DCVA Meeting	DEFINITE	3/26/2023	3/26/2023	Villa Chanticleer
#21-023--4C's 50 Year Anniversary Gala	DEFINITE	4/1/2023	4/1/2023	Villa Chanticleer
#22-40--Kiwanis Pancake Breakfast 2021	TENTATIVE	4/2/2023	4/2/2023	Villa Chanticleer
#22-54--Clarissa & Ricardo Wedding	TENTATIVE	4/8/2023	4/8/2023	Villa Chanticleer

#22-39--Boys & Girls Club Fundraiser	TENTATIVE	4/15/2023	4/15/2023	Villa Chanticleer
#22-42--Ernest's 92nd Birthday	DEFINITE	4/22/2023	4/22/2023	Villa Chanticleer
#22-43--Samantha & Alfredo Wedding	DEFINITE	4/23/2023	4/23/2023	Villa Chanticleer
Seth's 40th BDay	DEFINITE	4/29/2023	4/29/2023	Villa Chanticleer
#22-15--Jane & Christopher Wedding	DEFINITE	5/6/2023	5/6/2023	Villa Chanticleer
#22-52--Sangeet Akshjot Puri	DEFINITE	5/11/2023	5/11/2023	Villa Chanticleer
#22-19--Marley & Chad Wedding	DEFINITE	5/12/2023	5/12/2023	Villa Chanticleer
#22-24--Sabrina & Andrew Wedding	DEFINITE	5/13/2023	5/13/2023	Villa Chanticleer
#21-074--Ashley & Isaac Wedding	DEFINITE	5/20/2023	5/20/2023	Villa Chanticleer
#22-31--Steph & Gio Wedding	DEFINITE	5/28/2023	5/28/2023	Villa Chanticleer
#22-57--Katie & Steven Sangeet	TENTATIVE	6/16/2023	6/16/2023	Villa Chanticleer
#22-45--Jackie & Tyrone Wedding	DEFINITE	6/17/2023	6/17/2023	Villa Chanticleer
#22-48--Stephanie & Neil Wedding	DEFINITE	6/23/2023	6/23/2023	Villa Chanticleer
#22-32--Stacy & Forrest Wedding	DEFINITE	6/24/2023	6/24/2023	Villa Chanticleer
#22-37--Jaycie & Adin Wedding	DEFINITE	9/16/2023	9/16/2023	Villa Chanticleer
#22-51--Alison & Ruben Wedding	DEFINITE	10/7/2023	10/7/2023	Villa Chanticleer
Grand Total				

EXHIBIT 3
LEGION LEASE

EXHIBIT 3

**LEASE AGREEMENT BETWEEN
THE CITY OF HEALDSBURG AND
SOTOYOME POST NO. 111 OF THE AMERICAN LEGION**

RECITALS

WHEREAS, the City of Healdsburg ("City") is desirous of recognizing the continuing contributions of the Veteran's organizations of the City, to provide orderly management of meeting places for all such organizations; and

WHEREAS, City owns that certain real property commonly referred to as the Villa Chanticleer ("the Villa"), including all structures and improvements located thereon; and

WHEREAS, City desires to obtain the continued refurbishing and improvement of that certain "Annex" building at the Villa; and

WHEREAS, the Sotoyome Post No. 111 of the American Legion (variously, "American Legion" or "Lessee") has agreed to represent the interests of the various veterans' organizations, for use of the "Annex" for the benefit of the general public as well as the said veteran's organizations, at no cost to the City;

NOW, THEREFORE, the City agrees to lease to the American Legion, that building commonly referred to as "the Annex" located at Villa under the following terms and conditions:

1. **TERM OF LEASE**

This lease shall be for a period of twenty (20) Years, beginning on the date of signing hereof.

2. **RENTAL FEE**

Lessee shall pay, as rent, One Dollar (\$1.00) per year, (July 1st each year) payable in advance and no later than the beginning of each lease year.

3. **USE OF BUILDING**

Lessee shall make the Annex available for use by all nationally chartered and locally recognized veteran's organizations for their regularly scheduled meetings, in accordance with Exhibit "A" labeled "American Legion Event Schedule" and attached hereto. The American Legion Event Schedule shall be submitted to the City at least one year in advance for usage of the Annex. In addition to the dates listed in Exhibit "A", Lessee shall have the ability to schedule other dates in the Annex as needed, provided there are no previously scheduled rentals, or activities listed on the City's facility schedule for the Annex. Lessee and City are each responsible for the set up, break down and clean up of their own events. Lessee or City may use the Annex when it is set up for the other party, with their permission, but must return the Annex to the same set up and condition Annex was found in immediately after agreed upon usage.

4. **MAINTENANCE AND REPAIRS**

Lessee shall maintain the Annex in good repair and in a clean and orderly manner. Failure to so maintain the building shall be grounds for termination to this lease in the manner provided below.

5. **ALTERATIONS AND IMPROVEMENTS**

No alterations, additions or improvements may be made without the written consent of the City, which consent may not be unreasonably withheld. All such alterations, additions, or improvements shall become part of the building and shall become property of the City upon termination of this lease regardless of the cause of termination.

6. **INSURANCE**

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the subject premises. The costs of such insurance shall be borne by the Lessee.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage ("occurrence" from CG 0001).
2. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance

Minimum Limits of Insurance

1. Commercial General Liability ("CGL"): \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this lease or the general aggregate limit shall be twice the required occurrence limit.
2. An endorsement to the CGL policy must be included naming the City, its officers, officials, caretakers, employees and volunteers as additional insured by endorsement concerning use of facilities for any functions, meetings and fundraising events, and shall specify that such policy is to provide primary coverage to the City.
3. Employee's Liability: \$1,000,000 per accident for bodily injury or disease. Any policy of Worker's Compensation Insurance shall include a waiver of all rights of subrogation against the City.

7. **INDEMNIFICATION.**

Lessee hereby agrees to indemnify, defend, and hold harmless City, its officers, agents, and employees from and against any and all claims, demands, liabilities, liens, costs, expenses, penalties, damages, and losses, including without limitation, reasonable attorneys' fees and court costs, whether sustained by indemnitee or third parties, that are suffered as a result of Lessee's use of the Annex under this Lease regardless of whether

such liability, cost, or expense arises during the time this Lease is in effect or thereafter, except to the extent such liability, cost or expense is proximately caused by the active negligence or willful misconduct (other than, as distinguished from, acts of omission, failure to act, or other nonfeasance) of City, its officers, agents, or employees.

8. **STORAGE IN VILLA CHANTICLEER**

Lessee shall have use of and access to a room in the basement of the Villa of approximately ten feet by twelve feet for storage purposes. Such room shall be determined by the City and may be changed from the time to time upon thirty days notice to Lessee. Lessee shall also have space (see Exhibit A) in the basement of the Annex.

9. **ASSIGNMENTS OR SUBLEASE**

This Lease shall not be assigned to any other party without written consent of the City. Any attempted assignment shall be null and void and of no effect. Lessee may enter into agreements with other nationally and/or locally recognized veteran's organizations for long-term use of the Annex, subject to the prior written consent of the City; provided however that such term may not exceed the term of this lease, and shall be subject to the same terms and conditions as this lease.

10. **COMPLIANCE WITH REGULATIONS**

LESSEE shall comply with all laws and regulations of the City of Healdsburg, including regulations governing the use of the Villa Chanticleer property. The Annex shall not be used or permitted to be used in whole or in part during the said term of this lease for any purpose or use in violation of any of the laws or ordinances applicable thereto; and Lessee agrees at all times during the term of this lease to construct, repair, maintain and do all things necessary to maintain the Annex in a clean and sanitary manner and in compliance with any and all Federal, State or Municipal regulations or ordinance now or hereafter enacted concerning Lessee's use of the Annex.

11. **UTILITIES**

City shall supply all water, electricity, gas, sewer services at no charge to Lessee.

12. **DAMAGES TO BUILDING**

Damage to building resulting from use by LESSEE or LESSEE'S sub-tenants, including normal wear and tear shall be repaired by LESSEE. Such damages resulting from use by City's tenants shall be repaired by City. If the building is damaged by fire or any other cause to such extent that the cost of restoration as reasonably estimated by City, will equal or exceed 50% of the replacement value of the building just prior to the occurrence of the damage, City may elect to terminate this lease.

13. **TERMINATION**

This lease may be terminated with out liability by:

- A. Mutual written consent of the parties at any time.
- B. Thirty-day notice by the LESSEE of intent to terminate, provide such notice shall be in writing and for good cause.
- C. Thirty-day written notice by the City upon failure of the LESSEE to cure any breach of the conditions of this lease thirty days after written notice of said breach.
- D. Expiration of the term of the lease (twenty years).
- E. Destruction of Annex or damage to Annex as described in Paragraph 12, above.

14. **ENTRY AND INSPECTIONS**

City shall retain the right to enter into, take possession of and use the Annex with the written consent of Lessee or upon prior reasonable written notice to Lessee (24 hours shall be deemed reasonable advance notice) for the purposes of: reasonable inspection; making repairs, alterations or additions.; or for any other valid and reasonable purpose. In the event of an emergency (such as fire or plumbing leak, etc.) City, or its authorized agent, may enter the Annex without consent or prior notice. The City may show the Assembly and Kitchen area(s) of the Annex without consent or prior notice provided there are no previously scheduled Legion activities taking place in the Annex.

15. **EMERGENCY**

In the event of a national or local disaster or temporary emergency, the City shall have the right to enter into, take possession of and use the leased premises for so long as is deemed necessary, without let or hindrance by LESSEES. The term of this leases shall be extended by the length of time of the City's possession.

16. **CITY'S REMEDIES ON DEFAULT**

If Lessee defaults on any of the conditions herein, fails to cooperate with City in the rental of the building to persons, groups or organizations as set forth herein, City may terminate this Lease as provided herein, and may at thereafter resume possession of the Annex by any lawful means and remove Lessee or other occupants and their effects.

17. **NO WAIVER OF COVENANTS OR CONDITIONS**

The failure of either party to insist on strict performance of any covenant or condition hereof, or to exercise any right herein contained, shall not be construed as a waiver of such covenant, condition or right in any other instance. Notwithstanding the foregoing, the American Legion expressly waives all claims against the City for damage or injury to person or property from any cause whatsoever occurring on, or in relation to the American Legion's use of, the Annex.

18. **SEVERABILITY.**

If any provision of this Lease, or its application, is held invalid, it will not affect other provisions or application herein which can be given effect without the invalid provision or application. To this end, all provisions of this Lease are severable.

19. **OPTION TO RENEW**

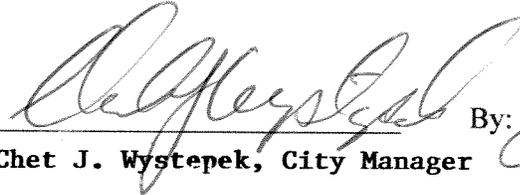
LESSEE shall have the option to renew this lease for an additional twenty years at the same terms. Said option shall be exercised by written notice from LESSEE to City no less than six months prior to expiration.

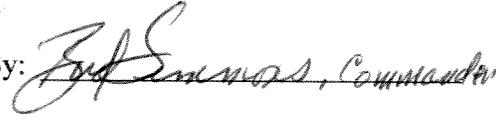
THIS LEASE CANNOT BE CHANGED OR TERMINATED ORALLY.

Executed at Healdsburg, California, on September 18, 2007

CITY OF HEALDSBURG

AMERICAN LEGION
SOTOYOME POST NO. 111

By: 
Chet J. Wystepek, City Manager

By: , Commander

Attest: 
Maria Curiel, City Clerk

APPROVED AS TO FORM:

By: 
Michael Gogna, City Attorney

629460

EXHIBIT 4
MAINTENANCE

Capitalized terms that are undefined herein shall have the meanings assigned to them in the Events Management Agreement dated July 1, 2022 by and between Milestone and City (“**Agreement**”) to which this Exhibit 4 is attached.

City Building Maintenance Obligations

Subject to the limitations set forth in Section 12.2 of the Agreement, City shall keep all of the following in good working order and repair:

1. Structural components of the Buildings on the Property, including without limitation the foundations, footings, floor slabs, exterior walls, interior load bearing walls, roof, and roof membrane (“**Structural Components**”);
2. The refrigerators, freezers, ovens, stoves, ice makers and dishwashers in the Buildings (“**Major Kitchen Equipment**”);
3. The fire sprinkler system, the plumbing lines and fixtures, hot water heaters, HVAC equipment, electrical systems and fixtures, and fire alarm and/or smoke detection systems on the Property (“**Major Systems**”); and
4. The Buildings’ gutters, fascia, soffits, ceilings, windows, window frames, doors, door frames, floors, interior surfaces, and interior walls of the Buildings (“**Other Building Components.**”)

City Premises Maintenance Obligations

Subject to the Milestone Premises Maintenance Obligations below and the limitations set forth in Section 12.2 of the Agreement, City shall maintain the Premises in good working order and repair, including without limitation the following:

1. Main irrigation lines in the garden up to the valve boxes;
2. Trees on the Property provided that regular trimming and maintenance of trees once per year shall satisfy City’s obligations unless a tree is identified as a hazard or a tree is dead;
3. Gazebo;

EXHIBIT 4

4. Storm drains in the garden, provided that cleaning the storm drains once per year shall satisfy City's obligations;
5. Outdoor lighting fixtures in parking lots; and
6. Utility lines (including gas, electric, and water) on the Property.
7. In the event of watering restrictions and Milestone is not allowed to water the grass and shrubs, City will provide Milestone access to non-potable water. Milestone will be responsible for all water hauling costs.

City Common Area Maintenance Obligations

Subject to the Milestone Common Area Maintenance Obligations below and the limitations set forth in Section 12.2 of the Agreement, City shall maintain the Common Areas in good working order and repair, including without limitation the following:

1. The pavement of the drive aisles, sidewalks, walkways, and parking areas;
2. Main irrigation lines up to the valve boxes;
3. Utility lines (including gas, electric, and water) located within the Common Area;
4. Trees, provided that regular trimming and maintenance of trees once per year shall satisfy City's obligations unless a tree is identified as a hazard or a tree is dead;
5. Storm drains, provided that cleaning the storm drains once per year shall satisfy City's obligations;
6. Fences;
7. Gates; and
8. Lighting fixtures.
9. In the event of watering restrictions and Milestone is not allowed to water the grass and shrubs, City will provide Milestone access to non-potable water. Milestone will be responsible for all water hauling costs.
- 10.

Milestone Premises Maintenance Obligations

1. Milestone shall properly use the Major Kitchen Equipment and all other fixtures and appliances located on the Premises;

2. Milestone shall maintain the Premises in a neat, clean, sanitary, and orderly condition, including without limitation washing windows; disposing of trash, food waste, and debris from the Premises; mowing and properly watering the grass; and removing any leaves that accumulate in the garden area of the Premises;
3. Milestone shall replace light bulbs interior to or attached to a building and make reasonable efforts to clear clogs in drains and toilets;
4. Except as provided in Section 10 of the Agreement, Milestone shall maintain any irrigation controllers, valve boxes, sprinklers, and any irrigation lines between the valve box and the sprinklers in the garden area of the Premises;
5. Except as provided in Section 10 of the Agreement, Milestone shall maintain any landscaping within the garden area of the Premises;
6. Milestone shall maintain the Barbeque in the Picnic Area;
7. Milestone shall be responsible for the cost of any damages to the Premises caused by Milestone or Milestone Parties, excluding ordinary wear and tear.

Milestone Common Area Maintenance Obligations

1. Except as provided in Section 10 of the Agreement, Milestone shall maintain any irrigation controllers, valve boxes, sprinklers, and any irrigation lines between the valve box and the sprinklers in the Common Areas;
2. Except as provided in Section 10 of the Agreement, Milestone shall maintain any landscaping within the Common Areas;
3. Milestone shall maintain the Common Areas in a neat, clean and orderly condition, including without limitation disposing of trash and debris; mowing and properly watering the grass; removing any leaves that accumulate in the Common Areas; and sweeping, cleaning, and power washing the Common Areas;
4. Milestone shall be responsible for the cost of any damages to the Common Areas caused by Milestone or Milestone Parties, excluding ordinary wear and tear.



INSURANCE CHECK LIST

Item 6.d

Contractor/Consultant Name: Milestone Events Group, LLC

Description of Services: Events Management Agreement- Villa Chanticleer

Project Name: _____ **Start date:** 07/01/2022

Department: Community Services **Project Manager:** Mark Themig **Phone:** 431-3116

Insurance Check List (Check all that apply)

- 30 day cancellation policy or 10 day cancellation policy
- General Liability – (\$2 million per occurrence and \$2 million per aggregate) **NOTE:** Liquor Liability \$1M
(Make sure occurrence & per project is checked)
- Endorsement naming the City as additionally insured
- Endorsement showing Insurance is primary and non-contributory ****We will accept a waiver of subrogation with the policy – we still need proof of primary coverage.****

Make sure to review all exclusions and declarations. Exclusion language not accepted, which invalidates warranty, including but not limited to:

- *Work completed – make sure the endorsement is for on-going operations not just completed operations*
- *Injury or damage arising from work that has been put to its intended use*

Comments: _____

- Auto – (\$2 million combined single limit) **NOTE:**
 Any auto All owned auto's Hired auto Scheduled auto's Non-owned autos
- Endorsement naming the City additionally insured

Comments: _____

- Workers Compensation – (statutory coverage should be checked on the certificate)
- Waiver of subrogation endorsement

Do not require that City be named additionally insured – The City is only a certificate holder

Make sure that if the consultant/contractor is using State Fund we do not except form #1015.

Comments: _____

- Professional Liability (E&O) (\$1 million PSA's only)

Do not require that City be named additionally insured – we only want to see a certificate with the City as a certificate holder

Comments: _____

- Excess/Umbrella Liability- OR
- Pollution Liability

If it is an EXCESS POLICY – get a statement in writing that states coverage under this policy is continuous or follows form and is applicable to GL and/or auto.

Comments: _____

Forms Approved by:

DocuSigned by:
Andrew Sturfels

Andrew J. Sturfels, Administrative Services Director/

Risk Manager



POLICY NUMBER: BKS 57954982

COMMERCIAL GENERAL LIABILITY

CG 88 10 04 13
Item 6.d

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

A. NON-OWNED AIRCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, exclusion g. Aircraft, Auto Or Watercraft does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

B. NON-OWNED WATERCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraph (2) of exclusion g. Aircraft, Auto Or Watercraft is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
 - (a) Less than 52 feet long; and
 - (b) Not being used to carry persons or property for a charge.

C. PROPERTY DAMAGE LIABILITY - ELEVATORS

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraphs (3), (4) and (6) of exclusion j. Damage To Property do not apply if such "property damage" results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts. Vehicle lifts are lifts or hoists used in automobile service or repair operations.

2. The following is added to Section IV - Commercial General Liability Conditions, Condition 4. Other Insurance, Paragraph b. Excess Insurance:

The insurance afforded by this provision of this endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:

a. The fourth from the last paragraph of exclusion j. Damage To Property is replaced by the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system) to:

- (i) Premises rented to you for a period of 7 or fewer consecutive days; or
- (ii) Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" to contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.



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- b. The last paragraph of subsection **2. Exclusions** is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III - Limits Of Insurance.**

2. Paragraph **6.** under **Section III - Limits Of Insurance** is replaced by the following:

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to:

- a. Any one premise:

(1) While rented to you; or

(2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or

- b. Contents that you rent or lease as part of a premises rental or lease agreement.

3. As regards coverage provided by this provision **D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)** - Paragraph **9.a.** of **Definitions** is replaced with the following:

9.a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

E. MEDICAL PAYMENTS EXTENSION

If **Coverage C Medical Payments** is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph **1. Insuring Agreement** of **Section I - Coverage C - Medical Payments**, Subparagraph **(b)** of Paragraph **a.** is replaced by the following:

(b) The expenses are incurred and reported within three years of the date of the accident; and

F. EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. Under **Supplementary Payments - Coverages A and B**, Paragraph **1.b.** is replaced by the following:

b. Up to **\$3,000** for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. Paragraph **1.d.** is replaced by the following:

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to **\$500** a day because of time off from work.

G. ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT

1. Paragraph **2.** under **Section II - Who Is An Insured** is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:

a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or

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- b. Premises or facilities rented by you or used by you; or
- c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:
 - (1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;
 - (2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".
 - (3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.

However:

- 1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to Paragraph 1.a. above, a person's or organization's status as an additional insured under this endorsement ends when:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to Paragraph 1.b. above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph 1.c. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph b. of Condition 2. **Duties In the Event Of Occurrence, Offense, Claim Or Suit** under **Section IV - Commercial General Liability Conditions**.



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2. With respect to the insurance provided by this endorsement, the following are added to Paragraph 2. Item 6.d
Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.
- b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.
- c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

- d. "Bodily injury" or "property damage" occurring after:
 - (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED -OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition 4. **Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

- a. The following is added to Paragraph a. **Primary Insurance:**

If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.

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b. The following is added to Paragraph b. Excess Insurance:

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

I. ADDITIONAL INSUREDS - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

1. The following is added to Condition 2. Duties In The Event Of Occurrence, Offense, Claim or Suit:

An additional insured under this endorsement will as soon as practicable:

- a. Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
- b. Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and
- c. Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.
- d. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.

2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in Section III - Limits of Insurance of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.

**J. WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS / MALPRACTICE
WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES**

Paragraph 2.a.(1) of Section II - Who Is An Insured is replaced with the following:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1) (a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph (d)) does not apply.

Paragraphs (a) and (b) above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and



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advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances. Item 6.d

The coverage provided by provision **J.** is excess over any other valid and collectable insurance available to your "employee".

K. NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES

Paragraph **3.** of **Section II - Who Is An Insured** is replaced by the following:

- 3.** Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a.** Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
 - b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
 - d.** Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision.

L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition **6. Representations**:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition **2. Duties In The Event of Occurrence, Offense, Claim Or Suit**:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under Paragraph **1.** of **Section II - Who Is An Insured** or a person who has been designated by them to receive reports of "occurrences", offenses, claims or "suits" shall have received such notice from the agent, servant or "employee".

N. LIBERALIZATION CLAUSE

If we revise this Commercial General Liability Extension Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the day the revision is effective in your state.

O. BODILY INJURY REDEFINED

Under **Section V - Definitions**, Definition **3.** is replaced by the following:

- 3.** "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

P. EXTENDED PROPERTY DAMAGE

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Exclusion a. of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

a. Expected Or Intended Injury

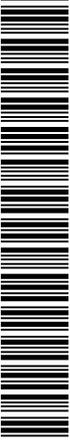
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition **8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.



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**CITY OF HEALDSBURG
CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY
REGULAR MEETING MINUTES
February 2, 2026
CITY HALL COUNCIL CHAMBER
401 Grove Street, Healdsburg**

CALL TO ORDER/ROLL CALL

Mayor/Chairperson Herrod called to order the concurrent meeting of the City Council and Redevelopment Successor Agency of the City of Healdsburg at 6:00 p.m. with the following Council Members present:

Present: Council Members/: Edwards, Hagele, Kelley, Mitchell and Mayor Herrod
Board Members

Absent: Council Members/: None
Board Members

APPROVAL OF AGENDA

On a motion by Councilmember Kelley, seconded by Vice Mayor Edwards, approved the February 2, 2026, City Council and Redevelopment Successor Agency meeting agenda as submitted. The motion carried on a unanimous voice vote. (Ayes 5, Noes 0, Absent – None)

REPORT ON CLOSED SESSION

None.

ANNOUNCEMENTS/PRESENTATIONS – UPDATE REGARDING PUBLIC RECORDS ACT REQUESTS

City Attorney Zutler provided a short update on the public records act requests the City of Healdsburg has received over the last five years and reviewed the breakdown of the types of requests received in 2025.

CITY MANAGER REPORTS

City Manager Kay provided an update on the repair fair that took place at the Abel De Luna Community Center in January, announced the safe routes to school workshop at the High School Library, the Standards of Cover survey regarding the Fire Department and noted the Fire Department is currently covering a structure fire in Geyserville. Additionally, City Manager Kay announced a community meeting regarding the start of construction for the SMART Train is being planned for the last week of March.

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PUBLIC COMMENTS ON ITEMS ON THE CONSENT CALENDAR AND NON AGENDA ITEMS

Adina Flores commented on the Cannabis process conducted in Healdsburg and perceived conflict of interests of Councilmembers.

James Kemp opined on the Foss Creek Pathway and inquired if the City Council would consider adding drainage to the Foss Creek Pathway in the upcoming budget cycle.

John Thomas commented on the new development happening at the North end of town and expressed a desire to see a dog park added to Laura Fish Somersal Park.

Linda Cade opined on the City of Healdsburg Cannabis process and the number of people who ride the bus in Healdsburg.

CONSENT CALENDAR

On a motion by Councilmember Mitchell, seconded by Councilmember Kelley, approved the Consent Calendar as follows:

A. RECEIVE THE MONTHLY INVESTMENT REPORT FOR DECEMBER 2025

Received and approved the Monthly Treasurer's Investment Report for December 2025. (Ayes 5, Noes 0, Absent – None)

B. APPROVAL OF DISBURSEMENT REPORT FOR WITHDRAWALS DURING THE MONTH OF DECEMBER 2025

Approved the Disbursement Report for December 2025. (Ayes 5, Noes 0, Absent – None)

C. APPROVAL OF MINUTES

Approved the January 20, 2026 Regular Meeting Minutes. (Ayes 5, Noes 0, Absent – None)

The motion to approve the Consent Calendar as above carried on a unanimous voice vote. (Ayes 5, Noes 0, Absent – None)

PUBLIC HEARINGS

None.

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OLD BUSINESS – HEALDSBURG STATION AREA SPECIFIC PLAN

Community Development Director Duiven provided background information on the SMART Train coming to Healdsburg, reviewed what a Transient-Oriented Communities (TOC) Policy is, how it will be applied to Healdsburg, the guiding goals included in the TOC Policy and the POC Planning Grant the City of Healdsburg received to conduct a planning process for a specific plan.

Director Duiven further reviewed the boundary of the planning area to be included in the upcoming planning process, why a specific plan is needed, the proposed community engagement strategy and the advisory committees proposed to be created to assist with the planning process. Additionally, Director Duiven provided information on what the Technical Advisory Committee (TAC) and the Community Advisory Committee (COC) would be doing during the planning process.

In response to Council's inquiries, Director Duiven provided information on how single family homes would be impacted, communicating with local property owners, what the role of the planning commission would have during the planning process, the area that would be covered during the planning process, how the two committees would work together and potential land use designations that may come up during the planning process.

Public Comment

Sonia Byck-Barwick commented on the Station Area Specific Plan and expressed support for the planning process to begin.

Kim Lockhart opined on not being contacted by Healdsburg staff, inquired how staff is conducting outreach and who was responsible for SMART's Environmental Impact Report.

David Lawrence expressed support to move forward with the Station Area Specific Plan and commented on the process of planning.

Mark Horne opined on the tentative timeline to complete the planning process and expressed a desire to see the planning process completed before the SMART train begins operating in Healdsburg.

Mark McMullen inquired if staff could work with the consultants to make sure all the various plans the City has conducted of the last few years be included in this upcoming planning process.

Tyra Benoit encouraged Council to include all the prior planning processes and local non-profits in the Station Area Specific Plan process.

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Matthew Lopez encouraged the Council to include the residents from Enso and the Latino Community in the Station Area Specific Plan process and echoed the comments of prior speakers.

Council Comments

Councilmember Kelley was supportive of seven to nine members for the COC, including a representative of the non-profit community, someone who works and lives with the affordable housing community, a representative of those who rent in the community, sunsetting the COC when the planning process ends, having the COC meet on an as needed basis and was open to discussing the process on how to appoint representatives to the COC.

Vice Mayor Edwards was supportive of seven to eleven members for the COC and inquired how the TAC and COC would work together and the composition of the group.

Councilmember Mitchell was supportive of eleven members for the COC, inquired about potential locations for the COC to meet and commented on the process to select members of the COC.

Councilmember Hagele inquired about the style of the COC meetings, looking at the upcoming generation for members of the COC, was in favor of setting a specific timeline for the COC and supportive of more than seven members, the COC sunsetting at the end of planning process and was open to discussion on the selection process.

Mayor Herrod was supportive of a COC larger than seven, sunsetting the COC at the completion of the planning process and was open to discussion on the composition and selection process.

Council discussion ensued on the number of members of the COC, how to select members for the COC and creating an application that encourages a wide range of people to apply. There was Council consensus for the COC to have fifteen members with flexibility for more or less members and appoint members in a public meeting by tallying votes for each applicant.

NEW BUSINESS – LOW CARBON FUEL STANDARD PROGRAM UPDATES

Utility Conservation Analyst Sampson stated the action this evening was to provide direction to staff regarding the use of one-time additional Low Carbon Fuel-Standard funds and adopt a resolution defining low-income for purposes of usage of fund received through the State Low Carbon Fuel Standard Program. Analyst Sampson provided information on the City's prime energy program funding sources, the equity requirements for the Low Carbon Fuel Standard program and reviewed updates to the City's Transportation Electrification program.

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Analyst Sampson further reviewed options available to the City on Transportation Electrification Program, options for an EV purchase rebate and noted the questions City Council could consider if the EV rebate program was going to move forward. Additionally, Analyst Sampson reviewed additional public EV Charging options for consideration.

In response to Council's inquiries, Analyst Sampson provided information on rebates available for EV chargers, the requirements for Developers for EV chargers, defined what grid side infrastructure is, what types of chargers work for larger vehicles, what the starting point for defining low-income, what the Low Carbon Fuel Standards funds can be used for, the ability to stack rebates, how the rebate for purchasing an EV could work and utilizing the Low Carbon Fuel Standards funds to add more EV chargers in the City. Analyst Sampson further reviewed how CARE customers utilize EV chargers, installing EV chargers at the Abel De Luna Community Center and who pays the electric bill low-income apartment complexes.

Public Comment

Scott Pratt opined on the proposed programs and suggested offering a rebate for the vehicle and installing a charger for low-income residents.

Council Comments

Councilmember Hagele was supportive of a rebate for the purchase of a pre-owned electric vehicle, implementing a pilot program, creating a rebate for the installation of chargers, installing super chargers around town and opined on various locations to install EV chargers.

Councilmember Mitchell was in favor of using the funds to install EV chargers around town and creating a rebate for a pre-owned electric vehicle.

Councilmember Kelley was in favor of adding level three EV chargers around Healdsburg, offering a rebate for an electric vehicle and increasing the rebate for an E-Bike.

Vice Mayor Edwards was supportive of a pilot program to install EV charger equipment, allowing a second bike per CARE household receive an e-bike rebate and creating a rebate option for electric vehicles.

Mayor Herrod was in favor of increasing the rebate for CARE customers to purchase an e-bike, installing EV chargers at the Community Center, Giorgi Park and creating a rebate for purchasing an electric vehicle.

On a motion by Councilmember Kelley, seconded by Councilmember Hagele, adopted Resolution No. 11-2026, titled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG ADOPTING A DEFINITION OF "LOW INCOME" FOR PURPOSES OF

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USAGE OF FUNDS RECEIVED THROUGH THE STATE LOW CARBON FUEL STANDARD PROGRAM AND AUTHORIZING UPDATES TO PROGRAMS FUNDED BY LOW CARBON FUEL STANDARDS CREDIT PROCEEDS and amending the resolution to allow two e-bike rebates per CARE household in the amount of \$1,000 per rebate. The motion carried on a unanimous roll call vote. (Ayes 5, Noes 0, Absent – None)

Mayor Herrod called for a short break.

NEW BUSINESS – FISCAL YEAR 2026-27 AND 2027-28 BUDGET DEVELOPMENT OVERVIEW

Finance Director Edgar stated the action this evening was to receive a presentation on the budget development plan and provide feedback to staff on the proposed budget goals and timeline. Director Edgar provided information on the General Fund revenues and expenses by department, expenses by function, Measure T, Community Services Special revenue fund and Enterprise funds. Director Edgar further reviewed the proposed budget timeline to develop the fiscal year 2026-27 and 2027-28 budget, the FY 2026-2028 budget goals and the public engagement simulation.

In response to Council’s inquiries, Director Edgar provided information on when the budget tool would be available to the public, how the budgets for water and electric are doing since the rate adjustment, when the public workshops would be held, what projects go into the CIP,

There were no public comments on this item.

NEW BUSINESS – APPOINTMENTS OF THE CITY SELECTION COMMITTEE AND MAYORS AND COUNCILMEMBERS’ ASSOCIATION BOARD OF DIRECTORS

City Clerk Allan introduced the item for discussion.

Following a brief discussion by Council, on a motion by Councilmember Kelley, seconded by Councilmember Mitchell directed the Mayor to vote for David Hagele, Healdsburg, Tanya Potter, Windsor and Mark Stapp, Santa Rosa in that order for the Charles M. Schulz Sonoma County Aviation Commission and Samantha Rodriguez, Karen Nau and Stephen Zollman in that order for the Child Care Planning Council of Sonoma County.

There were no public comments on this item.

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**COUNCIL REPORTS ON MATTERS OF INTEREST OCCURRING SINCE PREVIOUS
REGULAR MEETING/EXPENSE REIMBURSEMENT REPORTS**

Councilmember Mitchell had nothing to report.

Vice Mayor Edwards reported he attended the Repair Fair and the Arts Education Forum at the 222 with Mayor Herrod.

Councilmember Hagele reported he attended the Northern California Power Agency meeting in Sacramento and DJ'd the FFA polenta feed.

Councilmember Kelley had nothing to report.

Mayor Herrod reported he attended the Arts Education meeting at the 222 with Vice Mayor Edwards and a meeting with Congressman Thompson and others to discuss what would happen if immigration enforcement came to Sonoma County.

ADJOURNMENT

There being no further City Council/Redevelopment Successor Agency business to discuss, the meeting was adjourned at approximately 9:32 p.m.

APPROVED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk



**CITY OF HEALDSBURG
CITY COUNCIL AGENDA STAFF REPORT**

MEETING DATE: February 17, 2026

SUBJECT: Land Use Code Amendments to address recent state laws related to SB 9 and SB 684/1123

PREPARED BY: Ellen McDowell, Senior Planner

STRATEGIC INITIATIVE(S):
Provide Effective Governance

RECOMMENDED ACTION(S):

1. Conduct a public hearing and, by motion, introduce for first reading, by title only waiving full reading of the text, an ordinance amending Healdsburg Municipal Code Title 20 to add Section 20.20.125: SB 9 Housing Development.
2. Conduct a public hearing and, by motion, introduce for first reading, by title only waiving full reading of the text, an ordinance amending Healdsburg Municipal Code Title 20 Section 20.20.040: Small Lot Subdivisions, and replacing with Section 20.20.040 titled Small Lot Subdivisions and Housing Development to implement SB 684 and SB 1123.

COMMUNITY ENGAGEMENT/OUTREACH:

On September 2, 2025, staff provided an update to the City Council on State housing legislation aimed at increasing the supply and diversity of housing types throughout California and the potential impacts and opportunities for Healdsburg presented by these new laws.

On September 23, 2025, the Planning Commission held a public workshop to review the proposed amendments to the Land Use Code to implement changes in State housing law and offer feedback on the draft ordinances. A public notice for the workshop was published in the Press Democrat and the Healdsburg Tribune, as well as posted on City social media accounts and a paper notice posted at City Hall.

On January 27, 2026, the Planning Commission held a public hearing to review the proposed amendments to the Land Use Code and made a recommendation to the City Council. A public notice for the hearing was published in the Press Democrat and Healdsburg Tribune, as well as posted on City social media accounts and a paper notice posted at City Hall.

A public notice for the hearing was published in the Press Democrat and Healdsburg Tribune, as

well as posted on City social media accounts and a paper notice posted at City Hall in anticipation of the City Council meeting on February 17, 2026.

BACKGROUND:

The City's Housing Element, adopted on May 1, 2023, and certified by the State on June 29, 2023, includes a program calling for amendments to the City's Land Use Code that expand housing development capacity and reduce constraints, including increasing density.

On September 23, 2025, the Planning Commission held a workshop and reviewed and considered draft ordinances related to Accessory Dwelling Units (ADU), State Density Bonus law, SB 9, SB 684 and SB 1123. The Planning Commission offered feedback on the Ordinances including setback and parking requirements, objective design standards, unit sizes, and privacy requirements for SB9; and the prohibition of ADU and JADU's, parking, and objective design standards for SB 684 and SB 1123.

On October 28, 2025, the Planning Commission reviewed and considered Land Use Code amendments related to Accessory Dwelling Units and State Density Bonus law and recommended that the City Council adopt both ordinances. Staff did not include the SB 9 and SB 684/1123 ordinances at this meeting in order to review new legislation from the State requiring minor changes to the proposed ordinances.

At the November 11, 2025, City Council meeting the City Council adopted both the Accessory Dwelling Unit Ordinance and Density Bonus Ordinance. At the same meeting, the Council raised questions regarding the implementation of Assembly Bill 1033 (AB 1033) and Senate Bill 10 (SB 10). Assembly Bill 1033 authorizes the separate sale of Accessory Dwelling Units (ADUs), independent of the sale of the primary residence. In practice, implementation of AB 1033 would require a complex and resource-intensive process for property owners; including preparation of a parcel/condominium map, establishment and recording of shared access and utility easements, establishment of separate utility connections and meters (water, electricity, gas, sewer), formation of a Homeowners Association (HOA) and Covenants, Conditions, & Restrictions (CC&Rs) to address ongoing maintenance of utilities, landscaping, and common areas, and to obtain lender consent if there's an existing mortgage on the property. To date, staff has not received any inquiries or interest regarding the separate sale of ADUs and has not initiated local implementation of AB 1033. Staff can prepare an ordinance allowing for separate sale of ADUs, but given the complexity and costs outlined above, it is unlikely that many property owners will pursue such projects. The City of Sebastopol recently adopted an ordinance allowing the separate sale of accessory dwelling units by adding a section to their Land Use Code titled "Accessory Dwelling Unit Condominiums".

Senate Bill 10 (SB 10) is a voluntary state housing law that allows local jurisdictions to adopt an ordinance permitting up to ten residential units on qualifying parcels within urbanized areas. The intent of SB 10 is to support small-scale, "missing middle" housing near jobs, transit, and services, while preserving local discretion over whether and how the law is implemented. Implementation requires a City-initiated rezoning ordinance and does not confer automatic development rights.

Unlike other housing laws that rely on property owner applications, SB 10 places the responsibility on the City to identify eligible parcels, conduct parcel-level analysis, and initiate rezonings. This

would trigger a full legislative process, including public noticing, Planning Commission workshops, property owner and community outreach, and Planning Commission and City Council hearings to consider and approve rezoning parcels. Given the likelihood for polarized public input on rezonings, it is notable that relatively few jurisdictions statewide have pursued SB 10 implementation to date. Recently the City of Grass Valley has implemented an ordinance similar to SB 10 where they now allow for up to 10 units on eligible mixed-use properties in their downtown core zoning district. The ordinance was adopted in an effort to convert underutilized buildings for residential use in order for the City to meet housing demands and housing production targets for the Regional Housing Needs Allocation (RHNA).

Senate Bill 10 would also require a substantial commitment of staff resources. Implementation is not limited to adoption of a single ordinance, but rather involves extensive mapping, technical analysis, public outreach, workshops, and hearings. At a time when multiple major planning initiatives are already underway, staff must prioritize efforts that most directly respond to local housing needs or programs that have demonstrated effectiveness in comparable communities. Given that SB 9 allows for up to 4 units on any single-family zoned property and SB 684/1123 allow for up to 10 units by right on land zoned for multi-family up to 5 acres in size and land zoned for single-family up to 1.5 acres in size Staff feels that sufficient tools are currently in place to promote missing-middle housing in Healdsburg. Furthermore, the City will begin the preparation of a specific plan for the ½ mile radius around the planned SMART station and the entirety of the South Entry Area this spring which will review densities and policies within an area that extends from Downtown to the City's southern boundary.

While Staff is not recommending preparation of these ordinances at this time, Staff looks forward to direction from the City Council on whether or not Staff should prepare ordinances adopting SB 1033 or SB 10 for Planning Commission and City Council consideration in the future.

On January 27, 2026, the Planning Commission reviewed and considered Land Use Code amendments related to SB 9 and SB 684/1123 and recommended that the City Council adopt both ordinances. The Planning Commission did not have any changes to the ordinances but emphasized the importance of having both ordinances exempt the GMO requirement as determined by staff.

DISCUSSION/ANALYSIS:

In recent years, the State legislature has adopted changes to State law aimed at increasing the supply and diversity of housing types throughout California. Efforts to incentivize the production of housing continue to be a priority for the State. While these laws represent a loss of local control, they also present an opportunity to address the need for missing-middle housing in Healdsburg and throughout the state.

SENATE BILL 9 (HOME ACT):

California Senate Bill 9 (SB 9), also known as the Housing Opportunity and More Efficiency (HOME) Act, is a state law that took effect on January 1, 2022. It aims to address California's housing shortage by allowing increased residential density in areas previously zoned exclusively for single-family homes. Overall, SB 9 represents a significant shift in California's approach to residential zoning, aiming to increase housing supply and affordability through modest densification of existing neighborhoods. SB 9 effectively eliminates single-family zoning in

California by allowing up to four homes on any parcel zoned for single-family residential.

The proposed SB 9 ordinance will be incorporated into Healdsburg Municipal Code, Title 20 to implement SB 9. Key provisions included in the ordinance are:

- Ministerial Approval: the SB 9 ordinance approves qualifying housing projects ministerially, without discretionary review or public hearings and streamlines the approval process for eligible developments. The City will approve or deny a complete application within 60 days of receiving it.
- Two-Unit Developments: The ordinance allows homeowners to construct up to two residential units on a lot currently zoned for single-family residential.
- Lot Splits: The ordinance allows for the subdivision of an existing single-family residential lot into two separate parcels, each of which can host up to two units, potentially allowing for four units on what was previously one single-family lot.
- Lot Size: The ordinance provides that lots shall be split roughly in half with the smaller lot at least 40% of the original lot and each new lot must be at least 1,200 square feet in size.
- Unit Size: Units created under SB 9 shall be a maximum of 1,750 square feet in size.
- Setback Requirements: the ordinance establishes maximum four-foot side and rear yard setbacks.
- Parking: The ordinance requires one automobile parking space per unit unless the parcel is located within ½ mile of a major transit stop (e.g. SMART rail station), in which case no parking is required.
- Owner-Occupancy Requirement: For lot splits, the ordinance requires the applicant to sign an affidavit stating their intent to occupy one of the housing units as their primary residence for a minimum of three years.
- Exemptions and Protections: The ordinance includes safeguards to prevent the displacement of existing tenants and excludes properties with environmental constraints such as flooding, steep hillsides, and very high severity fire zones.
- Objective Design Standards: The ordinance includes objective design and development standards applicable to SB 9 units to ensure compatibility with surrounding neighborhoods while remaining consistent with state law. The standards establish a maximum building height of 35 feet, require upper-story setbacks from side property lines and require compliance with the City's Water Efficient Landscaping Ordinance. Consistent with SB 9, the ordinance authorizes the Planning and Building Director to modify or waive these standards when necessary to avoid physically precluding the construction of two units per parcel or reducing unit sizes below 800 square feet, with any modification limited to the minimum necessary to achieve compliance with state law.
- Future units created under SB 9 are exempt from the GMO.

A new chapter will be added to the Title 20 as shown in Attachment 1. The ordinance formalizes SB 9 Urban Lot Split and Two Unit Development requirements in the City's code, providing clarity to applicants, staff, and decision-makers while ensuring compliance with state law.

SENATE BILL 684/1123 (STARTER HOME REVITALIZATION ACT)

California Senate Bill 684 (SB 684), enacted in 2023 and effective as of July 1, 2024, is designed to streamline the approval process for small-scale residential developments. SB 684 allows any parcel zoned for multi-family housing and under 5 acres in size to be developed with 10 or fewer

units, including subdivision into individual parcels for single-family units. Since Healdsburg's commercial zoning districts allow multi-family housing, these zones, in addition to the Multi-Family Residential zone, would be eligible for development under SB 684.

California Senate Bill 1123 (SB 1123), signed into law on September 19, 2024, and effective July 1, 2025, builds upon SB 684 to further streamline the development of small-scale housing projects. It aims to increase affordable homeownership opportunities by expanding ministerial approval processes to include vacant lots in single-family residential zones. SB 1123 allows for the development of up to 10 units on vacant lots zoned for single-family residential.

The proposed SB 684 / SB 1123 ordinance will be incorporated into Healdsburg Municipal Code, Title 20 to implement both senate bills. Key provisions included in the ordinance are:

- **Ministerial Approval:** The ordinance provides for ministerial approval for qualifying housing projects. The city will approve or deny an SB 684 / SB 1123 project within 60 days of receiving a complete application.
- **Eligible Projects:** The ordinance applies to developments of 10 or fewer residential units on urban lots up to 5 acres in size and zoned for multi-family residential or on vacant lots zoned for single-family residential up to 1.5 acres in size. Newly created lots must be no smaller than 600 square feet for multi-family zones and 1,200 square feet for single-family zones.
- **Unit Size:** Units shall be a maximum of 1,750 square feet.
- **Density and Development Standards:** The ordinance provides that the development must result in a minimum of 66% of the maximum allowable residential density for the parcel.
- **Side & Rear Setbacks:** The ordinance states that the required rear and side yard setbacks from the original lot shall equal four feet. No setback between units is required except as provided for in the California Building Code.
- **Objective Design Standards:** The ordinance includes objective design and development standards applicable to SB 684/1123 units to ensure compatibility with surrounding neighborhoods while remaining consistent with state law. The standards establish a maximum building height of 35 feet, require upper-story setbacks from side property lines and require compliance with the City's Water Efficient Landscaping Ordinance.
- **Parking:** One automobile parking space per unit is required and no parking spaces are required if located within ½ mile of a major transit stop (e.g. SMART rail station).
- **Environmental Standards:** The ordinance exempts projects from discretionary review and CEQA for qualifying projects. The site cannot be located on prime farmland, wetlands, very high fire hazard severity zone, within a special flood hazard area, or delineated earthquake fault zone.
- **Lot and Parcel Size Regulations:** The ordinance limits parcels to no smaller than 600 square feet if zoned for multi-family and no smaller than 1,200 square feet if zoned for single-family residential.
- **Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs):** Specifies that ADUs and junior ADUs do not count towards the 10 unit maximum if the parcel is greater than 5,000 square feet in size.
 - Future units created under SB 684/SB1123 are exempt from the GMO.

Title 20, Section 20.20.040 (Small lot subdivisions) will be rescinded, replaced, and retitled to

‘Small lot subdivisions and housing development’ as shown in Attachment 2. The ordinance formalizes SB 684 and SB 1123 into a single ordinance in the City’s code, providing clarity to applicants, staff, and decision-makers while ensuring compliance with state law.

ENVIRONMENTAL STEWARDSHIP:

Not applicable.

ALTERNATIVES:

After public comment and deliberation, the City Council may consider alternatives to address any issues raised and propose revisions to the ordinances.

FISCAL IMPACT:

The recommended action related to Healdsburg Municipal Code amendments will not result in a direct fiscal impact to the City.

ENVIRONMENTAL ANALYSIS:

The proposed amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21080.17 and CEQA Guidelines section 15282(h), which exempts adoption of ordinances implementing State law regarding SB9 and SB 684/1123. Further, the proposed Amendments are categorically exempt from CEQA because it can be seen with certainty that there is no possibility that the adoption of the proposed Amendments will have a significant effect on the environment. (CEQA Guidelines, 14 Cal. Code of Regs. Section 15061(b)(3)).

ATTACHMENT(S):

1. Senate Bill 9 Housing Development Ordinance
2. Senate Bill 684 / Senate Bill 1123 Small Lot Subdivisions and Housing Development Ordinance

CITY OF HEALDSBURG

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG ADDING SECTION 20.20.125 TO THE HEALDSBURG MUNICIPAL CODE TO IMPLEMENT SENATE BILL 9 AND SENATE BILL 450 (CEQA EXEMPT)

WHEREAS, on January 1, 2022, Senate Bill 9 (Chapter 162, Statutes of 2021) (“SB 9”) went into effect, amending Section 66452.6 of the California Government Code and adding to the Government Code Sections 65852.21 and 66411.7, requiring ministerial approval of certain additional housing units and “urban lot splits,” as defined, on properties within single-family zones; and

WHEREAS, on January 1, 2025, Senate Bill 450 (“SB 450”) went into effect, amending SB 9 by reducing the authority of local jurisdictions to regulate SB 9 projects, including restrictions on applicable standards, and strict approval timelines; and

WHEREAS, state law allows a local agency to adopt an ordinance to implement the provisions in SB 9 as amended by SB 450; and

WHEREAS, the City of Healdsburg has implemented land use policies based on the Healdsburg 2030 General Plan, which provide an overall vision for the community and balance important community needs, and the City seeks to ensure that SB 9 projects are consistent with those policies; and

WHEREAS, the City of Healdsburg Municipal Code (HMC) Chapter 20 Land Use Code (LUC) regulates allowable and development standards within the City; and

WHEREAS, HMC amendments (“Amendments”) are proposed to establish an application process and approval requirements for compliance with SB 9 as amended by SB 450; and

WHEREAS, the Planning Commission held a Workshop on September 23, 2025, at which time it reviewed the proposed Amendments and considered all public comments, written and oral, and provided input on policy options to staff on the revisions; and

WHEREAS, the Planning Commission held a duly noticed public hearing on January 27, 2026, at which time it reviewed the proposed Amendments and considered all public comments, written and oral, on the revisions and the related CEQA exemption; and

WHEREAS, the Planning Commission made the following affirmative findings pursuant to HMC Section 20.28.280 in support of the proposed addition to the Municipal Code and recommended the City Council adopt an ordinance approving them:

- A. The Amendments are consistent with the Healdsburg 2030 General Plan including the goals and policies of the Housing Element, in that no conflicts with any Goals, Policies, Programs or measures of the Healdsburg General Plan 2030 have been identified, and the Amendments promote the development of housing.
- B. The Amendments are consistent with the objectives of the Land Use Code contained in Section 20.04.010 given that: a) adoption of the proposed Amendments will continue to protect and promote the public health, safety and general welfare of the community by providing updated standards; and b) the Amendments will implement the goals, policies, and programs contained in the Healdsburg 2030 General Plan and Housing Element.
- C. The Planning Commission has conducted a public hearing on the draft Amendments with hearing notices provided as prescribed in Land Use Code Section 20.28.080, including newspaper publication at least 20 days prior to the hearing date.
- D. The Amendments are “not a project” under the California Environmental Quality Act (CEQA) pursuant to Government Code sections 65852.21(k) and 66411.7(n), because they are being adopted to implement Government Code sections 65852.21 and 66411.7.

Even if the Amendment were considered a project, they would be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) (the “common sense exemption”) because it can be seen with certainty that there is no possibility that the Amendments will have a significant effect on the environment. The proposed Amendments make clarifying changes to the Municipal Code and will not allow for, nor encourage, any more development than is already anticipated under the City’s General Plan, or otherwise allow for or promote physical changes in the environment and, therefore, it can be seen with certainty that there is not a possibility that the proposed Amendments may have a significant impact on the environment.

WHEREAS, based upon the Planning Commission’s findings and recommendations, the City Council finds that the Amendments are consistent with the General Plan including the Goals, Policies, and Implementation Measures of the Housing, Land Use, and Economic Development Elements of the adopted General Plan, and that the Amendments are internally consistent with all other provisions of the Municipal Code.

NOW, THEREFORE, the City Council of the City of Healdsburg does ordain as follows:

Section 1. Findings.

The above recitals are hereby declared to be true and correct findings of the City Council of the City of Healdsburg.

Section 2. CHAPTER 20.20 Standards for Specific Land Uses shall be amended to include a new Section 20.20.115 titled “Senate Bill 9 – Housing Development” as follows:

- A. Purpose.

The purpose of this section is to establish objective standards and regulations to govern the development of qualified Senate Bill 9 (SB 9) projects within the City of Healdsburg. The establishment of these regulations will result in the orderly subdivision and development of qualified SB 9 projects, while ensuring that new units are consistent with objective standards and do not create any significant impacts with regard to public health or safety. The regulations are intended to implement state law as reflected in Government Code Sections 65852.21 and 66411.7 and any successor provisions. If any standard or requirement contained herein is more restrictive than what is allowed for under state law, then state law shall control.

B. Definitions.

“Adjacent parcel” means any parcel of land that is (1) touching the parcel at any point; (2) separated from the parcel at any point only by a public right-of-way, private street or way, or public or private utility, service, or access easement; or (3) separated from another parcel only by other real property which is in common ownership or control of the applicant.

“Car share vehicle” means a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization and provides hourly or daily service.

“Common ownership or control” means property owned or controlled by the same person, persons, or entity, or by separate entities in which any shareholder, partner, member, or family member of an investor of the entity owns ten percent or more of the interest in the property.

“High quality transit” means a transit corridor with a fixed-route bus service or rail service that meets a service interval frequency of 15 minutes or less during peak commute hours.

“Net habitable square feet” is the finished and heated floor area fully enclosed by the inside surface of walls, windows, doors, and partitions, and having a headroom of at least six and a half feet, including working, living, eating, cooking, sleeping, hall, service, and storage areas, but excluding garages, carports, parking spaces, cellars, half-stories, and unfinished attics and basements.

“Two-Unit Development” means a development that proposes no more than two new primary dwelling units or proposes to add one new unit to one existing unit, all subject to this Section. Individual primary dwelling units that comprise a Two-Unit Development may be referred to as an “SB 9 Unit”.

“Urban Lot Split” means a subdivision of an existing parcel into no more than two separate parcels that meets all the criteria and standards set forth in this section.

C. SB 9 Urban Lot Split Eligibility.

The Planning and Building Director shall ministerially review an application for an Urban Lot Split and shall approve the application if the project meets all of the criteria in Government Code Section 66411.7 as well as all of the following requirements:

1. Parcel Requirements. The parcel subject to the Urban Lot Split is located within one of the City’s single family residential zones: R-1-3,500, R-1-6,000, R-1-12,500, R-1-20,000, R-1-40,000 or DR, and is not any of the following:

- a. Established through a prior exercise of an Urban Lot Split as provided for in this section.
- b. Adjacent to another parcel where either the owner of the parcel proposing to be subdivided or any person acting in concert with said owner has previously subdivided that adjacent parcel using an Urban Lot Split. For the purposes of this section, "any person acting in concert" with the owners includes, but is not limited to, an individual or entity operating on behalf of, acting jointly with, or in partnership or another form of cooperative relationship with, the property owner.
- c. Located within a historical landmark property included on the State Historic Resources inventory, as defined in Section 5020.1 of the Public Resources Code, or within a site that is designated or listed as a City or County landmark pursuant to a City or County ordinance.
- d. Fully encumbered with a conservation easement or identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the Federal Endangered Species Act of 1973 (16 U.S.C. Section 1531 et seq.), or other adopted natural resource protection plan.
- e. Designated prime farmland or farmland of Statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure.
- f. Contains wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993), that would prevent the development of the parcel.
- g. Located within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Government Code Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code. This subsection does not apply to parcels that have been excluded from specific hazard zones by actions of the City pursuant to Government Code Section 51179(b), or parcels that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.
- h. Has a hazardous waste site that is listed pursuant to Government Code Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless the State Department of Public Health, State Water Resources Control Board, or Department of Toxic Substances Control has cleared the site for residential use or residential mixed uses.
- i. Located within a special flood hazard area subject to inundation by the one percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency (FEMA) in any official maps published by FEMA. However, an

Urban Lot Split may be located on a parcel described in this subsection if the parcel is otherwise eligible for approval under the provisions of this section and the project applicant is able to satisfy all applicable Federal qualifying criteria demonstrating either of the following is met:

- i. The site has been subject to a letter of map revision prepared by the FEMA and issued to the City.
 - ii. The site meets FEMA requirements necessary to meet minimum floodplain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.
 - j. Located Within a regulatory floodway as determined by the FEMA in any official maps published by the FEMA, unless the project has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations.
 - k. Contains habitat for protected species identified as candidate, sensitive, or species of special status by State or Federal agencies, fully protected species, or species protected by the Federal Endangered Species Act of 1973 (16 U.S.C. Section 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).
2. The Urban Lot Split would not require demolition or alteration of either of the following:
 - a. A contributing structure located within either a historic district that is included on the California Register of Historical Resources or within a historic district listed or designated pursuant to a City or County ordinance.
 - b. An existing exterior structural wall of a structure located within either a historic district that is included on the California Register of Historical Resources or within a historic district listed or designated pursuant to a City or County ordinance.
 3. The Urban Lot Split would not require the demolition or alteration of any of the following types of housing:
 - a. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.
 - b. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 - c. A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Government Code Section 7060 et seq. to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.
 - d. Housing that has been occupied by a tenant in the last three years.
 4. Objective development standards. The following standards apply to all Urban Lot Splits:
 - a. The Urban Lot Split shall create no more than two new parcels of approximately equal area provided that one parcel shall not be smaller than 40% of the lot area of the original parcel proposed for subdivision. In no instance shall any resulting parcel be smaller than 1,200 square feet in area.

- b. No more than two dwelling units shall be permitted on each lot resulting from an Urban Lot Split. For the purposes of this subsection, “dwelling unit” means a primary dwelling unit, an SB 9 unit, an accessory dwelling unit, or a junior accessory dwelling unit.
 - c. The following requirements related to the design or to improvements of the parcel:
 - i. The front parcel line of any newly created parcel shall be the parcel line that is closest to or parallel to the public or private road that serves the parcel.
 - ii. No more than one driveway cut is permitted for each parcel.
 - iii. The requirements of this subsection c shall be waived by the Planning and Building Director if the applicable regulation at issue would physically preclude the construction of two SB 9 units on either resulting parcel or would result in an SB 9 unit from being less than 800 square feet in floor area.
 - d. Easements for access and public and private utilities shall be provided for any newly created parcel that does not front a public street or private street that provides access to the public right of way.
 - e. Separate utility meters shall be provided for each parcel prior to recordation.
 - f. Required rear and side yard setbacks shall equal four feet, except that no setback shall be required for an existing legally created structure or a structure constructed in the same location and to the same dimensions as an existing legally created structure.
 - g. The Urban Lot Split shall conform to all applicable objective requirements of the Subdivision Map Act (commencing with Government Code Section 66410), except as otherwise expressly provided in Government Code Section 66411.7. Notwithstanding Government Code Section 66411.1, no dedications of rights-of-way or the construction of offsite improvements may be required as a condition of approval for an Urban Lot Split, although easements may be required for the provision of public services and facilities.
 - h. Proposed adjacent or connected dwelling units shall be permitted if they meet building code safety standards and are designed sufficiently to allow separate conveyance.
5. Additional Requirements for Urban Lot Splits.
- a. The correction of nonconforming zoning conditions may not be required for approval of an Urban Lot Split.
 - b. Parcels created by an Urban Lot Split may be used for residential purposes only and may not be used for rentals of less than 30 days.
 - c. Owner-Occupancy Affidavit. The applicant for an Urban Lot Split shall sign an affidavit, in the form approved by the City Attorney, stating that the applicant intends to occupy one of the housing units on the newly created lots as its principal residence for a minimum of three years from the date of the approval of the Urban Lot Split. This subsection shall not apply to an applicant that is a “community land trust,” as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code or is a “qualified nonprofit corporation” as described in Section 214.15 of the Revenue and Taxation Code.

- i. If any existing dwelling unit is proposed to be demolished, the applicant will comply with the replacement housing provisions of Government Code Section 66300(d).
 - j. An Urban Lot Split is subject to all impact or development fees related to the creation of a new parcel and applicable fee schedules adopted by the City Council.
 - d. Recorded Covenant. Prior to the approval and recordation of the parcel map, the applicant shall record a restrictive covenant and agreement in the form prescribed by the City Attorney, which shall run with the land and provide for the following:
 - i. A prohibition against further subdivision of the parcel using the Urban Lot Split procedures as provided for in this section;
 - ii. A limitation restricting the property to residential uses only; and
 - iii. A requirement that any dwelling units on the property may be rented or leased only for a period longer than thirty (30) days.

The City Manager or designee is authorized to enter into the covenant and agreement on behalf of the City and to deliver any approvals or consents required by the covenant. The above restrictions shall also be notated on the final parcel map.
6. Specific Adverse Impacts. In addition to the criteria listed in this section, a proposed Urban Lot Split may be denied if the building official makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact upon public health and safety, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. A “specific adverse impact” is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.

D. SB 9 Two-Unit Development Eligibility.

The Planning and Building Director shall ministerially approve an application for a Two-Unit Development if the project meets all of the criteria in Government Code Section 65852.21 and all of the following requirements:

1. Parcel Requirements. The parcel subject to the Two Unit Development is located within one of the City’s single family residential zones: R-1-3,500, R-1-6,000, R-1-12,500, R-1-20,000 or R-1-40,000, and is not any of the following:
 - a. Fully encumbered with a conservation easement or identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the Federal Endangered Species Act of 1973 (16 U.S.C. Section 1531 et seq.), or other adopted natural resource protection plan.
 - b. Designated prime farmland or farmland of Statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland

- Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure.
- c. Contains wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993), that would prevent the development of the parcel.
 - d. Located within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Government Code Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code. This subsection does not apply to parcels that have been excluded from specific hazard zones by actions of the City pursuant to Government Code Section 51179(b), or parcels that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.
 - e. Has a hazardous waste site that is listed pursuant to Government Code Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless the State Department of Public Health, State Water Resources Control Board, or Department of Toxic Substances Control has cleared the site for residential use or residential mixed uses.
 - f. Located within a special flood hazard area subject to inundation by the one percent annual chance flood (100-year flood) as determined by FEMA in any official maps published by the FEMA. However, a Two-Unit Development may be located on a parcel described in this subsection if the parcel is otherwise eligible for approval under the provisions of this section and the project applicant is able to satisfy all applicable Federal qualifying criteria demonstrating either of the following is met:
 - i. The site has been subject to a letter of map revision prepared by the FEMA and issued to the City.
 - ii. The site meets FEMA requirements necessary to meet minimum floodplain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.
 - g. Located within a regulatory floodway as determined by the FEMA in any official maps published by FEMA, unless the project has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations.
 - h. Contains habitat for protected species identified as candidate, sensitive, or species of special status by State or Federal agencies, fully protected species, or species protected by the Federal Endangered Species Act of 1973 (16 U.S.C. Section 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).
2. The Two-Unit Development is not located in either the following:
- a. A contributing structure within a historic district included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or historic property or district pursuant to a City or County ordinance.
 - b. A parcel individually listed as a historical resource included in the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or within a property individually designated or listed as a City or County landmark under a City or County ordinance.

3. The Two-Unit Development would not require the demolition or alteration of any of the following types of housing:
 - a. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.
 - b. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 - c. A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Government Code Section 7060 et seq. to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.
 - d. Housing that has been occupied by a tenant in the last three years.
4. Objective development standards for SB 9 units (Two-Unit Developments). The following objective development standards and regulations apply to the development of SB 9 units.
 - a. Number of units permitted. For parcels not created through an Urban Lot Split, the following unit types and count shall be permitted on a single parcel provided the provisions of this Section have been met:
 - i. A primary dwelling unit;
 - ii. A primary dwelling unit and an SB 9 unit;
 - iii. A primary dwelling unit, SB 9 unit, and/or any combination of ADU(s), JADUs as provided by Section 20.20.010 and state law, provided that no more than four units total, in any of the above combinations, shall be allowed on a single parcel.
 - b. For parcels created through an Urban Lot Split, the following unit types shall be permitted provided the provisions of this Section have been met:
 - i. Up to two primary dwelling units, consisting of existing or proposed primary dwellings or SB 9 units; or
 - ii. Any combination of a primary dwelling unit or SB 9 unit and an ADU or JADU.
 - iii. No more than two units shall be allowed on a parcel resulting from an Urban Lot Split.
 - c. Unit size and new construction. The maximum size for one SB 9 unit shall be 1,750 net habitable square feet with a maximum height of 35 feet.
 - d. Setbacks.
 - i. The minimum front yard setback for any new SB 9 dwelling unit shall be in conformance with the zoning designation for the proposed unit. The setback shall be measured from the front wall to the front property line.
 - ii. Side and rear setbacks shall be a minimum of 4 feet from the side and rear property lines.
 - iii. No setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.
 - e. Units shall not be constructed in the following locations:
 - i. In areas encumbered by a recorded easement, including but not limited to, public utility easements, conservation easements, access easements, general public easements and open space easements.
 - ii. Within 25 feet of a stream or creek, with the exception of Foss Creek, in which case the setback shall be 35' pursuant to Section 20.24.090.
 - f. Required Parking. One on-site parking space is required per unit, unless:

- i. The property is located within one-half mile of a high-quality transit corridor or major transit stop; and/or
- ii. There is a designated parking area for one or more car share vehicles within one block of the parcel.

Any required parking space may be covered or uncovered and shall be a minimum of 9'x18' pursuant to Section 20.16.155.

- g. Occupancy Requirements. Dwelling units created by a Two-Unit Development may be used for residential uses only. An SB 9 unit may be rented or sold separately from the primary dwelling unit; however, no SB 9 unit shall be rented for a period of less than 30 days and may not be occupied as a short-term rental unit.
- h. Driveways and Access. All dwelling units on a parcel shall be served by a common driveway from the nearest public or private street. Driveway access to all new units shall be compliant with the City of Healdsburg Fire Department standard details and specifications for driveways and turnarounds.
- i. Proposed adjacent or connected dwelling units shall be permitted if they meet building code safety standards and are designed sufficient to allow separate conveyance.
- j. The proposed Two-Unit Development shall provide a separate gas, electric and water utility connection directly between each SB 9 unit and primary dwelling unit and the utility.
- k. Two Unit Developments shall be subject to all impact or development fees related to the development of a new dwelling unit.
- l. Notwithstanding the foregoing, no housing development project shall be permitted on a site pursuant to this article if the underlying parcel falls within any provision under Section 20.20.120(C)(c - m).
- m. If any existing dwelling unit is proposed to be demolished, the applicant will comply with the replacement housing provisions of Government Code Section 66300(d).
- n. Because the City's Growth Management Ordinance is preempted by Government Code Sections 65852.21 or 66411.7, units developed under this section shall not be subject to the Growth Management Ordinance.
- o. The Planning and Building Director, or their designee, shall modify or waive any standard if the standard would have the effect of physically precluding the construction of two units on either of the resulting parcels created pursuant to this chapter or would result in a unit size of less than 800 square feet. Any modifications of development standards shall be the minimum modification necessary to avoid physically precluding two units of 800 square feet each on each parcel.

5. Objective Design Standards for SB 9 Units.

The following objective design standards apply to all housing developments and urban lot splits processed under Government Code § 65852.21 and § 66411.7 (SB 9). These standards are intended to ensure that new SB 9 units are compatible with the existing character of Healdsburg's neighborhoods while allowing ministerial approval as required by State Law.

- a. The maximum building height for any primary SB 9 unit shall not exceed 35 feet in height.
- b. Upper stories shall be setback a minimum of 10' from side property lines.
- c. All landscaping shall apply with the City's Water Efficient Landscaping Ordinance.
- d. The Planning and Building Director, or their designee, shall modify or waive any standard if the standard would have the effect of physically precluding the construction

of two units on either of the resulting parcels created pursuant to this chapter or would result in a unit size of less than 800 square feet. Any modifications of development standards shall be the minimum modification necessary to avoid physically precluding two units of 800 square feet each on each parcel.

6. Specific Adverse Impacts. In addition to the criteria listed in this section, a proposed Two-Unit Development may be denied if the building official makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact upon public health and safety, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. A “specific adverse impact” is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.

E. Applications and Processing.

1. An application for a proposed housing development pursuant to this section shall be considered and approved or denied within 60 days from the date the City receives a completed application. If the City has not approved or denied the completed application within 60 days, the application shall be deemed approved.
2. If the City denies an application for a proposed housing development pursuant paragraph 2 above, the City shall, within 60 days from the date the City receives a completed application, return in writing a full set of comments to the applicant with a list of items that are defective or deficient and a description of how the application can be remedied by the applicant.

Section 3. Environmental Compliance.

The City Council finds that the proposed ordinance Amendments are “not a project” under the California Environmental Quality Act (CEQA) pursuant to Government Code sections 65852.21(k) and 66411.7(n), because they are being adopted to implement Government Code sections 65852.21 and 66411.7.

Even if the Amendments were considered a project, they would be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) (the “common sense exemption”) because it can be seen with certainty that there is no possibility that the municipal code Amendments will have a significant effect on the environment. The proposed Amendments make clarifying changes to the Municipal Code and will not allow for, nor encourage, any more development than is already anticipated under the City’s General Plan, or otherwise allow for or promote physical changes in the environment and, therefore, it can be seen with certainty that there is not a possibility that the proposed Amendments may have a significant impact on the environment.

Section 4. Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 5. Effective Date and Publication.

This Ordinance of the City of Healdsburg shall be effective thirty (30) days after the date of its passage. Before expiration of fifteen (15) days after its passage, this Ordinance or a summary thereof as provided for in Government Code Section 36933, shall be published at least once in a newspaper of general circulation published and circulated in the City of Healdsburg, along with the names of the City Council members voting for and against its passage.

INTRODUCED by the City Council of the City of Healdsburg on the 17th day of February, 2026, and PASSED and APPROVED at a regular meeting of the City Council on the ____ day of ____, 2026, by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk

Dated: _____

CITY OF HEALDSBURG

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG AMENDING HEALDSBURG MUNICIPAL CODE SECTION 20.20.040 IN ITS ENTIRETY (SMALL LOT SUBDIVISIONS) TO IMPLEMENT SENATE BILLS 684 1123, AND MAKING OTHER CONFORMING CHANGES (CEQA EXEMPT)

WHEREAS, on October 11, 2023, the Governor of the State of California signed Senate Bill 684 ("SB 684"), amending Section 65852.28 of the California Government Code and adding to the Government Code Sections 65852.28, 65913.4.5, and 66499.41 requiring ministerial approval of a subdivision of 10 or fewer parcels and 10 or fewer residential units that meet specified requirements, effective July 1, 2024; and

WHEREAS, the California legislature subsequently enacted Senate Bill 1123 (SB 1123), signed by the Governor of the State of California on September 19, 2024, amending Government Code Sections 65852.28 and 66499.41 to, among other things, expand the ministerial approval process to certain vacant single-family zoned lots, with such amendments becoming operative on July 1, 2025; and

WHEREAS, the California legislature subsequently enacted Assembly Bill 130 (AB 130), signed by the Governor of the State of California on June 30, 2025 with immediate effect, to allow for the above-described subdivisions to create remainder parcels that do not count toward the 10-parcel limit; and

WHEREAS, state law allows a local agency to adopt an ordinance to implement the provisions in SB 684 as subsequently amended by SB 1123 and AB 130; and

WHEREAS, the City has implemented land use policies based on the 2030 Healdsburg General Plan, which provides an overall vision for the community and balance important community needs, and the City seeks to ensure that projects submitted under SB 684 as amended by SB 1123 and AB 130 are consistent with those policies; and

WHEREAS, the City of Healdsburg Housing Element Program 5 requires the City to continue ongoing practices for priority processing of housing development projects and increase opportunities for streamlining the housing development processes; and

WHEREAS, the City of Healdsburg Municipal Code (HMC) Title 20 Land Use Code (LUC) regulates allowable uses and development standards within the City; and

WHEREAS, HMC Section 20.20.040 (Small Lot Subdivisions) allows for small lot subdivisions but was adopted prior to SB 684 and SB 1123; and

WHEREAS, by amending Section 20.20.040 in its entirety (“Amendments” or “Small Lot Subdivisions”), the City of Healdsburg will continue to allow for small lot subdivisions and housing development in compliance with state law; and

WHEREAS, the proposed Amendments implement requirements of state law the City’s General Plan and Housing Element; and

WHEREAS, the proposed Amendments are intended to implement SB 684, SB 1123 and AB 130, and are not considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code, as provided in Government Code Sections 65852.28(e), 65913.4.5(b), and 66499.41(i).

WHEREAS, the Planning Commission held a Workshop on September 23, 2025, at which time it reviewed the proposed Amendments and considered all public comments, written and oral, and provided input on policy options to staff on the revisions; and

WHEREAS, the Planning Commission held a duly noticed public hearing on January 27, 2026, at which time it reviewed the proposed Amendments and considered all public comments, written and oral, on the revisions and the related CEQA exemption; and

WHEREAS, the Planning Commission made the following affirmative findings pursuant to HMC Section 20.28.280 in support of the proposed Amendments and recommended the City Council adopt an ordinance approving them:

- A. The Amendments are consistent with the Healdsburg 2030 General Plan including the goals, and policies of the Housing Element, in that no conflicts with any Goals, Policies, Programs or measures of the Healdsburg General Plan 2030 have been identified, and the Amendments encourage the development of housing.
- B. The Amendments are consistent with the objectives of the Land Use Code contained in Section 20.04.010 given that: a) adoption of the proposed Amendments will continue to protect and promote the public health, safety and general welfare of the community by providing updated standards; and b) the Amendments will implement the goals, policies, and programs contained in the Healdsburg 2030 General Plan and Housing Element.
- C. The Planning Commission has conducted a public hearing on the draft Amendments with hearing notices provided as prescribed in Land Use Code Section 20.28.080, including newspaper publication at least 20 days prior to the hearing date.
- D. The Amendments implement SB 684 as amended by SB 1123 and AB 130, and are not considered a project under the California Environmental Quality Act (CEQA), as provided in Government Code Sections 65852.28(e), 65913.4.5(b), and 66499.41(i).

WHEREAS, on _____, the City Council held a duly noticed public hearing at which time it reviewed the proposed Amendments and considered all public comments, written and oral, on the revisions and the related CEQA exemption; and

WHEREAS, based upon the Planning Commission’s findings and recommendation, the City Council finds that the Amendments are consistent with the General Plan including the Goals, Policies, and Implementation Measures of the Housing, Land Use, and Economic Development Elements of the adopted General Plan, and that the Amendments are internally consistent with all other provisions of the Municipal Code.

NOW, THEREFORE, the City Council of the City of Healdsburg does ordain as follows:

Section 1. Findings.

The above recitals are hereby declared to be true and correct findings of the City Council of the City of Healdsburg.

Section 2. Title 20, Section 20.20.040 (“Small Lot Subdivisions”) shall be amended in its entirety as follows:

A. Purpose.

The Purpose of this section is to establish and implement the provisions and intent of California Senate Bill 684 (SB 684, 2023) as amended by Senate Bill 1123 (SB 1123, 2024) and Assembly Bill 130 (AB 130, 2025), which seek to streamline the approval process for certain residential housing developments, promote infill development near transit and urban services, and support the State’s goals for housing production and affordability.

B. Definitions.

“Extremely low-income household” has the meaning set forth in Health & Safety Code Section 50106.

“Low-income household” has the meaning set forth in Health & Safety Code Section 50079.5.

“Qualified urban use” has the meaning set forth in Public Resources Code Section 21072.

“Substantially surrounded” has the meaning set forth in Public Resources Code Section 21159.25(a)(2).

“Very low-income household” has the meaning set forth in Health & Safety Code Section 50105.

“Net habitable square feet” as the finished and heated floor area fully enclosed by the inside surface of walls, windows, doors, and partitions, and having a headroom of at least six and a half feet, including working, living, eating, cooking, sleeping, hall, service, and storage areas, but excluding garages, carports, parking spaces, cellars, half-stories, and unfinished attics and basements.

“Vacant Parcel” a lot which has no permanent structure, unless the permanent structure is abandoned or uninhabitable.

C. Small Lot Subdivision.

The Planning and Building Director shall ministerially review, without a hearing, an application for a parcel map or tentative and final map for a housing development project as described in this section and shall approve or deny the application within sixty days from the receipt of a complete application if the criteria in Government Code Section 66499.41 and this section are satisfied. The Director shall approve the parcel map or tentative and final map for the subdivision if it meets all the following requirements:

1. The parcel being subdivided meets either of the following:
 - a. The parcel is located within one of the following zones allowing multi-family residential: RM, CD, CS, GMU, or MU; or
 - b. The parcel is a vacant parcel located within one of the following single-family residential zones: R1-3,500, R1-6,000, R1-12,500, R1-20,000, R1-40,000.
2. The proposed subdivision will result in ten or fewer parcels and the housing development project on the parcel proposed to be subdivided will contain ten or fewer residential units, not including any permitted accessory dwelling units or junior accessory dwelling units. The subdivision may designate a remainder parcel, as defined in Government Code Section 66424.6, and the remainder parcel shall not be counted against the 10 parcel maximum.
3. The parcel is substantially surrounded by qualified urban uses and meets the following lot area requirements:
 - a. No larger than five acres, if the parcel is zoned for multi-family residential; or
 - b. No larger than one and one-half acres, if zoned for single-family residential.
4. The parcel is a legal parcel.
5. The parcel was not established pursuant to a prior SB 684, SB 1123 or SB 9 lot split.
6. Minimum Lot Area. The newly created parcels meet the following minimum lot area requirements:
 - a. No smaller than 600 square feet if zoned for multi-family residential;
 - b. No smaller than 1,200 square feet if zoned for single-family residential.
7. Form of Ownership. The proposed housing units on the parcel proposed to be subdivided are one of the following:
 - a. Constructed on fee simple ownership lots;
 - b. Part of a common interest development;
 - c. Part of a housing cooperative, as defined in Civil Code Section 817;
 - d. Owned by a community land trust meeting the requirements of Government Code Section 66499.41; or
 - e. Part of a tenancy in common, as described in Civil Code Section 685.
8. Minimum Density. The proposed subdivision must meet one of the following:
 - a. If the parcel is identified in the Housing Element for the current planning period, the development must result in at least as many units as projected for the parcel in the Housing Element.
 - b. If the parcel is not identified in the Housing Element for the current planning period, the development must result in at least 66% of the maximum allowable residential density for the parcel.
9. Unit Affordability. The subdivision shall comply with both of the following:

- a. The subdivision shall comply with Section 20.20.030 (Inclusionary Housing).
 - b. If the parcel is identified to accommodate low- or very low-income households, the development must result in at least as many low- or very low-income units as projected in the Housing Element. These units shall be subject to a recorded affordability restriction of at least 45 years.
10. Maximum Floor Area. The average total area of floorspace for the proposed housing units on the parcel proposed to be subdivided does not exceed 1,750 net habitable square feet.
11. The housing development project on the parcel proposed to be subdivided would not require demolition or alteration of any of the following types of housing:
 - a. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low-, very low-, or extremely low-income.
 - b. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 - c. Housing occupied by tenants within the five years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the submission of the application for a development permit.
 - d. A parcel on which an owner of real residential property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the Government Code to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.
12. The parcel being subdivided is not any of the following:
 - a. Either prime farmland or farmland of statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.
 - b. Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).
 - c. Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178 of the Government Code, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code.
 - d. A hazardous waste site that is listed pursuant to Section 65962.5 of the Government Code or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and

Safety Code, unless the State Department of Public Health, State Water Resources Control Board, or Department of Toxic Substances Control has cleared the site for residential use or residential mixed uses.

- e. Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by the building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2 of the Government Code.
- f. Within a special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph, the City of Healdsburg shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by the City of Healdsburg that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met: (1) the site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the City of Healdsburg; or (2) the site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.
- g. Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, the City of Healdsburg shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by the City of Healdsburg that is applicable to that site.
- h. Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the

federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural resource protection plan.

- i. Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).
 - j. Lands under conservation easement.
13. Map Act Compliance. The proposed subdivision shall conform to all applicable objective requirements of the Subdivision Map Act (commencing with Government Code Section 66410), except as otherwise expressly provided in this section and Government Code Section 66499.41.
 14. Utilities. The parcels created pursuant to this section must be served by a public water and sewer system.
 15. Existing Dwelling Units. The proposed subdivision shall not result in any existing dwelling unit being alienable separate from the title to any other existing dwelling unit on the parcel.
 16. Objective Standards. The development proposed on the parcels shall comply with all objective zoning standards, objective subdivision standards, and objective design review standards applicable to the parcel as provided in the zoning district in which the parcel is located, except that a proposed housing development is not required to comply with minimum requirements on size, width, depth, or dimensions of an individual parcel beyond the minimum parcel size.
 - a. The maximum building height for any primary SB 684/1123 unit shall not exceed 35 feet in height.
 - b. Upper stories shall be setback a minimum of 10' from side property lines.
 - c. All landscaping shall apply with the City's Water Efficient Landscaping Ordinance.
 17. Replacement Units. If any existing dwelling unit is proposed to be demolished, the applicant will comply with the replacement housing provisions of Government Code Section 66300(d).
 18. Development on Each Parcel Required. At least one residential structure in compliance with applicable provisions of the California Building Standards Code must be developed on each resulting parcel that does not already contain an existing legally permitted residential structure or is reserved for internal circulation, open space, or common area. A remainder parcel, as defined in Government Code Section 66424.6, may be designated that retains existing land uses or structures, does not contain any new residential units, and is not exclusively dedicated to serving the housing development project.

19. Accessory Dwelling and Junior Accessory Dwelling Units. Accessory dwelling units and/or junior accessory dwelling units shall not be permitted on a parcel created through this section, unless the newly created parcel is 5,000 square feet or larger.
20. Prohibition of Urban Lot Splits. A parcel created under this section shall not be further subdivided pursuant to an urban lot split under Chapter 17.04, Article II and Article III or Government Code Section 66411.7.
21. Declaration of Prior Tenancies. If any existing housing is proposed to be demolished, the owner of the property proposed for the subdivision shall sign an affidavit, in the form approved by the Planning and Building Director, stating that none of the conditions listed in Section 11 above exist and shall provide a comprehensive history of the occupancy of the units to be altered or demolished for the past five years on a form approved by the Planning and Building Director.
22. Specific Adverse Impacts. In addition to the criteria listed in this subsection, a subdivision proposed under this section may be denied if the Planning and Building Director makes a written finding, based on a preponderance of the evidence, that the proposed subdivision or proposed housing development project would have a specific, adverse impact upon public health and safety, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

A “specific adverse impact” is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with this zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.

23. Enforcement. The City Attorney shall be authorized to abate violations of this section and to enforce the provisions of this section and all implementing agreements and affidavits by civil action, injunctive relief, and any other proceeding or method permitted by law. Remedies provided for in this section shall not preclude the City of Healdsburg from any other remedy or relief to which it otherwise would be entitled under law or equity.

D. Housing Development of Small Lot Subdivisions.

1. The Planning and Building Director shall ministerially review, without hearing, an application for a housing development project on a lot that is subdivided pursuant to Section 20.20.040(C) and Government Code Section 66499.41, and shall approve or deny the application within 60 days from the receipt of a complete application.
2. Qualifying Criteria. The Planning and Building Director shall approve the housing development project if it meets all the following requirements:
 - a. The proposed housing development is on a lot created in accordance with Section 20.20.040(C) and Government Code Section 66499.41.
 - b. The proposed housing development complies with all objective zoning standards, objective subdivision standards, and objective design review standards applicable to the parcel as provided in the zoning district in which the

parcel is located that do not conflict with Section 20.20.040(C) and Government Code Sections 65852.28 and 66499.41; provided, however:

- i. The Planning and Building Director, or their designee, shall modify or waive any standard if the standard would have the effect of physically precluding the construction of the development project at the minimum densities specified in Section 20.20.040(C)(8). Any modifications of development standards shall be the minimum modification necessary.
 - ii. No setback between the units is required, except as provided in the California Building Code (Title 24 of the California Code of Regulations).
 - iii. Required rear and side yard setbacks from the original lot line shall equal four feet, except that no setback shall be required for an existing legally created structure or a structure constructed in the same location and to the same dimensions as an existing legally created structure.
 - iv. Parking. One parking space, which may be uncovered or not enclosed, shall be required per unit constructed on a parcel created pursuant to the procedures in this section, except that no parking may be required where the parcel is located within one-half mile walking distance of either a stop located in a high-quality transit corridor, as defined in Public Resources Code Section 21155(b), or a major transit stop, as defined in Public Resources Code Section 21064.3.
 - v. Floor Area Ratio Standards. The following floor area ratios shall apply:
 - a. For a housing development project consisting of three to seven units, inclusive, the floor area ratio is 1.0.
 - b. For a housing development project consisting of eight to ten units, inclusive, the floor area ratio is 1.25.
2. In addition to the criteria listed in this section, a proposed housing development may be denied if the building official makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact upon public health and safety or the physical environment, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. A “specific adverse impact” is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.
 3. The City Attorney shall be authorized to abate violations of this chapter and to enforce the provisions of this chapter and all implementing agreements and affidavits by civil action, injunctive relief, and any other proceeding or method permitted by law. Remedies provided for in this chapter shall not preclude the City of Healdsburg

from any other remedy or relief to which it otherwise would be entitled under law or equity.

E. Building Permits for Housing Development of Small Lot Subdivisions.

The Building Official shall issue a building permit for one or more residential units that are part of a housing development project on a lot that is subdivided pursuant to Section 20.20.040(C) and Government Code Section 66499.41, and shall approve the application if the criteria in Government Code Section 65852.28 and this section are satisfied by meeting the following criteria:

1. The applicant has received a tentative map or parcel map approval for the subdivision.
2. The applicant has submitted a complete building permit application.
3. Any dedication, improvement, and sewer requirements identified in the approved tentative map or parcel map or its conditions of approval shall be guaranteed to the City of Healdsburg's satisfaction.
4. The applicant must submit proof, to the satisfaction of the Planning and Building Director, of a recorded covenant and agreement enforceable by the City of Healdsburg that the applicant agrees the building permit is issued on condition that a certificate of occupancy or equivalent final approval for the building will not be issued unless the final map has been recorded.
5. Specific Adverse Impacts. In addition to the criteria listed in this section, issuance of a building permit may be denied if the Building Official makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact upon public health and safety or the physical environment, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. A "specific adverse impact" is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.
6. Enforcement. Code Enforcement shall be authorized to abate violations of this section and to enforce the provisions of this section and all implementing agreements and affidavits by civil action, injunctive relief, and any other proceeding or method permitted by law. Remedies provided for in this section shall not preclude the City of Healdsburg from any other remedy or relief to which it otherwise would be entitled under law or equity.
7. Growth Management Allocations. Projects submitted under this section shall be exempt from the Growth Management Ordinance.
8. Inclusionary Housing Ordinance. Projects submitted under this section shall be subject to the City's Inclusionary Housing Ordinance.

Section 3. Title 20, Section 20.08.025. "Permitted and conditionally permitted uses" shall be amended as follows, with additions in underline and deletions in ~~strikeout~~:

The following uses may be permitted or conditionally permitted in all R-1 districts. Chapter 20.28 HMC, Article V describes the procedures for obtaining a conditional use permit.

Table 2 Permitted (P) and conditionally permitted (C) uses: R-1 District	
Accessory dwelling unit and junior accessory dwelling unit, subject to HMC § <u>20.20.010</u>	P
Accessory structures located on the same site with a permitted or conditionally permitted use, including private garages and carports, one guest house or accessory living quarters without a kitchen, storehouses, garden structures, noncommercial greenhouses, recreation rooms, and hobby areas within an enclosed structure	P
Boarding houses	C
Churches, convents, monasteries, parish houses, parsonages, rectories, and other religious institutions	C
Day care, large family, subject to HMC § <u>20.20.055</u>	C
Day care, small family	P
Employee housing as defined in Cal. Health & Safety Code § <u>17008</u> for six or fewer employees in accordance with Cal. Health & Safety Code § <u>17000</u> , et seq.	P
Golf courses and driving ranges	C
Home occupations, subject to HMC § <u>20.20.005</u>	P
Neighborhood convenience retail stores, subject to HMC § <u>20.20.070</u>	C
Private recreational parks and swim clubs	P
Private schools and colleges, not including art, craft, dancing, music, business, professional or trade schools and colleges	C
Private stables or areas for the keeping of one horse, cow, llama, goat or similar large farm or hobby animal on a site not less than two acres in net area; provided, that one additional large animal may be kept for each additional acre of area of the site; and provided, that no stable shall be located closer than 50 feet to any property line, closer than 50 feet to any dwelling unit on the site, or closer than 100 feet to any other dwelling on surrounding properties	P
Public utility and public service pumping stations, power stations, equipment buildings, installations, service yards, drainage ways and structures, storage tanks, reservoirs, and transmission lines found by the planning commission to be necessary for the public health, safety and welfare	C
Raising of fruit and nut trees, vegetables, and horticultural specialties (no on-site sales)	P
Raising for commercial purposes poultry (except roosters and crowing fowl), rabbits, chinchillas, potbellied pigs and other similar small animals on a site at least 20,000 square feet in net size; provided, that there shall be at least 1,000 square feet of site area for each fowl or animal. No structure housing poultry or small animals shall be located closer than 50 feet to any property line or closer than 25 feet to a dwelling on the site	C
Raising or keeping for educational, hobby or noncommercial purposes poultry (except roosters and crowing fowl), rabbits, chinchillas, guinea pigs and similar small animals limited to a total of 10 animals, not including dogs and cats. Animal pens or cages shall not be located in a required front yard or street side corner yard and shall be located a minimum of 20 feet from a property line	P

Table 2 Permitted (P) and conditionally permitted (C) uses: R-1 District	
Residential care, general	C
Residential care, limited	P
Residential visitor lodging operations, subject to HMC § <u>20.20.060</u>	C
Single-family dwelling, detached, one per lot	P
Single-family dwelling, attached, one per lot, in the R-1-3,500 District and small lot subdivisions	P
<u>Small lot subdivisions, subject to HMC § 20.20.040</u>	<u>P</u>
Supportive housing	P
Swimming pools used solely by persons resident on the site and their guests; provided, that no swimming pool or accessory mechanical equipment shall be located in a required front yard or less than five feet from a property line	P
Temporary subdivision sales offices, subject to HMC § <u>20.20.025</u>	P
Transitional housing	P
Vacation rental homes	--
Vacation timeshares	--

Notes:

-- = not permitted

Section 4. Title 20, Section 20.08.035. “Maximum building height” shall be amended as follows, with additions in underline and deletions in ~~strikeout~~:

- A. The maximum building height for all primary structures in R-1 districts shall be 35 feet; ~~except for small lot subdivisions, which shall be 25 feet.~~
- B. HMC § 20.16.065 allows exceptions for ancillary structures, including chimneys, antennas and similar architectural features.
- C. Accessory dwelling unit building heights are regulated in HMC § 20.20.010.
- D. Accessory building heights are regulated in HMC § 20.16.030.

Section 5. Title 20, Section 20.08.050. “Permitted and conditionally permitted uses” shall be amended as follows, with additions in underline and deletions in ~~strikeout~~:

The following uses may be permitted and conditionally permitted in the RM District. Chapter 20.28 HMC, Article V, describes the procedures for obtaining a conditional use permit.

Table 4 Permitted (P) and conditionally permitted (C) uses: RM District		
Permitted (P) and Conditionally Permitted (C) Uses	RM	Specific Use Regulations
Accessory dwelling unit	P	HMC § <u>20.20.010</u>

Table 4 Permitted (P) and conditionally permitted (C) uses: RM District		
Permitted (P) and Conditionally Permitted (C) Uses	RM	Specific Use Regulations
Accessory structures and uses located on the same site as a conditional use	P	
Boarding houses	C	
Churches, convents, monasteries, parish homes, rectories, parsonages and other religious institutions	C	
Commercial nursery growing grounds	C	
Day care, general and large family	P	
Day care, limited and small family	P	
Golf courses and driving ranges	C	
Hostels affiliated with American Youth Hostels or an equivalent organization approved by the planning director	C	
Mobile home parks	C	HMC § 20.20.020
Multifamily dwellings	P	
Neighborhood convenience retail stores	C	HMC § 20.20.070
Private recreation parks and swim clubs	C	
Private schools and colleges, including elementary, junior high and high schools, but not including art, craft, music, dancing, business, professional, or trade schools and colleges	C	
Private stables and raising of poultry (except roosters), rabbits, chinchillas and other small animals	C	HMC § 20.08.025
Public utility and public service pumping stations, power stations, equipment buildings, installations, service yards, drainage ways and structures, storage tanks, reservoirs, and transmission lines found by the planning commission to be necessary for the public health, safety and welfare	C	
Residential care, general	C	
Residential care, limited	P	
Residential visitor lodging operations	C	HMC § 20.20.060
Supportive housing	P	
<u>Small lot subdivisions</u>	<u>P</u>	<u>HMC § 20.20.040</u>
Transitional housing	P	
Vacation rental homes	--	
Vacation timeshares	--	

Section 6. Title 20, Section 20.08.055. “Minimum development standards” shall be amended as follows, with additions in underline:

The following standards apply to development within the RM District, except for small lot subdivisions as provided for by HMC § 20.20.040.

[NO CHANGES TO TABLE]

Section 7. Title 20, Subsection 20.28.105(a) shall be amended as follows, with additions in underline and deletions in ~~strikeout~~:

A. The following applications are minor design review applications, subject to review by the planning and building director. More complex or sensitive projects may be referred to the planning commission:

1. Minor changes to the exterior of existing nonresidential buildings that require a building permit. This includes, but is not limited to, significant facade changes, relocation of storefront doors and windows, etc.
2. A change of use in a nonresidential building and site not involving substantial site changes. This determination will be made at the time of business license application.
3. Changes to a nonresidential site not involving major structural or site changes or changes of use. This includes site alterations such as construction of parking shade structures or other accessory structures.
4. Construction of or an expansion greater than 500 square feet to a one-family dwelling on a site uphill and visible from a scenic highway or road, or located within a scenic ridgeline corridor designated by the General Plan as determined by the planning and building director.
5. Construction of one single-family dwelling within the Grove Street Neighborhood Plan.
6. Construction of new single-family dwellings where design review is required as a condition of approval of subdivision maps.
7. Within Character Area 1 (as identified in the Citywide Design Guidelines Chapter 4), construction of one single-family dwelling or a new second story addition, or significant change to the primary facade. A significant change to a primary facade is one that results in a substantive change to the appearance of the front of the building that is visible from the street. This could include enclosure of a front porch, removal of window(s), demolition of some or all of the primary facade, an addition to the primary facade, a change in roof form or other similar alterations that fundamentally change the appearance of the primary facade.
8. Small lot subdivisions pursuant to Section 20.20.040.
- ~~89.~~ Projects subject to minor design review by any other provision of the Land Use Code.

Section 8. Title 20, Section 20.08.080. “Design Review” shall be amended as follows, with deletions in ~~strikeout~~:

A. All development, ~~including small lot subdivisions~~, is subject to design review as prescribed in Chapter 20.28 HMC, Article IV.

B. Notwithstanding the above, single-family dwellings on existing lots of record are not subject to this requirement, provided that when an applicant applies for more than three building permits for single-family dwellings on a block or on a block face within one year, the dwellings shall be subject to design review.

Section 9. Table 10 of Section 20.28.145. shall be amended as follows, with additions in underline:

Table 10 Permitted and conditionally permitted uses: PR, CD and CS Districts				
Permitted (P) and Conditionally Permitted (C) Uses	PR	CD	CS	Specific Use Regulations
Residential Uses				
Accessory dwelling unit	P	P	P	HMC § 20.20.010
Day care, general	--	C	C	
Day care, limited	--	P	P	
Homeless shelters	--	--	P	
Multifamily dwellings located on the same site as a commercial use – above ground floor	C	P	P	
Multifamily dwellings located on the same site as a commercial use – any floor	--	P	P	
Residential care, general	--	C	C	
Residential care, limited	--	P	P	
Single-room occupancy dwellings located on the same site as a commercial use – above ground floor	C	P	P	
Single-room occupancy dwellings located on the same site as a commercial use – any floor	--	P	P	
<u>Small lot subdivisions</u>	<u>--</u>	<u>P</u>	<u>P</u>	<u>HMC § 20.20.040</u>
Supportive housing	P	P	P	
Transitional housing	P	P	P	
Vacation rental	--	C	--	

[NO OTHER CHANGES TO TABLE 10 ARE PROPOSED]

Section 10. Table 11 of Section 20.28.150. shall be amended as follows, with additions in underline:

Table 11 Permitted and conditionally permitted uses: GMU District		
Permitted (P) and Conditionally Permitted (C) Uses		Specific Use Regulations
Residential Uses		
Accessory dwelling unit and junior accessory dwelling unit	P	HMC § <u>20.20.010</u>
Boarding house	C	
Day care, large family	P	
Day care, small family	P	
Duplex dwelling, one building per lot of record	P	
Employee housing for six or fewer employees in accordance with Cal. Health & Safety Code § 17000, et seq.	P	
Employee housing agriculture, seven to 12 agricultural employees	C	
Residential care, general	C	
Residential care, limited	P	
Single-family dwelling, detached	P	
Supportive housing	P	
<u>Small lot subdivisions</u>	<u>P</u>	<u>HMC § 20.20.040</u>
Transitional housing	P	
Vacation rental home	--	

[NO OTHER CHANGES TO TABLE 11 ARE PROPOSED]

Section 11. Table 12 of Section 20.28.155. shall be amended as follows, with additions in underline:

Table 12 Permitted (P) and conditionally permitted (C) uses: MU District		
Permitted (P) and Conditionally Permitted (C) Uses		Specific Use Regulations
Residential Uses		
Accessory dwelling unit and junior accessory dwelling unit	P	HMC § <u>20.20.010</u>
Employee housing for six or fewer employees in accordance with Cal. Health & Safety Code § 17000 et seq.	P	
Home occupations	P	HMC § <u>20.20.005</u>
Residential uses as part of a mixed use development	C	
Multifamily dwellings not part of a mixed use development	P	
Residential care, general	C	
Residential care, limited	P	
Single-family attached dwellings not part of a mixed use development	P	
<u>Small lot subdivisions</u>	<u>P</u>	<u>HMC § 20.20.040</u>

Table 12 Permitted (P) and conditionally permitted (C) uses: MU District		
Permitted (P) and Conditionally Permitted (C) Uses		Specific Use Regulations
Supportive housing	P	
Transitional housing	P	
Vacation rental homes	--	

[NO OTHER CHANGES TO TABLE 12 ARE PROPOSED]

Section 12. Title 20, Section 20.08.160. “Minimum development standards” shall be amended as follows, with additions in underline and deletions in ~~strikeout~~:

The following standards apply to development within the commercial zoning districts, except for small lot subdivisions as provided for by HMC § 20.20.040.

[NO CHANGES TO TABLE 13 ARE PROPOSED]

Section 13. Title 20, Section 20.08.165. “Maximum floor area ratio and site coverage” shall be amended as follows, with additions in underline and deletions in ~~strikeout~~:

The maximum floor area ratio and site coverage requirements for commercially zoned parcels are as follows, except for small lot subdivisions as provided for by HMC § 20.20.040:

[NO CHANGES TO TABLE 14 ARE PROPOSED]

Section 14. Environmental Compliance.

The City Council finds that the proposed ordinance Amendments implement Senate Bill 684 and Senate Bill 1123 and are not considered a project under the California Environmental Quality Act (CEQA), as provided in Government Code S

Sections 65852.28(e), 65913.4.5(b), and 66499.41(i).

Section 15. Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 16. Effective Date and Publication.

This Ordinance of the City of Healdsburg shall be effective thirty (30) days after the date of its passage. Before expiration of fifteen (15) days after its passage, this Ordinance or a summary thereof as provided for in Government Code Section 36933, shall be published at least once in a newspaper of general circulation published and circulated in the City of Healdsburg, along with the names of the City Council members voting for and against its passage.

INTRODUCED by the City Council of the City of Healdsburg on the 17th day of February, 2026, and PASSED and APPROVED at a regular meeting of the City Council on the ____ day of ____, 2026, by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk

Dated: _____



**CITY OF HEALDSBURG
CITY COUNCIL AGENDA STAFF REPORT**

MEETING DATE: February 17, 2026

SUBJECT: L&M Village Quarterly Report

PREPARED BY: Stephen Sotomayor, Housing Director

STRATEGIC INITIATIVE(S):

- Expand Affordable Housing Opportunities
- Provide Effective Governance

RECOMMENDED ACTION(S):

Receive the L&M Village Quarterly Update.

COMMUNITY ENGAGEMENT/OUTREACH:

This item will be heard at a public meeting where time is set aside for public comment and participation. City staff and Reach for Home will continue to keep open communication with the neighbors of the project and the community at large with quarterly updates and as information is requested or needed. The most recent quarterly report was presented to the City Council on October 6, 2025.

BACKGROUND:

On October 26, 2021, the County of Sonoma approved \$950,000 in Capital Match funding and \$3,388,660 in operating subsidy for the L&M Village as part of Project Homekey Round 2.

On December 21, 2021, the City, in partnership with Reach for Home and Burbank Housing, was awarded \$7,048,800 in Project Homekey funding by the State of California. The award included \$5,720,000 in capital funding and \$1,328,800 in operating subsidy.

On February 16, 2022, the City executed the State Standard Agreement and received the Project Homekey Round 2 program funds.

On May 3, 2022, the City closed escrow on the L&M Motel, bringing the property under City ownership.

On November 21, 2022, the City adopted Resolution No. 173-2022, approving the Lease, Funding, and Service Agreement with Reach for Home for the operation of the L&M Village. The agreement

established the Terms of Service and an annual project budget.

On October 30, 2024, the County of Sonoma executed an agreement with the City to provide operational funding for the L&M Village in the amount of \$101 per unit, per day (22 units), not to exceed \$644,160.

On February 10, 2025, the County executed a third modification to the operational funding agreement with the City to support L&M Village operations for Fiscal Year 2024–25, in an amount not-to-exceed \$1,263,570.

On September 17, 2025, the City submitted a proposal to the Sonoma County Department of Health Services in response to the Measure O Pathways to Sustainability Notice of Funding Availability (NOFA), requesting \$999,101 to continue operating the L&M Village.

On December 1, 2025, The City was notified that they were recommended to be awarded \$900,000 through the Measure O Pathways to Sustainability NOFA.

On February 10, 2026, the Sonoma County Board of Supervisors will consider approval of the recommended award through the Measure O Pathways to Sustainability NOFA.

DISCUSSION/ANALYSIS:

This report provides the City Council and the public with a quarterly update on the operational status, outcomes, trends, and financial standing of the L&M Village Program.

Since the last quarterly update presented to City Council on October 6, 2025, the L&M Village Program has continued to demonstrate measurable progress in addressing homelessness within the community. Much of this progress is attributable to the ongoing efforts of program case managers, who play a critical role in supporting participants through housing navigation, housing applications, service coordination, and stabilization.

Program Status and Operations

The L&M Village Program continues to provide interim housing and supportive services to individuals experiencing homelessness in Northern Sonoma County. Program capacity remains stable, and participants are remaining in interim housing for longer periods than in prior quarters. This trend reflects ongoing constraints in the regional housing market and employment barriers faced by program participants.

In response, Reach for Home continues to offer biweekly, on-site workshops focused on housing navigation, employment readiness, and skill development designed to support long-term housing stability and independence.

Point-in-Time Homeless Count

The 2026 Point-in-Time (PIT) Homeless Count took place on Friday, January 20, 2026. While the PIT Count represents a one-day snapshot and is not a comprehensive measure of homelessness throughout the year, it is a federally required tool used by the U.S. Department of Housing and Urban Development (HUD) and local jurisdictions to monitor trends and inform the allocation of

resources.

According to Reach for Home, preliminary results indicate that the community continues to experience a decline in the unsheltered population. While final PIT data has not yet been released, preliminary figures show that the number of unsheltered individuals in Healdsburg decreased from 12 in 2025 to seven in 2026. Preliminary results for the North County region indicate approximately 40 individuals experiencing unsheltered homelessness.

Final PIT Count results will be provided to City Council once the data has been finalized and publicly released.

Program Outcomes

Program outcome data continues to reflect strong engagement in services and positive housing and stabilization outcomes.

Since the last quarterly report, 13 participants were served through the L&M Village Program, and six participants successfully exited to permanent housing. Since program inception, a total of 121 participants have been served, with 62 participants successfully transitioning to housing. In addition, 31 participants have applied for and received housing vouchers since program inception, supporting transitions to permanent housing.

Health and wellness services remain a core component of the program. Since the last report, four participants accessed mental health services and 17 participants accessed medical services or appointments. Since program inception, 90 participants have accessed mental health services, and 121 participants have accessed medical services, reflecting broad utilization of healthcare resources coordinated through the program.

Economic stability outcomes also remain strong. Since the last report, 20 participants increased income through employment, and 11 participants increased income through public benefits or subsidy programs. Since program inception, 85 participants have increased income through employment, and 116 participants have increased income through subsidies, including programs such as CalFresh and Supplemental Security Income (SSI).

Participant engagement continues to remain high. Nearly 80 percent of participants are engaged in at least two program activities per week, and nearly 90 percent participate in weekly case management.

Activities include, but are not limited to:

- One-on-one counseling sessions
- Budgeting and cooking classes
- Employment search and placement support
- Interview preparation and clothing assistance
- Daily living skills training
- Housing search and application assistance
- Weekly healthcare visits provided by Providence Healthcare

- Participation in fentanyl awareness events
- On-site addiction recovery groups

Coordinated Local and Regional Efforts

Recent outcomes reflect coordinated strategies underway in North County and the City of Healdsburg, including the operation of L&M Village by Reach for Home, trauma-informed outreach and case management provided by the City’s CORE Team and Social Services Team, and the use of State Encampment Resolution Funding to support transitions from encampments into safer housing.

Together, these efforts continue to reduce unsheltered homelessness, increase access to services, and support progress toward housing stability.

Funding and Financial Status

To support ongoing operations, the City submitted an application to the Measure O Pathways to Sustainability Notice of Funding Availability (NOFA) requesting \$999,101.

On December 1, 2025, the City was notified that it was recommended for award in the amount of \$900,000 through the Measure O Pathways to Sustainability NOFA. The Sonoma County Board of Supervisors approved the recommended award on February 10, 2026.

The Measure O funding will support L&M Village operations for Fiscal Year 2025-26 and a small portion of Fiscal Year 2026-27, providing near-term operational stability. However, funding sustainability remains a key challenge. While Measure O funding helps bridge annual operating needs, the long-term viability of the program will require the pursuit of a multi-year operating agreement that is consistent with the County’s established operational funding framework for interim and supportive housing programs.

ENVIRONMENTAL STEWARDSHIP:

Not applicable.

ALTERNATIVES:

This item is intended to serve as an informational update on the L&M Village project; therefore, no action is required

FISCAL IMPACT:

The previous County of Sonoma operational funding agreement expired on June 30, 2025. The adopted budget for Fiscal Year 2025–26 includes appropriations from the Measure S Affordable Housing Fund to fully support L&M Village operating costs on an interim basis.

To support ongoing operations, the City submitted an application on September 17, 2025, in response to the Measure O Pathways to Sustainability Notice of Funding Availability (NOFA), requesting \$999,101 to support L&M Village operations. On December 1, 2025, the City was notified that it was recommended for award in the amount of \$900,000 through the Measure O Pathways to Sustainability NOFA. The Sonoma County Board of Supervisors approved the recommended award on February 10, 2026.

The Measure O Pathways funding will support L&M Village operations for Fiscal Year 2025–26 and a small portion of Fiscal Year 2026–27, providing near-term operational stability. However, funding sustainability remains a key consideration. While Measure O funding would address short-term operating needs, the long-term viability of the L&M Village Program will require pursuit of a multi-year operating agreement that is consistent with the County’s established operational funding framework for interim and supportive housing programs.

ENVIRONMENTAL ANALYSIS:

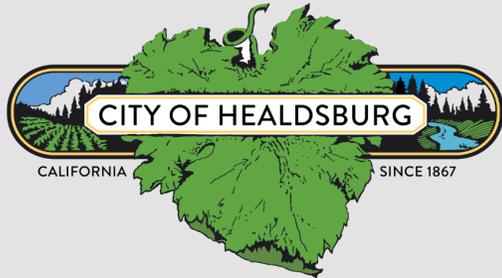
Pursuant to Title 14, the California Code of Regulations, Section 15378(b)(5) of the California Environmental Quality Act (“CEQA”) guidelines, the proposed action is an administrative activity of the City that will not result in direct or indirect physical changes to the environment

ATTACHMENT(S):

PowerPoint Presentation

L&M Quarterly Update

February 17, 2026





Overview

- **Highlights**
- **Point-In-Time Homeless Count**
- **Program Outcomes**
- **Supportive Services Offered**
- **Financial Status**
- **Conclusion & Future Activities**

Highlights

- Program Outcomes
 - Interim-Housing Units for Northern Sonoma County residents remains at 46.
 - Keep People Housed helped over 42 households were assisted in 2025 totaling \$111,500 in assistance
 - Point-in-Time Count – January 2026 preliminary information
 - Focus shifting to functional zero for chronically homeless
 - Inflow/outflow thresholds for overall functional zero
- Staffing Updates
 - Housing Navigator/Property Manager left for a career in mental health.
 - Hired from within but will need a Case Manager to backfill.
 - Russian River Keepers are continuing to keep the river clean and free of unauthorized access.

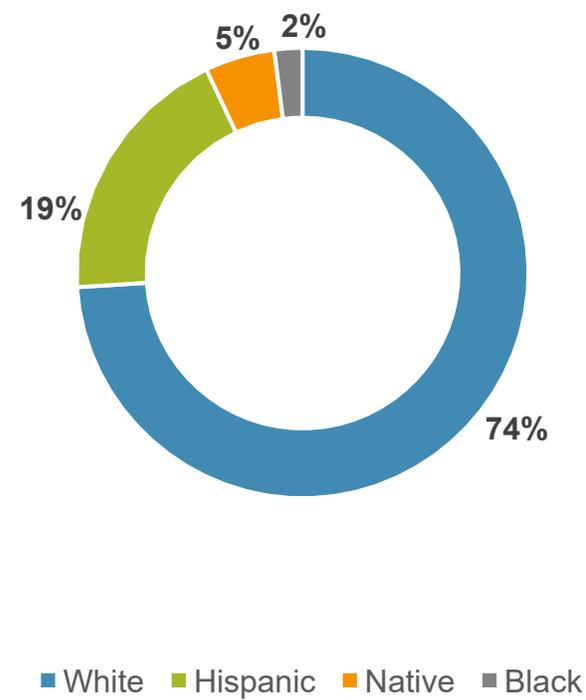
Program Outcomes



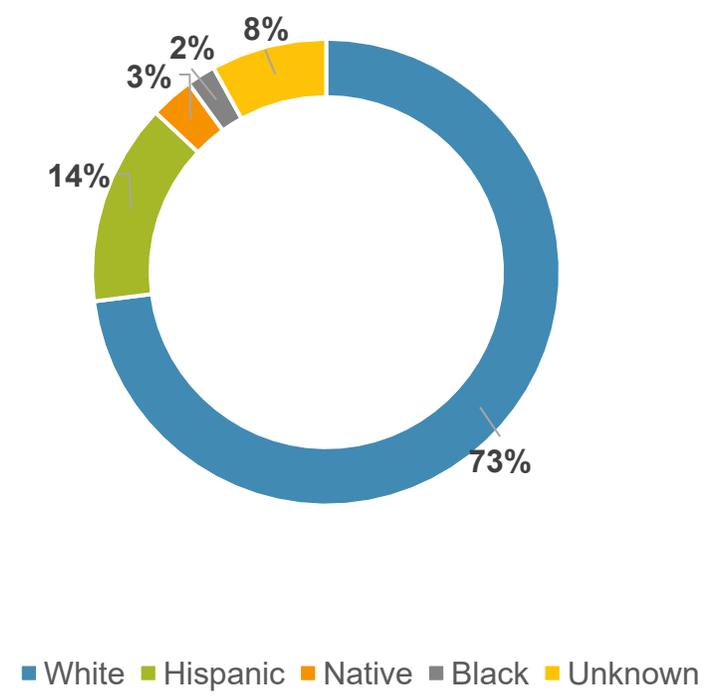
Data Point	Since Last Report	L&M Village Totals Since Program Start
Participants Served	13	121
Successful Exits to Housing	6	62
Housing Voucher Applications	0	31
Health & Wellness - Accessed Mental Health	4	90
Health & Wellness - Accessed Medical Services/Appointments	17	121
Income Progress - Income Increase by Employment	20	85
Income Progress - Income Increase by Utilizing Subsidies (Food Stamps/SSI)	11	116

Occupancy By Race/Ethnicity

Occupancy By Race & Ethnicity L&M Village



Race & Ethnicity of Those Experiencing Homelessness Healdsburg



Supportive Services Offered

- **Nearly 80% of participants engaged in at least 2 activities/week**
- One-on-one counseling sessions
- Food pantry access
- Budgeting and cooking classes
- Employment search support
- Haircut services
- Interview clothing assistance
- Daily living skills training
- Housing search and application classes
- Weekly healthcare visits by Providence Healthcare
- Active participation in Fentanyl awareness events
- Collaboration with Face to Face for HIV testing
- Addiction recovery group on-site



Homekey Funding

Funding Sources	Amount	Status	Use
Homekey Capital	\$6,168,000	Awarded	Acquisition/Construction
Homekey Operations	\$660,800	Awarded	L&M Operations
County Capital Match	\$950,000	Awarded	Acquisition/Construction
Early Occupancy Bonus	\$220,000	Awarded	Operations
County Operating	\$1,263,570	Awarded	Operations FY 23-24 & FY 24-25
Total	\$9,262,370		
Measure O Pathways to Sustainability	\$900,000	BOS Consideration Scheduled for 2/10/26	Operations

Conclusion & Future Activities

Challenges

- Additional Interim-Housing Units
- Permanent Supportive Housing Units
- Unrestricted funding/Multi-Year Contracts

Opportunities

- Employment connections
- Dry Creek Commons set-asides
- Heritage Park in Windsor
- Measure O Pathways

Discussion & Questions





CITY OF HEALDSBURG CITY COUNCIL AGENDA STAFF REPORT

MEETING DATE: February 17, 2026

SUBJECT: Fiscal Year 2025-26 Mid-Year Financial Update

PREPARED BY: Katie Edgar, Finance Director

STRATEGIC INITIATIVE(S):

- Provide Effective Governance

RECOMMENDED ACTION(S):

Adopt a Resolution approving amendments to the Fiscal Year 2025-26 Adopted Budget.

COMMUNITY ENGAGEMENT/OUTREACH:

Not Applicable.

BACKGROUND:

The purpose of this report is to provide an overview of the financials through the second quarter of Fiscal Year 2025-2026. On November 17th, 2025, City staff provided the City Council with an update on the first quarter financial results for the 2025-26 fiscal year. On February 2nd, 2026, City staff provided the City Council with an overview of the budget development plan for the upcoming two fiscal years. The report shows activity throughout the second quarter of the year from July 1, 2025, through December 31, 2025.

DISCUSSION/ANALYSIS:

The scope of this report is limited to the General Fund, Community Services Fund, Measure T Fund, Water Fund, Wastewater Fund, and Electric Fund.

General Fund Revenue and Expenses:

Second quarter General Fund revenues equaled \$10,231,528 or 51% of the adopted budget totaling \$19,915,248. The City receives revenue disbursements at various intervals based on the source of revenue. The December disbursement of Sales Tax revenue is not included as it will be disbursed in late February.

The following notable sources of revenue were received through the second quarter:

Transfer Tax: The City received \$92,060 in transfer tax revenue through the second quarter,

68% of the total fiscal year budget of \$135,000. The total number of property transfers has remained low in comparison to the prior year, however a few large transactions have pushed the average price per transaction up. Staff are not proposing any amendments to the budget at this time but will continue monitoring activity for any necessary updates during the third quarter review.

Sales Tax: The City received \$2,309,965 in sales tax revenue through November, 41% of the total fiscal year budget of \$5,682,925. The December disbursement will be distributed in late February. Sales tax revenues are trending in alignment with the adjusted budget, which reflects a 1.5% year-over-year decline.

Business License Tax: The City received \$66,891 in revenue out of a total budget of \$265,000. Renewals of business licenses for the period of Fiscal Year 2025-26 began in May and all renewals were due prior to June 30, 2025. City staff have embarked on an enforcement campaign this year by actively following up with businesses within City limits that have failed to renew their licenses. The revenue received for the first half of the year is largely associated with late renewals and ongoing new business registrations. The bulk of the business license renewal revenue is anticipated in quarter four when the next years renewal period begins.

Cannabis Business Tax: The two licensed cannabis retail business locations are fully open and in the first half of the year the City received \$70,470 in revenue trending in alignment with the amended budget.

Franchise Fees: The City received \$339,560 in franchise fees through December, 38% of the total fiscal year budget of \$883,311. The revenues do not include the PG&E revenue that is received annually in April or the second quarterly disbursement from Comcast. Accounting for the timing of these revenues, they appear to be trending in alignment with the amended budget.

Transient Occupancy Tax (TOT): The City received \$790,792 in total TOT revenue during the first half of the year, 51% of the total fiscal year budget of \$1,537,959. Revenues for the first half of the year are trending slightly below budget projections. Staff are proposing to amend the budget to reduce revenues by \$50,600.

½ Cent Sales Tax PSAF – The City received \$93,899 in Public Safety Augmentation Fund revenue from the County, 51% of the total amended fiscal year budget.

Development Fees: The City received \$1,010,130 in development-related activity fees, accounting for 60% of the total budget. Development fees are largely collected at the time of building permit issuance which can vary throughout the year dependent upon development timelines. In the first quarter staff amended the budget due to the issuance of building permits for three large development projects and an increase in permit applications for single-family homes. Revenues are continuing in line with the amended budget and staff will continue monitoring activity for any unanticipated changes in the pace of development.

Charges for Services: The City received \$943,311 in charges for miscellaneous discretionary services, 75% of the total \$1,253,956 budget. This category accounts for various annual billings that result in a variable revenue stream based on the billing timelines. Through the mid-year revenues appear to be trending largely in line with the amended budget and staff will continue monitoring and propose any necessary adjustments at the third quarter.

Intergovernmental Revenues: The City received \$176,658 in state and federal grant revenues through the second quarter, 46% of the adopted budget of \$382,500.

Interest: Unrestricted interest revenue through the second quarter totaled \$87,390, 43% of the adopted \$205,111 budget. Due to the timing of disbursements, interest earnings from the Local Agency Investment Fund (LAIF) for the second quarter are not included in figures and, when adjusted to account for those earnings, revenue appears to be trending in alignment with budget. Restricted interest revenues representing interest earned on assets in the Pension Stabilization Trust Fund totaled \$127,274, 67% of the adopted budget of \$191,248.

Mid-year expenses for the General Fund are summarized in the following table:

Department	Activity Through December 31, 2025	Total Budget	% Expended
City Council	\$140,630	\$280,954	50%
Legal Services	\$364,748	\$700,000	52%
City Manager's Office	\$1,010,634	\$2,370,177	43%
Finance	\$1,218,594	\$2,681,366	45%
Planning	\$1,242,535	\$2,416,629	51%
Police	\$4,389,766	\$9,026,954	49%
Fire	\$2,911,384	\$5,436,349	54%
Public Works	\$48,998	\$72,550	68%
Non Departmental	\$(1,658,900)	\$(2,323,939)	71%
TOTAL	\$9,668,389	\$20,661,040	47%

*Non-departmental expenses include scheduled transfers between the General Fund and other funds.

In aggregate, the General Fund expenses by department are trending in line with expectations at 47% expended. When adjusted to remove the non-departmental expenses which account for the cost allocation plan that effectively allocates the cost of supportive service departments like City Manager's Office, Legal Services, and Finance among the other departments and funds that they support and transfers to other funds, actual departmental expenses are at 49% of the adopted budget.

Community Services Fund Revenue and Expenses:

Community Services Transient Occupancy Tax revenue for the first half of the year totaled \$3,953,958, 51% of the total \$7,689,796 budget. Due to seasonality in the hospitality industry the

City typically receives about 54.5% of its total TOT revenue during the first half of the year. Revenues in the second quarter picked up significantly compared to the first quarter's returns with October and November returns reflecting promising year-over-year growth driven largely by the addition of the new Appellation Hotel. Staff are optimistic that the growth will continue, however, staff are proposing to reduce the adopted budget by \$253,000 to realign with the current projections. The remaining program revenue for Community Services totaled \$468,120, representing 40% of the adopted budget.

Community Services Fund expenses totaled \$4,249,438 through the second quarter, representing 44% of the total fiscal year budget. Second quarter expenses by program are as follows:

Expense By Program	Activity Through December 31, 2025	Total Budget	% Expended
General Administration	\$2,369,279	\$4,737,139	50%
Recreation Programs	\$328,839	\$396,246	83%
ASES After School Program	\$141,766	\$304,250	47%
Community Center	\$142,072	\$281,242	51%
Senior Services	\$145,105	\$342,169	42%
Parks and Trails	\$282,347	\$716,909	39%
Open Space	\$1,436	\$60,500	2%
School Facility Maintenance	\$20,754	\$49,500	42%
Swim Center	\$106,732	\$141,450	75%
Arts and Culture	\$18,854	\$77,500	24%
Contracted Facility Operations	\$41,321	\$103,699	40%
Special Events	\$140,859	\$249,000	57%
Foley Pavilion	\$11,872	\$ -	NA
Non Departmental	\$498,203	\$2,264,448	22%

Staff are proposing two amendments to the Community Services Operating Fund for the Arts and Culture program. Due to the timing of the Arts and Culture Commission foundation there was insufficient time in the prior fiscal year to complete the planned initiatives and the budget allocation for approximately \$46,000 remained unspent at the end of the fiscal year. Additionally, in the first half of the year, part time staff costs to support the commission have exceeded the adopted budget. Staff are proposing to increase the Community Services expenditure budget by \$46,000 to support additional Arts & Culture division initiatives and supporting staff time.

Community Services Fund Balance			
	FY 24-25 Audited Actuals	FY 25-26 Adopted Budget	FY 25-26 Revised Budget
Beginning Fund Balance	\$ 4,104,198	\$ 4,568,207	\$ 4,568,207
Revenue	8,647,594	8,872,901	8,619,901
Expenditure - Operations	8,139,407	8,598,341	8,644,341
Expenditure - Capital	44,177	1,160,265	1,160,265
Estimated Ending Fund Balance	\$ 4,568,207	\$ 3,682,502	\$ 3,383,502
Change in Ending Fund Balance	\$ 464,010	\$ (885,705)	\$ (1,184,705)
<u>Components of Fund Balance</u>			
Reserve Policy (30%)	\$ 2,441,822	\$ 2,579,502	\$ 2,593,302
Pension Stabilization	526,823	535,781	535,781
Unallocated Fund Balance	\$ 1,599,562	\$ 567,219	\$ 254,419
% of annual expenditures	50%	37%	33%

Measure T Fund Revenue and Expenses:

Measure T revenue through November totaled \$1,138,199 40% of the adopted budget of \$2,896,000. The December disbursement of Measure T revenue is anticipated in late February and is expected to trend in line with the current budget. Overall Measure T revenue has been more resilient than the Bradley Burns Sales Tax allocations due to the increased opportunities available from earning taxes based on online shopping in addition to the brick-and-mortar stores located within the city.

Measure T revenue was allocated by City Council during the biennial budget process and expenses through the first half of the year total \$986,380, 17% of the adopted budget of \$5,763,627. \$3,713,631 or 67% of the adopted budget is supporting various capital projects including the two major projects, Healdsburg Ave Complete Streets Project and the Grove Street Neighborhood Plan Implementation Project. The timing of capital project expenditures is based on the construction timeline and varies greatly; however, the remaining Measure T expenses are trending in alignment with budget.

In the prior fiscal year, the Fire Substation project was completed under the adopted budget and approximately \$518,000 of Measure T appropriations were released and are now represented in the chart below as available fund balance. There are several capital projects that are out to bid, and staff have identified funding shortfalls on each project that will require additional Measure T funding. Staff will return to council at the time of construction contract award to request additional funding as needed.

Measure T Fund Balance		
	FY 24-25 Audited Actuals	FY 25-26 Adopted Budget
Beginning Fund Balance	\$ 5,434,565	\$ 3,927,535
Revenue	3,043,708	2,896,000
Expenditure	4,550,737	5,763,627
Estimated Ending Fund Balance	\$ 3,927,535	\$ 1,059,908
Change in Ending Fund Balance	\$ (1,507,030)	\$ (2,867,627)
Unallocated Fund Balance	\$ 3,927,535	\$ 1,059,908
% of annual expenditures	191.7%	51.7%

Water Fund Revenue and Expenses:

Total revenue for the Water Fund was \$4,885,858, 56% of the total \$8,661,416 budget for the year. The mid-year revenues reflect the updated utility rates and continue to trend ahead of the adopted budget. Total consumption for the second quarter was largely aligned with the seasonal five-year trend; however, the usage characteristics continue to change. While overall water consumption was down, residential usage trends shifted sharply, with a reduction in Tier 1 usage and an increase in Tier 2 and Tier 3 usage. Based on the data it can be deduced that the average water user has reduced their consumption, but the high users have increased their consumption. Staff are not proposing any additional adjustments at this time but will continue watching usage patterns closely through the third quarter.

Expenses at the close of the second quarter totaled \$3,545,777, 38% of the total \$9,316,946 budget for the year. When adjusted to account for the \$2.7 million in capital project funding, operations expenses are at 48% for the second quarter.

Water Fund Balance		
	FY 24-25 Audited Actuals	FY 25-26 Adopted Budget
Beginning Working Capital	\$ 3,253,755	\$ 4,849,102
Revenue	8,452,516	8,661,416
Expenditure - Operations	6,363,031	6,647,192
Expenditure - Capital	494,136	2,669,754
Estimated Ending Working Capital	<u>\$ 4,849,102</u>	<u>\$ 4,193,572</u>
Change in Working Capital	\$ 1,595,348	\$ (655,530)
<u>Components of Fund Balance</u>		
Reserve Policy (25%)	\$ 1,590,758	\$ 1,661,798
Rate Stabilization Reserve	1,000,000	1,000,000
Pension Stabilization	608,917	630,836
Remaining Working Capital	<u>1,649,428</u>	<u>900,938</u>
Total	<u>\$ 4,849,102</u>	<u>\$ 4,193,572</u>

Wastewater Fund Revenue and Expenses:

Total revenue for the Wastewater Fund was \$5,021,479 in the first half of the year, 47% of the \$10,758,368 budget. Revenues reflect the updated utility rates and are trending slightly below seasonal expectations. Expenses for the second quarter totaled \$4,867,285 46% of the total \$10,626,658 budget. When adjusted to account for \$1.6 million in capital project funding and \$1.8 million in debt service expenses the operating costs are at 44% of the adopted budget. Staff are not proposing any adjustments at this time.

Wastewater Fund Balance		
	FY 24-25 Audited Actuals	FY 25-26 Adopted Budget
Beginning Working Capital	\$ 2,973,137	\$ 4,287,312
Revenue	9,723,480	10,758,638
Expenditure - Operations	8,174,089	8,726,646
Expenditure - Capital	235,216	1,900,012
Estimated Ending Working Capital	<u>\$ 4,287,312</u>	<u>\$ 4,419,292</u>
Change in Working Capital	\$ 1,314,175	\$ 131,980
<u>Components of Fund Balance</u>		
Reserve Policy (25%)	\$ 2,043,522	\$ 2,181,662
Rate Stabilization Reserve	1,000,000	1,000,000
Pension Stabilization	733,308	759,704
Remaining Working Capital	510,482	477,927
Total	<u>\$ 4,287,312</u>	<u>\$ 4,419,292</u>

Electric Fund Revenue and Expenses:

Total revenue through December for the Electric Fund was \$9,544,021, 54% of the total \$17,766,071 budget. Utility rate revenues for the first half of the year are trending ahead of the adopted budget and reflect increased usage in the second quarter. Second quarter usage is about 1% lower than the prior year but 7% higher than the prior five-year average. The data suggests that the rise in consumption experienced in the previous year is being sustained due to new users being added to the grid and compounding the effects of seasonal consumption shifts experienced in the winter months. The City has also continued to received revenue from the sale of renewable energy credits approved by City Council in December 2023, with \$889,266 in revenue from these sales in the first half of the year and over \$2.8 million to date. Expenses totaled \$8,351,487, 37% of the total \$22,460,008 budget. When adjusted to account for \$6.1 million in capital project funding the operating expenses for the first half of the year are 49% of the adopted budget. Staff are not proposing any adjustments at this time.

Electric Fund Balance		
	FY 24-25 Audited Actuals	FY 25-26 Adopted Budget
Beginning Working Capital	\$ 15,230,831	\$ 19,948,635
Revenue	20,200,118	17,746,367
Expenditure - Operations	15,274,229	16,335,371
Expenditure - Capital	208,084	6,124,637
Estimated Ending Working Capital	<u>\$ 19,948,635</u>	<u>\$ 15,234,994</u>
Change in Working Capital	\$ 4,717,804	\$ (4,713,641)
<u>Components of Fund Balance</u>		
Reserve Policy (50%)	\$ 7,637,115	\$ 8,167,686
Reserve Policy (\$4 Million Capital)	4,000,000	4,000,000
Pension Stabilization	1,047,292	1,084,990
Remaining Working Capital	7,264,229	1,982,319
Total	\$ 19,948,635	\$ 15,234,994

ENVIRONMENTAL STEWARDSHIP:

Not applicable.

ALTERNATIVES:

City Council could choose not to approve the proposed budget amendments. If this action is taken staff requests additional direction.

FISCAL IMPACT:

The revenue adjustment proposed in the General Fund reduces the net position by \$50,600 and results in a fund balance projected at 31% of annual expenditures. The revenue and expenditure adjustments proposed in the Community Services Operating Fund reduce the net position by \$299,000 and result in a fund balance projected at 33% of annual expenditures. There are no proposed amendments to the Water and Wastewater Operating Funds, and both funds are projected to fully fund their respective reserve targets. The proposed change in the Electric Operating Fund reduces the net position by \$3,242 and the fund is projected to fully fund all reserve targets. The proposed amendment to reduce Transient Occupancy Tax revenue will reduce the net position of the Measure S Affordable Housing Fund by \$50,600.

ENVIRONMENTAL ANALYSIS:

Receiving a fiscal update from City staff is an administrative activity, which is not considered a 'project' as defined by the California Environmental Quality Act ("CEQA") (CEQA Guidelines §15378). Consequently, no CEQA action is required.

ATTACHMENT(S):

Resolution

Exhibit A - Budget Amendments

Attachment A - General Fund Revenue and Expenses

Attachment B - Community Services Fund Revenue and Expenses

CITY OF HEALDSBURG

RESOLUTION NO. ___-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG AMENDING THE FISCAL YEAR 2025-26 BUDGET.

WHEREAS, on June 3, 2024, the City Council adopted the 2024-26 biennial budget; and

WHEREAS, on November 17, 2025 the City Council received the first quarter financial update and adopted Resolution No. 103-2025 amending the budget to realign various revenues and expenditures with current trends; and

WHEREAS, at the first quarter financial update there was insufficient transient occupancy tax revenue data available to ascertain an accurate trend; and

WHEREAS, transient occupancy tax revenues are reflecting year over year growth, however at the mid-year they are still trending below the adopted budget; and

WHEREAS, the Arts and Culture program has several initiatives that require additional funding.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Healdsburg does hereby approve amending the Fiscal Year 2025-26 budget as depicted on the attached Exhibit A.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Healdsburg this 17th day of February 2026 by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk

FY 25-26 BUDGET AMENDMENTS			
GENERAL FUND			
Account Number	Increase Amount	Decrease Amount	Description
101-1000-32107-00000		\$ 50,600	Decrease Transient Occupancy Tax Revenue
MEASURE S AFFORDABLE HOUSING FUND			
Account Number	Increase Amount	Decrease Amount	Description
106-1000-32107-00000		\$ 50,600	Decrease Transient Occupancy Tax Revenue
ELECTRIC CAPITAL FUND			
Account Number	Increase Amount	Decrease Amount	Description
542-1000-39001-00000	\$ 3,242		Increase Transfer in from Electric Capital Fund for Project ER008
ELECTRIC OPERATING FUND			
Account Number	Increase Amount	Decrease Amount	Description
540-8080-42301-00000	\$ 3,242		Increase Transfer out to Electric Capital Fund for Project ER008
COMMUNITY SERVICES OPERATING FUND			
Account Number	Increase Amount	Decrease Amount	Description
585-3001-32107-00000		\$ 253,000	Decrease Transient Occupancy Tax Revenue
585-3038-41105-00000	\$ 10,000		Increase Part Time Wages for Arts & Culture Program
585-3038-44501-00000	\$ 36,000		Increase Operational Expense for Arts & Culture Program

Attachment A: General Fund Revenue and Expenses

As of December 31, 2025

Revenue	Activity Through December 31, 2025	Total Budget	Amount Remaining	% Received
Property Tax	\$ 2,248,923	\$ 3,370,784	\$ 1,121,861	67%
Property Transfer Tax	\$ 92,060	\$ 135,000	\$ 42,940	68%
Vehicle License Fee Swap	\$ 1,124,242	\$ 2,118,836	\$ 994,594	53%
Sales Tax	\$ 2,309,965	\$ 5,682,925	\$ 3,372,960	41%
Business License Tax	\$ 66,891	\$ 265,000	\$ 198,109	25%
Cannabis Business Tax	\$ 70,470	\$ 137,000	\$ 66,530	51%
Franchise Fees	\$ 339,560	\$ 883,311	\$ 543,751	38%
TOT	\$ 790,792	\$ 1,537,959	\$ 747,167	51%
Sales Tax - PSAF	\$ 93,899	\$ 185,890	\$ 91,991	51%
Development Fees and Permits	\$ 1,010,130	\$ 1,682,272	\$ 672,142	60%
Intergovernmental Revenue	\$ 176,658	\$ 382,500	\$ 205,842	46%
Charges for Services	\$ 943,311	\$ 1,253,956	\$ 310,645	75%
Unrestricted Interest	\$ 87,390	\$ 205,111	\$ 117,721	43%
Restricted Interest	\$ 127,274	\$ 191,248	\$ 63,974	67%
Rent Received	\$ 42,101	\$ 250,916	\$ 208,815	17%
Misc Fees and Charges	\$ 102,846	\$ 241,961	\$ 139,115	43%
Fines and Collections	\$ 58,228	\$ 47,000	\$ (11,228)	124%
Transfers In	\$ 546,789	\$ 1,343,579	\$ 796,790	41%
TOTAL	\$ 10,231,528	\$ 19,915,248	\$ 9,683,720	51%

Expense By Department	Activity Through December 31, 2025	Total Budget	Amount Remaining	% Expended
City Council	\$ 140,630	\$ 280,954	\$ 140,324	50%
Legal Services	\$ 364,748	\$ 700,000	\$ 335,252	52%
City Manager's Office	\$ 1,010,634	\$ 2,370,177	\$ 1,359,544	43%
Finance	\$ 1,218,594	\$ 2,681,366	\$ 1,462,772	45%
Planning	\$ 1,242,535	\$ 2,416,629	\$ 1,174,094	51%
Police	\$ 4,389,766	\$ 9,026,954	\$ 4,637,188	49%
Fire	\$ 2,911,384	\$ 5,436,349	\$ 2,524,965	54%
Public Works	\$ 48,998	\$ 72,550	\$ 23,552	68%
Non Departmental	\$ (1,658,900)	\$ (2,323,939)	\$ (665,039)	71%
TOTAL	\$ 9,668,389	\$ 20,661,040	\$ 10,992,652	47%

Summary	Activity Through December 31, 2025	Total Budget	Amount Remaining
Total Revenue	\$ 10,231,528	\$ 19,915,248	\$ 9,683,720
Total Expenses	\$ 9,668,389	\$ 20,661,040	\$ 10,992,652
Difference	\$ 563,139	\$ (745,792)	\$ (1,308,931)

Attachment B: Community Services Fund Revenue and Expenses

As of Decemeber 31, 2025

Revenue	Activity Through December 31, 2025	Total Budget	Amount Remaining	% Received
Transient Occupancy Tax	\$ 3,953,958	\$ 7,689,796	\$ 3,735,838	51%
Other Revenue	\$ 958	\$ 36,170	\$ 35,212	3%
St Grants	\$ 118,280	\$ 220,000	\$ 101,720	54%
Fees & Charges	\$ 10,437	\$ 2,500	\$ (7,937)	417%
Admission and Passes	\$ 14,483	\$ 28,000	\$ 13,517	52%
Program Revenue	\$ 69,270	\$ 291,500	\$ 222,230	24%
Contracted Program Revenue	\$ 40,303	\$ 105,000	\$ 64,697	38%
Special Events	\$ 20,355	\$ 75,000	\$ 54,645	27%
Event Permits	\$ 3,188	\$ 20,000	\$ 16,812	16%
Advertising	\$ 560	\$ -	\$ (560)	N/A
Program Sponsorships	\$ 11,123	\$ 50,500	\$ 39,377	22%
Reimbursement for Services	\$ 18,348	\$ 49,500	\$ 31,152	37%
Field Rental	\$ -	\$ 5,750	\$ 5,750	0%
Facility Rental	\$ 12,807	\$ 31,675	\$ 18,868	40%
Facility Long term Lease	\$ 16,506	\$ 34,425	\$ 17,919	48%
Interest Income	\$ 130,535	\$ 227,585	\$ 97,050	57%
Contributions & Donations	\$ 967	\$ 5,500	\$ 4,533	18%
TOTAL	\$ 4,422,078	\$ 8,872,901	\$ 4,450,823	50%

Expense By Program	Activity Through December 31, 2025	Total Budget	Amount Remaining	% Expended
General Administration	\$ 2,369,279	\$ 4,737,139	\$ 2,367,860	50%
Recreation Programs	\$ 328,839	\$ 396,246	\$ 67,407	83%
ASES After School Program	\$ 141,766	\$ 304,250	\$ 162,484	47%
Community Center	\$ 142,072	\$ 281,242	\$ 139,170	51%
Senior Services	\$ 145,105	\$ 342,169	\$ 197,064	42%
Parks and Trails	\$ 282,347	\$ 716,909	\$ 434,562	39%
Open Space	\$ 1,436	\$ 60,500	\$ 59,064	2%
School Facility Maintenance	\$ 20,754	\$ 49,500	\$ 28,746	42%
Swim Center	\$ 106,732	\$ 141,450	\$ 34,718	75%
Arts and Culture	\$ 18,854	\$ 77,500	\$ 58,646	24%
Contracted Facility Operations	\$ 41,321	\$ 103,699	\$ 62,378	40%
Special Events	\$ 140,859	\$ 249,000	\$ 108,141	57%
Foley Pavilion	\$ 11,872	\$ -	\$ (11,872)	NA
Non Departmental	\$ 498,203	\$ 2,264,448	\$ 1,766,246	22%
TOTAL	\$ 4,249,438	\$ 9,724,052	\$ 5,474,614	44%

Summary	Activity Through December 31, 2025	Total Budget	Amount Remaining
Total Revenue	\$ 4,422,078	\$ 8,872,901	\$ 4,450,823
Total Expenses	\$ 4,249,438	\$ 9,724,052	\$ 5,474,614
Difference	\$ 172,640	\$ (851,151)	\$ (1,023,792)



CITY OF HEALDSBURG CITY COUNCIL AGENDA STAFF REPORT

MEETING DATE: February 17, 2026

SUBJECT: March Avenue Reconstruction and Pedestrian Upgrades Project Bid Award and Approval of a Cooperative Funding Agreement with Sonoma County Transportation and Climate Authority

PREPARED BY: Clay Thistle, Senior Engineer

STRATEGIC INITIATIVE(S):
Maintain and Improve Infrastructure and Facilities

RECOMMENDED ACTION(S):

Adopt a Resolution conditionally awarding the March Avenue Reconstruction and Pedestrian Upgrades Project to Argonaut Constructors, Inc. in the amount of \$2,427,215.15, authorizing the City Manager to execute the contract and negotiate and approve contract change orders up to 15% of the original contract amount, approving a Cooperative Funding Agreement with Sonoma County Transportation and Climate Authority in the amount of \$700,000, authorizing the City Manager to execute the Agreement and amending the Fiscal Year 2025-2026 Adopted Budget.

COMMUNITY ENGAGEMENT/OUTREACH:

As part of the design phase, notices were mailed to adjacent properties informing them of the project, public engagement opportunities, the project schedule, how to provide input, and direct contact information for the City project manager.

Additionally, the City hosted a community meeting at Fitch Mountain Elementary School to share information about the project and gather input from businesses and residents along the corridor and the broader community. Approximately 60 people attended the meeting.

The Project was advertised for public bidding in the Santa Rosa Press Democrat and on the City's website.

Prior to beginning construction, advance notices will be provided to adjacent properties. They will advise of potential impacts, parking restrictions, and the planned work duration. The City project manager's direct contact information will be provided for additional information and for any concerns that arise during the construction process.

BACKGROUND:

March Avenue is a primary east/west route within the City. It serves as access to schools and health care among other destinations. The pavement has been sealed numerous times and suffers from wearing and delamination of the multiple seal layers. Reconstruction of the pavement is needed. Many of the curb ramps do not comply with current standards and need upgrading. Opportunities to cross March Avenue are limited to a single crossing at Lupine Road. Additional crossing and crossing enhancements are recommended.

In April of 2024, the City was awarded \$700,000 as part of the Sonoma County Transportation and Climate Authority (SCTCA) Funding Program Cycle 1 for construction of bicycle and pedestrian improvements as part of the March Avenue Reconstruction and Pedestrian Upgrades Project. In order to receive the funds, it is necessary to execute a cooperative funding agreement with SCTCA.

The March Avenue Reconstruction and Pedestrian Upgrades Project will replace water services and fire hydrant laterals prior to reconstructing the roadway pavement and making pedestrian and bicycle upgrades along March Avenue between Healdsburg Avenue and University Street. Pedestrian upgrades include installation of ADA compliant curb ramps at all intersections along with curblin bulb-outs and Rectangular Rapid Flashing Beacon enhanced crossings at Lupine Road and Prentice Drive. Bicycle improvements include a two-foot striped buffering of the bike lane and green bike lane paint at conflict points approaching intersections. The project will improve intersection visibility at Lily Street and Tulip Court by removing limited parking and replacing it with increased width bike lane buffers along with drainage improvements at Daisy Street.

On December 12, 2025, and December 17, 2025, the March Avenue Reconstruction and Pedestrian Upgrades Project was advertised and bids were opened on January 22, 2026.

DISCUSSION/ANALYSIS:

A notice inviting bids was advertised in accordance with all applicable procedures, and the City received six (6) bids. The lowest apparent and responsive bid was from Argonaut Constructors, Inc. in the amount of \$2,427,215.15. The other bids received ranged from the apparent second lowest bid of \$2,687,111.25 to the highest bid of \$3,802,356.00. The lowest bid was lower than the engineer's estimate of \$2,967,000.00 by approximately 18% which can be attributed to the current competitive bidding climate with the construction industry.

The bid from Argonaut Constructors, Inc. satisfies the bidding requirements for the project as described in the bid instructions. There are no irregularities with the bid and no protests to the bid have been filed as of the time of this report. Staff has verified that Argonaut Constructors, Inc. possesses the required license and is otherwise qualified to complete the project.

Construction is anticipated to begin in March 2026 and be completed within 9 months.

ENVIRONMENTAL STEWARDSHIP:

Recycling will be used to divert much of the construction waste from the landfill. Concrete and asphalt removed will be delivered to local recyclers for reuse in new paving and concrete products.

ALTERNATIVES:

The City Council could choose to reject all bids and direct staff to postpone the project. However, this would leave the roadway to continue to fail and jeopardize the \$700,000 in SCTCA funding.

FISCAL IMPACT:

The proposed contract is for \$2,427,215 and staff recommend that the City Council authorize an additional 15% contingency of \$364,082 for unforeseen conditions and potential additional costs bringing the total construction amount to \$2,791,297. An additional \$279,129 equating to 10% of the construction amount is estimated for staff time to complete inspections and construction management for a total construction phase budget of \$3,070,426.

The adopted budget for the March Avenue Reconstruction Project ST013 includes \$2,410,300 in appropriations. Approximately \$281,270 has been spent on design phase with \$2,129,030 remaining for construction resulting in a shortfall of \$941,396. Staff recommend amending the Fiscal Year 2025-26 Budget to appropriate funding of \$615,643 from SB1 RMRA Fund, \$193,100 from the Water Operating Fund, and \$132,654 from the Measure T Fund to support the project. There are sufficient funds available in the respective funds to support the project.

ENVIRONMENTAL ANALYSIS:

The March Avenue Reconstruction and Pedestrian Upgrades Project involves the repair and maintenance of an existing public facility involving negligible or no expansion of use therefore is exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines 15302(c).

ATTACHMENT(S):

Resolution
Exhibit A
BID Summary
Cooperative Funding Agreement

CITY OF HEALDSBURG

RESOLUTION NO. -2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG CONDITIONALLY AWARDING THE MARCH AVENUE RECONSTRUCTION AND PEDESTRIAN UPGRADES PROJECT BID AWARD TO ARGONAUT CONSTRUCTORS, INC. IN THE AMOUNT OF \$2,427,215.15, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND APPROVE CONTRACT CHANGE ORDERS UP TO 15% OF THE ORIGINAL CONTRACT AMOUNT, AND APPROVING A COOPERATIVE FUNDING AGREEMENT WITH SONOMA COUNTY TRANSPORTATION AND CLIMATE AUTHORITY IN THE AMOUNT OF \$700,000, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND AMENDS THE FISCAL YEAR 2025-2026 ADOPTED BUDGET

WHEREAS, the notice inviting bids for the March Avenue Reconstruction and Pedestrian Upgrades Project was advertised in accordance with applicable procedures that resulted in the City receiving six bids; and

WHEREAS, the lowest apparent and responsive bid was submitted by Argonaut Constructors, Inc. in the amount of \$2,427,215.15; and

WHEREAS, staff has verified that Argonaut Constructors, Inc. possesses the required license(s) and is otherwise qualified to complete the project; and

WHEREAS, staff have reviewed the bid proposal and determined that there are no irregularities; and

WHEREAS, staff recommend awarding the contract to Argonaut Constructors, Inc. in the amount of \$2,427,215.15; and

WHEREAS, staff recommend a 15% contract contingency of \$364,082.27 for unforeseen conditions and potential additional costs bringing the total construction amount to \$2,791,297.42; and

WHEREAS, an additional \$279,129.74 equating to 10% of the construction amount is estimated for staff time to complete inspections and construction management for a total construction phase budget of \$3,070,427.16; and

WHEREAS, in April of 2024 the City was awarded \$700,000 as part of the Sonoma County Transportation and Climate Authority (SCTCA) Funding Program Cycle 1 for construction of bicycle and pedestrian improvements as part of the March Avenue Reconstruction and Pedestrian Upgrades Project; and

Resolution No. -2026

Page 2

WHEREAS, in order to receive and utilize the funds, it is necessary to execute a cooperative funding agreement with SCTCA; and

WHEREAS, the adopted Fiscal Year 2024-25 budget included \$2,410,300 for the Project; and

WHEREAS, approximately \$281,270 has been spent on design phase with \$2,129,030.00 remaining resulting in a shortfall of \$941,397.16; and

WHEREAS, staff recommend amending the Fiscal Year 2025-26 Budget to appropriate the SB1 RMRA fund balance of \$615,643.00 to the project, transfer \$193,100.00 from the Water Operating Fund to project, and appropriate \$132,654 of Measure T fund balance to the project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Healdsburg hereby:

1. Finds the proposed March Avenue Reconstruction and Pedestrian Upgrades Project involves the repair and maintenance of an existing public facility involving negligible or no expansion of use and therefore is exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines 15302(c).
2. Conditionally awards the March Avenue Reconstruction and Pedestrian Upgrades Project to Argonaut Constructors, Inc.
3. Authorizes the City Manager to execute the March Avenue Reconstruction and Pedestrian Upgrades Project contract.
4. Authorizes the City Manager to negotiate and approve contract change orders up to fifteen percent (15%) of the bid amount, issue the notice of award to Argonaut Constructors, Inc.
5. Authorizes the City Manager to execute a cooperative funding agreement with SCTCA in the amount of \$700,000.
6. Amends the Fiscal Year 2025-2026 Adopted Budget per the attached Exhibit.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Healdsburg this 17th day of February 2026, by the following vote:

SO ORDERED:

ATTEST:

J. Chris Herrod, Mayor

Raina Allan, City Clerk

Resolution No.
Exhibit A

Item 8.c

FY 25-26 Budget Amendment			
Account Number	Increase Amount	Decrease Amount	Description
512-6162-45000-ST013	\$ 748,296		Increase Budget for March Avenue Reconstruction Project ST013
202-8080-42301-00000	\$ 615,643		Increase Transfer out to Streets Capital Fund for Project ST013
512-1000-39001-00000	\$ 615,643		Increase Transfer in from SB1 RMRA Fund for Project ST013
105-8080-42301-00000	\$ 132,653		Increase Transfer out to Streets Capital Fund for Project ST013
512-1000-39001-00000	\$ 132,653		Increase Transfer in from Measure T Fund for Project ST013
522-6163-45000-ST013	\$ 193,100		Increase Budget for March Avenue Reconstruction Project ST013
520-8080-42301-00000	\$ 193,100		Increase Transfer out to Water Capital Fund for Project ST013
522-1000-39001-00000	\$ 193,100		Increase Transfer in from Water Operating Fund for Project ST013

Bid Opening: 1/22/2026 2:00pm CIP-20-025 March Avenue Reconstruction & Pedestrian Upgrades Project				Team Ghilloti, Inc		Argonaut Constructors, Inc		Ghilloti Bros		Ghilloti Construction Co		Granite Construction Company		JPB Designs Inc.	
Item	Item Description	Estimated Annual Quantity	Unit of Measure	Unit Cost (in figures)	Total Cost (in figures)	Unit Cost (in figures)	Total Cost (in figures)	Unit Cost (in figures)	Total Cost (in figures)	Unit Cost (in figures)	Total Cost (in figures)	Unit Cost (in figures)	Total Cost (in figures)	Unit Cost (in figures)	Total Cost (in figures)
1	Mobilization and Demobilization	1	LS	115725.25	\$115,725.25	120000	\$120,000.00	295,000	\$295,000.00	102000	\$102,000.00	323400	\$323,400.00	350000	\$350,000.00
2	Project Identification Sign	2	EA	1200	\$2,400.00	400	\$800.00	1200	\$2,400.00	400	\$800.00	1200	\$2,400.00	6000	\$12,000.00
3	Utility Clearances (Potholing)	1	LS	50000	\$50,000.00	48000	\$48,000.00	66000	\$66,000.00	42000	\$42,000.00	67800	\$67,800.00	90000	\$90,000.00
4	Vehicular and Traffic Control	1	LS	65000	\$65,000.00	125000	\$125,000.00	100000	\$100,000.00	188000	\$188,000.00	185000	\$185,000.00	100000	\$100,000.00
5	Roadway Excavation (F)	3,110	CY	46	\$143,060.00	15	\$46,650.00	77	\$239,470.00	75	\$233,250.00	70	\$217,700.00	45	\$139,000.00
6	Subgrade Stabilization (Dig outs)	670	SY	22	\$14,740.00	28	\$18,760.00	57	\$38,190.00	50	\$33,500.00	56	\$37,520.00	50	\$33,500.00
7	Soil Stabilization Fabric	13,425	SY	2.5	\$33,562.50	2.5	\$33,562.50	1	\$13,425.00	2.25	\$30,206.25	2	\$26,850.00	6	\$80,550.00
8	Asphalt Concrete Surface	2,290	TON	155	\$354,950.00	150	\$343,500.00	140	\$320,600.00	135	\$309,150.00	190	\$435,100.00	400	\$916,000.00
9	Asphalt Concrete Base	5,330	TON	165	\$879,450.00	160	\$852,800.00	155	\$826,150.00	150	\$799,500.00	180	\$959,400.00	100	\$533,000.00
10	0.25' Thick Pavement Mill	685	SY	15	\$10,275.00	21.5	\$14,727.50	22	\$15,070.00	12	\$8,220.00	25	\$17,125.00	15	\$10,275.00
11	Remove & Dispose Pole	13	EA	100	\$1,300.00	150	\$1,950.00	100	\$1,300.00	150	\$1,950.00	100	\$1,300.00	1500	\$19,500.00
12	Relocate Signs to New Pole	11	EA	150	\$1,650.00	450	\$4,950.00	150	\$1,650.00	450	\$4,950.00	150	\$1,650.00	2500	\$27,500.00
13	Furnish & Install New Pole	18	EA	375	\$6,750.00	400	\$7,200.00	375	\$6,750.00	400	\$7,200.00	375	\$6,750.00	10000	\$180,000.00
14	Furnish & Install New Sign	26	EA	200	\$5,200.00	250	\$6,500.00	200	\$5,200.00	250	\$6,500.00	200	\$5,200.00	2000	\$52,000.00
15	Thermoplastic Traffic Stripe (6" White)	3,732	LF	1.5	\$5,598.00	2.75	\$10,263.00	1.5	\$5,598.00	1.5	\$5,598.00	1.5	\$5,598.00	4	\$14,928.00
16	Thermoplastic Traffic Stripe (8" White)	135	LF	2	\$270.00	7	\$945.00	2	\$270.00	14	\$1,890.00	2	\$270.00	18	\$2,430.00
17	Thermoplastic Traffic Stripe (12" White)	792	LF	15	\$11,880.00	8	\$6,336.00	15	\$11,880.00	10	\$7,920.00	15	\$11,880.00	13	\$10,296.00
18	Thermoplastic Traffic Stripe (Detail 39A)	320	LF	1.5	\$480.00	5	\$1,600.00	1.5	\$480.00	6	\$1,920.00	1.5	\$480.00	9	\$2,880.00
19	Thermoplastic Traffic Stripe (Detail 22)	2,282	LF	4.5	\$10,269.00	3.75	\$8,557.50	4.5	\$10,269.00	4	\$9,128.00	4.5	\$10,269.00	7	\$15,974.00
20	Thermoplastic Traffic Stripe Bicycle Buffer (Parking Permitted)	3,362	LF	4	\$13,448.00	3.25	\$10,926.50	4	\$13,448.00	4	\$13,448.00	4	\$13,448.00	9	\$30,258.00
21	Thermoplastic Traffic Stripe Bicycle Buffer (No Parking)	873	LF	5	\$4,365.00	3.25	\$2,837.25	5	\$4,365.00	6	\$5,238.00	5	\$4,365.00	100	\$87,300.00
22	Thermoplastic Continental Crosswalk Stripe	70	LF	38	\$2,660.00	25	\$1,750.00	38	\$2,660.00	90	\$6,300.00	38	\$2,660.00	29	\$2,030.00
23	Thermoplastic Pavement Marking (Bike Lane Symbol with Person & Arrow)	158	SF	15	\$2,370.00	20	\$3,160.00	15	\$2,370.00	26	\$4,108.00	15	\$2,370.00	21	\$3,318.00
24	Thermoplastic Pavement Marking (Words)	427	SF	15	\$6,405.00	20	\$8,540.00	15	\$6,405.00	18	\$7,686.00	15	\$6,405.00	85	\$36,295.00
25	Thermoplastic Pavement Markings (Type III L Arrow)	15	SF	15	\$225.00	55	\$825.00	15	\$225.00	80	\$1,200.00	15	\$225.00	29	\$435.00
26	Thermoplastic Pavement Markings (Yield Triangles)	72	SF	15	\$1,080.00	25	\$1,800.00	15	\$1,080.00	26	\$1,872.00	15	\$1,080.00	25	\$1,800.00
27	Green Preformed Thermoplastic Bike Lane Marking	812	SF	19.5	\$15,834.00	15.75	\$12,789.00	19.5	\$15,834.00	22	\$17,864.00	19.5	\$15,834.00	10	\$8,120.00
28	Red Painted Curb	971	LF	4.75	\$4,612.25	5	\$4,855.00	4.75	\$4,612.25	6	\$5,826.00	4.75	\$4,612.25	2.5	\$2,427.50
29	Fire Hydrant Blue Markers	6	EA	30	\$180.00	50	\$300.00	30	\$180.00	200	\$1,200.00	30	\$180.00	2000	\$12,000.00
30	Adjust Existing Valves Box or Monument Box to Grade	23	EA	1600	\$36,800.00	1250	\$28,750.00	2050	\$47,150.00	1500	\$34,500.00	1100	\$25,300.00	2500	\$57,500.00
31	Adjust Existing Manhole Frame and Cover to Grade	6	EA	2500	\$15,000.00	1480	\$8,880.00	2600	\$15,600.00	2400	\$14,400.00	2000	\$12,000.00	45	\$270.00
32	Curb & Gutter	1128	LF	105	\$118,440.00	45	\$50,760.00	70	\$78,960.00	65	\$73,320.00	51	\$57,528.00	45	\$50,760.00
33	Integral Curb	26	LF	43	\$1,118.00	35	\$910.00	67	\$1,742.00	35	\$910.00	37	\$962.00	45	\$1,170.00

34	Curb Ramp	1,740	SF	53	\$92,220.00	24	\$41,760.00	45	\$78,300.00	45	\$78,300.00	35	\$60,900.00	45	\$78,300.00
35	Sidewalk	4,306	SF	24	\$103,344.00	10.65	\$45,858.90	16	\$68,896.00	17	\$73,202.00	25	\$107,650.00	50	\$215,300.00
36	Pavers	1,368	SF	45	\$61,560.00	48	\$65,664.00	59	\$80,712.00	55	\$75,240.00	38	\$51,984.00	30	\$41,040.00
37	Driveway Apron	138	SF	58	\$8,004.00	24.5	\$3,381.00	21	\$2,898.00	30	\$4,140.00	26	\$3,588.00	55	\$7,590.00
38	Private Driveway	184	SF	54	\$9,936.00	28	\$5,152.00	21	\$3,864.00	25	\$4,600.00	26	\$4,784.00	45	\$8,280.00
39	Storm Drain Curb Inlet	2	EA	14250	\$28,500.00	9500	\$19,000.00	7250	\$14,500.00	8500	\$17,000.00	9750	\$19,500.00	5000	\$10,000.00
40	Remove & Replace Curb Inlet Top	6	EA	5500	\$33,000.00	4800	\$28,800.00	6250	\$37,500.00	2000	\$12,000.00	6750	\$40,500.00	3500	\$21,000.00
41	48" Storm Drain Manhole	2	EA	10750	\$21,500.00	11000	\$22,000.00	23600	\$47,200.00	9500	\$19,000.00	12400	\$24,800.00	6000	\$12,000.00
42	18" Storm Drain - RCP	49	LF	215	\$10,535.00	185	\$9,065.00	420	\$20,580.00	225	\$11,025.00	495	\$24,255.00	500	\$24,500.00
43	Remove and Dispose of Existing Fire Hydrant & Lateral	3	EA	3300	\$9,900.00	6000	\$18,000.00	7100	\$21,300.00	4500	\$13,500.00	6520	\$19,560.00	1500	\$4,500.00
44	Replace 1" Water Service (Trenchless Method)	24	EA	3900	\$93,600.00	3000	\$72,000.00	5665	\$135,960.00	4000	\$96,000.00	7040	\$168,960.00	6000	\$144,000.00
45	Additional Cost to Open-Cut Replace 1" Water Service	10	EA	3900	\$39,000.00	2600	\$26,000.00	8400	\$84,000.00	3700	\$37,000.00	3230	\$32,300.00	5500	\$55,000.00
46	Replace 2" Water Service & Multi Service Manifold	3	EA	7125	\$21,375.00	7700	\$23,100.00	9600	\$28,800.00	7200	\$21,600.00	9210	\$27,630.00	6000	\$18,000.00
47	Fire Hydrant and Lateral Assembly	3	EA	14500	\$43,500.00	18000	\$54,000.00	29200	\$87,600.00	17000	\$51,000.00	30655	\$91,965.00	5300	\$15,900.00
48	4" Utility Chase	26	EA	380	\$9,880.00	250	\$6,500.00	80	\$2,080.00	275	\$7,150.00	242	\$6,292.00	600	\$15,600.00
49	Water Pollution Control	1	LS	12300	\$12,300.00	7500	\$7,500.00	3300	\$3,300.00	5000	\$5,000.00	4000	\$4,000.00	16000	\$16,000.00
50	SWPPP Preparation	1	LS	3250	\$3,250.00	1500	\$1,500.00	2400	\$2,400.00	2500	\$2,500.00	2500	\$2,500.00	1000	\$1,000.00
51	Stormwater Compliance	1	LS	20640	\$20,640.00	3750	\$3,750.00	4000	\$4,000.00	1800	\$1,800.00	2500	\$2,500.00	15000	\$15,000.00
52	Trench Bracing and Shoring	1	LS	4000	\$4,000.00	6000	\$6,000.00	5200	\$5,200.00	7500	\$7,500.00	2825	\$2,825.00	30000	\$30,000.00
53	Remove and Replace City Monument	5	EA	2000	\$10,000.00	4400	\$22,000.00	1500	\$7,500.00	4200	\$21,000.00	2500	\$12,500.00	6000	\$30,000.00
54	Street Light, Pole & Foundation	4	EA	19250	\$77,000.00	16750	\$67,000.00	16750	\$67,000.00	16750	\$67,000.00	10045	\$40,180.00	20000	\$80,000.00
55	Rapid Rectangular Flashing Beacon (RRFB) System at March & Lupine	1	LS	44500	\$44,500.00	45000	\$45,000.00	40000	\$40,000.00	40000	\$40,000.00	66850	\$66,850.00	85000	\$85,000.00
56	Rapid Rectangular Flashing Beacon (RRFB) System at March & Prentice	1	LS	44500	\$44,500.00	45000	\$45,000.00	40000	\$40,000.00	40000	\$40,000.00	65930	\$65,930.00	85000	\$85,000.00
Base Bid Total					\$2,737,141.00		\$2,427,215.15		\$3,037,923.25		\$2,687,111.25		\$3,344,614.25		\$3,896,526.50

Sub/Location RE Maher American Canyon, CA	Trade/Amount Concrete \$186,221.90	Sub/Location Johnson Construction Company Concord, CA	Trade/Amount Adjust Utility Iron \$55,130	Sub/Location European Paving Designs San Jose, CA	Trade/Amount Brick Pavers \$74,049	Sub/Location Antrak Corporation Sacramento, CA	Trade/Amount Grind Asphalt \$38,780	Sub/Location Chrisp Company Woodland, CA	Trade/Amount Signs and Striping \$131,226	Sub/Location SPM Striping Anderson Valley, CA	Trade/Amount Striping \$105,000
Sub/Location Tully Consulting Group Dixon, CA	Trade/Amount SWPPP \$23,890	Sub/Location Pacific Northwest Oil Stockton, CA	Trade/Amount Tack Oil \$17,200	Sub/Location Chrisp Company Fremont, CA	Trade/Amount Striping and Signs \$131,226	Sub/Location Specialized Pavement Marking, LLC Tualatin, OR	Trade/Amount Striping & Marking \$104,198	Sub/Location Mike Brown Electric Cotati, CA	Trade/Amount Street Lighting & RRFB System \$172,960	Sub/Location Mike Brown Electric Cotati, CA	Trade/Amount Electrical \$172,000
Sub/Location Chrisp Company Woodland, CA	Trade/Amount Stripe & Sign \$131,220	Sub/Location Darren Taylor Construction, Inc Anderson, CA	Trade/Amount Striping \$79,984.25	Sub/Location Saint Francis Electric San Leandro, CA	Trade/Amount Electrical \$157,000	Sub/Location Vanguard Construction, Inc Livermore, CA	Trade/Amount Minor Concrete \$303,232	Sub/Location Antrak Corp Sacramento, CA	Trade/Amount Operated Rental grinder \$53,700		
Sub/Location Pacific Northwest Oil Stockton, CA	Trade/Amount Tack Oil \$26,693	Sub/Location Farwest Safety, Inc Lodi, CA	Trade/Amount Install Signs and Remove Poles, Relocate Signs \$21,400			Sub/Location Saint Francis Electric, LLC San Leandro, CA	Trade/Amount Electrical \$157,000	Sub/Location Neary Landscape Cotati, CA	Trade/Amount Pavers \$51,984		
Sub/Location Pavement Recycling Systems, Inc Sacramento, CA	Trade/Amount Grinding \$32,200	Sub/Location Antrak Corporation Sacramento, CA	Trade/Amount Asphalt Grinding \$23,900					Sub/Location FB Vanguard Livermore, CA	Trade/Amount Concrete \$248,572		
Sub/Location Breije & Rice Santa Rosa, CA	Trade/Amount Survey \$20,400	Sub/Location RE Maher, Inc American Canyon, CA	Trade/Amount Concrete \$154,322								
Sub/Location Commercial Power Sweep, Inc Napa, CA	Trade/Amount Sweep \$53,165.00	Sub/Location St Francis Electric San Leandro, CA	Trade/Amount Electric \$157,000								

Sub/Location	Trade/Amount
St Francis Electric San Leandro, CA	Electrician \$166,000

**COOPERATIVE FUNDING AGREEMENT NO. SCTA26006
BETWEEN
THE SONOMA COUNTY TRANSPORTATION AUTHORITY
AND
THE CITY OF HEALDSBURG**

This Agreement is made and entered into as of _____, 2025 (“Effective Date”) by and between the CITY OF HEALDSBURG hereinafter referred to as “**CITY**” and the **SONOMA COUNTY TRANSPORTATION AUTHORITY** hereinafter referred to as “**AUTHORITY**.”

WHEREAS, **AUTHORITY** adopted the 2022 Strategic Implementation Plan that sets forth **AUTHORITY**'s program and project implementation policies with regard to the use of funds provided under the 2004 Traffic Relief Act for Sonoma County Expenditure Plan and Ordinance approved by the voters of Sonoma County on November 2, 2004 (hereinafter referred to as “Measure M”). The 2022 Strategic Implementation Plan as such plan may be amended from time to time is hereinafter referred to as the “Strategic Implementation Plan”.

WHEREAS, **AUTHORITY** adopted SCTA Resolution #2023-023 of the Board of Directors that sets forth **AUTHORITY**'s intentions to exchange State Transportation Improvement Program (STIP) funds with Measure M funding, for the purpose of implementing STIP eligible projects

WHEREAS, **CITY** is in the design phase for a proposed, potential project to make improvements to March Avenue between Healdsburg Avenue and University Avenue, in Healdsburg. As part of that effort, **CITY** intends to advertise for a construction contractor to complete the potential project, as more particularly described in Exhibit A to this Agreement (hereinafter referred to as the "Project"); and

WHEREAS, **CITY** has a financial plan and schedule for completion of the Project which is attached hereto as Exhibit B (hereinafter referred to as the “Project Plan”).

WHEREAS, Pursuant to SCTA Resolution #2023-023, **AUTHORITY** is willing to make available the amount of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000) to assist with completion of the Project, subject to certain terms and conditions, as

NOW, THEREFORE, in consideration of the foregoing, **AUTHORITY** and **CITY** do hereby agree as follows:

SECTION I

CITY AGREES:

1. Project Completion. To timely complete the Project in accordance with the deadlines set forth in the Project Plan, attached hereto as Exhibit B.

2. Compliance with Laws. With regard to administering and completing the Project, **CITY** shall at all times comply with all applicable laws of the United States, the State of California, the County, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of

this Agreement, including but not limited to all environmental review and analysis required under the California Environmental Quality Act and compliance with all applicable prevailing wage requirements under the California Labor Code..

3. Records. To allow **AUTHORITY** to audit all expenditures relating to the Project funded through this Agreement for the duration of the Project, and for five (5) years following completion of the Project, or earlier discharge of the Agreement, **CITY** shall make available to **AUTHORITY** all records relating to expenses incurred in performance of this Agreement.

4. Reporting Requirements. **CITY** agrees to provide quarterly status updates on the PROJECT to **AUTHORITY** in the form attached hereto as Exhibit D.

SECTION II

1. CITY Expenses. Upon execution of this Agreement, **AUTHORITY** shall make available for reimbursement to the CITY the amount of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000), for CITY's costs to complete the Project.

2. Invoices. Should **CITY** desire reimbursement of its expenses in connection with this Agreement, **CITY** may submit to **AUTHORITY** invoices for reimbursements for expenses authorized under the terms of this Agreement. Invoices shall be submitted to **AUTHORITY** no more frequently than monthly, and no less frequently than every six months following initial appropriation, provided however that if **CITY** is unable to invoice in this time frame a written request for time extension shall be provided or the funds may be deobligated. Invoices shall be in a form reasonably acceptable to **AUTHORITY's** Executive Director. An example of which is attached hereto as Exhibit C

3. Notice of Audit. To provide timely notice to CITY if an audit is to be conducted.

SECTION III

IT IS MUTUALLY AGREED:

1. Funding Availability and Needs. The funding available to the Project for expenditure is limited by the funds identified in Exhibit B and to approved appropriations by the SCTA Board. If funds beyond those identified in Exhibit B are necessary to complete the Project, **AUTHORITY** will cooperate with **CITY** to identify and secure new or increased fund commitments, although no such additional funds are guaranteed. **AUTHORITY** is the only party obligating funds in this agreement.

2. Term. This Agreement will remain in effect until discharged as provided in Paragraph 3 of this Section III.

3. Termination. This Agreement shall be subject to termination as follows:

a. This Agreement may be canceled by a party for breach of any obligation, covenant or condition hereof by the other party, upon notice to the breaching party. With respect to any breach which is reasonably capable of being cured, the breaching party shall have thirty (30) days from the date of the notice to initiate steps to cure. If the breaching party diligently pursues cure, such party shall be allowed a reasonable time to cure, not to exceed sixty (60) days from the date of the initial notice, unless a further extension is granted by the non-breaching party. On cancellation, the non-breaching party retains the same rights as a party exercising its right to terminate under the provisions of paragraph 3(b), except that the canceling party also retains any remedy for breach of the whole contract or any unperformed balance. If the Agreement is cancelled by **AUTHORITY** because **CITY** has failed to wholly or partially complete the Project, **AUTHORITY** may, at its option, demand repayment of all unexpended funds and funds determined by audit not to have been expended as provided for in this Agreement, with interest accrued thereon as would have accrued had such funds been invested in the Sonoma County Treasury Pool; and, further, to offset such balances due **AUTHORITY** from any other Measure M funds due **CITY**.

b. By mutual consent of both parties, this Agreement may be terminated at any time. Upon termination by mutual consent, **CITY** shall repay to **AUTHORITY** any unexpended funds originally provided to **CITY** under this Agreement, and any interest that has accrued thereon.

4. Indemnity. Each party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any act, omission, or negligence of such indemnifying party or its agents, employees, contractors, subcontractors, or invitees. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts.

5. Notices. Any notice which may be required under this Agreement shall be in writing, shall be effective when received, and shall be given by personal service, or by certified or registered mail, return

receipt requested, to the addresses set forth below, or to such addresses which may be specified in writing to the parties hereto.

To **CITY**: Larry Zimmer, Public Works Director
City of Healdsburg
401 Grove Street, Healdsburg, CA 95448
(707) 431-3333
Email: lzimmer@healdsburg.gov

To **AUTHORITY**: James R. Cameron, Executive Director
Sonoma County Transportation Authority
411 King St
Santa Rosa, CA 95405
(707) 565-5373
Email: james.cameron@scta.ca.gov

6. Additional Acts and Documents. Each party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of the Agreement.

7. Integration. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

8. Amendment. This Agreement may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this Agreement shall be void and of no effect.

9. Independent Agency. **CITY** renders its services under this Agreement as an independent agency. None of the **CITY**'s agents or employees shall be agents or employees of the **AUTHORITY**.

10. Assignment. The Agreement may not be assigned, transferred, hypothecated, or pledged by any party without the express written consent of the other party.

11. Successors. This Agreement shall be binding upon the successor(s), assignee(s) or transferee(s) of the **AUTHORITY** or **CITY** as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate or pledge this Agreement other than as provided above.

12. Severability. Should any part of this Agreement be determined to be unenforceable, invalid, or beyond the **AUTHORITY** of either party to enter into or carry out, such determination shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY OF HEALDSBURG

SONOMA COUNTY
TRANSPORTATION AUTHORITY

By: _____
Jeffrey Kay, City Manager

By: _____
Lynda Hopkins, SCTA Chair

ATTEST:

APPROVED AS TO SUBSTANCE:

By: _____
Raina Allan, City Clerk

By: _____
James R. Cameron, Executive Director

APPROVED AS TO LEGAL FORM
FOR **CITY:**

By: _____
Samantha Zutler, City Attorney

By: _____
Adam Brand, Legal Counsel
Authority

**COOPERATIVE FUNDING AGREEMENT NO. SCTA 26006
BETWEEN THE SONOMA COUNTY TRANSPORTATION AUTHORITY
AND
THE CITY OF HEALDSBURG**

Item 8.c

EXHIBIT A

DESCRIPTION OF THE PROJECT

The March Avenue Reconstruction and Pedestrian Upgrades Project will reconstruct the roadway pavement and make pedestrian and bicycle upgrades along March Avenue between Healdsburg Avenue and University Street. Pedestrian upgrades are envisioned to include installation of ADA compliant curb ramps at all intersections along with curblines bulb-outs and Rectangular Rapid Flashing Beacons (RRFBs) at Lupine Road and Prentice Drive. Sidewalk along the corridor will be evaluated and brought into ADA compliance where possible. Additional curblines bulb-outs will be evaluated and implemented to reduce pedestrian crossing distances. Signage and striping will be upgraded along with no parking areas designated to comply with AB 413.

**COOPERATIVE FUNDING AGREEMENT NO. SCTA 26006
 BETWEEN THE SONOMA COUNTY TRANSPORTATION AUTHORITY
 AND
 THE CITY OF HEALDSBURG**

Item 8.c

EXHIBIT B

FINANCIAL PLAN AND SCHEDULE (2004 Dollars)

<u>Fiscal Year</u>	<u>Prior</u>	<u>FY25/26</u>	<u>FY26/27</u>	<u>FY27/28</u>	<u>FY28/29</u>
Amount					
		\$700,000			

Project Development Phase	Begin (MO/YR)	End (MO/YR)
Scoping		
Environmental (PAED)	03/25	08/25
Design (PSE)	03/25	10/25
Right of Way (R/W)	03/25	08/25
Advertise, Award, Approve	11/25	01/26
Construction (CON)	02/26	10/26

**COOPERATIVE FUNDING AGREEMENT NO. SCTA 26006
BETWEEN THE SONOMA COUNTY TRANSPORTATION AUTHORITY
AND
THE CITY OF HEALDSBURG**

Item 8.c

EXHIBIT C

INVOICE TEMPLATE

Invoice should be submitted on Local Agency Letterhead

**STIP Exchange Funds Project
Invoice Summary**

Project Sponsor:

Date of Request:

Period of Request:

Cooperative Agreement Number:

Project Name/Phase/Description:

Invoice Number:

Project Development Phase:

Description of work performed this period:

	STIP Exchange Funds
Amount Appropriated	\$
Amount Previously Invoiced	\$
Current Invoice	\$
Invoiced to-date	\$

Attachments:

- Summary of All Expenses**
 - 1. Staff Time: Summary of Hours worked, and total dollars by employee**
 - 2. Contracts: Summary of Invoices Paid**
 - 3. Miscellaneous Expenses: Summary of Invoices**

**COOPERATIVE FUNDING AGREEMENT NO SCTA 26006
 BETWEEN THE SONOMA COUNTY TRANSPORTATION AUTHORITY
 AND
 THE CITY OF HEALDSBURG**

Item 8.c

**EXHIBIT D
QUARTERLY REPORTING FORMAT**

Project Name							
Implementing Agency	City of Healdsburg						June 2025
Current Phase							
Description of activities current quarter:							
Description of activities next quarter:							
PROJECT FUNDING (IN THOUSANDS) - BASELINE							
PHASE	TOTAL	SEF	LOCAL	REGIONAL	STATE	FEDERAL	NEED
Scoping	\$ 500,000.00	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
R/W Support (CT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Right of Way	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Support (CT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 500,000.00	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING (IN THOUSANDS) - UPDATE							
PHASE	TOTAL	GO SONOMA	MEASURE M	LOCAL	REGIONAL	FEDERAL	NEED
Scoping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
R/W Support (CT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Right of Way	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Support (CT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING (IN THOUSANDS) - CHANGE							
PHASE	TOTAL	GO SONOMA	MEASURE M	LOCAL	REGIONAL	FEDERAL	NEED
Scoping	\$(500,000.00)	\$(500,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
R/W Support (CT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Right of Way	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Support (CT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$(500,000.00)	\$(500,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -
SCHEDULE							
			BASELINE		CURRENT	CHANGE (days)	
			<i>Start Date</i>	<i>End Date</i>	<i>Start Date</i>	<i>Start Date</i>	<i>End Date</i>
Use N/A if no work performed.	Scoping		N/A	N/A	N/A		
For Start date, use first day (e.g. 3/1/25)	Environmental Compliance					0	#REF!
For End Date use last day (e.g. 3/31/25)	Design					0	#REF!
	Right-of-Way and Utilities					0	#REF!
	Construction					0	#REF!
COMMUNITY ENGAGEMENT SUMMARY:							



**CITY OF HEALDSBURG
CITY COUNCIL AGENDA STAFF REPORT**

MEETING DATE: February 17, 2026

SUBJECT: Appointment of applicants to the Parks and Recreation and Senior Citizen Advisory Commissions

PREPARED BY: Raina Allan, City Clerk

STRATEGIC INITIATIVE(S):

Provide Effective Governance

Provide Resident Driven Community Services

RECOMMENDED ACTION(S):

Appoint two applicants to the Parks and Recreation Commission for a term of three years due to expire January 1, 2029, and appoint two applicants to the Senior Citizen Advisory Commission for a term of three years due to expire January 1, 2029.

COMMUNITY ENGAGEMENT/OUTREACH:

The Parks and Recreation Commission and Senior Citizen Advisory Commission vacancies were published in the Press Democrat and the Healdsburg Tribune on December 11, 2025, December 18, 2025, and January 1, 2026. Information on the vacancy was also posted on the City Website and the City Social Media Platforms.

BACKGROUND:

On January 1, 2026, two positions on the Healdsburg Parks and Recreation Commission expired and two terms on the Senior Citizen Advisory Commission expired. At the January 20, 2026, City Council meeting, the City Council formed a subcommittee comprised of Councilmember Hagele and Councilmember Kelley to interview applicants interested in serving on the Parks and Recreation Commission and one subcommittee comprised of Vice Mayor Edwards and Councilmember Mitchell to interview applicants interested in serving on the Parks and Recreation Commission. The City Clerk received four applications for each commission. The applicants interviewed are listed below:

Parks and Recreation Commission

Valerie Cronin

Ron Doble

Jim Morris

Tony Pastene

Senior Citizen Advisory Commission

Greta Frydenlund
Rita Mar Cordova
Donna Riley
Mary Selhorst

DISCUSSION/ANALYSIS:

The City Council subcommittee will make their recommendation at the City Council meeting. City Council will have the opportunity to discuss the recommendation.

ENVIRONMENTAL STEWARDSHIP:

Not applicable.

ALTERNATIVES:

The City Council could opt to not take the Subcommittee's recommendation. In that case City Council could appoint the other applicant to the vacancy or direct staff to restart the recruitment process for the vacancy.

FISCAL IMPACT:

There is no fiscal impact related to the proposed action.

ENVIRONMENTAL ANALYSIS:

Pursuant to Title 14, the California Code of Regulations, Section 15378(b)(5) of the California Environmental Quality Act ("CEQA") guidelines, the proposed action is an administrative activity of the City that will not result in direct or indirect physical changes to the environment.

ATTACHMENT(S):

Parks and Recreation Commission Applications
Senior Citizen Advisory Commission Applications



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JAN - 7 2026

APPLICATION FOR APPOINTMENT TO COMMISSIONS AND COMMITTEES

The City of Healdsburg is seeking dedicated community members to serve on our boards and commissions. These groups play a vital role in advising the City Council on important matters. Please complete this application and submit it to Raina Allan at rallan@healdsburg.gov, along with any relevant information.

COMMITTEE, COMMISSION, OR AREA OF SERVICE YOU ARE APPLYING FOR:

Parks and Recreation

Name: Valorie Cronin Telephone: [REDACTED]

Home Address: [REDACTED] Email: [REDACTED]

Resident in Healdsburg for 29 years.

Languages other than English spoken: _____

Educational Background: Cosmotology School

Employer: Self

Job Title: Hair stylist

Duties Performed: cut & colors - Lots!

Commission Application
Page 2

Have you ever attended a meeting of the Commission to which you are applying? If so, how many?

yes

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body.

Deferred maintenance
Senior citizen advocacy

What would be your goal(s) as a Commissioner?

represent the community and listen to their thoughts and ideas

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve.

being open to all levels of thought from the community regardless of their stature

Current and Past Membership in Community Organizations & Offices Held:

3 years Parks & Rec

Additional Information & Comments:

Commission Application
Page 3

Local References:

Name: Danya Richter
Address: [Redacted] HBG

Telephone: [Redacted]
Email: [Redacted]

Name: Zach Hayman
Address: [Redacted] HBG

Telephone: [Redacted]
Email: [Redacted]

Name: Bricelda Acevedo
Address: [Redacted]

Telephone: [Redacted]
Email: [Redacted]

Applicants and incumbents should be aware that they may be required to disclose any potential conflicts of interest arising from their business or organizational affiliations within the City of Healdsburg. Furthermore, a Statement of Economic Interest may be required, which is subject to public disclosure.

I certify that the information provided in this application is true and accurate to the best of my knowledge. By submitting this application, I agree to serve on the designated Commission/Committee if appointed.

Signature: Valerie Cronin

Date: Jan 7, 2026



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COMMITTEE, COMMISSION, OR AREA OF SERVICE YOU ARE APPLYING FOR:

Parks & Recreation

Name: Ronald Walter Doble Telephone: [REDACTED]

Home Address: [REDACTED] Email: [REDACTED]

Resident in Healdsburg for 28 years.

Languages other than English spoken: _____

Educational Background: _____

BA American Studies with Minors in History & Women's Studies, CSUF. 2 years
graduate studies in History, Arizona State Univeristy

Employer: Payroll Management, LLC

Job Title: Sr Staff Engineer

Duties Performed: See Attached

Commission Application
Page 2

Have you ever attended a meeting of the Commission to which you are applying? If so, how many?

Yes, 100+

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body.

See Attached.

What would be your goal(s) as a Commissioner?

See Attached

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve.

See Attached

Current and Past Membership in Community Organizations & Offices Held:

Healdsburg Kiwanis, Director, Treasurer

Additional Information & Comments:

See Attached.

Local References:

Name: David Hagele Telephone: [REDACTED]
Address: [REDACTED] Email: [REDACTED]

Name: Chris Herrod Telephone: [REDACTED]
Address: [REDACTED] Email: [REDACTED]

Name: Joe Naujokas Telephone: [REDACTED]
Address: [REDACTED] Email: [REDACTED]

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I certify that the information provided in this application is true and accurate to the best of my knowledge. By submitting this application, I agree to serve on the designated Commission/Committee if appointed.

Signature: Ronald Walter Doble Digitally signed by Ronald Walter Doble
Date: 2026.01.07 18:32:54 -08'00' **Date:** 1/7/26

Date of Graduation, Degree & Major

CSUF: 1993, BA, American Studies (Minors in History & Women's Studies).
ASU: Two years graduate study, none, History

Duties Performed

Lead a team of software developers creating distributed systems to meet business requirements by analyzing and solving complex problems in a collaborative team environment.

Other Pertinent Employment Data

In my position, I work with people from a wide range of cultural and ethnic backgrounds where disagreements are common. Through experience this has allowed become a good listener, and therefore a good collaborator. I foster an open, collaborative environment in order to examine all options to a given problem so that we can arrive at the best solution. I feel that this experience is valuable to a commissioner where there are often differing opinions from people with many diverse backgrounds. I aim to be inclusive as possible and take in as many views as I can before making a decision.

Why & Qualifications

I feel that it is important to be involved in your community. I have been actively involved in the community for the past 13 years through the Healdsburg Kiwanis Club, and the past six years with the Parks & Rec commission. I would like to continue my involvement by continuing to advise the City Council and city staff as a commissioner. I feel that the parks and recreation programs and other services offered by the Community Services Department are a vital part of our community. There are many demands put on what our parks and recreational programs should deliver, however, we cannot always meet these demands. I feel that I have, and will continue to, provide an open, candid, and objective advice to the City Council on the many issues that we face in meeting the desires and needs of our community.

Current & Past Memberships

Healdsburg Kiwanis Club member since 2008, two-year term on the board of directors.

Healdsburg Kiwanis Memorial Scholarship Fund, on board of directors, and Treasurer since 2016.

Healdsburg Kiwanis Foundation, on board of directors, and Treasurer since 2018.

Foster Parent for San Francisco Bassett Rescue since 2008

Additional Comments

I feel that my experience as a commissioner dealing with some hotly contested topics (Fitch Mountain Preserve, Three North, Saggio Hills Fire Substation, Healdsburg Food & Wine Experience) and my work in shaping policies and developing new programs (Special events policies and Arts and Culture Master Plan) will enable me to tackle the next complex issue that Community Services department faces. I have proven track record of working with diverse members of the community to listen to their concerns, and then providing frank advice to city staff and council.



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COMMITTEE, COMMISSION, OR AREA OF SERVICE YOU ARE APPLYING FOR:

Park and Recreation Commission

Name: Jim Morris Telephone: [REDACTED]

Home Address: [REDACTED] Email: [REDACTED]

Resident in Healdsburg for 29 years.

Languages other than English spoken: _____

Educational Background: _____
Bachelor of Science, Business, California State University, Chico

Employer: Self

Job Title: Proprietor

Duties Performed: I am in the wine consulting business working with wineries on a variety of projects.

Have you ever attended a meeting of the Commission to which you are applying? If so, how many?

Many years ago, when I was active in Little League

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body.

I am nearing retirement and want to do community based work as long as I can. I love this community and feel my experience as an active participant as a coach (Little League), participant (city softball league for 20+ years), and active user of all Healdsburg parks, it is a place I love and wish to contribute.

What would be your goal(s) as a Commissioner?

Use my considerable energy to focus on doing the work of a commissioner, making this city the crown jewel of Sonoma County in activities, places to play, and share the joy of this amazing little town.

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve.

Listen. Ask. I have been in the public facing part of the wine business for 35+ years. I have had to work with very unique and diverse groups in many situations and building a coalition is something at which I excel. I would apply those same skills and listen to all sides before making a measured decision.

Current and Past Membership in Community Organizations & Offices Held:

Healdsburg Rotary, Sunrise; Healdsburg Little League, Board Member

Additional Information & Comments:

I want to direct my considerable energy to making everything we do better. I want to approach things in new ways, have discussions that may not have happened. I like to engage in civic conversations and see what can be done. I would be honored at this chance to be of assistance to my community.

Local References:

Name: Oded Shakked
Address: [REDACTED]

Telephone: [REDACTED]
Email: [REDACTED]

Name: Andy Esquivel
Address: [REDACTED]

Telephone: [REDACTED]
Email: [REDACTED]

Name: Steve Brook
Address: [REDACTED]

Telephone: [REDACTED]
Email: [REDACTED]

Applicants and incumbents should be aware that they may be required to disclose any potential conflicts of interest arising from their business or organizational affiliations within the City of Healdsburg. Furthermore, a Statement of Economic Interest may be required, which is subject to public disclosure.

I certify that the information provided in this application is true and accurate to the best of my knowledge. By submitting this application, I agree to serve on the designated Commission/Committee if appointed.

Signature: _____ **Date:** _____



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CITY OF HEALDSBURG

APPLICATION FOR APPOINTMENT TO COMMISSIONS AND COMMITTEES

The City of Healdsburg is seeking dedicated community members to serve on our boards and commissions. These groups play a vital role in advising the City Council on important matters. Please complete this application and submit it to Raina Allan at rallan@healdsburg.gov, along with any relevant information.

COMMITTEE, COMMISSION, OR AREA OF SERVICE YOU ARE APPLYING FOR:

Parks and Recreation Commission

Name: [REDACTED] Telephone: [REDACTED]

Home Address: [REDACTED] Email: [REDACTED]

Resident in Healdsburg for 33 years.

Languages other than English spoken: Some Italian

Educational Background: Redwood High School Class of 1985
B.S. Environmental Science UCSB 1991

Employer: Spoke Folk Cyclery

Job Title: Owner

Duties Performed: Everything...

Commission Application
Page 2

Have you ever attended a meeting of the Commission to which you are applying? If so, how many?

I have not

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body.

I feel I am qualified for an appointment because of my time in Healdsburg and my ongoing work as the owner of Spoke Folk Cyclery. I have a lot of experience with outdoor activities and bring a wealth of knowledge and passion. Having raised 3 children in Healdsburg I am well aware of the strong suits and shortcomings of our parks and open spaces. In short, I would like to continue the work of the current commission and bring new ideas and energy.

What would be your goal(s) as a Commissioner?

My goal would be to bring green paint. Let me explain, as a life long competitive cyclist I value bike infrastructure and safe places to ride. Over the years I have seen Healdsburg implement many good ideas. I have also become frustrated with not seeing enough change. We need more bike lanes in town, we need green painted bike ways on our streets, not just for the locals, but also for the people that come from all over to ride here. I am also interested in increasing open space public land.

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve.

This one is easy, listen... Listen to what the citizens express, with understanding and empathy. Everyones opinion counts, as part of the commission it is our job to listen and implament ideas that are presented to us, and give advice to the City Council.

Current and Past Membership in Community Organizations & Offices Held:

St John's School council, 2009
Healdsburg Mens Golf Club board of directors 2011-2021
Hbg Little League coach 2008-2018

Additional Information & Comments:

I have always been interested in civic government and feel this is a good use of my time, energy and focus.
I intend to bring kindness, and understanding as well as knowledge and initiative to the position.

Commission Application
Page 3

Local References:

Name: Jennifer Lucas
Address: [REDACTED] Hbg

Telephone: [REDACTED]
Email: [REDACTED]

Name: Amanda Beeler
Address: [REDACTED] Hbg

Telephone: [REDACTED]
Email: [REDACTED]

Name: Peter Mork
Address: [REDACTED] Hbg

Telephone: [REDACTED]
Email: [REDACTED]

Applicants and incumbents should be aware that they may be required to disclose any potential conflicts of interest arising from their business or organizational affiliations within the City of Healdsburg. Furthermore, a Statement of Economic Interest may be required, which is subject to public disclosure.

I certify that the information provided in this application is true and accurate to the best of my knowledge. By submitting this application, I agree to serve on the designated Commission/Committee if appointed.

Signature: 

Date: 01/05/2025



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CITY OF HEALDSBURG

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COMMITTEE, COMMISSION, OR AREA OF SERVICE YOU ARE APPLYING FOR:

Senior Citizens Advisory Commission

Name: Greta Frydenlund Telephone: [REDACTED]

Home Address: [REDACTED] Email: [REDACTED]

Resident in Healdsburg for 5 1/2 years.

Languages other than English spoken: none

Educational Background: Bachelor of Science in Psychology with a minor in business, CSU, Sacramento

Teaching Credential: multi-subject K-8 with CLAD focus, CSU, Sonoma

Employer: Bellevue Union School District, Santa Rosa

Job Title: teacher

Duties Performed: retired 2024: taught grades from Transitional Kindergarten to Sixth g

Commission Application
Page 2

Have you ever attended a meeting of the Commission to which you are applying? If so, how many?

Yes, I have attended a few Senior Citizens Advisory Commission meetings.

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body.

As a senior citizen I have enjoyed the events and activities offered by the Senior Center and town of Healdsburg. Participation and meeting people enrich my daily life and I want to give back by being a leader and supporter on the Senior Citizens Advisory Commission.

What would be your goal(s) as a Commissioner?

I am a listener who can gather information and be apart of a team to serve the needs of you seniors while following policy, prodedures and rules laid out my the commission. It is important to have something every senior can do and enjoy.

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve.

I would show up at meetings and events, unless a personal priority is pending. I would communicate my needs and work with the advisory team to serve our community.

As a former teacher, I worked with the needs of a diverse community, including socially economically disadvantaged families, to second language learners and to advantaged

Current and Past Membership in Community Organizations & Offices Held:

I have volunteered 2 years as a server at the Senior Center Holiday Dinner, Villa Chanteer 2023 & 2025

I held board positions as a PTA member during my teaching career.

I volunteer for St. Vicent de Paul charities through St. John the Baptist Catholic Church. I volunteered at St. Rose Catholic Church teaching CCD to elementary students

Additional Information & Comments:

I have time and energy to give back to our community.

Commission Application
Page 3

Local References:

Name: Rita Cordova Telephone: [REDACTED]
Address: [REDACTED] Email: [REDACTED]

Name: Lori Patocchi Telephone: [REDACTED]
Address: [REDACTED] Email: n/a

Name: Karl Doolittle Telephone: [REDACTED]
Address: [REDACTED] Email: n/a

Applicants and incumbents should be aware that they may be required to disclose any potential conflicts of interest arising from their business or organizational affiliations within the City of Healdsburg. Furthermore, a Statement of Economic Interest may be required, which is subject to public disclosure.

I certify that the information provided in this application is true and accurate to the best of my knowledge. By submitting this application, I agree to serve on the designated Commission/Committee if appointed.

Signature: [Handwritten Signature] Date: 12/23/2025



CITY OF HEALDSBURG
CITY MANAGER'S OFFICE

401 Grove Street
Healdsburg, CA 95448-4723

Phone: (707) 431-3317
Fax: (707) 431-3321

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JAN - 7 2026

CITY OF HEALDSBURG

APPLICATION FOR APPOINTMENT TO COMMISSIONS AND COMMITTEES

The City of Healdsburg is seeking dedicated community members to serve on our boards and commissions. These groups play a vital role in advising the City Council on important matters. Please complete this application and submit it to Raina Allan at rallan@healdsburg.gov, along with any relevant information.

COMMITTEE, COMMISSION, OR AREA OF SERVICE YOU ARE APPLYING FOR:

Senior Advisory Committee (Re-application)

Name: Rita D. Mar Cordova Telephone: [REDACTED]

Home Address: [REDACTED] Email: [REDACTED]

Resident in Healdsburg for 42+ years. (Born and raised here)

Languages other than English spoken: Spanish (Bilingual and Bicultural)

Educational Background: Attended St. John's Catholic School in Healdsburg throughout 1st to 8th grade. Attended Ursuline Highschool and graduated in 1975. Earned and hold a masters degree in Counseling.

Employer: self, sole proprietor of a private practice in Healdsburg - Casa Mar Counseling.

Job Title: licensed marriage and Family Therapist (LMFT)

Duties Performed: Provide counseling to individuals of all ages. After evaluation, I use therapy and treatment modalities that would be most beneficial to the client or clients for the issues and concerns presented.

Commission Application
Page 2

Have you ever attended a meeting of the Commission to which you are applying? If so, how many?

* Reapplication; I've attended meetings for two years.

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body. I've been serving on the Senior Advisory Commission for two years and have found it to be both engaging and enlightening regarding the beloved community of Healdsburg and it's Seniors population. This is why I am re-applying.

What would be your goal(s) as a Commissioner? To continue to serve in a more full capacity than before. My main goal is to continue to be helpful, involved, positive and supportive. I want to be helpful towards the staff and participants-members at the Senior Center and also to those of us on the Commission itself. Together we are a community.

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve. I will continue to attend meetings as I have for the last two years. I will continue to volunteer for events that target and benefit the Seniors of our community. I recently suffered the loss of my husband of 40 years. It's a difficult passage. I look forward to serving in
Current and Past Membership in Community Organizations & Offices Held: a more

full capacity now. I look forward that in 2026 I will be able to be more fully present and be able to be even more constructive and

Additional Information & Comments: productive. My goal is to be a positive influence towards what benefits the Seniors in our beloved community.

I consider serving in this role a very valuable privilege, thank you!

Commission Application
Page 3

Local References:

Name: Anna Grant *Active Adult & Senior Services Supervisor* Telephone: [REDACTED]
 Address: 133 Matheson Street Email: [REDACTED]

Name: Linda Biggers Telephone: [REDACTED]
 Address: [REDACTED] Email: [REDACTED]
Healdsburg, CA 95448

Name: Greta Frndentlund Telephone: [REDACTED]
 Address: [REDACTED] Email: [REDACTED]
Healdsburg, CA 95448

Applicants and incumbents should be aware that they may be required to disclose any potential conflicts of interest arising from their business or organizational affiliations within the City of Healdsburg. Furthermore, a Statement of Economic Interest may be required, which is subject to public disclosure.

I certify that the information provided in this application is true and accurate to the best of my knowledge. By submitting this application, I agree to serve on the designated Commission/Committee if appointed.

Signature:  Date: 1/8/2020

Application for Appointment to Commissions and Committees

Applying for - Senior Citizen Advisory Committee

Donna Riley

[REDACTED] Healdsburg

[REDACTED] - phone

[REDACTED] - email

RECEIVED

JAN - 7 2026

CITY OF HEALDSBURG

Resident in Healdsburg for 8 years.

Languages other than English spoken - Some Spanish and French, actively learning Spanish

Educational Background:

Cabrillo Sr. High School, Lompoc, CA, 1974; UC Irvine, BA Comparative Literature, 1985. Lifelong learner with at least four different courses always in process. Meditation Teacher.

Employer: Retired From Dell Inc - 2006

Job Title: Account Manager

Duties Performed: Initially 3 years' sales to Fortune 500 Bay-Area-based companies. Last 7 years working with K12 Schools throughout Northern California. In retirement, I have committed myself to service work, learning and supporting my community.

Have you ever attended a meeting of the Commission to which you are applying? If so, how many??

I have not attended a Commission meeting so as not to interfere with my husband, Dave Hoppes' work there.

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body.

With the Senior Center's focus on end-of-life services, I am uniquely qualified to participate, having worked through many difficult situations with my husband, Dave Hoppes, in Memory Care. Issues involve health provider lack of patient

focus and assessment, assisted living legal and medical care issues, negligent care and responsiveness, multiple acquisitions - the latest company cutting staff, food quality and service. I believe that as a senior, my best opportunity to be of service is to work with people my age who engage or could engage with the Senior Center. I would love to encourage more diverse membership.

What would be your goal(s) as a Commissioner?

Your End-of-Life initiative spoke to me immediately. Participate as Compassionate Communities team member and start a peer-led Dementia Caregiver Support Group. Help foster an age-friendly community through awareness - public speaking/engagement - DEI, EOL - committee work. New program development and current program enhancements. Help/teaching member computer skills. Promote and teach meditation classes.

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve.

I will support excellence in public service by listening first and keeping people, not processes, at the center of decisions. Older adults are a diverse community, and I would encourage their ongoing feedback to help translate those voices into thoughtful, practical recommendations. Public service is built on respect, clear communication, and follow-through. I would bring a collaborative, service-oriented mindset to the Senior Center.

Current and Past Membership in Community Organizations & Offices Held:

COPE - The Greens Neighborhood Leader, AAUW Healdsburg - Newsletter, Redwood Empire Food Bank - kitchen volunteer and fundraising; Several AA Healdsburg Meeting Groups - volunteer, greeter, speaker, meditation teacher; Duffy's Treatment Center - meditation teacher, kitchen; Glide Memorial Church - Sunday front office admin; Meals on Wheels - Driver SF.

Additional Information & Comments:

My husband, Dave, has encouraged me to participate in a more meaningful way in our community. I have watched Healdsburg and the Senior Center thrive through outstanding public service, and I hope to fully immerse myself in this rewarding experience.

Local References:

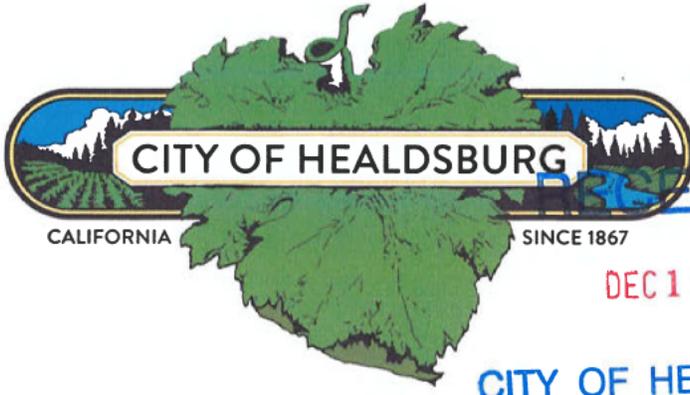
George Seeber, [REDACTED], Healdsburg; [REDACTED] phone; [REDACTED] email

Jim Walters, [REDACTED] Healdsburg; [REDACTED] phone:
[REDACTED] email

Donna Manahan [REDACTED] Healdsburg; [REDACTED] phone;
[REDACTED]

I certify that this is an exact replica of the application portion filed on 1/3/26. Since that submission was illegible, I typed out the entire application portion with the exact same responses.

*Respectfully submitted,
Donna Riley*



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DEC 16 2025

CITY OF HEALDSBURG

APPLICATION FOR APPOINTMENT TO COMMISSIONS AND COMMITTEES

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COMMITTEE, COMMISSION, OR AREA OF SERVICE YOU ARE APPLYING FOR:

SENIOR ADVISARY

Name: MARY SELHORST Telephone: [REDACTED]

Home Address: [REDACTED] Email: [REDACTED]

Resident in Healdsburg for 3 years.

Languages other than English spoken: -

Educational Background: BA-SOCIOLOGY

Employer: RETIRED

Job Title: _____

Duties Performed: _____

Commission Application
Page 2

Have you ever attended a meeting of the Commission to which you are applying? If so, how many?

YES 4-10

Please state briefly your reasons for applying and why you feel you are qualified for appointment to this body.

I'm INTERESTED IN IMPACTING THE LIVES ON SENIORS IN A POSITIVE WAY.

What would be your goal(s) as a Commissioner?

To listen to the interests/needs of seniors and act on them, as possible.

Please describe how you would help support excellence in public service and help the City effectively respond to the needs of the diverse residents we serve.

I would be involved in outreach to those who are unfamiliar with activities for seniors.

Current and Past Membership in Community Organizations & Offices Held:

PRESIDENT OF HOMEOWNER ASSOCIATION IN PERRY HALL MD (TEN YEARS -1990S)

BOARD MEMBER OF CONDO ASSOCIATION KENT ISLAND FOR 2+ YRS. 2006-2009

Additional Information & Comments:

Commission Application
Page 3

Local References:

Name: ANNA GRANT Telephone: 
Address: HEALDSBURG SENIOR CENTER Email: _____

Name: CINDY SKINNER Telephone: 
Address: _____ Email: _____

Name: _____ Telephone: _____
Address: _____ Email: _____

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I certify that the information provided in this application is true and accurate to the best of my knowledge. By submitting this application, I agree to serve on the designated Commission/Committee if appointed.

Signature: Mary Selhorst Date: 12/15/25

**CITY OF HEALDSBURG
CITY COUNCIL FUTURE AGENDA ITEMS**

(NOTE: The schedule is tentative and subject to change pending final publication and posting of the City Council meeting agenda)

March 2, 2026	Women’s History Month Proclamation
	Red Cross Month Proclamation
	Annual Police Department Update
	Approval of Disbursement Report – January 2026
	Receive the Monthly Investment Report – January 2026
	Landscaping and Lighting Assessment District
	Review and Renew Military Equipment Use Ordinance and Policy and Review and Approve Annual Military Equipment Report
	2025 Growth Management Annual Report
	2025 General Plan Annual Report
	Annual Progress Report – Housing
	Housing Legislation Land Use Code Amendments (SB 9 and SB 684/SB 1123) 2nd Reading
	Freebird Development Agreement Amendment
	Housing Trust Fund Discussion
March 16, 2025	Annual Fire Department Update
	Fire Department Badge Pinning/Recognition
	National Surveyors Month Proclamation
	Cesar Chavez Day Proclamation
	Acceptance of Public Improvements – North Village
	Farmers’ Market Agreement
	Acceptance of the Foley Family Community Pavilion Project
	Badger Park Schematic Design Contract
	MOU with Corazon Healdsburg and Healthcare Foundation Northern Sonoma County for Abel De Luna Community Center Multicultural Center Improvements Project

Item 12.a

	City Council Protocol Update
	Grove Street Undergrounding Project Update
	SMART Sales Tax Renewal Presentation
March 25, 2026	
	City Council Goal Setting Session
April 6, 2026	Volunteer Appreciation Month Proclamation
	Arts, Culture and Creativity Month Proclamation
	Marie Sparks Volunteer of the Year Award
	Prune Packers Baseball Club Facility Use Agreement
	Public Art Grant Awards
April 20, 2026	Construction Contract for Grove Street Underground Conversion Project
	Budget Development Update
	Foley Family Community Pavilion Public Art Project Award

(NOTE: The schedule is tentative and subject to change pending final publication and posting of the City Council meeting agenda)