

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES

July 10, 2012

SPECIAL PRESENTATIONS – 6:00 P.M.
REGULAR MEETING – 6:30 P.M.

City Council Closed Session

First Tuesday of each month – 6:00 p.m.

City Council Study Sessions

Third Tuesday of each month – 6:00 p.m.

City Council Meetings

Second and Fourth Tuesdays – 6:30 p.m.

City Hall Council Chamber - 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Mel Alonzo, ADA Coordinator, at 951.413.3027 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

William H. Batey II, Mayor Pro Tem
Jesse L. Molina, Council Member

Richard A. Stewart, Mayor

Robin N. Hastings, Council Member
Marcelo Co, Council Member

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CITY COUNCIL OF THE CITY OF MORENO VALLEY
July 10, 2012

CALL TO ORDER

SPECIAL PRESENTATIONS

1. Recognition of Family FunFest 2012 Moreno Valley Idol Competition Winners
2. Presentation of 4th of July Parade Awards
3. Spotlight on Moreno Valley Business
 - a) Fitness 19
 - b) Round Table Pizza

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING - 6:30 PM
JULY 10, 2012**

CALL TO ORDER

(Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees- actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item)

PLEDGE OF ALLEGIANCE

INVOCATION - Pastor Diane Gardner, Beautiful Women of God - Diane Gardner Ministries

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL WILL BE HEARD PRIOR TO CITY COUNCIL REPORTS AND CLOSING COMMENTS. IN THE EVENT THAT THE AGENDA ITEM FOR SUCH PUBLIC COMMENTS HAS NOT BEEN CALLED BY 9:00 P.M., IT SHALL BE CALLED AS THE NEXT ITEM OF BUSINESS FOLLOWING THE CONCLUSION OF ANY ITEM BEING HEARD AT 9:00 P.M. Those wishing to speak should submit a BLUE speaker slip to the Bailiff. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council

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member, staff member or other person.

JOINT CONSENT CALENDARS (SECTIONS A-D)

All items listed under the Consent Calendars, Sections A, B, C, and D are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the Council, Community Services District, City as Successor Agency for the Redevelopment Agency, Housing Authority or the Board of Library Trustees requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

A.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

A.2 MINUTES - REGULAR MEETING OF JUNE 26, 2012 (Report of: City Clerk Department)

Recommendation:

Approve as submitted.

A.3 CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES (Report of: City Clerk's Department)

Recommendation:

Receive and file the Reports on Reimbursable Activities for the period of June 20 - July 3, 2012.

A.4 AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO ACCEPT THE WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS AND PUNCH-LIST ITEMS ARE COMPLETED FOR THE IRONWOOD AVENUE IMPROVEMENTS FROM HEACOCK STREET TO PERRIS BOULEVARD PROJECT NO. 06-50182625, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT THE IMPROVEMENTS INTO THE CITY MAINTAINED SYSTEM (Report of: Public Works Department/CPD)

Recommendation:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Ironwood Avenue Improvements

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from Heacock Street to Perris Boulevard, constructed by STI Inc. Trucking and Materials, 18791 Van Buren Boulevard, Suite E, Riverside, CA 92508;

2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code;
3. Authorize the Financial and Administrative Services Director to release the retention to STI Inc. Trucking and Materials, thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project; and
4. Authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete.

A.5 AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO ACCEPT WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS, PUNCH-LIST ITEMS, AND CALTRANS ACCEPTANCE ARE COMPLETED FOR THE SR-60/NASON INTERCHANGE, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT IMPROVEMENTS INTO THE CITY-MAINTAINED SYSTEM – PROJECT NO. 98-25897 (Report of: Public Works Department/CPD)

Recommendation:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements, punch-list items, and Caltrans acceptance are completed for construction of the SR-60/Nason Interchange Improvements, constructed by All American Asphalt, PO Box 2229, Corona, CA 92878;
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code;
3. Authorize the Financial and Administrative Services Director to release the retention to All American Asphalt, thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no

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claims are filed against the project; and

4. Authorize the Public Works Director/City Engineer to accept improvements into the City's maintained system upon acceptance of the improvements as complete.

A.6 AUTHORIZE AWARD OF CONSTRUCTION CONTRACT TO HARDY & HARPER, INC. FOR IRIS AVENUE PAVEMENT RESURFACING - PROJECT NO. 13-22422410 (Report of: Public Works Department/CPD)

Recommendation:

1. Award the construction contract to include Base Bid Schedule and Additive Bid Schedules A to D to Hardy & Harper, Inc., 1312 Warner Avenue, Santa Ana, CA 92705, the lowest responsible bidder;
2. Authorize the City Manager to execute a contract with Hardy & Harper, Inc.;
3. Authorize the issuance a Purchase Order to Hardy & Harper, Inc. for the amount of \$1,225,900.00 (\$1,066,000.00 Base Bid Schedule and Additive Bid Schedules amount plus 15% contingency of \$159,900.00) when the contract has been signed by all parties;
4. Authorize the Public Works Director/City Engineer to execute any subsequent change orders to the contract with Hardy & Harper, Inc., up to but not to exceed the Purchase Order's total contingency amount of \$159,900.00, subject to the approval of the City Attorney; and
5. Authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained roadway system, and release the retention to Hardy & Harper, Inc., if no claims are filed against the project.

A.7 APPROVE RESOLUTION NO. 2012-56, AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR STATE-LOCAL PARTNERSHIP PROGRAM (SLPP) GRANT FUNDING AND APPROPRIATING REQUIRED MATCHING FUNDS FOR THE CACTUS AVENUE WIDENING PROJECT FROM INTERSTATE 215 EASTBOUND OFF-RAMP TO VETERANS WAY PROJECT NO. 07-41678527 (Report of: Public Works Department/CPD)

Recommendation:

1. Approve Resolution No. 2012-56, authorizing the submittal of an application for the California Transportation Commission (CTC) State-Local Partnership Program (SLPP) grant for the requested amount of

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\$560,000 for Cactus Avenue Widening from Interstate 215 Eastbound Off-Ramp to Veterans Way;

Resolution No. 2012-56

A Resolution of the City Council of the City of Moreno Valley, California, Authorizing Submittal of an Application for Funds to the California Transportation Commission for the State-Local Partnership Program Grant Under the Proposition 1B Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 for the Cactus Avenue Widening Project from Interstate 215 East Bound Off-Ramp to Veterans Way Project No. 07-41678527

2. Authorize the City Engineer/Public Works Director, on behalf of the City, to accept any SLPP grant funds the CTC may allocate for the Cactus Avenue Widening project; and
3. Authorize the appropriation of funds up to \$560,000 SLPP grant funding monies when and if the grant is awarded by the CTC and accepted by the City Engineer/Public Works Director on behalf of the City, and appropriate up to \$560,000 in matching funds from Development Impact Fees (DIF, Fund 201) if and when the grant application is accepted by the CTC.

A.8 FIRST AMENDMENT TO AGREEMENT WITH FALCON ENGINEERING SERVICES INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE SR-60/MORENO BEACH PHASE 1 PROJECT – PROJECT NO. 07-41570024 (Report of: Public Works Department/CPD)

Recommendation:

1. Authorize the "First Amendment to Agreement for Professional Consultant Services, Transportation Uniform Mitigation Fee (TUMF) – Zonal" (First Amendment) with Falcon Engineering Services, Inc. (Falcon), 1020 Aquino Circle, Corona, CA 92879 to provide construction management and inspection services for the SR-60/Moreno Beach Interchange Project (Phase 1) for \$767,821.56;
2. Authorize the City Manager to execute said First Amendment with Falcon;
3. Acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley, add it to the Recognized Obligation Payment Schedule, submit same to the Oversight Board for Approval, and authorize the City Manager to access agency funds only after

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Oversight Board and State Department of Finance approval;

4. Authorize a Change Order to increase Purchase Order No. 42372 with Falcon by \$767,821.56 from Account No. 797.79731.7200 once the First Amendment has been signed by all parties; and
5. Authorize the Public Works Director/City Engineer to execute any subsequent amendments to the contract with Falcon within the authorized purchase order amount subject to the approval of the City Attorney.

A.9 LICENSE AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND AMERICAN MEDICAL RESPONSE – INLAND EMPIRE FOR THE USE OF FIRE STATION 91 (Report of: Fire Department)

Recommendation:

1. Approve a License Agreement between the City of Moreno Valley and American Medical Response - Inland Empire for the use of Fire Station 91; and
2. Authorize the Mayor to execute the Agreement.

A.10 APPROPRIATION OF EQUIPMENT REPLACEMENT RESERVE FUNDS FOR THE PURCHASE OF A CONFINED SPACE COMMUNICATIONS KIT (Report of: Fire Department)

Recommendation:

Approve an appropriation of \$10,500 from Equipment Replacement Reserve Funds to 1010-40-45-30110-660399 for the replacement of a confined space communication kit.

A.11 COMMUNITY ORIENTED POLICING SERVICES (COPS) FUNDING OPPORTUNITY (Report of: Police Department)

Recommendation:

1. Approve the grant application and authorize acceptance (if awarded) of the Office of Community Oriented Policing Services (COPS) grant in the amount of \$155,384, entitled "Community Policing Development Program;" and
2. Authorize the revenue and expense budgets in the Community Oriented Policing Services (COPS) Fund 2720 for the Community Policing Development Program in the amounts of \$155,384, respectively, upon approval and acceptance of the COPS grant.

A.12 AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO

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ACCEPT THE WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS AND PUNCH-LIST ITEMS ARE COMPLETED FOR THE WIDENING OF PERRIS BOULEVARD SOUTHBOUND AT STATE ROUTE 60 WESTBOUND ON-RAMP, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT THE IMPROVEMENTS INTO THE CITY MAINTAINED SYSTEM - PROJECT NO. 08-12566627 (Report of: Public Works Department/CPD)

Recommendation:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Widening of Perris Boulevard Southbound at State Route 60 Westbound On-Ramp constructed by Hillcrest Contracting, Inc., 1467 Circle City Drive, Corona, CA 92878;
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code;
3. Authorize the Financial and Administrative Services Director to release the retention to Hillcrest Contracting, Inc., thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project; and
4. Authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete.

- A.13 ACCEPTANCE AND APPROPRIATION OF AN ADDITIONAL \$2,000,000 IN SURFACE TRANSPORTATION PROGRAM - LOCAL (STPL) FUNDS FOR THE SR-60/NASON OVERCROSSING IMPROVEMENT PROJECT - PROJECT NO. 07-41570024 (Report of: Public Works Department/CPD)

Recommendation:

Accept and appropriate an additional \$2,000,000 of Surface Transportation Program – Local (STPL) funds for the SR-60/Nason Overcrossing Improvement Project.

- A.14 AUTHORIZATION OF GRANT APPLICATION SUBMITTALS FOR THE HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) (Report of: Public Works Department/TED)

Recommendation:

Authorize the submittal of grant applications for the Highway Safety Improvement Program (HSIP).

A.15 AUTHORIZATION TO AWARD CONTRACT TO ALL CITY MANAGEMENT SERVICES FOR THE ADMINISTRATION OF THE CROSSING GUARD PROGRAM (Report of: Public Works/TED)

Recommendation:

1. Authorize the Award of a Crossing Guard Service Contract to All City Management Services to provide adult crossing guard services within the City, commencing with the start of the 2012/2013 school year in mid-August;
2. Authorize the City Manager to execute an agreement with All City Management Services;
3. Authorize the issuance of a Purchase Order to All City Management Services in the amount of \$517,258.50 for the first year of the agreement, and subsequent purchase orders as necessary to fund subsequent years of service in accordance with the terms of the agreement; and
4. Authorize the Public Works Director/City Engineer to execute any subsequent amendments to the Agreement with All City Management Services, subject to the approval of the City Attorney.

A.16 AUTHORIZE THE NINTH AMENDMENT TO AGREEMENT WITH AECOM TECHNICAL SERVICES, INC. FOR PROFESSIONAL CONSULTANT SERVICES FOR THE INDIAN DETENTION BASIN DRAINAGE IMPROVEMENTS, AND IRONWOOD AVENUE STREET IMPROVEMENTS FROM HEACOCK STREET TO NITA DRIVE - PROJECT NO. 09-89791726 (Report of: Public Works Department/CPD)

Recommendation:

1. Approve the "Ninth Amendment to Agreement for Professional Consultant Services" with AECOM Technical Services, Inc., for the amount of \$65,785, to provide additional professional services during close-out from the construction of the Indian Detention Basin Drainage Improvements, and Ironwood Avenue Street Improvements from Heacock Street to Nita Drive;
2. Authorize the City Manager to execute said "Ninth Amendment to Agreement for Professional Consultant Services" with AECOM Technical Services, Inc.;

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3. Acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley, add it to the Recognized Obligation Payment Schedule, submit same to the Oversight Board for approval, and authorize the City Manager to access agency funds only after Oversight Board and State Department of Finance approval;
4. Authorize a Change Order to increase the Purchase Order with AECOM Technical Services, Inc. by \$65,785 when the Ninth Amendment has been signed by all parties; and
5. Authorize the Public Works Director/City Engineer to execute any subsequent minor related amendment(s) to the agreement with AECOM Technical Services, Inc. subject to the approval of the City Attorney.

A.17 AUTHORIZE A PURCHASE ORDER TO JOHNSON POWER SYSTEMS FOR THE EMERGENCY OPERATIONS CENTER FAMILY CARE CENTER GENERATOR PROJECT
PROJECT NO. 11-24024011 (Report of: Public Works Department/CPD)

Recommendation:

1. Authorize the issuance of a Purchase Order in the amount of \$245,670 (\$228,000 plus applicable taxes) to Johnson Power Systems, 656 E. La Cadena Drive, Riverside, CA 92502, for the purchase of the generator set and tank for the Emergency Operations Center Family Care Center;
2. Authorize the issuance of a Purchase Order in the amount of \$73,810 (\$68,500 plus applicable taxes) to Johnson Power Systems, 656 E. La Cadena Drive, Riverside, CA 92502, for the purchase of the additional tank for the existing generator at City Hall, if funding is available at the time of construction award; and
3. Authorize the appropriation of the savings in the amount of \$458,000 from the 2005 Lease Revenue Bond Fund 501 for the Public Safety Building Conversion project to the Emergency Operations Center Family Care Generator project.

A.18 BALLISTIC GLASS UPGRADES (Report of: Police Department)

Recommendation:

1. Approve the Ballistic Glass Upgrades of the Moreno Valley Public Safety Building's (Police Department) lobby and clerical area with a revised estimated cost of \$170,000; and

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2. Authorize the use of \$100,000 from the Moreno Valley Police Department's operational savings to be used in conjunction with the previously approved \$70,000 asset forfeiture fund to complete the Ballistic Glass Upgrades.

A.19 AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO ACCEPT THE WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS AND PUNCH-LIST ITEMS ARE COMPLETED FOR THE AUTO MALL STREET IMPROVEMENTS PROJECT NO. 08-89791725, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT THE IMPROVEMENTS INTO THE CITY MAINTAINED SYSTEM (Report of: Public Works Department/CPD)

Recommendation:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Auto Mall Street Improvements Project to Sean Malek Engineering and Construction, 43905 Margarita Road, Temecula, CA 92592;
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code;
3. Authorize the Financial and Administrative Services Director to release the retention to Sean Malek Engineering and Construction, thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project;
4. Acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley as included on the Oversight Board approved list of projects;
5. Authorize the Public Works Director/City Engineer to accept the portion of improvements that are within the City's jurisdiction into the City's maintained system upon acceptance of the improvements as complete; and
6. Authorize the Community and Economic Development Director to

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release the applicable improvements to the Moreno Valley Auto Mall Landscaping Association for maintenance.

- A.20 AUTHORIZE THE CITY MANAGER TO EXECUTE A CONTRACT AND PURCHASE ORDER WITH JD EDGE SOFTWARE (Report of: Financial & Administrative Services Department)

Recommendation:

1. Authorize the City Manager to execute an agreement and purchase order with JD Edge Software for costs not-to-exceed \$250,000 (\$199,995 quoted costs plus \$50,005 (25%) contingency) to assist the City in converting Human Resource and Payroll data for incorporation into the City's new ERP system; and
2. Appropriate \$250,000 in FY 2012-13 to the Technology Services Division, Professional Services account from fund balance available from FY 2011-12 savings in the Financial & Administrative Services and Human Resources Departments to fund the contract expenditures for the ERP replacement project.

- A.21 ADOPT A RESOLUTION APPROVING THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE RELATED TO INVESTMENTS WITH LEHMAN BROTHERS HOLDINGS INC. IN THE AMOUNT OF \$2,819,046.30 (Report of: Financial & Administrative Services Department)

Recommendation:

Adopt Resolution No. 2012-57, approving the write-off of \$2,819,046.30 in uncollectible Accounts Receivable related to investments in Lehman Brothers Holdings Inc.

Resolution No. 2012-57

A Resolution of the City Council of the City of Moreno Valley, California, Approving the Write-Off of Uncollectible Accounts Receivable related to investments with Lehman Brothers Holdings Inc. in the amount of \$2,819,046.30

- A.22 APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, TO AMEND ELECTRIC RATE SCHEDULE ED – ECONOMIC DEVELOPMENT RATE FOR MORENO VALLEY UTILITY (Report of: Public Works Department/EU)

Recommendation:

1. Approve Resolution No. 2012-58 amending Electric Rate Schedule

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ED – Economic Development Rate for Moreno Valley Utility; and

Resolution No. 2012-58

A Resolution of the City Council of the City of Moreno Valley, California, to amend Electric Rate Schedule ED – Economic Development Rate and Associated Agreement for Moreno Valley Utility

2. Authorize the City Manager to execute, on behalf of the City Council, the amended Economic Development Rate Agreement for New or Expanded Load Electric Service Customer pursuant to Schedule ED - Economic Development Rate.

A.23 CERTIFICATION OF RIVERSIDE HOUSING DEVELOPMENT CORPORATION AS A DESIGNATED COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR FISCAL YEAR 2012-2013 (Report of: Community & Economic Development Department)

Recommendation:

Adopt Resolution 2012-59 certifying Riverside Housing Development Corporation (RHDC) as a city-designated Community Housing Development Organization (CHDO).

Resolution No. 2012-59

A Resolution of the City Council of the City of Moreno Valley, California, Designating a Community Housing Development Organization Under the United States Department of Housing and Urban Development Home Investment Partnership Act

A.24 AFFORDABLE HOUSING AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND RIVERSIDE HOUSING DEVELOPMENT CORPORATION FOR 22877 ALLIES PLACE (Report of: Community & Economic Development Department)

Recommendation:

1. Adopt Resolution No. 2012-60 and approve the Affordable Housing Agreement by and between the City of Moreno Valley and Riverside Housing Development Corporation (RHDC);

Resolution No. 2012-60

A Resolution of the City Council of the City of Moreno Valley Approving an Affordable Housing Agreement by and Between the City and Riverside Housing Development Corporation, A California

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Nonprofit Public Benefit Corporation

2. Authorize funding the project from the Program Income generated by the Neighborhood Stabilization Program Grant (197.1970.4595), and approve a budget appropriation of \$209,000 for NSP Multi-Family/Rental Rehabilitation (197.19710.6848.001);
 3. Authorize funding the project from HOME CHDO Reserve (Fund 176 Fund Balance), and approve a budget appropriation of \$285,075 for RHDC Allies Place Project (New Business Unit);
 4. Authorize the City Manager to amend the Affordable Housing Agreement (AHA) or undertake any other actions necessary, proper or convenient to the implementation of the AHA, as long as any revisions do not materially or substantially increase the City's stated obligations or materially change the uses or development permitted on the Site; and
 5. Authorize the City Manager, or his appointee, to execute the necessary documents.
- A.25 ADOPT RESOLUTION NO. 2012-62, APPOINTING MAYOR RICHARD A. STEWART AS THE CITY'S VOTING DELEGATE AND COUNCIL MEMBERS JESSE L. MOLINA AND MARCELO CO AS FIRST AND SECOND ALTERNATE DELEGATES RESPECTIVELY, TO THE LEAGUE OF CALIFORNIA CITIES ANNUAL BUSINESS MEETING – SEPTEMBER 7, 2012 (Report of: City Clerk Department)

Recommendation:

Adopt Resolution No. 2012-62 appointing Mayor Richard A. Stewart as the City's Voting Delegate and Council Members Jesse L. Molina and Marcelo Co as first and second alternate delegates respectively to the League of California Cities 2012 Annual Business Meeting.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

B.2 MINUTES - REGULAR MEETING OF JUNE 26, 2012 (Report of: City Clerk Department)

Recommendation:

Approve as submitted.

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C. CONSENT CALENDAR - HOUSING AUTHORITY

C.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

C.2 MINUTES - REGULAR MEETING OF JUNE 26, 2012 (Report of: City Clerk Department)

Recommendation:

Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

D.2 MINUTES - REGULAR MEETING OF JUNE 26, 2012 (Report of: City Clerk Department)

Recommendation:

Approve as submitted.

E. PUBLIC HEARINGS - NONE

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration. Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Bailiff.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. REPORTS

G.1 CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES (Informational Oral Presentation - not for Council action)

a) Report by Mayor Richard A. Stewart on March Joint Powers Commission (MJPC)

G.2 REGIONAL GOODS MOVEMENT - ENVIRONMENTAL STRATEGY (POWERPOINT PRESENTATION BY ANNIE NAM, MANAGER GOODS MOVEMENT AND TRANSPORTATION FINANCE)

G.3 APPROVE THE LONG RANGE BUSINESS PLAN FOR THE PERIOD FY

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2010 THROUGH FY 2020 (Report of: Financial & Administrative Services Department)

Recommendation: That the City Council:

The Finance Subcommittee recommends that the City Council approve the Long Range Business Plan (LRBP) for the period FY 2010 through FY 2020.

- G.4 ADOPT A RESOLUTION OF THE CITY OF MORENO VALLEY DECLARING ITS OFFICIAL INTENT TO PROCEED WITH THE CALIFORNIA COMMUNITIES TOTAL ROAD IMPROVEMENT PROGRAM (TRIP) AND TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS AND RATIFY THE RETENTION OF ORRICK HERRINGTON TO REPRESENT THE CITY IN LEGAL MATTERS RELATED TO THE TRIP FINANCING (Report of: Financial & Administrative Services Department)

Recommendation: That the City Council:

Adopt Resolution No. 2012-61 approving a resolution declaring the official intent to proceed with the California Communities Total Road Improvement Program (TRIP) and to reimburse certain expenditures from proceeds of indebtedness and ratify the retention of Orrick Herrington (cost expected to be between \$50,000 - \$100,000) to represent the City in legal matters related to the TRIP financing and authorize the legal fees and costs to be paid from COP proceeds.

Resolution No. 2012-61

Resolution of the City of Moreno Valley, California, declaring its Official Intent to Proceed with the California Communities Total Road Improvement Program (Trip) and to Reimburse Certain Expenditures from Proceeds of Indebtedness

- G.5 CITY MANAGER'S REPORT (Informational Oral Presentation - not for Council action)

H. LEGISLATIVE ACTIONS

H.1 ORDINANCES - 1ST READING AND INTRODUCTION - NONE

H.2 ORDINANCES - 2ND READING AND ADOPTION

- H.2.1 ORDINANCE NO. 849 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING THE MORENO VALLEY MUNICIPAL CODE REGULATIONS REGARDING: (1) ADOPTING WRCOG GOOD NEIGHBOR

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GUIDELINES; (2) REVISED PARKING STANDARDS FOR RESTAURANTS; (3) REDUCTION OF (CC) COMMUNITY COMMERCIAL FRONT AND STREET SIDE BUILDING SETBACKS, AND REVISIONS TO PARKING AND LANDSCAPE SETBACKS; (4) PROVIDE FOR PARKING LOT MAINTENANCE STANDARDS, BANNING "TOPPING" OF TREES; AND (5) AMEND THE GENERAL PARKING DESIGN STANDARD WITH REVISED SAFETY FEATURES AND 24 FOOT WIDE DRIVE AISLES (RECEIVED FIRST READING AND INTRODUCTION ON JUNE 26, 2012, BY A 5-0 VOTE) (Report of: Community & Economic Development Department)

Recommendation: That the City Council:

Adopt Ordinance No. 849, thereby approving PA10-0030, amending various sections of Title 9 of the City of Moreno Valley Municipal Code.

Ordinance No. 849

An Ordinance of the City Council of the City of Moreno Valley, California, Amending the Moreno Valley Municipal Code Regulations Regarding: (1) Adopting WRCOG Good Neighbor Guidelines; (2) Revised Parking Standards for Restaurants; (3) Reduction of (CC) Community Commercial Front and Street side Building Setbacks, and Revisions to Parking and Landscape Setbacks; (4) Provide for Parking Lot Maintenance Standards, Banning "Topping" of Trees; and (5) Amend the General Parking Design Standard with Revised Safety Features and 24 Foot Wide Drive Aisles

- H.2.2 ORDINANCE NO. 850 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING SUBSECTION 9.12.050(F) OF TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE AND ADDING SUBSECTION 9.12.060(O) TO TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE RELATING TO SIGNS IN THE PUBLIC RIGHT-OF-WAY (RECEIVED FIRST READING AND INTRODUCTION ON JUNE 26, 2012 BY A 5-0 VOTE) (Report of: Community & Economic Development Department)

Recommendation: That the City Council:

Adopt the proposed Ordinance No. 850, an Ordinance of the City Council of the City of Moreno Valley, California amending sub-section 9.12.050(F) of Title 9 of the City of Moreno Valley Municipal Code and adding sub-section 9.12.060(O) to Title 9 of the City of Moreno Valley Municipal Code relating to signs in the public right-of-way.

Ordinance No. 850

AGENDA
July 10, 2012

An Ordinance of the City Council of the City of Moreno Valley, California, amending sub-section 9.12.050(F) of Title 9 of the City of Moreno Valley Municipal Code and adding Sub-Section 9.12.060(O) to Title 9 of the City of Moreno Valley Municipal Code Relating to Signs in the Public Right-Of-Way

H.3 ORDINANCES - URGENCY ORDINANCES - NONE

H.4 RESOLUTIONS - NONE

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Those wishing to speak should complete and submit a BLUE speaker slip to the Bailiff. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council member, staff member or other person.

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OR HOUSING AUTHORITY

Materials related to an item on this Agenda submitted to the City Council/Community Services District/City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees after distribution of the agenda packet are available for public inspection in the City Clerk's office at 14177 Frederick Street during normal business hours.

CLOSED SESSION

A Closed Session of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency and Housing Authority will be held in the City Manager's Conference Room, Second Floor, City Hall. The City Council will meet in Closed Session to confer with its legal counsel regarding the following matter(s) and any additional matter(s) publicly and orally announced by the City Attorney in the Council Chamber at the time of convening the Closed Session.

- **PUBLIC COMMENTS ON MATTERS ON THE CLOSED SESSION AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL**

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council member, staff member or other person.

The Closed Session will be held pursuant to Government Code:

1 SECTION 54956.9(a) - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

- a) Case: *Los Angeles Engineering v. City of Moreno Valley*
Court: Riverside Superior Court
Case No: RIC 524877

2 SECTION 54956.9(b)(1) - CONFERENCE WITH LEGAL COUNSEL - SIGNIFICANT EXPOSURE TO LITIGATION

Number of Cases: 5

3 SECTION 54956.9(c) - CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: 5

REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY

ADJOURNMENT

AGENDA
July 10, 2012

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:30 PM
June 26, 2012**

CALL TO ORDER

The Joint Meeting of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Housing Authority and the Board of Library Trustees was called to order at 6:35 p.m. by Mayor Richard A. Stewart in the Council Chamber located at 14177 Frederick Street.

Mayor Richard A. Stewart announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Richard A. Stewart.

INVOCATION

INVOCATION – Mayor Richard A. Stewart

ROLL CALL

Council:

Richard A. Stewart	Mayor
William H. Batey II	Mayor Pro Tem
Marcelo Co	Council Member
Robin N. Hastings	Council Member
Jesse L. Molina	Council Member

Staff:

Jane Halstead	City Clerk
Kathy Gross	Executive Assistant
Henry T. Garcia	City Manager

Richard Teichert
Robert Hansen
Michele Patterson
Joel Ontiveros
Abdul Ahmad
Ahmad Ansari
Barry Foster
Tom DeSantis
Mike McCarty
John Terell

Financial & Administrative Services Director
City Attorney
Assistant to the City Manager
Police Chief
Fire Chief
Public Works Director
Community & Economic Development Director
Human Resources Director
Parks & Community Services Director
Planning Official

JOINT CONSENT CALENDARS (SECTIONS A-D) OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, MORENO VALLEY HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES

A. CONSENT CALENDAR-CITY COUNCIL

A.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

A.2 MINUTES - REGULAR MEETING OF JUNE 12, 2012 (Report of: City Clerk Department)

Recommendation:

Approve as submitted.

A.3 CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES (Report of: City Clerk's Department)

Recommendation:

Receive and file the Reports on Reimbursable Activities for the period of June 6-19, 2012.

A.4 APPROVAL OF THE CHECK REGISTER FOR APRIL, 2012 (Report of: Financial & Administrative Services Department)

Recommendation:

Adopt Resolution No. 2012-53, Approving the Check Register for the Month of April, 2012 in the Amount of \$13,408,420.85.

Resolution No. 2012-53

A Resolution of the City Council of the City Of Moreno Valley, California,
Approving the Check Register for the Month of April, 2012

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A.5 ACCEPT \$3,500,000 OF TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) FUNDING FOR THE SR-60/MORENO BEACH INTERCHANGE PHASE 1 - PROJECT NO. 07-41570024 (Report of: Public Works Department/CPD)

Recommendation:

Accept \$3,500,000 in Transportation Uniform Mitigation Fee (TUMF) funding for the SR-60/Moreno Beach Interchange Phase 1 project.

A.6 THE OFFICE OF JUVENILE JUSTICE DELINQUENCY PREVENTION (OJJDP) FY2012 COMMUNITY BASED VIOLENCE PREVENTION DEMONSTRATION PROGRAM (Report of: Police Department)

Recommendation:

1. Approve the grant application and authorize acceptance (if granted) of the "The OJJDP FY2012 Community Based Violence Prevention Demonstration Program" in the amount of \$713,286, for a 36-month period beginning October 1, 2012 and ending September 30, 2015; and
2. Authorize the revenue and expense budgets in the OJJDP - Police Grant Fund (New Fund - 2XXX) for the FY2012 Community Based Violence Prevention Demonstration Program in the amount of \$713,286, respectively, upon approval and acceptance of the grant from the Office of Juvenile Justice Delinquency Prevention (OJJDP).

A.7 AUTHORIZATION TO CLOSE PUBLIC STREETS FOR THE INDEPENDENCE DAY FESTIVITIES ON WEDNESDAY, JULY 4, 2012 (Report of: Parks and Community Services Department)

Recommendation:

1. Authorize the closure of the following streets between the hours of 6:00 a.m. and 12:00 noon for the purpose of conducting the Fourth of July Parade scheduled to take place on July 4, 2012.
 - a. TownGate Boulevard between Frederick Street, Eucalyptus Avenue and Memorial Way;
 - b. Frederick Street between Centerpointe Drive and Cactus Avenue;
 - c. Cottonwood Avenue between Pan Am Boulevard and Dunhill Drive;
 - d. Eucalyptus Avenue between Pan Am Boulevard and Kochi Drive;
 - e. Dracaea Avenue between Pan Am Boulevard and Kochi Drive;

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June 26, 2012

- f. Atlantic Circle east of Frederick Street;
- g. Brabham Street between Frederick Street and Andretti Street;
- h. TownGate Boulevard between Frederick Street and Heritage Way;
- i. Bay Avenue between Kristina Court and Courage Street;
- j. Alessandro Boulevard between Chagall Court and Elsworth Street;
- k. Alessandro Boulevard between Joy Street and Cactus Avenue;
- l. Resource Way between Frederick Street and Corporate Way;
- m. Corporate Way between Calle San Juan de Los Lagos and Resource Way;
- n. Eastridge Street between Frederick Street and Heritage Way;
- o. Calle San Juan De Los Lagos between Frederick Street and Veterans Way;
- p. Veterans Way between Business Center Drive and Alessandro Boulevard;
- q. New Hope between Veterans Way and Elsworth;
- r. Veterans Way between Cactus Avenue and Alessandro Boulevard, and
- s. Heritage Way between TownGate Boulevard and Town Circle;

- 2. Authorize the closure of Dracaea Avenue between Morrison Street and Nason Street, between the hours of 6:00 a.m. on Tuesday, July 3, 2012 through 5:00 p.m. on Thursday, July 5, 2012 for the purpose of conducting the Fourth of July Festival and Fireworks Program scheduled to take place on July 4, 2012; and
- 3. For a short period of time and immediately following the fireworks display, authorize one-way traffic on various streets in the vicinity of Morrison Park as directed by the Moreno Valley Police Department.

A.8 NOTICE OF COMPLETION AND ACCEPTANCE OF SUNNYMEAD BOULEVARD REVITALIZATION IMPROVEMENTS COMPLETED BY ENVIRONMENTAL CONSTRUCTION, INC. - PROJECT NO. 04-89280221-1 (Report of: Public Works Department/CPD)

Recommendation:

- 1. Accept the work as complete for the Sunnymead Boulevard

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Revitalization from Frederick Street to Perris Boulevard constructed by Environmental Construction, Inc., 21550 Oxnard Street, Suite 1050, Woodland Hills, CA 91367;

2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days at the office of the County Recorder of Riverside County, as required by Section 3093 of the California Civil Code;
3. Accept the improvements into the City's maintained system;
4. Authorize the Financial & Administrative Services Director to release the retention to Environmental Construction, Inc. thirty five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project;
5. Authorize the Purchasing & Facilities Division Manager to execute a Change Order to increase the Purchase Order (No. 35442) with Environmental Construction, Inc., in the amount of \$272,468.10 for the Sunnymead Boulevard Revitalization project (Account No. 501.82125); and
6. Authorize the Public Works Director/City Engineer to execute Contract Change Order No. 7 (Final) for Environmental Construction, Inc.

A.9 FACILITY LEASE EXTENSION WITH MORENO VALLEY GATEWAY, LLC
(Report of: Financial & Administrative Services Department)

Recommendation:

1. Approve the three lease extensions with Moreno Valley Gateway, LLC for the building located at 14325 Frederick St., Moreno Valley;
2. Authorize the City Manager to sign the lease extensions and any subsequent extensions for office space located at 14325 Frederick St., Moreno Valley; and
3. Authorize the Purchasing & Facilities Manager to execute a purchase order for said leases for Fiscal Year 2012-13 as follows:
 - a. Suites 1-3 \$54,029
 - b. Suite 4 \$24,048
 - c. Suites 5-9 \$90,000

A.10 PARCEL MAP 32631 - COMMERCIAL - REDUCE THE IRREVOCABLE LETTER OF CREDIT AS FAITHFUL PERFORMANCE BOND AND ADOPT THE RESOLUTION AUTHORIZING ACCEPTANCE OF THE PUBLIC

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IMPROVEMENTS AS COMPLETE AND ACCEPTING THE PORTIONS OF DAY STREET, GATEWAY DRIVE, MEMORIAL WAY, CAMPUS PARKWAY, AND TOWNGATE CIRCLE ASSOCIATED WITH THE PROJECT INTO THE CITY'S MAINTAINED STREET SYSTEM - DEVELOPER: GATEWAY COMPANY, L.C., A NEVADA LIMITED LIABILITY COMPANY BY: FRITZ DUDA COMPANY, A TEXAS CORPORATION, ITS MANAGER, NEWPORT BEACH, CA 92663 (Report of: Community & Economic Development Department)

Recommendation:

1. Adopt the proposed Resolution No. 2012- 54 authorizing the acceptance of the public improvements within Parcel Map 32631 – Commercial as complete and accepting the portions of Day Street, Gateway Drive, Memorial Way, Campus Parkway, and Towngate Circle associated with the project into the City's maintained street system; and

Resolution No. 2012-54

A Resolution of the City Council of the City of Moreno Valley, California, Authorizing the Acceptance of the Public Improvements as Complete Within Parcel Map 32631 and Accepting the Portions of Day Street, Gateway Drive, Memorial Way, Campus Parkway, and Towngate Circle Associated with the Project into the City's Maintained Street System

2. Authorize the City Engineer to execute the 90% reduction to the Irrevocable Letter of Credit as Faithful Performance Bond, exonerate the Irrevocable Letter of Credit as Material and Labor Bond in 90 days if there are no stop notices or liens on file with the City Clerk, and exonerate the final 10% of the Irrevocable Letter of Credit as Faithful Performance Bond in one year when all clearances are received.

A.11 COOPERATIVE AGREEMENT FOR THE COST SHARE OF AERIAL LADDER TRUCK PERSONNEL BETWEEN THE CITY OF MORENO VALLEY, THE CITY OF PERRIS, AND THE COUNTY OF RIVERSIDE (Report of: Fire Department)

Recommendation:

1. Approve a cooperative agreement for the cost share of aerial ladder truck personnel between the City of Moreno Valley, the City of Perris, and the County of Riverside; and
2. Authorize the Fire Chief to implement the conversion of both basic life support aerial ladder trucks to advance life support aerial ladder trucks.

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A.12 AUTHORIZATION TO AWARD PROFESSIONAL CONSULTANT SERVICES AGREEMENTS FOR BUILDING & SAFETY PLAN CHECK AND INSPECTION SERVICES TO MULTIPLE VENDORS (Report of Community & Economic Development Department)

Recommendation:

1. Approve a five year Independent Contractor Agreement with Willdan Engineering for Building & Safety Plan Check and Inspection Services;
2. Approve a five year Independent Contractor Agreement with Scott Fazekas & Associates for Building & Safety Plan Check and Inspection Services;
3. Approve a five year Independent Contractor Agreement with Esgil Corporation for Building & Safety Plan Check Services;
4. Authorize the City Manager to approve the annual purchase orders through the term of the Agreement at the budget amount approved by the City Council during the annual budget process; and
5. Upon approval of the annual purchase order by the City Manager, authorize the Purchasing & Facilities Division Manager to issue the purchase order to each vendor to cover the estimated costs for providing services for the Building & Safety Division for FY2012/2013 and future years under the Agreement.

A.13 PA11-0009 – COMMERCIAL DEVELOPMENT – ACCEPT THE AGREEMENT AND BONDS FOR PUBLIC IMPROVEMENTS, NORTH SIDE OF IRIS AVENUE, WEST OF OLIVER STREET, DEVELOPER: KAISER FOUNDATION HEALTH PLAN, INC., & KAISER FOUNDATION HOSPITALS, MORENO VALLEY, CA 92555 (Report of: Community & Economic Development Department)

Recommendation:

1. Accept the Agreement and Bonds for Public Improvements;
2. Authorize the Mayor to execute the Agreement;
3. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation; and
4. Authorize the City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

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A.14 SECOND AMENDMENT TO THE INDEPENDENT CONTRACTOR AGREEMENT WITH DENNIS GRUBB & ASSOCIATES (Report of: Fire Department)

Recommendation:

1. Approve the Second Amendment to the Independent Contractor Agreement between the City of Moreno Valley and Dennis Grubb & Associates, LLC;
2. Authorize the City Manager to execute the Second Amendment to the Independent Contractor Agreement between the City of Moreno Valley and Dennis Grubb & Associates, LLC; and
3. Authorize the City Manager to execute a Change Order to increase Purchase Order No. 41249 with Dennis Grubb & Associates, LLC in the amount of \$25,000 for fire plan check services for a total not to exceed amount of \$115,000 for Fiscal Year 2011/2012.

A.15 WASTE MANAGEMENT OF THE INLAND EMPIRE FY 2012/2013 RATE ADJUSTMENT (Report of: Public Works Department/M&O)

Recommendation:

Approve the Waste Management of the Inland Empire proposed Fiscal Year (FY) 2012/2013 Rate Adjustment.

A.16 AUTHORIZE ESTABLISHMENT OF THE KEEP MORENO VALLEY BEAUTIFUL PROGRAM (Report of: Public Works Department/M&O)

Recommendation:

1. Authorize the establishment of a Keep Moreno Valley Beautiful Program which will include becoming a Keep America Beautiful affiliate;
2. Approve the submission of a Keep America Beautiful affiliate application with Mayor's Letter of Endorsement; and
3. Authorize the use of Maintenance and Operations Division operational funds for start-up costs.

Pulled for correction in staff report by Ahmad Anasari, Public Works Director/City Engineer.

A.17 NOTICE OF COMPLETION AND ACCEPTANCE OF THE INDIAN STREET BICYCLE LANES FROM IRIS AVENUE TO KATRINA AVENUE CONSTRUCTED BY ELITE COMPANIES US, INC. PROJECT NO. 11-12556331 (Report of: Public Works Department/CPD)

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Recommendation:

1. Accept the work as complete for the Indian Street Bicycle Lanes from Iris Avenue to Katrina Avenue, constructed by Elite Companies US, Inc., 15321 La Salle Lane, Huntington Beach, CA 92647;
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil Code;
3. Authorize the Financial & Administrative Services Director to release the retention to Elite Companies US, Inc. thirty five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project; and
4. Accept the improvements into the City's maintained system.

A.18 NOTICE OF COMPLETION AND ACCEPTANCE OF THE TRAFFIC SIGNAL IMPROVEMENTS FOR THE LASSELLE STREET AT MARGARET AVENUE INTERSECTION CONSTRUCTED BY J.F.L. ELECTRIC, INC. - PROJECT NO. 10-12566630 (Report of: Public Works Department/CPD)

Recommendation:

1. Accept the work as complete for the Traffic Signal Improvements for the Lasselle Street at Margaret Avenue Intersection constructed by J.F.L. Electric, Inc., 8257 Compton Avenue, Los Angeles, CA 90081;
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil Code;
3. Authorize the Financial & Administrative Services Director to release the retention to J.F.L. Electric, Inc. thirty five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project; and
4. Accept the improvements into the City's maintained system.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

B.2 MINUTES - REGULAR MEETING OF JUNE 12, 2012 (Report of: City Clerk Department)

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Recommendation:

Approve as submitted.

B.3 AUTHORIZATION TO CLOSE PUBLIC STREETS FOR THE INDEPENDENCE DAY FESTIVITIES ON WEDNESDAY, JULY 4, 2012 (Report of: Parks and Community Services Department)

Recommendation:

1. Authorize the closure of the following streets between the hours of 6:00 a.m. and 12:00 noon for the purpose of conducting the Fourth of July Parade scheduled to take place on July 4, 2012.
 - a. TownGate Boulevard between Frederick Street, Eucalyptus Avenue and Memorial Way;
 - b. Frederick Street between Centerpointe Drive and Cactus Avenue;
 - c. Cottonwood Avenue between Pan Am Boulevard and Dunhill Drive;
 - d. Eucalyptus Avenue between Pan Am Boulevard and Kochi Drive;
 - e. Dracaea Avenue between Pan Am Boulevard and Kochi Drive;
 - f. Atlantic Circle east of Frederick Street;
 - g. Brabham Street between Frederick Street and Andretti Street;
 - h. TownGate Boulevard between Frederick Street and Heritage Way;
 - i. Bay Avenue between Kristina Court and Courage Street;
 - j. Alessandro Boulevard between Chagall Court and Elsworth Street;
 - k. Alessandro Boulevard between Joy Street and Cactus Avenue;
 - l. Resource Way between Frederick Street and Corporate Way;
 - m. Corporate Way between Calle San Juan de Los Lagos and Resource Way;
 - n. Eastridge Street between Frederick Street and Heritage Way;
 - o. Calle San Juan De Los Lagos between Frederick Street and Veterans Way;
 - p. Veterans Way between Business Center Drive and Alessandro Boulevard;

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- q. New Hope between Veterans Way and Elsworth;
 - r. Veterans Way between Cactus Avenue and Alessandro Boulevard;
and
 - s. Heritage Way between TownGate Boulevard and Town Circle;
2. Authorize the closure of Dracaea Avenue between Morrison Street and Nason Street, between the hours of 6:00 a.m. on Tuesday, July 3, 2012 through 5:00 p.m. on Thursday, July 5, 2012 for the purpose of conducting the Fourth of July Festival and Fireworks Program scheduled to take place on July 4, 2012; and
 3. For a short period of time and immediately following the fireworks display, authorize one-way traffic on various streets in the vicinity of Morrison Park as directed by the Moreno Valley Police Department.

B.4 AMEND THE CONTRACT WITH THINK TOGETHER, INC. TO OPERATE DAY-TO-DAY ACTIVITIES AND FUNCTIONS INVOLVING THE CITY'S AFTER SCHOOL EDUCATION AND SAFETY (ASES) GRANT PROGRAM FOR FISCAL YEAR 2012-13 (Report of Parks and Community Services Department)

Recommendation:

1. Authorize the City Manager to amend the contract entered into with THINK TOGETHER Inc. on April 26, 2011, to operate day-to-day activities and functions of the City's Prop 49 state-funded ASES after school grant program; and
2. Authorize the additional revenue and expense budgets in the STARS Program Grant Fund (Fund 162) for the ASES Grant Program in the amount of \$262,941, respectively, upon approval of the contract amendment with Think Together, Inc.

C. CONSENT CALENDAR - HOUSING AUTHORITY

C.1 ORDINANCES - READING BY TITLE ONLY
Recommendation: Waive reading of all Ordinances.

C.2 MINUTES - REGULAR MEETING OF JUNE 12, 2012 (Report of: City Clerk Department)

Recommendation:
Approve as submitted.

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June 26, 2012

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

D.2 MINUTES - REGULAR MEETING OF JUNE 12, 2012 (Report of: City Clerk Department)

Mayor Richard A. Stewart opened the agenda items for the Consent Calendars for public comments; there being none, public comments were closed.

Recommendation:

Approve as submitted.

Motion to approve Joint Consent Calendars A.1 through D.2, as amended (amended Recommendation No. 3 of Item A.16 to read: Authorize the use of Maintenance and Operations Division operational funds for \$2,000 start -up costs) by m/Mayor Pro Tem William H. Batey II, s/Council Member Marcelo Co

Approved by a vote of 5-0.

E. PUBLIC HEARINGS

E.1 A PUBLIC HEARING REGARDING PA10-0030, AN AMENDMENT TO TITLE 9 OF THE MUNICIPAL CODE REGULATIONS TO: (1) ADOPT WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG) GOOD NEIGHBOR GUIDELINES; (2) REVISE PARKING STANDARDS FOR RESTAURANTS; (3) REDUCE COMMUNITY COMMERCIAL (CC) FRONT AND STREET SIDE BUILDING SETBACKS, AND OTHER REVISIONS TO PARKING AND LANDSCAPE SETBACKS; (4) PROVIDE FOR PARKING LOT MAINTENANCE STANDARDS; AND (5) AMEND THE GENERAL PARKING DESIGN STANDARD TO REVISE SAFETY FEATURES AND DRIVE AISLES WIDTHS (Report of: Community & Economic Development Department)

Recommendation: That the City Council:

1. RECOGNIZE that PA10-0030 is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines; and
2. INTRODUCE Ordinance No. 849, thereby approving PA10-0030, amending various sections of Title 9 of the City of Moreno Valley Municipal Code.

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June 26, 2012

Ordinance No. 849

An Ordinance of the City Council of the City of Moreno Valley, California, Amending the Moreno Valley Municipal Code Regulations Regarding: (1) Adopting WRCOG Good Neighbor Guidelines; (2) Revised Parking Standards for Restaurants; (3) Reduction of (CC) Community Commercial Front and Street side Building Setbacks, and Revisions to Parking and Landscape Setbacks; (4) Provide for Parking Lot Maintenance Standards, Banning "Topping" of Trees; and (5) Amend the General Parking Design Standard with Revised Safety Features and 24 Foot Wide Drive Aisles

Mayor Richard A. Stewart opened the public testimony portion of the public hearing; there being none, public testimony was closed.

Motion to Approve Recommendation No. 1 by m/Mayor Pro Tem William H. Batey II, s/Council Member Robin N. Hastings

Approved by a vote of 5-0.

Motion to Approve Recommendation No. 2 by m/Mayor Pro Tem William H. Batey II, s/Council Member Robin N. Hastings

Approved by a vote of 5-0.

E.2 PUBLIC HEARING FOR DELINQUENT RESIDENTIAL SOLID WASTE ACCOUNTS (Report of: Public Works Department/M&O)

Recommendation: That the City Council:

1. Approve placing the submitted list of delinquent solid waste accounts that are attached to this report on the Fiscal Year (FY) 2012/2013 Riverside County property tax roll for collection;
2. Adopt Resolution No. 2012-55 repealing, revising and reenacting the provisions of Resolution 2007-72 of the City Council of the City of Moreno Valley, California, and authorizing the collection of delinquent and unpaid taxes and charges for solid waste collection on the tax roll; and

Resolution No. 2012-55

A Resolution repealing, revising and reenacting the provisions of Resolution 2007-72 of the City Council of the City of Moreno Valley, California, and authorizing the collection of delinquent and unpaid taxes and charges for solid waste collection on the tax roll

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3. Direct the City Clerk to file with the Riverside County Auditor a certified copy of Resolution 2012-55 and the list of delinquent solid waste accounts as required by Section 5473.4 of the California Health and Safety Code and Section 6.02.030 of the City of Moreno Valley Municipal Code.

Mayor Richard A. Stewart opened the public testimony portion of the public hearing; there being none, public testimony was closed.

Motion to Approve Recommendation Nos. 1 through 3 by m/Council Member Robin N. Hastings, s/Mayor Pro Tem William H. Batey II

Approved by a vote of 5-0.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

None

G. REPORTS

- G.1 CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES (Informational Oral Presentation - not for Council action)

Mayor Richard A. Stewart announced that he and others attended the WRCOG General Assembly last Thursday evening. Also, General Colin Powell attended and Robin N. Hastings was the Chairperson last year as well as the MC at the event. Mayor Stewart commended Robin for a job well done in representing our City with so many dignified individuals present.

- a) Report by Council Member Council Member Robin N. Hastings on the Western Riverside Council of Governments (WRCOG) – Request for a Resolution of Support from the Government Agencies on opposing the San Diego County Water Authority Cost Shift.
- b)

- G.2 APPOINTMENTS TO THE CITY COUNCIL ADVISORY BOARDS AND COMMISSIONS (Report of: City Clerk Department)

Recommendation: That the City Council:

1. Review the ballots for appointments to various City Council Boards and Commissions (to be provided by the City Clerk) and mark your choices where appropriate;

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June 26, 2012

2. Appoint those applicants who received majority vote by the City Council;
3. If vacancies are not filled by a majority vote of the City Council, authorize the City Clerk to re-advertise the positions as vacant and carry over the current applications for reconsideration of appointment at a future date.

City Clerk Halstead requested the meeting to move forward until all ballots have been turned in.

Mayor Richard A. Stewart opened the agenda item for public comments; there being none, public comments were closed.

Motion to make following appointments for terms expiring June 30, 2015:

The Arts Commission: Mary McBean and Ruth A. Van Hala;
The Environmental & Historical Preservation Board: Michelle Terese Gerard and Carla Thornton;
The Library Commission: Mary McBean;
The Parks & Recreation Commission: Jonneshia C. Bright and James Lucha;
The Recreational Trails Board: Angelyn L. Grady, Breanda Y. Jackson and Vivian Joneswhy-Brock;
The Senior Citizens' Board: Cleveland Johnson;
The Traffic Safety Commission: Michael Riiff and Wraymond Sawyerr.

Motion to Approve by m/Mayor Pro Tem William H. Batey II, s/Council Member Jesse L. Molina

Approved by a vote of 5-0.

G.3 JOB TRAINING LINKAGE INITIATIVE (Report of: City Manager's Office)

Recommendation: That the City Council:

Approve the continued development of the Job Training Linkage Initiative in Moreno Valley.

Mayor Richard A. Stewart opened the agenda item for public comments; there being none, public comments were closed.

Motion to Approve by m/Mayor Pro Tem William H. Batey II, s/Council Member Jesse L. Molina

Approved by a vote of 5-0.

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June 26, 2012

G.4 JULY 4TH UPDATE (ORAL PRESENTATION) (Report of: Parks and Community Services Department)

Mayor Richard A. Stewart opened the agenda item for public comments, which were received from Scott Heveran and Tom Jerele, Sr.

G.5 CITY MANAGER'S REPORT (Informational - not for Council action)

a) Police Department - Oral Presentation by Police Chief, Joel Ontiveros

Chief Ontiveros reported on the many accomplishments of his department

Chief Ahmad reported on the upcoming 4th of July events, stating it's illegal to use or possess fireworks in the City; there is a Zero Tolerance for illegal fireworks in the City and citations will be given; fireworks can cause bodily harm and if injury occurs to contact 911; and you may also contact the Fire Command Center at 951.940.6949.

City Manager, Henry Garcia, provided City Council with a handout on Expanding Workplace a list of new jobs created in Moreno Valley since 2009.

H. LEGISLATIVE ACTIONS

H.1 ORDINANCES - 1ST READING AND INTRODUCTION

- H.1.1 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING SUB-SECTION 9.12.050(F) OF TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE AND ADDING SUB-SECTION 9.12.060(O) TO TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE RELATING TO SIGNS IN THE PUBLIC RIGHT-OF-WAY (Report of: Community & Economic Development Department)

Recommendation: That the City Council:

Introduce the proposed Ordinance No. 850, an Ordinance of the City Council of the City of Moreno Valley, California amending sub-section 9.12.050(F) of Title 9 of the City of Moreno Valley Municipal Code and adding sub-section 9.12.060(O) to Title 9 of the City of Moreno Valley Municipal Code relating to signs in the public right-of-way.

Ordinance No. 850

An Ordinance of the City Council of the City of Moreno Valley, California, amending sub-section 9.12.050(F) of Title 9 of the City of Moreno Valley

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Municipal Code and adding Sub-Section 9.12.060(O) to Title 9 of the City of Moreno Valley Municipal Code Relating to Signs in the Public Right-Of-Way

Mayor Richard A. Stewart opened the agenda item for public comments; there being none, public comments were closed.

Motion to Recognize Ordinance No. 850 is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines by m/Mayor Pro Tem William H. Batey II, s/Council Member Robin N. Hastings

Approved by a vote of 5-0.

Motion to Approve by m/Council Member Jesse L. Molina, s/Council Member Robin N. Hastings

Approved by a vote of 5-0.

H.2 ORDINANCES - 2ND READING AND ADOPTION

- H.2.1 ORDINANCE NO.847 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING APPLICATION PA12-0008 AMENDING THE MUNICIPAL CODE TO INCREASE THE MAXIMUM HEIGHT AND SIGN AREA FOR MENU BOARDS IN THE CITY'S SIGN CODE IN SECTION 9.12.060.D. (RECEIVED FIRST READING AND INTRODUCTION ON JUNE 12, 2012 ON A 5-0 VOTE) (Report of: Community and Economic Development Department)

Recommendation: That the City Council:

Adopt Ordinance No. 847 thereby APPROVING Municipal Code Amendment PA12-0008, based on the findings in the City Council Ordinance.

Ordinance No. 847

An Ordinance of the City Council of the City of Moreno Valley, California, Approving Application PA12-0008 Amending the Municipal Code to Increase the Maximum Height and Sign Area for Menu Boards in the City's Sign Code in Section 9.12.060.D.

Mayor Richard A. Stewart opened the agenda item for public comments; there being none, public comments were closed.

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Motion to Approve by m/Council Member Jesse L. Molina, s/Council Member Marcelo Co

Approved by a vote of 5-0.

- H.2.2 ORDINANCE NO. 848 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING SECTION 12.22.030 OF CHAPTER 12.22 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE RELATING TO THE DESIGNATION OF THROUGH STREETS. (RECEIVED FIRST READING AND INTRODUCTION ON JUNE 12, 2012 ON A 5-0 VOTE) (REPORT OF: PUBLIC WORKS DEPARTMENT)

Recommendation: That the City Council:

Adopt Ordinance No.848, amending Title 12 Section 12.22.030 of the City of Moreno Valley Municipal Code relating to the designation of through streets (as listed within the ordinance).

Ordinance No. 848

An Ordinance of the City Council of the City of Moreno Valley, California, Amending Section 12.22.030 of Chapter 12.22 of the City of Moreno Valley Municipal Code Relating to the Designation of Through Streets

Mayor Richard A. Stewart opened the agenda item for public comments; there being none, public comments were closed.

Motion to Approve by m/Council Member Jesse L. Molina, s/Council Member Robin N. Hastings

Approved by a vote of 5-0.

- H.3 ORDINANCES - URGENCY ORDINANCES - NONE
H.4 RESOLUTIONS - NONE

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PUBLIC COMMENTS **ON ANY SUBJECT NOT ON THE AGENDA** UNDER THE JURISDICTION OF THE CITY COUNCIL

Pete Bleckert

- Moreno Valley Electric Company and RDA funds borrowed to start it up.
- Edgemont area continues to not benefit from the City, only eastend of town.

Jose Chavez

- Police Department and Checkpoints
- ADA

Daryl Terrell

- Announces his Candidacy for City Council.
- Announces he will not take a salary or benefits, if he is elected.

Tom Jerele, Sr.

- Future Jobs
- Industrial Development
- Chief Ontiveros recognizing the volunteer work in Moreno Valley

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OR HOUSING AUTHORITY

Council Member Jesse L. Molina

Responds to Public Comments:

1. Moreno Valley Utility and whether it's making money - Will find out more about money taken from Edgemont for the 3rd District and will report back
2. Are we better off than 4 years ago, some are and some are not.
3. Contracting - 5% preference within lowest bid - MV vendor is second and within the 5% of lowest bid, they would have opportunity to negotiate a satisfactory contract with City if outside bidder is first
4. WRCOG General Assembly

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Council Member Robin N. Hastings

1. Rally Round the Flag – June 14th
2. WRCOG General Assembly and what an honor it was to serve
3. Thank you to Mayor and City Council for allowing her to continue serving on WRCOG in that capacity
4. Taste of the Valley
5. Commends MVPD on accomplishments
6. Volunteers - Mayor Richard A. Stewart official retirement date will be on June 29th, serving 20 years as a Reserve Officer – Congratulations!
7. 4th of July Committee members working so hard to bring back our 4th of July events - Thank you. Please join us for the parade, fireworks, festival and concert.

Mayor Pro Tem William H. Batey II

1. Requested Parks & Community Services Director, Mike McCarty, to provide an update to Conference & Recreation Center - Completed the back of the Banquet Facility; added concrete and next step will be the fencing and gazebo.
2. Movies in the Park on Thursday evenings.
3. 4th of July - Celebrate safely

Council Member Marcelo Co

1. Thank you to all who helped put the 4th of July Celebration together.
2. Expanding Workplace flyer – commented on the jobs created since 2011 and the near future will continue to grow
3. Bowling Alley on Alessandro - Grand Opening on July 12th (TBD) - also all new staff at the bowling alley are residing in Moreno Valley
4. ADA issues Mr. Chavez brought up – staff to look into sliding door and bathroom
5. Election Year - More participation is needed to elect your City Council
6. Congratulations to Daryl Terrell for his announcing his candidacy.

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Good Luck.

7. IHerb.com - Distribution Center Imports but also Exports business overseas.
8. EVA airlines - Evergreen Containers interested in coming to Moreno Valley
9. Chief Ontiveros - Thank you for the update

Mayor Richard A. Stewart

1. Taste of the Valley
2. Corporal Anthony Servin - He and Jesse attended the funeral and the Moreno Valley Police provided escorts and
3. Misguided resident on filing an appeal on the TRIP financing – This could end up costing the City anywhere from \$50,000 - \$100,000 dollars.

CLOSED SESSION - Canceled

ADJOURNMENT

Council Member Robin N. Hastings requested to adjourn in Honor of Dana Andrew Nova, a longtime resident of Moreno Valley, who passed away on May 29, 2012

Motion to Approve by m/Mayor Pro Tem William H. Batey II, s/Council Member Robin N. Hastings

Also, Mayor Richard A. Stewart acknowledged the passing of Wyvon Miller, Councils' Executive Assistant's mother-in-law. Services will be held this Friday at 10:00 a.m. at the Christ Community Church in Moreno Valley.

There being no further business to conduct, the meeting was adjourned at 9:17 p.m.

MINUTES
June 26, 2012

Submitted by:

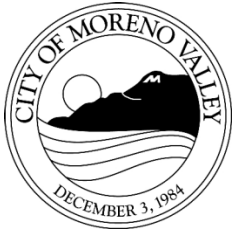
City Clerk Jane Halstead, City Clerk, CMC
Secretary, Moreno Valley Community Services District
Secretary, City as Successor Agency for the Community Redevelopment Agency of
the City of Moreno Valley
Secretary, Moreno Valley Housing Authority
Secretary, Board of Library Trustees

Approved by:

Mayor Richard A. Stewart
President, Moreno Valley Community Services District
Chairperson, City as Successor Agency for the Community Redevelopment Agency
of the City of Moreno Valley
Chairperson, Moreno Valley Housing Authority
Chairperson, Board of Library Trustees

kg

MINUTES
June 26, 2012



Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk

AGENDA DATE: July 10, 2012

TITLE: CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES

RECOMMENDED ACTION

Staff recommends that the City Council receive and file the Reports on Reimbursable Activities for the period of June 20 – July 3, 2012.

<i>Reports on Reimbursable Activities</i> June 20 – July 3, 2012		
Council Member	Date	Meeting
William H. Batey II	6/28/12	Leadership Moreno Valley Graduation
Marcelo Co	6/23/12	Moreno Valley Chamber of Commerce Taste of the Valley
	6/27/12	Moreno Valley Chamber of Commerce Wake-Up
	7/03/12	Moreno Valley Hispanic Chamber of Commerce Adelante
Robin N. Hastings	6/28/12	Leadership Moreno Valley Graduation Luncheon
Jesse L. Molina	6/23/12	Moreno Valley Chamber of Commerce Taste of the Valley
	6/28/12	Leadership Moreno Valley Graduation Luncheon
Richard A. Stewart	6/23/12	Moreno Valley Chamber of Commerce Taste of the Valley
	6/28/12	Leadership Moreno Valley Graduation Luncheon

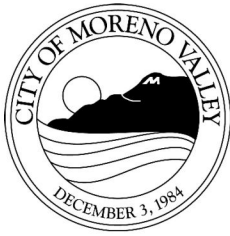
Prepared By:
Cindy Miller
Executive Assistant to the Mayor/City Council

Department Head Approval:
Jane Halstead
City Clerk

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Rut</i>
CITY MANAGER	<i>mso</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO ACCEPT THE WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS AND PUNCH-LIST ITEMS ARE COMPLETED FOR THE IRONWOOD AVENUE IMPROVEMENTS FROM HEACOCK STREET TO PERRIS BOULEVARD PROJECT NO. 06-50182625, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT THE IMPROVEMENTS INTO THE CITY MAINTAINED SYSTEM

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Ironwood Avenue Improvements from Heacock Street to Perris Boulevard, constructed by STI Inc. Trucking and Materials, 18791 Van Buren Boulevard, Suite E, Riverside, CA 92508.
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code.
3. Authorize the Financial and Administrative Services Director to release the retention to STI Inc. Trucking and Materials, thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project.

4. Authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete.

BACKGROUND

On September 1, 2009, the City Council authorized staff to negotiate and acquire the properties needed to widen Ironwood Avenue from Heacock Street to Perris Boulevard. There were twenty-six (26) parcels from which right of way was required.

On July 13, 2010, the City Council awarded a construction contract for the Indian Detention Basin Drainage Improvements, and Ironwood Avenue Street Improvements from Heacock Street to Nita Drive to Riverside Construction Company, Inc. The improvements included construction of storm drain Line H, H-1A, and associated street improvements on the south side of Ironwood Avenue from Heacock Street to Nita Drive. The City Council approved the Notice of Completion for this work on July 12, 2011.

On January 11, 2011, the City Council approved the Joint Use Agreement with Southern California Edison (SCE) which included relocating 16 existing power poles on the north side of Ironwood Avenue between Heacock Street and Perris Boulevard to allow for the street widening. These improvements are complete.

On June 14, 2011, the City Council awarded the construction contract for the Street Improvements for Heacock Street from Hemlock Avenue to Ironwood Avenue to Hillcrest Contracting, Inc. The project constructed street improvements on the north side of the intersection of Ironwood Avenue and Davis Street and two access ramps on the northeast and southwest corners of Heacock Street and Ironwood Avenue. These improvements are complete.

On October 25, 2011, the City Council awarded the construction contract for the Ironwood Avenue Improvements from Heacock Street to Perris Boulevard to STI Inc. Trucking and Materials.

DISCUSSION

The City has been coordinating the timing of several projects affecting Ironwood Avenue. The Indian Detention Basin Drainage Improvements, and Ironwood Avenue Street Improvements from Heacock Street to Nita Drive project completed the street improvements on the south side of Ironwood Avenue from Heacock Street to Nita Drive. SCE has relocated the 16 existing power poles on the north side of Ironwood Avenue between Heacock Street and Perris Boulevard. The Heacock Street from Hemlock Avenue to Ironwood Avenue project completed the street improvements on the north side of the intersection of Ironwood Avenue and Davis Street and two access ramps on the northeast and southwest corners of Heacock Street and Ironwood Avenue.

This Ironwood Avenue project finished the ultimate improvements between Heacock Street to Perris Boulevard. Ironwood Avenue is designated as a four (4) lane minor arterial roadway in the City's adopted circulation plan. Now the sections of Ironwood Avenue from Heacock Street to Perris Boulevard that only had two lanes, one in each direction, and missing segments of curb, gutter, and sidewalk have been constructed to provide full street improvements on both sides and a traffic signal has been constructed at the intersection of Davis Street and Ironwood Avenue.

Staff anticipates that all work will be completed by STI Inc. Trucking and Materials by mid-July 2012. Staff is in the process of negotiating Contract Change Orders and anticipates the final contract cost will not exceed the approved purchase order amount of \$1,078,794.30. Since the City Council will not meet on July 24, 2012 and August 14, 2012, staff requests the City Council authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete, authorize the recordation of the Notice of Completion with the County Recorder after the Public Works Director/City Engineer accepts the improvements as complete, and authorize the release of retention to the Contractor thirty-five (35) calendar days after the date of recordation of the Notice of Completion. These actions must be completed in a timely manner upon completion of the Contractor's work in accordance with the applicable laws.

ALTERNATIVES

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Ironwood Avenue Improvements from Heacock Street to Perris Boulevard, constructed by STI Inc. Trucking and Materials, 18791 Van Buren Boulevard, Suite E, Riverside, CA 92508, direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code, authorize the Financial and Administrative Services Director to release the retention to STI Inc. Trucking and Materials, thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project, authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete. *These alternatives will result in payment to the Contractor and acceptance of the improvements into the City's maintained system.*
2. Do not authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Ironwood Avenue Improvements from Heacock Street to Perris Boulevard, constructed by STI Inc. Trucking and Materials, 18791 Van Buren Boulevard, Suite E, Riverside, CA 92508. *These alternatives will result in delaying payment to the Contractor, thereby delaying acceptance of the improvements into the City's maintained system, and incurring extra cost to the City.*

FISCAL IMPACT

The Ironwood Avenue Improvement project is being funded with Development Impact Fee (DIF) Arterial Streets (Fund 416), and DIF Traffic Signal (Fund 417) monies. The funding for this project is restricted to the Ironwood Avenue capital improvements and cannot be used for operational activities. There is no impact to the General Fund.

AVAILABLE FUNDS FISCAL YEAR 2011-2012:

DIF Arterial Streets (Account No. 416.78727).....	\$1,579,000
DIF Traffic Signal (Account No. 417.79529).....	<u>\$260,000</u>
Total Available Funds	\$1,839,000

FINAL CONSTRUCTION RELATED COSTS:

Contractor Construction Costs	\$1,079,000
Construction Geotechnical Services.....	\$32,000
Construction Survey Services	\$41,000
Project Administration and City Inspection*	<u>\$120,000</u>
Total Project Construction Costs	\$1,272,000

*Public Works staff provided project administration and primary inspection services.

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley's future.

SUMMARY

Staff anticipates STI Inc. Trucking and Materials will complete construction of the Ironwood Avenue Improvements from Heacock Street to Perris Boulevard by mid-July 2012. Staff requests the City Council to authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed, authorize the recordation of the Notice of Completion with the County Recorder after the Public Works Director/City Engineer accepts the improvements as complete, authorize the release of retention money to the Contractor thirty-five (35) calendar days after the date of recordation of the Notice of Completion,

and authorize the Public Works Director/City Engineer to accept the improvements into the City’s maintained system upon acceptance of the improvements as complete.

ATTACHMENTS

Attachment “A” – Location Map

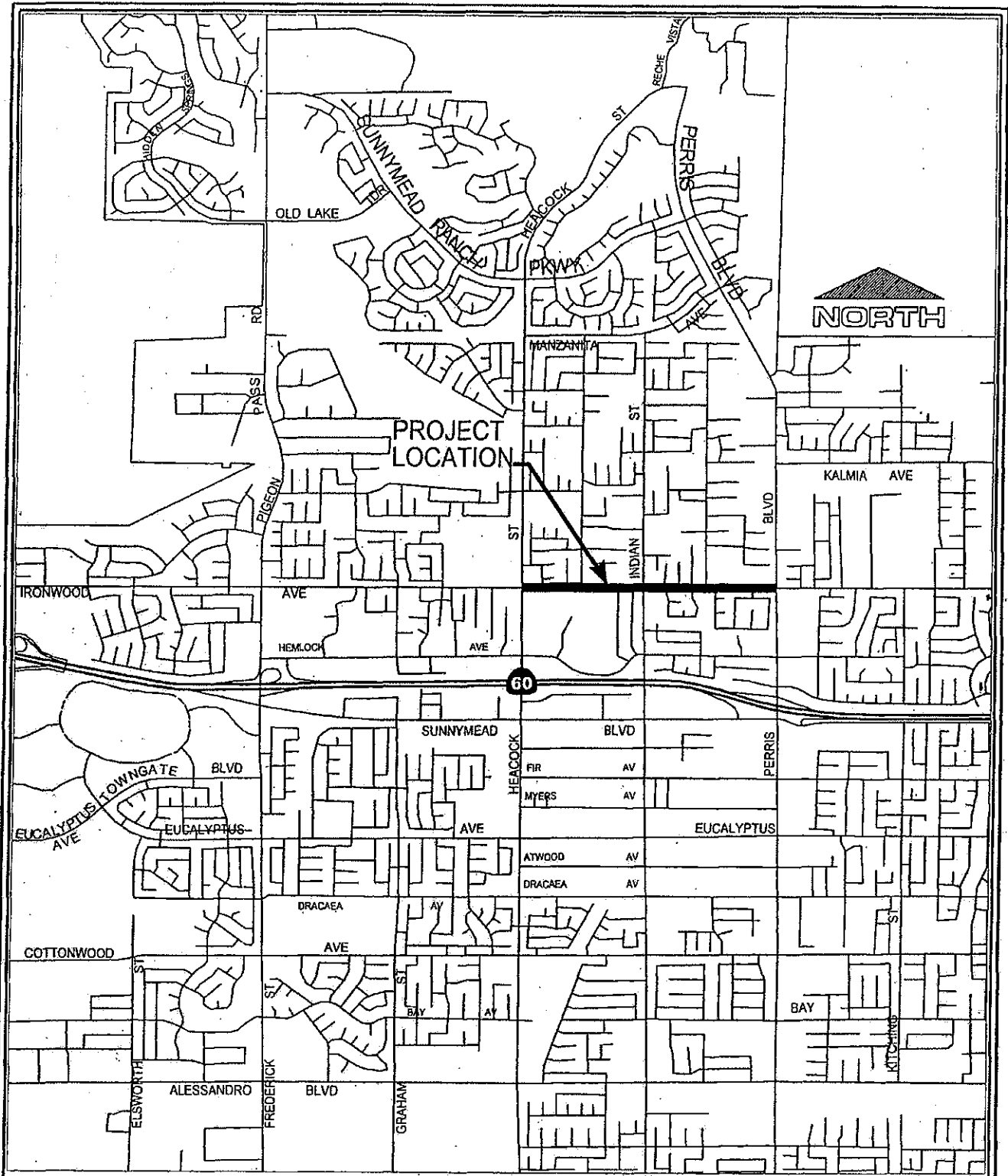
Prepared By:
Henry Ngo
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

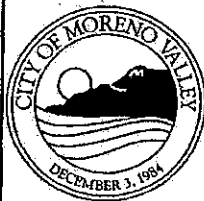
Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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LOCATION MAP



Public Works Department
Capital Projects Division

Scale: None

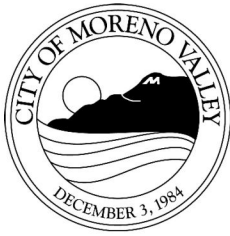
ATTACHMENT "A"

IRONWOOD AVENUE

HEACOCK STREET TO PERRIS BOULEVARD

PROJECT NUMBER 06-50182625

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Rut</i>
CITY MANAGER	<i>mjs</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO ACCEPT WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS, PUNCH-LIST ITEMS, AND CALTRANS ACCEPTANCE ARE COMPLETED FOR THE SR-60/NASON INTERCHANGE, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT IMPROVEMENTS INTO THE CITY-MAINTAINED SYSTEM – PROJECT NO. 98-25897

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements, punch-list items, and Caltrans acceptance are completed for construction of the SR-60/Nason Interchange Improvements, constructed by All American Asphalt, PO Box 2229, Corona, CA 92878.
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code.
3. Authorize the Financial and Administrative Services Director to release the retention to All American Asphalt, thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project.
4. Authorize the Public Works Director/City Engineer to accept improvements into the City's maintained system upon acceptance of the improvements as complete.

BACKGROUND

On February 24, 2009, the City entered into a Construction Cooperative Agreement that established the City's and Caltrans' responsibilities during construction, including authorization for the City to advertise, award, and administer the project.

On September 20, 2010, Caltrans and FHWA approved the federal funding package and authorized the City to advertise the project.

The City Council awarded the construction contract to All American Asphalt (All American). Work began on February 17, 2011, and is scheduled to be completed and accepted by Caltrans in August 2012.

DISCUSSION

Staff expects all work to be completed by July 2012 and accepted in August 2012. Staff is negotiating final Contract Change Orders and anticipates the final cost will be approximately \$9,000,000 which is less than the approved purchase order amount of \$9,261,009.

The City cannot accept the work performed by the Contractor until the State (a) has made the final inspection as provided in Caltrans Standard Specifications, Section 5-1.13, "Final Inspection," (b) determines the Contract work has been completed in all respects in accordance with the Plans and Specifications, and (c) finds the work to be acceptable. The City Council, after recommendation by the State, can accept the completed work and file a Notice of Completion. Upon acceptance by the City, the Contractor will be relieved of the duty to maintain and protect the work and will not be required to perform any further work unless any defective work is discovered thereafter, and as called for in the Special Provisions. The Contractor will also be relieved of its responsibility for any injury to persons or property or damage to the work which occurs after the formal acceptance by the City.

Since the City Council will not meet on July 24, 2012 and August 14, 2012, staff requests the City Council authorize the Public Works Director/City Engineer to accept the improvements that are outside the Caltrans right-of-way into the City's maintained system upon acceptance of the improvements as complete by Caltrans. Council is also requested to authorize the recordation of the Notice of Completion with the County Recorder after the Public Works Director/City Engineer accepts the improvements as complete, and authorize the release of retention to the Contractor thirty-five (35) calendar days after the date of recordation of the Notice of Completion, providing there are no unsettled claims against the project. Caltrans will accept maintenance of areas within the Caltrans right-of-way.

ALTERNATIVES

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements, punch-list items, and Caltrans acceptance are completed for construction of the SR-60/Nason Interchange Improvements, constructed by All American Asphalt, PO Box 2229, Corona, CA 92878, direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code, authorize the Financial and Administrative Services Director to release the retention to All American Asphalt, thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project, and authorize the Public Works Director/City Engineer to accept improvements into the City's maintained system upon acceptance of the improvements as complete. *These alternatives will result in payment to the Contractor and acceptance of the improvements in a timely manner.*

2. Do not authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements, punch-list items, and Caltrans acceptance are completed for construction of the SR-60/Nason Interchange Improvements, constructed by All American Asphalt, PO Box 2229, Corona, CA 92878. *These alternatives will result in delaying payment to the Contractor and delay acceptance of the City-related improvements into the City's maintained system, incurring an extra cost to the City.*

FISCAL IMPACT

The project was funded using federal Surface Transportation Program, federal Transportation Efficiency Act of the 21st Century, matching toll credits, Measure "A," and DIF Interchange funds.

These funding sources were designated for use on capital improvements related to transportation projects or for the SR-60/Nason. There is no impact to the General Fund.

FY 2011/2012 BUDGETED FUNDS - SR-60 / Nason Street Interchange

TEA 21 Demonstration Funds (125.66929).....	\$ 2,254,000
STPL Discretionary Funds (125.67029).....	\$ 6,571,000
STPL Toll Credit (125.67030).....	\$ 754,000
Demo Toll Credit (125.66930).....	\$ 563,000
Measure "A" Funds (125.89720).....	\$ 381,000
DIF Interchange Improvement Funds (418.83630).....	\$ 740,000
Total Available Funds.....	\$ 11,263,000

FY 2011/2012 ESTIMATED CONSTRUCTION COSTS

Estimated Interchange Construction Costs	\$ 9,000,000
Construction Management & Inspection Services	\$ 1,260,000
Construction Support Services (Geotechnical & Survey)	\$ 335,000
Construction Support Services (Design firm)	\$ 100,000
EMWD Utility Relocation*	\$ 398,000
EMWD Utility Relocation (current request)	\$ 70,000
Administrative Costs (Staff & Miscellaneous).....	\$ 100,000
Total Estimated Costs	\$11,263,000

**Balance of previous funding authorizations for EMWD*

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley’s future.

SUMMARY

Work performed by All American is anticipated to be completed and accepted by Caltrans by August 2012. Staff requests the City Council authorize the Public Works Director/City Engineer to accept the work as complete and, upon Caltrans acceptance, authorize the release of retention to the Contractor thirty-five (35) calendar days after the date of recordation of the Notice of Completion.

ATTACHMENTS/EXHIBITS

Attachment A: Location Map for SR-60/Nason Interchange Improvements

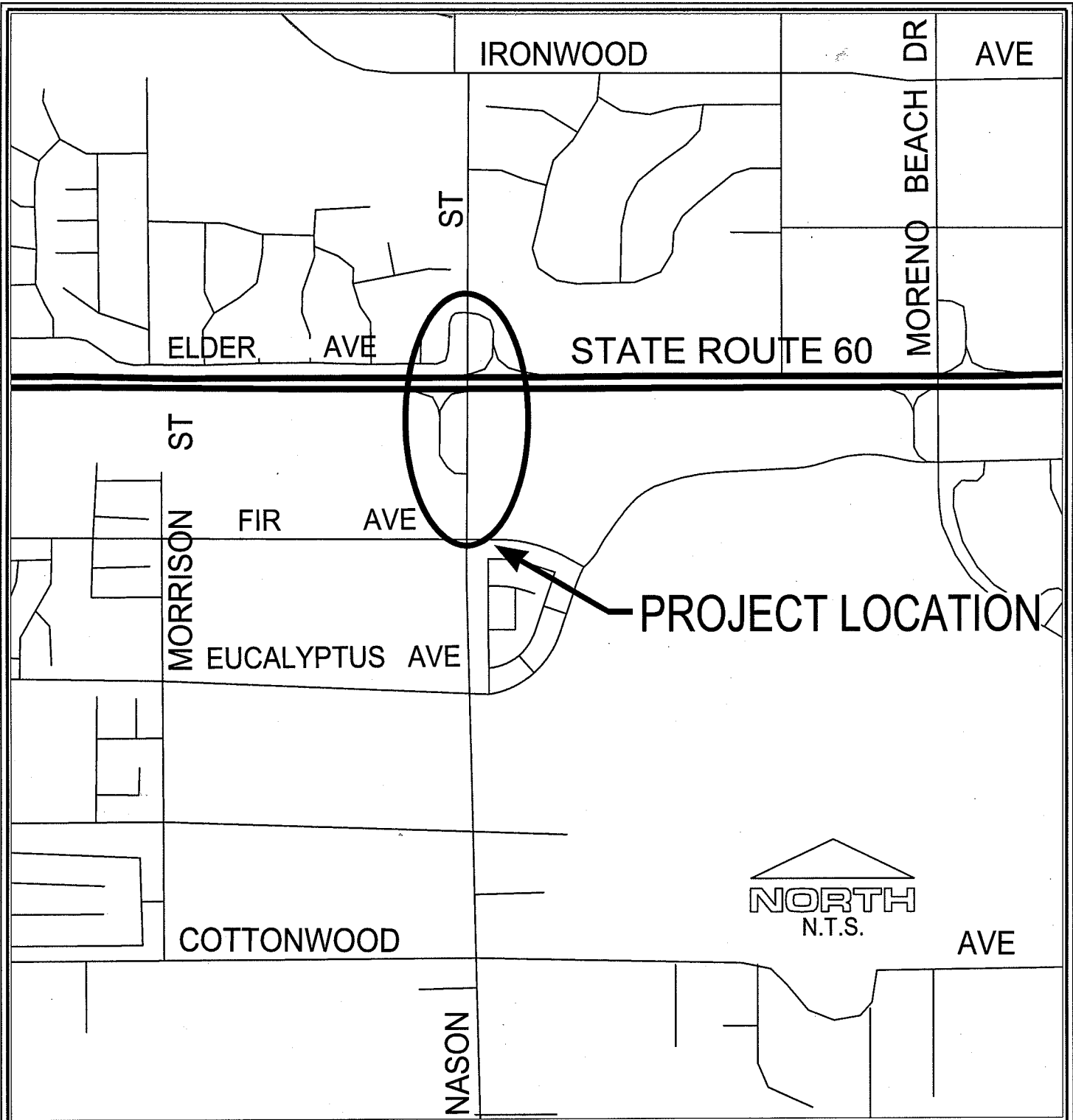
Prepared By:
Margery A. Lazarus, P.E.
Senior Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

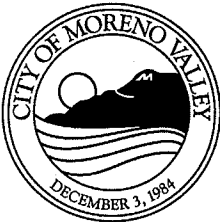
Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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NASON STREET

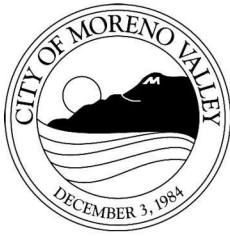


LOCATION MAP
Public Works Department
Capital Projects Division

ATTACHMENT "A"

STATE ROUTE 60 & NASON STREET
Project No. 98-25897
INTERCHANGE IMPROVEMENTS

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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT TO HARDY & HARPER, INC. FOR IRIS AVENUE PAVEMENT RESURFACING – PROJECT NO. 13-22422410

RECOMMENDED ACTIONS

Staff recommends that the City Council:

1. Award the construction contract to include Base Bid Schedule and Additive Bid Schedules A to D to Hardy & Harper, Inc., 1312 Warner Avenue, Santa Ana, CA 92705, the lowest responsible bidder.
2. Authorize the City Manager to execute a contract with Hardy & Harper, Inc.
3. Authorize the issuance a Purchase Order to Hardy & Harper, Inc. for the amount of \$1,225,900.00 (\$1,066,000.00 Base Bid Schedule and Additive Bid Schedules amount plus 15% contingency of \$159,900.00) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent change orders to the contract with Hardy & Harper, Inc., up to but not to exceed the Purchase Order's total contingency amount of \$159,900.00, subject to the approval of the City Attorney.
5. Authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained roadway system, and release the retention to Hardy & Harper, Inc., if no claims are filed against the project.

BACKGROUND

As part of the Fiscal Year 2012/2013 Capital Improvement Plan, the City Council approved a budget for citywide pavement resurfacing program that includes the resurfacing of Iris Avenue. The resurfacing of Iris Avenue is rated as a high priority based on its current pavement condition and traffic data. There have been numerous calls from the public to address the deteriorating pavement conditions. The City's maintenance crew is constantly repairing the pavement along Iris Avenue.

DISCUSSION

The project consists of resurfacing Iris Avenue from Lasselle Street to Grande Vista Drive and from the entrance of Moreno Valley Community Hospital to Via Del Lago by replacing existing asphalt concrete pavement and overlaying with an asphalt rubber hot mix concrete cap. The work also includes reconstruction of access ramps and adjacent sidewalks at designated locations to ADA standards, adjustment of utility facilities to finish grade, and re-establishment of traffic striping.

The design and bid documents were completed in April 2012 by in-house staff as a cost savings solution for the City. In May 2012, the project was advertised for construction bids. To maximize the use of available funding for pavement resurfacing, this project was bid utilizing Base Bid Schedule and Additive Bid Schedules A to D. The Base Bid Schedule and Additive Bid Schedules provide resurfacing for several sections of Iris Avenue as follows:

Base Bid:	From Oliver Street to Via Del Lago
Additive Bid A:	From entrance of Moreno Valley Community Hospital to Oliver Street
Additive Bid B:	From Fire Rock Lane to Grande Vista Drive
Additive Bid C:	From Coachlight Court to Fire Rock Lane
Additive Bid D:	From Lasselle Street to Coachlight Court

Formal bidding procedures have been followed in conformance with the Public Contract Code. The City Clerk opened bids at 10:00 a.m. on June 14, 2012, for the subject project. Seven (7) bids were received as follows:

<u>CONTRACTORS</u>	<u>Total Bid Amounts</u>
1. Hardy & Harper, Inc., Santa Ana	\$ 1,066,000.00
2. Silvia Construction, Inc., Rancho Cucamonga.....	\$ 1,088,822.50
3. All American Asphalt, Corona.....	\$ 1,099,661.00
4. Sully-Miller Contracting Co., Brea.....	\$ 1,119,889.00
5. R. J. Noble Company, Orange.....	\$ 1,247,878.00
6. Panorama General Engineering, Inc., Ranch Cucamonga	\$ 1,351,562.50
7. Calmex Engineering, Inc., Bloomington.....	\$ 1,358,044.87

The lowest responsible bidder was determined by comparing the cumulative total of Base Bid Schedule and all Additive Bid Schedules, as stipulated in the bidding documents. Staff has reviewed the bid from Hardy & Harper, Inc. and finds Hardy & Harper, Inc. to be the lowest responsible bidder in possession of a valid license and bid bond. No outstanding issues were identified through review of the references submitted by Hardy & Harper, Inc. in their bid.

Based on the available budget and with favorable bid received, staff is recommending construction contract award of Base Bid Schedule and all Additive Bid Schedules A, B, C and D.

ALTERNATIVES

1. Award the construction contract to include Base Bid Schedule and all Additive Bid Schedules A to D to Hardy & Harper, Inc., 1312 Warner Avenue, Santa Ana, CA 92705, the lowest responsible bidder, authorize the City Manager to execute a contract with Hardy & Harper, Inc., authorize the issuance a Purchase Order to Hardy & Harper, Inc. for the amount of \$1,225,900.00 (\$1,066,000.00 Base Bid Schedule and Additive Bid Schedules amount plus 15% contingency of \$159,900.00) when the contract has been signed by all parties, authorize the Public Works Director/City Engineer to execute any subsequent change orders to the contract with Hardy & Harper, Inc., up to but not to exceed the Purchase Order's total contingency amount of \$159,900.00, subject to the approval of the City Attorney, and authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained roadway system, and release the retention to Hardy & Harper, Inc., if no claims are filed against the project. *This alternative will facilitate completion of the project in a timely manner.*
2. Do not award the construction contract to include Base Bid Schedule and all Additive Bid Schedules A to D to Hardy & Harper, Inc., 1312 Warner Avenue, Santa Ana, CA 92705. *This alternative will delay the project, and deferred attention to this deteriorating roadway will result in significant higher cost later to restore it back to its original conditions.*

FISCAL IMPACT

This project is included in the Fiscal Year 2012/2013 Capital Improvements Project Budget and will be financed using Measure A funds (Fund 125). There is no impact to the General Fund.

BUDGETED FUNDS FOR DESIGN AND CONSTRUCTION:

Citywide Annual Pavement Resurfacing Program (Account No. 125.56330)	\$ 1,709,000
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ESTIMATED PROJECT COSTS:

Design Costs.....	\$	20,000
Construction Costs (includes contingency)	\$	1,279,200
Construction Surveying Costs	\$	30,000
Construction Geotechnical Costs	\$	45,000
Construction Management and Inspection Services*	\$	60,000
<i>Total Estimated Project Costs</i>	\$	<u>1,434,200</u>

**City staff will provide Construction Management and Inspection Services*

ANTICIPATED PROJECT SCHEDULE:

Start Construction.....	August 2012
Anticipated Completion of Construction	October 2012

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

NOTIFICATION

Schools, businesses, hospitals and residents in the project’s vicinity as well as emergency responders will be notified of the proposed construction. There will be notification signs installed and changeable message signs placed at several locations along Iris Avenue to notify commuters.

SUMMARY

This project provides resurfacing and other improvements for Iris Avenue (Lasselle to Via Del Lago) to enhance safety for drivers and provide aesthetic improvements for the area. Based on the available budget, City staff recommends contract award to Hardy & Harper, Inc. with Base Bid Schedule and all Additive Bid Schedules A to D.

ATTACHMENTS

- Attachment "A" – Location Map
- Attachment "B" – Agreement, Project No. 13-22422410

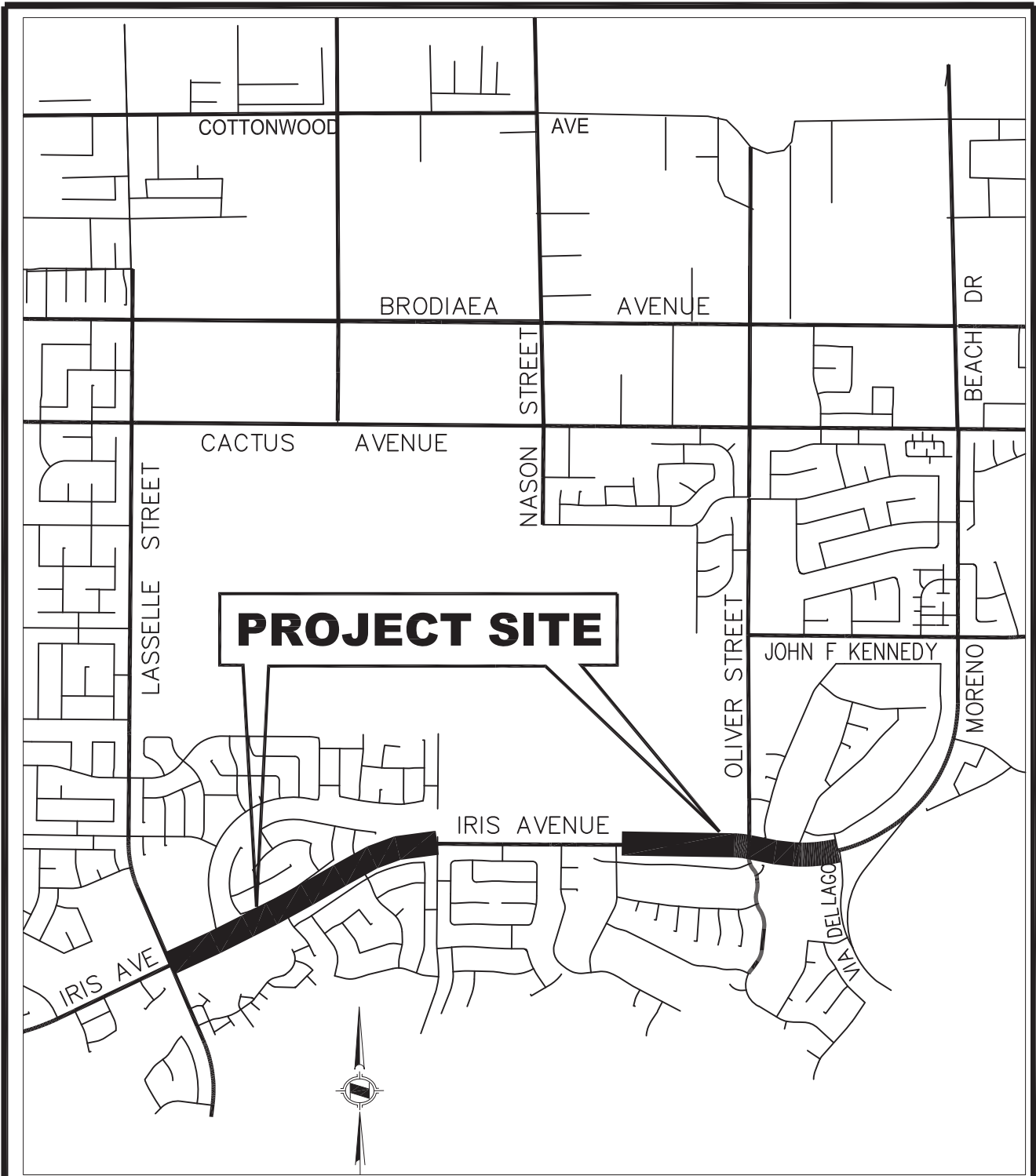
Prepared By:
 Quang Nguyen
 Senior Engineer, P.E.

Department Head Approval
 Ahmad R. Ansari, P.E
 Public Works Director/City Engineer

Concurred By:
 Prem Kumar, P.E.
 Deputy Public Works Director/Assistant City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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LOCATION MAP

Public Works Department
Capital Projects Division

IRIS AVENUE PAVEMENT RESURFACING
FROM LASSELLE STREET TO VIA DEL LAGO
PROJECT NO. 13-22422410

Attachment "A"

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Agreement No. _____

AGREEMENT

PROJECT NO. 13-22422410

**IRIS AVENUE PAVEMENT RESURFACING
From Lasselle Street to Via Del Lago**

THIS Agreement, effective as of the date signed by the City of Moreno Valley by and between the City of Moreno Valley, a municipal corporation, County of Riverside, State of California, hereinafter called the "City" and **Hardy & Harper, Inc.**, hereinafter called the "Contractor."

That the City and the Contractor for the consideration hereinafter named, agree as follows:

1. CONTRACT DOCUMENTS. The Contract Documents consist of the following, which are incorporated herein by this reference:

- A. Governmental approvals, including, but not limited to, permits required for the Work
- B. Any and all Contract Change Orders issued after execution of this Agreement
- C. This Agreement
- D. Addenda Nos. 0 inclusive, issued prior to the opening of the Bids
- E. City Special Provisions, including the General Provisions and Technical Provisions
- F. Standard Specifications for Public Works Construction ("Greenbook") – latest edition in effect at the Bid Deadline, as modified by the City Special Provisions
- G. Reference Specifications/Reference Documents
- H. Project Plans
- I. City Standard Plans
- J. Caltrans Standard Plans
- K. EMWD Standard Plans
- L. The bound Bidding Documents
- M. Contractor's Labor and Materials Payment Bond
- N. Contractor's Faithful Performance Bond
- O. Contractor's Certificates of Insurance and Additional Insured Endorsements
- P. Contractor's Bidder's Proposal and Subcontractor Listing

In the event of conflict between any of the Contract Documents, the provisions placing a more stringent requirement on the Contractor shall prevail. The Contractor shall provide the better quality or greater quantity of Work and/or materials unless otherwise directed by City in writing. In the event none of the Contract Documents place a more stringent requirement or greater burden on the Contractor, the controlling provision shall be that which is found in the document with higher precedence in accordance with the above order of precedence.

2. REFERENCE DOCUMENTS. The following Reference Documents are not considered Contract Documents and were provided to the Contractor for informational purposes:

NONE

Attachment "B"

3. SCOPE OF WORK. The Contractor shall perform and provide all materials, tools, equipment, labor, and services necessary to complete the Work described in the Contract Documents, except as otherwise provided in the Plans, Standard Specifications, or City Special Provisions to be the responsibility of others.

4. PAYMENT.

4.1. Contract Price and Basis for Payment. In consideration for the Contractor's full, complete, timely, and faithful performance of the Work required by the Contract Documents, the City shall pay Contractor for the actual quantity of Work required under the Bid Items awarded by the City performed in accordance with the lump sum prices and unit prices for Bid Items and Alternate Bid Items, if any, set forth the Bidder's Proposal submitted with the Bid. The sum of the unit prices and lump sum prices for the Base Bid Items and Additive Bid Items, if any, awarded by the City is **One Million Sixty-six Thousand & 00/100 Dollars (\$1,066,000.00) ("Contract Price")**. The **Additive Bid Items selected by the City and included in the Contract are: A, B, C and D**. It is understood and agreed that the quantities set forth in the Bidder's Proposal for which unit prices are fixed are estimates only and that City will pay and Contractor will accept, as full payment for these items of work, the unit prices set forth in the Bidder's Proposal multiplied by the actual number of units performed, constructed, or completed as directed by the City Engineer.

4.2. Payment Procedures. Based upon applications for payment submitted by the Contractor to the City, the City shall make payments to the Contractor in accordance with Article 9 of the Standard Specifications, as modified by Article 9 of the City Special Provisions.

5. CONTRACT TIME.

A. Contract Time. The Contract Time shall be determined in accordance with the following:

Base Bid	30 Working Days
Additive "A" Bid	15 Working Days
Additive "B" Bid	15 Working Days
Additive "C" Bid	15 Working Days
Additive "D" Bid	15 Working Days
TOTAL	90 Working Days

B. Initial Notice to Proceed. After the Agreement has been fully executed by the Contractor and the City, the City shall issue the "Notice to Proceed to Fulfill Preconstruction Requirements." The date specified in the Notice to Proceed to Fulfill Preconstruction Requirements constitutes the date of commencement of the Contract Time. The Contract Time includes the time necessary to fulfill preconstruction requirements and to complete construction of the Project (except as adjusted by subsequent Change Orders).

The Notice to Proceed to Fulfill Preconstruction Requirements shall further specify that Contractor must complete the preconstruction requirements within **Ten (10) Working Days** after the date of commencement of the Contract Time; this duration is part of the Contract Time.

Preconstruction requirements include, but are not limited to, the following:

- Submitting and obtaining approval of Traffic Control Plans
- Submitting and obtaining approval of the Stormwater Pollution Prevention Plan (SWPPP)/Water Pollution Control Plan (WPCP)
- Submitting and obtaining approval of critical required submittals
- Installation of the approved Project Identification Signs
- Obtaining an approved no fee Encroachment Permit
- Obtaining a Temporary Use Permit for the Central Plant
- Notifying all agencies, utilities, residents, etc., as outlined in the Bidding Documents

If the City's issuance of a Notice to Proceed to Fulfill Preconstruction Requirements is delayed due to Contractor's failure to return the fully executed Agreement and insurance and bond documents within ten (10) Working Days after Contract award, then Contractor agrees to the deduction of one (1) Working Day from the number of days to complete the Project for every Working Day of delay in the City's receipt of said documents. This right is in addition to and does not affect the City's right to demand forfeiture of Contractor's Bid Security of Contractor persistently delays in providing the required documentation.

C. Notice to Proceed with Construction. After all preconstruction requirements are met and materials have been ordered in accordance with the Notice to Proceed to Fulfill Preconstruction Requirements, the City shall issue the "Notice to Proceed with Construction," at which time the Contractor shall diligently prosecute the Work, including corrective items of Work, day to day thereafter, within the remaining Contract Time.

6. LIQUIDATED DAMAGES.

6.1. Liquidated Damages. The Contractor and City (collectively, the "Parties") have agreed to liquidate damages with respect to Contractor's failure to fulfill the preconstruction requirements, and/or failure to complete the Work within the Contract Time. The Parties intend for the liquidated damages set forth herein to apply to this Contract as set forth in Government Code Section 53069.85. Contractor acknowledges and agrees that the liquidated damages are intended to compensate the City solely for Contractor's failure to meet the deadline for completion of the Work and will not excuse Contractor from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

In the event that Contractor fails to fulfill the preconstruction requirements and/or fails to complete the Work within the Contract Time, Contractor agrees to pay the City **\$330.00 per Calendar day** that completion of the Work is delayed beyond the Contract Time, as adjusted by Contract Change Orders. The Contractor will not be assessed liquidated damages for delays occasioned by the failure of the City or of the owner of a utility to provide for the removal or relocation of utility facilities.

The Contractor and City acknowledge and agree that the foregoing liquidated damages have been set based on an evaluation of damages that the City will incur in the event of late completion of the Work. The Contractor and City acknowledge and agree that the amount of such damages are impossible to ascertain as of the date of execution hereof and have agreed to such liquidated damages to fix the City's damages and to avoid later disputes. It is understood and agreed by Contractor that liquidated damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the date of execution of this Agreement.

It is further mutually agreed that the City will have the right to deduct liquidated damages against progress payments or retainage and that the City will issue a Change Order or Construction Change Directive and reduce the Contract Price accordingly. In the event the remaining unpaid Contract Price is insufficient to cover the full amount of liquidated damages, Contractor shall pay the difference to the City.

6.2. **Owner is Exempt from Liability for Early Completion Delay Damages.** While the Contractor may schedule completion of all of the Work, or portions thereof, earlier than the Contract Time, the Owner is exempt from liability for and the Contractor will not be entitled to an adjustment of the Contract Sum or to any additional costs, damages, including, but not limited to, claims for extended general conditions costs, home office overhead, jobsite overhead, and management or administrative costs, or compensation whatsoever, for use of float time or for Contractor's inability to complete the Work earlier than the Contract Time for any reason whatsoever, including but not limited to, delay cause by Owner or other Excusable Compensable Delay. See Section 6-6 of the Standard Specifications and City Special Provisions regarding compensation for delays.

7. **INSURANCE.**

7.1. **General.** The Contractor shall procure and maintain at its sole expense and throughout the term of this Agreement, any extension thereof, Commercial General Liability, Automobile Liability, and Workers' Compensation Insurance with such coverage limits as described herein.

7.2. **Additional Insured Endorsements.** The Contractor shall cause the insurance required by the Contract Document to include the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD) and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives as an additional insureds. For the Commercial General Liability coverage, said parties shall be named as additional insureds utilizing either:

1. Insurance Services Office ("ISO") Additional Insured endorsement CG 20 10 (11/85); or
2. ISO Additional Insured endorsement CG 20 10 (10/01) and Additional Insured Completed Operations endorsement CG 20 37 (10/01); or
3. Substitute endorsements providing equivalent coverage, approved by the City.

The endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. The coverage shall contain no special limitations on the scope of protection afforded to such additional insureds. Coverage for such additional insureds does not extend to liability to the extent prohibited by Insurance Code Section 11580.4.

7.3. **Waivers of Subrogation.** All policies of insurance required by the Contract Documents shall include or be endorsed to provide a waiver by the insurers of any rights of recovery or subrogation that the insurers may have at any time against the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives.

7.4. **Primary Coverage.** All policies and endorsements shall stipulate that the Contractor's (and the Subcontractors') insurance coverage shall be primary insurance as respects the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives, and shall be excess of the Contractor's (and its Subcontractors') insurance and shall not contribute with it.

7.5. **Coverage Applies Separately to Each Insured and Additional Insured.** Coverage shall state that the Contractor's (and its Subcontractors') insurance shall apply separately to each insured or additional insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage shall apply to any claim or suit brought by an additional insured against a named insured or other insured.

7.6. **Self-Insurance.** Any self-insurance (including deductibles or self-insured retention in excess of \$50,000) in lieu of liability insurance must be declared by Contractor and approved by the City in writing prior to execution of the Agreement. The City's approval of self-insurance, if any, is within the City's sole discretion and is subject to the following conditions:

1. Contractor must, at all times during the term of the Agreement and for a period of at least **one (1)** year after completion of the Project maintain and upon Owner's reasonable request provide evidence of:
 - (a) Contractor's "net worth" (defined as "total assets" [defined as all items of value owned by the Contractor including tangible items such as cash, land, personal property and equipment and intangible items such as copyrights and business goodwill]) minus total outside liabilities must be reflected in a financial statement for the prior fiscal year reflecting sufficient income and budget for Contractor to afford at least one loss in an amount equal to the amount of self-insurance;
 - (b) financial statements showing that Contractor has funds set aside/budgeted to finance the self-insured fund (i.e., Contractor has a program that fulfills functions that a primary insurer would fill; and
 - (c) a claims procedure that identifies how a claim is supposed to be tendered to reach the financing provided by the self-insured fund.
2. If at any time after such self-insurance has been approved Contractor fails to meet the financial thresholds or otherwise fails to comply with the provisions set forth in this Paragraph 7, at the option of the City:
 - (a) the Contractor shall immediately obtain and thereafter maintain the third party insurance required under this Paragraph 7 and otherwise on the terms required above; or
 - (b) the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or

- (c) the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration, and defense expenses.

7.7. **Insurer Financial Rating.** Insurance companies providing insurance hereunder shall be rated A:VII or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct insurance business in the State of California.

7.8. **Notices to City of Cancellation or Changes.** Each insurance policy described in this Paragraph 7 shall contain a provision or be endorsed to state that coverage will not be cancelled without **thirty (30) days'** prior written notice by certified or registered mail to the City (this obligation may be satisfied in the alternative by requiring such notice to be provided by Contractor's insurance broker and set forth on its Certificate of Insurance provided to the City), except that cancellation for non-payment of premium shall require (10) days prior written notice by certified or registered mail. If an insurance carrier cancels any policy or elects not to renew any policy required to be maintained by Contractor pursuant to the Contract Documents, Contractor agrees to give written notice to the City at the address indicated on the first page of the Agreement. Contractor agrees to provide the same notice of cancellation and non-renewal to the City that is required by such policy(ies) to be provided to the First Named Insured under such policy(ies). Contractor shall provide confirmation that the required policies have been renewed not less than seven (7) days prior to the expiration of existing coverages and shall deliver renewal or replacement policies, certificates and endorsements to the City Clerk within fourteen (14) days of the expiration of existing coverages. Contractor agrees that upon receipt of any notice of cancellation or alteration of the policies, Contractor shall procure within five (5) days, other policies of insurance similar in all respects to the policy or policies to be cancelled or altered. Contractor shall furnish to the City Clerk copies of any endorsements that are subsequently issued amending coverage or limits within fourteen (14) days of the amendment.

7.9. **Commercial General Liability.** Coverage shall be written on an ISO Commercial General Liability "occurrence" form CG 00 01 (10/01 or later edition) or equivalent form approved by the City for coverage on an occurrence basis. The insurance shall cover liability, including, but not limited to, that arising from premises operations, stop gap liability, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The policy shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 (11/85). Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground (x, c, u) property damage. Contractor shall provide Products/Completed Operations coverage to be maintained continuously for a minimum of **one (1) year** after Final Acceptance of the Work.

Contractor shall maintain Commercial General Liability insurance with the following minimum limits: \$1,000,000 per occurrence / \$2,000,000 aggregate / \$2,000,000 products-completed operations.

7.10. **Business Automobile Liability.** Coverage shall be written on ISO form CA 00 01 (12/93 or later edition) or a substitute form providing equivalent coverage for owned, hired, leased and non-owned vehicles, whether scheduled or not, with \$1,000,000 combined single limit per accident for bodily injury and property damage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

7.11. **Workers' Compensation.** Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

1. Provide copy of permissive self-insurance certificate approved by the State of California; or
2. Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of **\$1,000,000** per accident; or
3. Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

7.12. **Subcontractors' Insurance.** The Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

8. **BONDS.** The Contractor shall furnish a satisfactory Performance Bond meeting all statutory requirements of the State of California on the form provided by the City. The bond shall be furnished as a guarantee of the faithful performance of the requirements of the Contract Documents as may be amended from time to time, including, but not limited to, liability for delays and damages (both direct and consequential) to the City and the City's Separate Contractors and consultants, warranties, guarantees, and indemnity obligations, in an amount that shall remain equal to one hundred percent (100%) of the Contract Price.

The Contractor shall furnish a satisfactory Labor and Materials Payment Bond meeting all statutory requirements of the State of California on the form provided by the City in an amount that shall remain equal to one hundred percent (100%) of the Contract Price to secure payment of all claims, demands, stop notices, or charges of the State of California, of material suppliers, mechanics, or laborers employed by the Contractor or by any Subcontractor, or any person, firm, or entity eligible to file a stop notice with respect to the Work.

All bonds shall be executed by a California-admitted surety insurer. Bonds issued by a California-admitted surety insurer listed on the latest version of the U.S Department of Treasury Circular 570 shall be deemed accepted unless specifically rejected by the City. Bonds issued by sureties not listed in Treasury Circular 570 must be accompanied by all documents enumerated in California Code of Civil Procedure Section 995.660(a). The bonds shall bear the same date as the Contract. The attorney-in-fact who executes the required bonds on behalf of the surety shall affix thereto a certified and current copy of the power of attorney. In the event of changes that increase the Contract Price, the amount of each bond shall be deemed to increase and at all times remain equal to the Contract Price. The signatures shall be acknowledged by a notary public. Every bond must display the surety's bond number and incorporate the Contract for construction of the Work by reference. The terms of the bonds shall provide that the surety agrees that no change, extension of time, alteration, or modification of the Contract Documents or the Work to be performed thereunder shall in any way affect its obligations and shall waive notice of any such change, extension of time, alteration, or modification of the Contract Documents. The surety further agrees that it is obligated under the bonds to any successor, grantee, or assignee of the City.

Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

Should any bond become insufficient, or should any of the sureties, in the opinion of the City, become non-responsible or unacceptable, the Contractor shall, within ten (10) Calendar Days after

receiving notice from the City, provide written documentation to the Satisfaction of the City that Contractor has secured new or additional sureties for the bonds; otherwise the Contractor shall be in default of the Contract. No further payments shall be deemed due or will be made under Contract until a new surety(ies) qualifies and is accepted by the City.

9. RECORDS. The Contractor and its Subcontractors shall maintain and keep books, payrolls, invoices of materials, and Project records current, and shall record all transactions pertaining to the Contract in accordance with generally acceptable accounting principles. Said books and records shall be made available to the City of Moreno Valley, Riverside County, the State of California, the Federal Government, and to any authorized representative thereof for purposes of audit and inspection at all reasonable times and places. All such books, payrolls, invoices of materials, and records shall be retained for at least three (3) years after Final Acceptance.

10. INDEMNIFICATION.

10.1. **General.** To the fullest extent permitted by law, the Contractor assumes liability for and agrees, at the Contractor's sole cost and expense, to promptly and fully indemnify, protect, hold harmless and defend (even if the allegations are false, fraudulent, or groundless), the City of Moreno Valley, its City Council, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and all of their respective officials, officers, directors, employees, commission members, representatives and agents ("Indemnitees"), from and against any and all claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceeds, causes of action, demands, costs, judgments, liens, stop notices, penalties, liabilities, damages, losses, anticipated losses of revenues, and expenses (including, but not limited to, any fees of accountants, attorneys, experts or other professionals, or investigation expenses), or losses of any kind or nature whatsoever, whether actual, threatened or alleged, arising out of, resulting from, or in any way (either directly or indirectly), related to the Work, the Project or any breach of the Contract by Contractor or any of its officers, agents, employees, Subcontractors, Sub-subcontractors, or any person performing any of the Work, pursuant to a direct or indirect contract with the Contractor ("Indemnity Claims"). Such Indemnity Claims include, but are not limited to, claims for:

- A. Any activity on or use of the City's premises or facilities;
- B. Any liability incurred due to Contractor acting outside the scope of its authority pursuant to the Contract, whether or not caused in part by an Indemnified Party;
- C. The failure of Contractor or the Work to comply with any Applicable Law, permit or orders;
- D. Any misrepresentation, misstatement or omission with respect to any statement made in the Contract Documents or any document furnished by the Contractor in connection therewith;
- E. Any breach of any duty, obligation or requirement under the Contract Documents, including, but not limited to any breach of Contractor's warranties, representations or agreements set forth in the Contract Documents;
- F. Any failure to coordinate the Work with City's Separate Contractors;
- G. Any failure to provide notice to any party as required under the Contract Documents;
- H. Any failure to act in such a manner as to protect the Project from loss, cost, expense or liability;

- I. Bodily or personal injury, emotional injury, sickness or disease, or death at any time to any persons including without limitation employees of Contractor;
- J. Damage or injury to real property or personal property, equipment and materials (including, but without limitation, property under the care and custody of the Contractor or the City) sustained by any person or persons (including, but not limited to, companies, corporations, utility company or property owner, Contractor and its employees or agents, and members of the general public);
- K. Any liability imposed by Applicable Law including, but not limited to criminal or civil fines or penalties;
- L. Any dangerous, hazardous, unsafe or defective condition of, in or on the Site, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors;
- M. Any operation conducted upon or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors under or pursuant to the provisions of the Contract or otherwise;
- N. Any acts, errors, omission or negligence of Contractor, its officers, agents, employees, or Subcontractors;
- O. Infringement of any patent rights, licenses, copyrights or intellectual property which may be brought against the Contractor or Owner arising out of Contractor's Work, for which the Contractor is responsible; and
- P. Any and all claims against the City seeking compensation for labor performed or materials used or furnished to be used in the Work or alleged to have been furnished on the Project, including all incidental or consequential damages resulting to the City from such claims.

10.2. **Effect of Indemnitees' Active Negligence.** Contractor's obligations to indemnify and hold the Indemnitees harmless exclude only such portion of any Indemnity Claim which is attributable to the active negligence or willful misconduct of the Indemnitee, provided such active negligence or willful misconduct is determined by agreement of the parties or by findings of a court of competent jurisdiction. In instances where an Indemnitee's active negligence accounts for only a percentage of the liability for the Indemnity Claim involved, the obligation of Contractor will be for that entire percentage of liability for the Indemnity Claim not attributable to the active negligence or willful misconduct of the Indemnitee(s). Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Paragraph 11. Subject to the limits set forth herein, the Contractor, at its own expense, shall satisfy any resulting judgment that may be rendered against any Indemnitee resulting from an Indemnity Claim. The Indemnitees shall be consulted with regard to any proposed settlement.

10.3. **Independent Defense Obligation.** The duty of the Contractor to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees, which duty arises immediately upon receipt by Contractor of the tender of any Indemnity Claim from an Indemnitee. The Contractor's obligation to defend the Indemnitee(s) shall be at Contractor's sole expense, and not be excused because of the Contractor's inability to evaluate liability or because the Contractor evaluates liability and determines that the Contractor is not liable. This duty to defend shall apply whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively, or concurrently negligent, or which otherwise asserts that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. The Contractor shall respond within thirty (30) Calendar Days to the tender of

any Indemnity Claim for defense and/or indemnity by an Indemnitee, unless the Indemnitee agrees in writing to an extension of this time. The defense provided to the Indemnitees by Contractor shall be by well qualified, adequately insured and experienced legal counsel acceptable to the City.

10.4. Intent of Parties Regarding Scope of Indemnity. It is the intent of the parties that the Contractor and its Subcontractors of all tiers shall provide the Indemnitees with the broadest defense and indemnity permitted by Applicable Law. In the event that any of the defense, indemnity or hold harmless provisions in the Contract Documents are found to be ambiguous, or in conflict with one another, it is the parties' intent that the broadest and most expansive interpretation in favor of providing defense and/or indemnity to the Indemnitees be given effect.

10.5. Waiver of Indemnity Rights Against Indemnitees. With respect to third party claims against the Contractor, to the fullest extent permitted by law, the Contractor waives any and all rights to any type of express or implied indemnity against the Indemnitees.

10.6. Subcontractor Requirements. In addition to the requirements set forth hereinabove, Contractor shall ensure, by written subcontract agreement, that each of Contractor's Subcontractors of every tier shall protect, defend, indemnify and hold harmless the Indemnitees with respect to Indemnity Claims arising out of, in connection with, or in any way related to each such Subcontractors' Work on the Project in the same manner in which Contractor is required to protect, defend, indemnify and hold the Indemnitees harmless. In the event Contractor fails to obtain such defense and indemnity obligations from others as required herein, Contractor agrees to be fully responsible to the Indemnitees according to the terms of this Paragraph 11.

10.7. No Limitation or Waiver of Rights. Contractor's obligations under this Paragraph 11 are in addition to any other rights or remedies which the Indemnitees may have under the law or under the Contract Documents. Contractor's indemnification and defense obligations set forth in this Paragraph 11 are separate and independent from the insurance provisions set forth in the Contract Documents, and do not limit, in any way, the applicability, scope, or obligations set forth in such insurance provisions. The purchase of insurance by the Contractor with respect to the obligations required herein shall in no event be construed as fulfillment or discharge of such obligations. In any and all claims against the Indemnitees by any employee of the Contractor, any Subcontractor, any supplier of the Contractor or Subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the obligations under this Paragraph 11 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor or any supplier of either of them, under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts. Failure of the City to monitor compliance with these requirements imposes no additional obligations on the City and will in no way act as a waiver of any rights hereunder.

10.8. Withholding to Secure Obligations. In the event an Indemnity Claim arises prior to final payment to Contractor, the City may, in its sole discretion, reserve, retain or apply any monies due Contractor for the purpose of resolving such Indemnity Claims; provided, however, the City may release such funds if the Contractor provides the City with reasonable assurances of protection of the Indemnitees' interests. The City shall, in its sole discretion, determine whether such assurances are reasonable.

10.9. Survival of Indemnity Obligations. Contractor's obligations under this Paragraph 11 are binding on Contractor's and its Subcontractors' successors, heirs and assigns and shall survive the completion of the Work or termination of the Contractor's performance of the Work.

11. SUCCESSORS AND ASSIGNS. The Parties bind themselves, their heirs, executors, administrators, successors and assigns the covenants, agreements and obligations contained in the Contract Documents. The Contractor shall not, either voluntarily or by action of law, assign any right or obligation of the Contractor under the Contract Documents without prior written consent of the City.

(SIGNATURE PAGE FOLLOWS)

**CITY OF MORENO VALLEY,
a Municipal Corporation**

HARDY & HARPER, INC.

BY: _____
City Manager

License No./
Classification: _____

DATE: _____

Expiration Date: _____

Federal I.D. No.: _____

<p><u>INTERNAL USE ONLY</u></p> <p>APPROVED AS TO LEGAL FORM:</p> <p>_____</p> <p style="text-align: center;">City Attorney</p> <p>_____</p> <p style="text-align: center;">Date</p> <p>RECOMMENDED FOR APPROVAL:</p> <p>_____</p> <p style="text-align: center;">Public Works Director/City Engineer</p> <p>_____</p> <p style="text-align: center;">Date</p>
--

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

SIGNING INSTRUCTIONS TO THE CONTRACTOR:

Signature(s) must be accompanied by a completed notary certificate of acknowledgement attached hereto. A general partner must sign on behalf of a partnership. **Two (2)** corporate officers must sign on behalf of a corporation unless the corporation has a corporate resolution that allows one person to sign on behalf of the corporation; if applicable, said resolution must be attached hereto. The corporate seal may be affixed hereto.

CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledgement to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

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DESCRIPTION OF THE ATTACHED DOCUMENT

AGREEMENT SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

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- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
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 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____

BOND NO. _____

PREMIUM \$ _____

**FAITHFUL PERFORMANCE BOND
(100% of Total Contract Price)**

PROJECT NO. 13-22422410

**IRIS AVENUE PAVEMENT RESURFACING
From Lasselle Street to Via Del Lago**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City," has awarded to **Hardy & Harper, Inc.**, as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City Manager, and identified as **Project No. 13-22422410** and all Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond guaranteeing the faithful performance of said Agreement;

NOW THEREFORE, we the undersigned Contractor and _____, as Surety, are held and firmly bound unto the City of Moreno Valley, County of Riverside in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, to be paid to the said City or its certain attorney, its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bound Contractor, his or her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in said Contract Documents and any alterations thereof made as therein provided, on his or her or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In the event suit is brought upon this bond by the City and judgment is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract Documents or to the Work to be performed thereunder, or the Provisions accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Work or the Provisions.

(SIGNATURE PAGE FOLLOWS)

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: **Hardy & Harper, Inc.**

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____
Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this

_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**

SAMPLE

State of California
County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledgement to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

**ADDITIONAL OPTIONAL INFORMATION
INSTRUCTIONS FOR COMPLETING THIS FORM**

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DESCRIPTION OF THE ATTACHED DOCUMENT

FAITHFUL PERFORMANCE BOND SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

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 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____

BOND NO. _____

PREMIUM \$ _____

**LABOR AND MATERIALS PAYMENT BOND
(100% of Total Contract Amount)**

PROJECT NO. 13-22422410

**IRIS AVENUE PAVEMENT RESURFACING
From Lasselle Street to Via Del Lago**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City", has awarded to **Hardy & Harper, Inc.**, as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City Manager, and identified as **Project No. 13-22422410**, and Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond to secure the payment of claims of laborers, mechanics, materialmen, and other persons, as provided by law;

NOW, THEREFORE, we the undersigned Contractor and _____, as Surety are held and firmly bound unto the City of Moreno Valley, County of Riverside, in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if said Contractor, his or her or its heirs, executors, administrator, successors or assigns, or subcontractors, shall fail to pay any of the persons described in the State of California Civil Code, Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his or her subcontractors, pursuant to Section 13020, of the Unemployment Insurance Code, with respect to such work and labor, that the Surety or Sureties herein will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In the event suit is brought upon this bond by the City or other person entitled to bring such an action and judgment is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

This bond shall inure to the benefit of any of the persons described in the State of California Civil Code Section 3181, to give a right of action to such persons or their assigns in any suit brought upon this bond.

(SIGNATURE PAGE FOLLOWS)

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: **Hardy & Harper, Inc.**

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____

Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this

_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**

SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledgement to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

DESCRIPTION OF THE ATTACHED DOCUMENT

LABOR AND MATERIALS PAYMENT BOND
SIGNATURE PAGE

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

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- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____

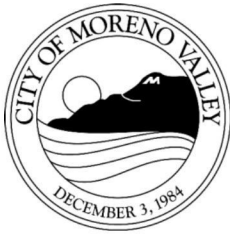
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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: APPROVE RESOLUTION NO. 2012-56 AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR STATE-LOCAL PARTNERSHIP PROGRAM (SLPP) GRANT FUNDING AND APPROPRIATING REQUIRED MATCHING FUNDS FOR THE CACTUS AVENUE WIDENING PROJECT FROM INTERSTATE 215 EASTBOUND OFF-RAMP TO VETERANS WAY PROJECT NO. 07-41678527

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Approve Resolution No. 2012-56 authorizing the submittal of an application for the California Transportation Commission (CTC) State-Local Partnership Program (SLPP) grant for the requested amount of \$560,000 for Cactus Avenue Widening from Interstate 215 Eastbound Off-Ramp to Veterans Way.
2. Authorize the City Engineer/Public Works Director, on behalf of the City, to accept any SLPP grant funds the CTC may allocate for the Cactus Avenue Widening project.
3. Authorize the appropriation of funds up to \$560,000 SLPP grant funding monies when and if the grant is awarded by the CTC and accepted by the City Engineer/Public Works Director on behalf of the City, and appropriate up to \$560,000 in matching funds from Development Impact Fees (DIF, Fund 201) if and when the grant application is accepted by the CTC.

BACKGROUND

The California Transportation Commission (CTC) will begin accepting grant applications for the State-Local Partnership Program (SLPP) in July 2012. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorized \$1 billion to be available for allocation by the CTC over a five-year period to eligible transportation projects. This Bond Act requires a dollar to dollar match of local funds. The deadline to submit applications is August 15, 2012.

DISCUSSION

The purpose of the Cactus Avenue Widening project is to reduce congestion and increase the level of service between the Interstate 215 Interchange and Heacock Street as identified in the City's Circulation Plan. At the request of previous March Air Reserve Base (MARB) personnel, the improvements will also enhance and facilitate access at the Elsworth Street entrance, particularly for the large weekend Reservist envoys that often back up traffic beyond the Interstate 215 ramps and onto the freeway. The proposed project will include additional lane widening to augment right turn access into MARB and the intersection widening will accommodate a future dedicated northbound right turn lane. The project will also relocate existing traffic signals and public utilities to facilitate ADA access.

The project design plans were approved on October 20, 2010. City staff has been working with new MARB staff for the last year to address their concerns with potential drainage easement issues, traffic safety, and right of way (ROW)/right of entry (ROE) alignment to obtain the necessary ROW and ROE dedications from MARB. It is anticipated that the necessary ROW and ROE will be acquired by the end of July 2012. Once the ROW and ROE is acquired, the project will be ready to be advertised for construction, contingent on funding.

The construction phase of the project is estimated to cost \$1.12 million. The CTC is accepting applications for shovel-ready projects for the SLPP grant through August 15, 2012. City staff will be preparing the application package and City Council is asked to approve the proposed Resolution so that the package may be submitted to the CTC. As part of the application process, the City must show that they are financially capable of funding the dollar to dollar match as required by the program. Therefore, staff also requests an appropriation of up to \$560,000 from DIF funds to meet this application requirement.

The CTC will notify the City in October 2012 if the grant application is approved. In order to expedite the construction of the project, staff is requesting that City Council accept the grant, when and if it is awarded by the CTC. Once the SLPP funds are allocated by the CTC, the City will have six months to award the project for construction. City Council is furthermore requested to appropriate up to \$560,000 in DIF funds for the project, when and if the SLPP funding is allocated by the CTC, in order to include the funds in the FY 2012/2013 project budget.

The City will be required to execute a Program Supplement Agreement (PSA) in order to receive reimbursement for project expenditures. On May 24, 2011, City Council approved Resolution No. 2011-43, authorizing the Public Works Director/City Engineer to execute all future PSAs between the State of California and the City. For this project, the Public Works Director/City Engineer will execute the PSA as soon as received in order to receive timely reimbursement.

If the CTC does not award SLPP grant funding to the City for this project, the requested matching appropriation will be returned to the DIF account for distribution to other projects.

ALTERNATIVES

1. Approve Resolution No. 2012-56, authorizing the submittal of an application for the California Transportation Commission (CTC) State-Local Partnership Program (SLPP) grant for the requested amount of \$560,000 for Cactus Avenue Widening from Interstate 215 Eastbound Off-Ramp to Veterans Way, and authorize the City Engineer/Public Works Director, on behalf of the City, to accept any SLPP grant funds the CTC may allocate for the Cactus Avenue Widening project, and authorize the appropriation of funds up to \$560,000 SLPP grant funding monies when and if the grant is awarded by the CTC and accepted by the City Engineer/Public Works Director on behalf of the City, and appropriate up to \$560,000 in matching funds from Development Impact Fees (DIF, Fund 201) if and when the grant application is accepted by the CTC. *This alternative will allow for the completion of much needed improvements.*
2. Do not approve the proposed Resolution authorizing the submittal of an application for the California Transportation Commission (CTC) State-Local Partnership Program (SLPP) grant for the requested amount of \$560,000 for Cactus Avenue Widening from Interstate 215 Eastbound Off-Ramp to Veteran's Way. *This alternative will delay much needed improvements.*

FISCAL IMPACT

The requested funding for this project totals \$1.12 million. \$560,000 is anticipated to be funded by SLPP grant monies and the required match of \$560,000 is requested as a new appropriation from Development Impact Fees (DIF) Fund 201 for Fiscal Year 2012/2013. If the grant is not awarded, the requested new matching appropriation will be returned to fund balance.

These funds would be allocated for the Cactus Avenue Widening and cannot be utilized for operational activities. There is no impact on the General Fund.

ANTICIPATED FUNDS FOR CONSTRUCTION:

Existing FY 2012/2013 Cactus Avenue Widening Improvements (Account 416.78526)	\$60,000
SLPP Grant Funding	\$560,000
Appropriation from DIF Fund 201 (Local Match Required Per Grant)	\$560,000
Total Available Funds	\$1,180,000

ESTIMATED CONSTRUCTION RELATED COSTS:

Existing Encumbered Contractual Obligations	\$60,000
Construction Costs**	\$860,000
Construction Design Support Services	\$20,000
Construction Surveying Costs	\$40,000
Construction Geotechnical Costs	\$40,000
Project Administration, Construction Management and Inspection***	\$130,000
Total Estimated Construction Related Costs*	\$1,150,000

*(Includes anticipated SLPP grant funding)

** Includes 20% contingency

*** Public Works and consultant staff will provide Project Administration.

ANTICIPATED PROJECT SCHEDULE:

Notice of Grant Award	October 2012
Advertise Construction*	January 2013
Notice of Award of Construction*	March 2013

*Contingent on CTC Allocation of Funds

PROPOSED APPROPRIATIONS:

TRANSFER

CAT.	FUND	BUSINESS UNIT	TYPE	ORIGINAL BUDGET	PROPOSED ADJUSTMENT	REVISED BUDGET
Transfer Out	Arterial Streets DIF (201)	201.20110.6923	EXP	\$0	\$560,000	\$560,000
Transfer In	DIF Arterial Streets Capital Projects Fund (416)	416.4160.4701	REV	\$0	\$560,000	\$560,000

BUDGET APPROPRIATION

CAT.	FUND	BUSINESS UNIT	TYPE	ORIGINAL BUDGET	PROPOSED ADJUSTMENT	REVISED BUDGET
CIP	DIF Arterial Streets Capital Projects Fund (416)	416.78527 (Cactus Ave. EB 3 rd Ln Imprv/ I-215 to Veterans Way)	EXP	\$60,606	\$560,000	\$620,606
REV	Measure A	125.4611.2	REV	\$0	\$560,000	\$560,000
EXP	Measure A	125.New	EXP	\$0	\$560,000	\$560,000

CITY COUNCIL GOALS

REVENUE DIVERSIFICATION AND PRESERVATION:

Develop a variety of city revenue sources and policies to create a stable revenue base and fiscal policies to support essential city services, regardless of economic climate.

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley’s future.

SUMMARY

The purpose of the Cactus Avenue Widening from Interstate 215 Eastbound Off-Ramp to Veterans Way is to reduce congestion and increase the level of service between the Interstate 215 interchange and Veterans Way. City Council is requested to approve the proposed Resolution authorizing the submittal of a grant application to the CTC for SLPP funding and the appropriation of \$560,000 in matching DIF funds. Furthermore, staff requests that when and if the CTC awards the grant for the requested amount, City Council accepts the grant to expedite the allocation the awarded monies to the project.

ATTACHMENTS

- Attachment “A” – Location Map
- Attachment “B” – Proposed Resolution

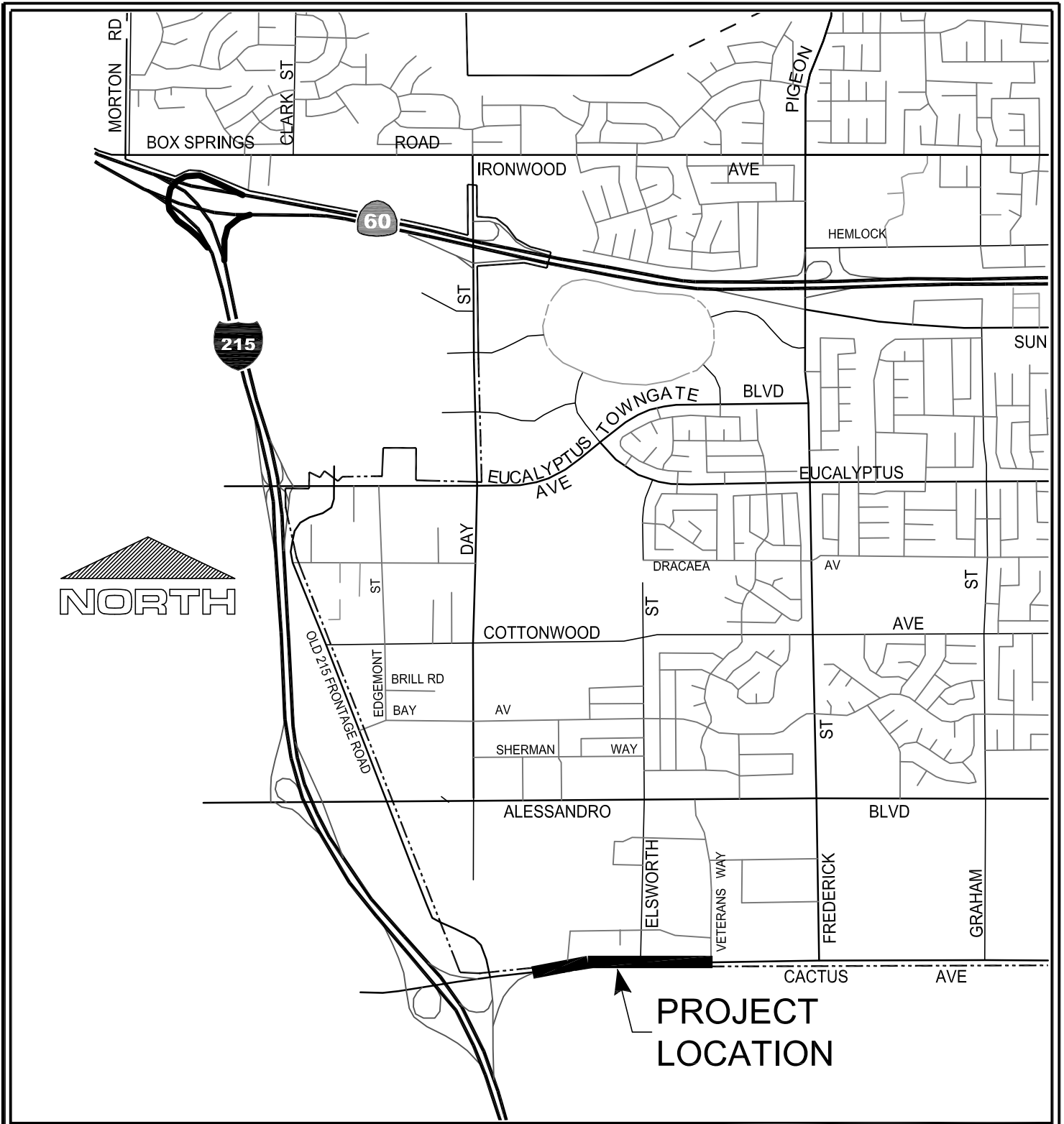
Prepared By:
Guy Pegan
Senior Engineer, P.E.

Department Head Approval
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

Date: 14 Jun 12 - 4:07 pm
 File: W:\CapProj\CapProj\PROJECTS\Guy - 07-41678257 - Stage 1 Cactus EB 3rd Ln - I-215 - Veterari's Way\Design Phase\Auto CAD\Rev_Location Map.dwg
 User: deepok



PROJECT
LOCATION



LOCATION MAP

Public Works Department
Capital Projects Division

Scale: None

ATTACHMENT "A"

CACTUS AVENUE FROM I-215 OFF-RAMP
TO VETERANS WAY
PROJECT NUMBER 07-41678257

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RESOLUTION NO. 2012-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING SUBMITTAL OF AN APPLICATION FOR FUNDS TO THE CALIFORNIA TRANSPORTATION COMMISSION FOR THE STATE-LOCAL PARTNERSHIP PROGRAM GRANT UNDER THE PROPOSITION 1B HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006 FOR THE CACTUS AVENUE WIDENING PROJECT FROM INTERSTATE 215 EASTBOUND OFF-RAMP TO VETERANS WAY PROJECT NO. 07-41678527

WHEREAS, the California voters approved Proposition 1B Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, which makes State-Local Partnership Program (SLPP) grant funds available to local agencies through the California Transportation Commission (CTC); and

WHEREAS, the CTC has established the procedures and criteria for nominating proposals; and

WHEREAS, the City of Moreno Valley (City) possesses authority to nominate projects funded using the State-Local Partnership Program funding and to finance, acquire, and construct the proposed project; and

WHEREAS, by formal action, the City Council authorizes the nomination of the Cactus Avenue Widening project from Interstate 215 Eastbound Off-Ramp to Veterans Way, including all understanding and assurances contained therein, and authorizes the Public Works Director /City Engineer or his/her designee to act in connection with the nomination and to provide such additional information as may be required; and

WHEREAS, the City will maintain and operate the property acquired, developed, rehabilitated, or restored for the life of the resultant infrastructure; and

WHEREAS, the City approves the commitment of \$560,000 of Development Impact Fee (DIF) Funds to provide 50% as match to the requested \$560,000 in SLPP funds; and

WHEREAS, the City will comply where applicable with provisions of the California Environmental Quality Act, the Americans with Disabilities Act, and any other federal, state and/or local laws, rules and/or regulations; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Attachment "B"

Resolution No. 2012-56
Date Adopted: July 10, 2012

The City Council hereby authorizes the Public Works Director / City Engineer or his/her designee as the official representative of the City of Moreno Valley to apply for the State-Local Partnership Program grant funds under the Proposition 1B Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 for the Cactus Avenue Widening Project From Interstate 215 Eastbound Off-Ramp to Veterans Way.

BE IT FURTHER RESOLVED that the City of Moreno Valley agrees to fund its share of the project costs and any additional costs over the identified programmed amount.

APPROVED AND ADOPTED this 10th day of July, 2012.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2012-56
Date Adopted: July 10, 2012

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-56 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

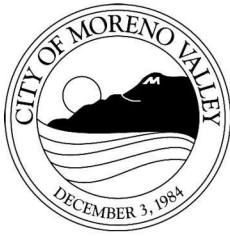
(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2012-56
Date Adopted: July 10, 2012

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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council and the City Council Acting as the Successor Agency

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: FIRST AMENDMENT TO AGREEMENT WITH FALCON ENGINEERING SERVICES INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE SR-60/MORENO BEACH PHASE 1 PROJECT – PROJECT NO. 07-41570024

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Authorize the "First Amendment to Agreement for Professional Consultant Services, Transportation Uniform Mitigation Fee (TUMF) – Zonal" (First Amendment) with Falcon Engineering Services, Inc. (Falcon), 1020 Aquino Circle, Corona, CA 92879 to provide construction management and inspection services for the SR-60/Moreno Beach Interchange Project (Phase 1) for \$767,821.56.
2. Authorize the City Manager to execute said First Amendment with Falcon.
3. Acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley, add it to the Recognized Obligation Payment Schedule, submit same to the Oversight Board for Approval, and authorize the City Manager to access agency funds only after Oversight Board and State Department of Finance approval.
4. Authorize a Change Order to increase Purchase Order No. 42372 with Falcon by \$767,821.56 from Account No. 797.79731.7200 once the First Amendment has been signed by all parties.

5. Authorize the Public Works Director/City Engineer to execute any subsequent amendments to the contract with Falcon within the authorized purchase order amount subject to the approval of the City Attorney.

BACKGROUND

The Moreno Beach Drive/SR-60 Phase 1 project is one of the key projects in the City's Economic Development Action Plan. Phase 1 improvements include reconstruction of the eastbound on- and off-ramps to SR-60, the addition of an eastbound auxiliary lane, connection of the west leg of Eucalyptus Avenue to Moreno Beach Drive, the addition of a traffic signal at the eastbound ramps/Moreno Beach Drive intersection, associated utility relocations, and related improvements.

On May 13, 2008, the City Council awarded an "Agreement for Professional Consultant Services" to Parsons Transportation Group for design, right-of-way engineering, and construction support services. The design contract was amended on June 21, 2011, to prepare plans for the south side of the interchange. Design has progressed to the final plan stage and final plans were submitted to Caltrans in March 2012 for approval. Right-of-way acquisition is complete and has been certified by Caltrans. On December 13, 2011, the City Council approved a Construction Cooperative Agreement with the State of California for the construction phase, giving the City authority to advertise, award, and administer the construction phase upon plan approval.

DISCUSSION

In order to prepare for the construction phase of the project, the City issued a Request for Proposal (RFP) to provide services consisting of a constructability review and construction management and inspection services to advertise, award, and administer interchange improvements.

The City received four (4) proposals in response to the RFP. A Selection Committee comprised of City, Caltrans, and external agency staff reviewed and rated the proposals according to a qualifications-based process. Three (3) firms were short-listed and invited for interviews on November 30, 2011. Falcon was ranked first following completion of the interviews for several important reasons. The firm demonstrated a very thorough understanding of the work. The firm proposed and committed qualified staff who are familiar with Caltrans construction procedures. The firm demonstrated excellent technical ability in all critical areas. They identified construction schedule time savings, thereby minimizing disruption to traffic by two months. The firm also identified significant technical and financial areas which would limit the project's potential exposure. Upon their top ranking, negotiations were conducted with Falcon, and agreement has been reached.

On March 8, 2012, the City entered into an agreement for \$19,871.92 with Falcon to perform constructability review and related tasks. An amendment to the agreement with Falcon is needed in order to contractually engage Falcon for their expertise during the

advertisement and subsequent construction phase. Falcon will assist with pre-construction activities including advertisement and public outreach, as well as the bid, award, construction management, construction inspection, and post-construction activities. The amendment also includes provisions for payment that are tied to the progress of construction. The First Amendment also changes the contract expiration date from December 31, 2012, to June 30, 2015. A Change Order to increase Purchase Order No. 42372 by \$767,821.56 is requested, bringing the total contract amount to \$787,692.48.

On March 27, 2012, the City Council approved the First Amendment to Agreement with Falcon Engineering Services for construction management services for the SR-60/Nason Overcrossing project. The ability to have Falcon staff between the Nason and Moreno Beach projects as they are constructed concurrently has resulted in cost savings for the Moreno Beach project and will result in approximately \$200,000 savings to the Nason Overcrossing Project.

The Construction Cooperative Agreement with Caltrans for the Moreno Beach project requires the City to provide a Resident Engineer who is a civil engineer licensed with the State of California and construction support staff who have been approved by Caltrans. Falcon received that approval for this project. City staff will oversee Falcon's work.

The recommended contract award is an action of the City Council with a funding source from the assets of the former City of Moreno Valley Redevelopment Agency. The recommended actions are included on the Recognized Obligations Payment Schedule (ROPS) approved by the City Council acting as the Successor Agency on February 14, 2012. The Successor Agency Oversight Board approved the ROPS for the period January through June 2012 on May 23, 2012, which has subsequently been approved by the State Department of Finance (DOF). This ROPS approval includes "placeholder" line items representing the expenditure of bond proceeds for approval purposes. The Successor Agency approval of this contract is required to move forward toward complete approval and compliance with ABx1 26 law. The contract will be presented to the Successor Agency Oversight Board, along with an updated ROPS that will include the contractor listed as an enforceable obligation. After Oversight Board approval, the contract and updated ROPS will be sent to the DOF for review. There is a risk that the Oversight Board may not approve the contract or updated ROPS. In addition, the State Department of Finance (DOF) has the authority to challenge actions approved by the Oversight Board within 10 days of the approved action. In light of the current process for approval of the contract and the updated ROPS, the property tax to pay the contracts being recommended has not been authorized to pay the contract obligations. The City Council by approving the recommended contract is assuming the risk that in the event tax increment is not approved to pay the contracts by the Oversight Board or through successful challenge by the State DOF, the City would be obligated to pay the contract commitments from alternative funding sources, most likely the City's General Fund.

ALTERNATIVES

1. Authorize the "First Amendment to Agreement for Professional Consultant Services, Transportation Uniform Mitigation Fee (TUMF) – Zonal" (First Amendment) with Falcon Engineering Services, Inc. (Falcon), 1020 Aquino Circle, Corona, CA 92879 to provide construction management and inspection services for the SR-60/Moreno Beach Interchange Project (Phase 1) for \$767,821.56, authorize the City Manager to execute said First Amendment with Falcon. Acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley, add it to the Recognized Obligation Payment Schedule, submit same to the Oversight Board for Approval, and authorize the City Manager to access agency funds only after Oversight Board and State Department of Finance approval. Authorize a Change Order to increase Purchase Order No. 42372 with Falcon by \$767,821.56 from Account No. 797.79731.7200 once the First Amendment has been signed by all parties, and authorize the Public Works Director/City Engineer to execute any subsequent amendments to the contract with Falcon within the authorized purchase order amount subject to the approval of the City Attorney. *This alternative will allow for the completion of much needed improvements.*

2. Do not authorize the "First Amendment to Agreement for Professional Consultant Services, Transportation Uniform Mitigation Fee (TUMF) – Zonal" (First Amendment) with Falcon Engineering Services, Inc. (Falcon), 1020 Aquino Circle, Corona, CA 92879 to provide construction management services for the SR-60/Moreno Beach Interchange Project (Phase 1) for \$767,821.56. *This alternative will delay the completion of much needed improvements.*

FISCAL IMPACT

Phase 1 is currently funded using Successor Agency 2007 Tax Allocation Bonds (Fund 797). WRCOG has allocated an additional \$3,500,000 for Phase 1 project construction. The TUMF funds do not have a local match requirement.

AVAILABLE FUNDS

Successor Agency 2007 Tax Allocation Bonds	
(Account 797.79731)	\$ 4,879,000
Transportation Uniform Mitigation Fees (TUMF – Account 415.70024)	<u>\$ 3,500,000</u>
Total Project Budget.....	\$ 8,379,000

CONSTRUCTION COSTS

Construction (est.).....	\$ 7,100,000
Construction Management & Inspection Services.....	\$ 788,000
Construction Support Services (Design, Geotechnical & Survey) (est.).....	\$ 341,000
Administrative Costs*	<u>\$ 150,000</u>
Total Estimated Cost	\$ 8,379,000

**Includes City project administration, printing, Caltrans-furnished materials and other miscellaneous costs.*

PROJECT SCHEDULE

Caltrans Approval and Authorization to Bid	July 2012
Advertise Project	August 2012
Begin Construction	October 2012
Complete Construction	August 2013

CITY COUNCIL GOALS

REVENUE DIVERSIFICATION AND PRESERVATION:

Develop a variety of city revenue sources and policies to create a stable revenue base and fiscal policies to support essential city services, regardless of economic climate.

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley’s future.

SUMMARY

Through a qualifications-based selection process, Falcon was identified as the most qualified firm to provide construction management and inspection services for Phase 1 of the SR-60/Moreno Beach Drive Interchange Improvement project. A Change Order to increase Purchase Order No. 42372 by \$767,832.56 is requested, bringing the total contract amount to \$787,693.48.

ATTACHMENT

Attachment “A” – First Amendment to Agreement for Professional Consultant Services

Prepared By:
 Margery A. Lazarus
 Senior Engineer, P.E.

Department Head Approval:
 Ahmad R. Ansari, P.E.
 Public Works Director/ City Engineer

Concurred By:
 Prem Kumar, P.E.
 Deputy Public Works Director/Assistant City Engineer

Concurred By:
 Barry Foster
 Community & Economic Development
 Director

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

**FIRST AMENDMENT TO AGREEMENT
FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 07-41570024**

This First Amendment to Agreement is by and between the CITY of MORENO VALLEY, a municipal corporation, hereinafter referred to as "City," and **FALCON ENGINEERING SERVICES, INC.**, a California corporation, hereinafter referred to as "Consultant." This First Amendment to Agreement is made and entered into effective on the date the City signs this Amendment.

RECITALS:

Whereas, the City issued a Request for Proposals for professional constructability review, construction management and inspection services for the State Route 60/Nason Street Overcrossing Improvement and State Route 60/Moreno Beach Interchange Phase 1 Improvement projects.

Whereas, the Consultant submitted a Proposal for the Moreno Beach Interchange Phase 1 Improvement project dated October 13, 2011.

Whereas, the City and Consultant entered into an Agreement entitled "Agreement for Professional Consultant Services," hereinafter referred to as "Agreement," dated March 8, 2012, to provide professional consultant constructability review and related services.

Whereas, the City desires to amend the Agreement to provide consultant construction management and inspection services to be performed by the Consultant as originally scoped in their Proposal dated October 13, 2011.

Whereas, the Consultant has submitted a letter dated **June 14, 2012**, revising portions of the October 13, 2011, proposal. A copy of said letter is attached as "Exhibit A – First Amendment."

Attachment "A"

**FIRST AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 07-41570024**

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 Exhibit "B" to the Agreement is hereby amended to add the **Cost Proposal** attached as "Exhibit A -- First Amendment," entitled " Proposal for Professional Construction Management Consultant Services for State Route 60/Moreno Beach Interchange Phase 1 Improvements" from Falcon Engineering dated June 14, 2012."

1.2 Paragraph 1 of Exhibit "D" to the Agreement is hereby amended to read as follows:
"1. The Consultant's compensation shall not exceed \$787,693.48 (\$19,871.92 for the original agreement plus \$767,821.56 for the First Amendment to the Agreement).

Exhibit "D" is further amended to add the following:

The Consultant shall notify the City in writing ten (10) days in advance of incurring costs at the following milestones: 25%, 50%, 75%, 90%, and 100% of expended construction management budget. The City will monitor Consultant's expenditure levels in comparison to the physical construction work completed, and if progress is satisfactory in the judgment of the City, City will provide written authorization to proceed to the next milestone. City reserves the right to adjust staffing levels and personnel as appropriate. Consultant shall not change any personnel or subconsultants without prior authorization by the City.

1.3 The Project Schedule – Exhibit "E" – is hereby replaced in its entirety with the Project Schedule (Exhibit E-1) submitted with the Consultant's proposal for construction management and inspection services dated June 14, 2012.

1.4 Paragraph 4 – Payment Terms – of the original Agreement is hereby amended to read as follows: The City agrees to pay the Consultant and the Consultant agrees to receive a "Not-to-Exceed" fee of \$767,821.56, in consideration of the Consultant's performance of the work set forth in "Exhibit A -- First Amendment" for a total contract amount of \$787,693.48 (\$19,871.92 for the original agreement plus \$767,821.56 for the First Amendment to the Agreement).

**FIRST AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 07-41570024**

1.5 Paragraph 5 of the original agreement – Term of Agreement – is amended to read as follows: "The Agreement termination date is extended from December 31, 2012, to June 30, 2015, unless the termination date is further extended by an Amendment to the Agreement."

SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

**FIRST AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 07-41570024**

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

Falcon Engineering Services, Inc.

BY: _____
City Manager

BY: _____

Date

TITLE: _____
(President or Vice President)

Date

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Public Works Director/City Engineer
_____ Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

Attachments: "Exhibit A – First Amendment" – Proposal dated June 14, 2012

W:\CapProj\CapProj\PROJECTS\Marge - 07-41570024 Rte 60 Nason-Moreno Beach Bridge Intrchn\Design Phase\Consultant - Const Review & Const Mgmt\Agreement\Moreno Beach\Construction Management\First Amendment V3.doc



June 14, 2012

Margery Lazarus, Senior Engineer, P.E.
Capital Projects Division, Public Works Department
P. O. Box 88005
Moreno Valley, California 92552

RE: PROPOSAL FOR PROFESSIONAL CONSTRUCTION MANAGEMENT CONSULTANT SERVICES FOR STATE ROUTE 60/MORENO BEACH DRIVE PHASE-1 IMPROVEMENTS

Dear Margery Lazarus:

FALCON Engineering Services Inc. (FALCON) proudly presents our proposal to the City of Moreno Valley for the above project. FALCON is an Inland Empire Disadvantaged Business Enterprise/Small Business DBE/UDBE-M/WBE-SBE specialized solely in construction management and inspection services for various types of transportation projects including major freeway/bridge construction, and interchanges exactly like the above project. Key FALCON team members each have better than 25 years experience and have completed more than 16 local similar interchanges. FALCON is proud of our reputation for having seasoned construction management personnel and of the industry's recognition of our ability to deliver complex interchange improvement projects ahead of schedule, under budget, without claims, and with outstanding customer service for the local community. This is done in conjunction with strict enforcement of all applicable Regulatory and Environmental Permits. Everyone who drives in the Inland Empire has seen successfully managed FALCON projects such as the SR-91/Van Buren Interchange, River Road Bridge Project, SR-91/La Sierra Interchange & Grade Separation project, I-215/Newport Road Interchange, I-215/74 Interchange, San Sevaine Channel/Grade Separation, I-10 Etiwanda Interchange & Grade Separation, and the I-15/Cantu Galleano Interchange project, the Project of the Year of the Construction Management Association of America. The FALCON Team now stands ready to repeat our success and provide unequal construction management services on this important project.

I, Wael Faqih, PE, will personally lead the FALCON Team as a Project Manager/Resident Engineer & Structures Representative will be managing SR-60/Nason Street Overcrossing project at the same time and sharing our inspection staff and office engineer between both projects. My alternate Resident Engineer on site will be Mr. Ibrahim Masoud, PE who is a FALCON employee is assigned as full time Lead Inspector/Alternate Resident Engineer in my absence. Our key staff as detailed in the organization chart are the "Dream Team" of specialized professionals who have worked together in various arrangements since 1994 managing projects along SR-91, 60, 215,71, I-15 and I-10, with majority of these projects in the Inland Empire and within Caltrans District-8 Right of Way. The firms and Individuals comprising the FALCON Team have worked together on multiple projects over many years. The Falcon Team is proud to partner with the following firms:

Firm	Contact	MBE/WBE/ SBE/DBE/UDBE	Scope of Work	Percentage
FALCON Engineering Services Inc	Wael Faqih (951) 264-2350	MBE/WBE/SBE/ DBE/UDBE	Construction Management/ Administration (PRIME)	78.00 %
CPM Partners	Dave Seevers (760) 846-0214	DBE/UDBE	Construction Management Scheduling/Document Control	19.00 %
Francis Consultants, Inc.	Linda Francis, 714-401-0185	DBE/UDBE	Landscape Architect/Inspection	3.00 %

Our Work Plan includes a detailed draft CPM Schedule through re-sequencing & merging some stages that maximize the contractor's use of resources and cuts down schedule significantly, incorporates utility relocations/coordination and minimize delay risk. This will result in a schedule reduction to a 189 Working Days. Significant savings will be realized if both projects are constructed concurrently as shown in our detailed proposal. Additional savings will also include the benefit felt by the local residents, businesses, and traveling public from the shorter construction duration and smooth transition between various stages and traffic control. FALCON has achieved such savings on our other projects, such as the recently completed SR-91/Van Buren Interchange project where FALCON team performed the constructability /bid ability review and recommended cutting schedule down to 14 Months from original 22-Months. Our track record is full of success stories like this. FALCON will implement a similar expeditious constructability review on this project and recommend similar schedule/ cost cutting measures and pas on the savings to the city.

Exhibit "A" – First Amendment



City of Moreno Valley, SR-60 / Moreno Beach Drive Phase-1 Improvements

FALCON has fully complied with the DBE/UDBE requirements. In addition to FALCON being a DBE/UDBE firm, it has allocated ~22.00% to other UDBE firms.

FALCON used its latest Overhead multiplier of 105% based on the Financial statement year ending 12/31/2010. The preparation of the statement of Direct Costs, Fringe Benefits, and General Overhead for the year ending 12/31/2010 was prepared on the basis of FAR Guidelines and Regulations. FALCON understands that a pre award audit will be performed by the City and if determined that newly calculated overhead rate and cost will be adjusted up or down accordingly.

Per your request, attached a detailed resumes for Charles Lamb "Landscape Architect" who will be providing Landscaping inspection task work.

Attached is the Final negotiated Cost Proposal for SR-60/Moreno Beach Drive Phase-1 Improvement project. This cost proposal includes significant savings to Inspection cost for SR-60/Nason Street Overcrossing due to inspection staff sharing totaling \$207,207.20 to be deducted from Nason's agreed cost.

FALCON acknowledges the receipt of Addendum #1 issued on 10/4/2011.

In summary, the FALCON Team offers the City of Moreno Valley the following key features and benefits:

- *Hands-on Principals*
- *Increased staff utilization /productivity through inspection staff sharing with adjacent Projects across the City between SR-215 & SR-60/Nason OC & Moreno Beach Phase-1 Improvements.*
- *Unsurpassed Local Experience with similar projects*
- *In depth constructability Review which yields significant savings (schedule & cost) to the City*
- *Deep project understanding*
- *Excellent knowledge of Caltrans Standards, guidelines, and Oversight QA inspection procedure.*
- *Excellent track records on similar projects (Ahead of Schedule, Under Budget, Low CCO's, No Claims)*
- *Unmatched expertise in managing Federal Aided projects. Numerous FHWA Audits with Excellent Remarks.*
- *Excellent Project Records & As-Built, Easy Reimbursable Funds.*
- *FALCON is an efficient-low overhead CM provider.*
- *All FALCON inspection staff has completed the new SWPPP regulation permitting training and majority of its staff are QSP-QSD certified.*

We are excited about this opportunity to continue to serve the City of Moreno Valley and are committed to the successful and early completion of this important project.

Sincerely,

FALCON Engineering Services Inc.
Wael Faqih, MS, PE
Project Manager/Vice President
1020 Aquino Circle
Corona, CA 92879

(951) 278-0688
(951) 278-2820 FAX
wfaqih@FALCON58.com
Cell #: (951) 264-2350

SR-60/Moreno Beach Phase 1 Improvements



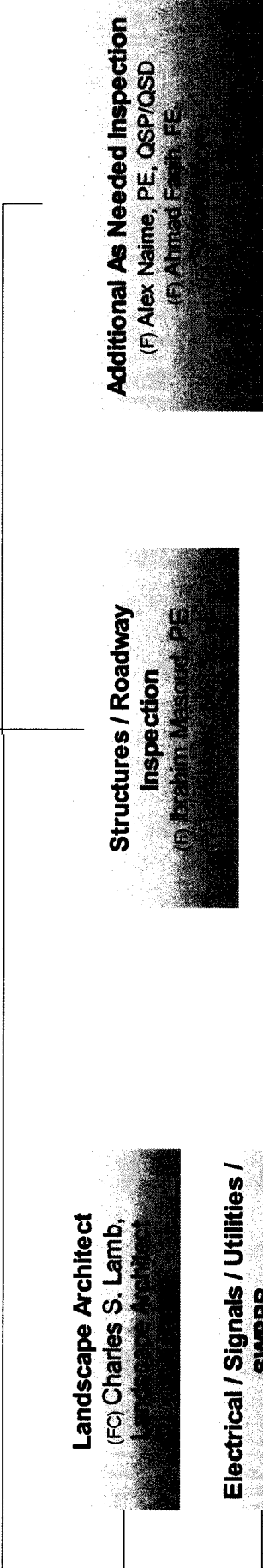
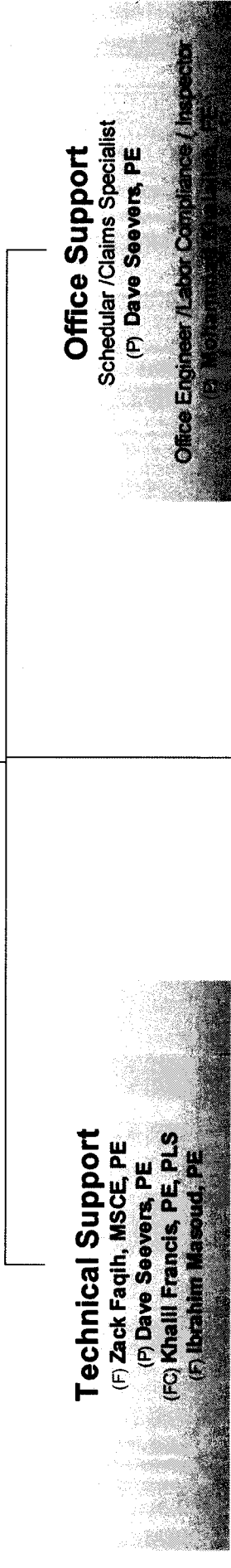
Caltrans Oversight



MORENO VALLEY
WEST ORANGE, TEXAS

Program Manager
Margery Lazarus, Senior Engineer, PE

Project Manager / Resident Engineer
Wael Faqih, MSCE, PE



Landscape Architect
(FC) Charles S. Lamb,
Landscape Architect

Electrical / Signals / Utilities / SWPPP

Legend;
70.38% (F) Falcon Engineering Services Inc. - MBE/WBE/SBE/UDBE
10.40% (FC) Francis Consulting - UDBE
19.22% (P) CFM - UDBE

Item No. A.8

City of Moreno Valley
 R-60/Moreno Beach Drive -Phase 1 Improvements
 Project No. 07-41570024
 June 14, 2012
 Construction Engineering & Administrative Services
 Staffing Schedule Diagram



Project Schedule	2012												2013												Total W. Days
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb			
Calendar days	31	30	31	31	30	31	30	31	31	28	31	30	31	30	31	31	30	31	30	31	30	31	189		
Work days	22	21	21	20	22	21	20	20	22	20	22	20	22	22	20	22	21	20	20	20	20	20	189		
Award Contract -NTP (7/10/2012)																									
Pre-Construction Phase (Advertise, Award) (NTP - 7/1/2012-9/30/2012)																									
Construction Phase (10/1/2012-6/30/2013) (9-Months)																									
Post Construction (7/1/2013 to 7/31/2013) CT-Safety Review & Punchlist																									

Estimated Fees	2012												2013												Total Hours
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb			
Project Manager: "Resident Engineer/SR"																							360		
Structures Representative																							0		
Lead Structures Engineer																							80		
Lead Roadway Inspector																							760		
Office Engineer/General Inspector																							800		
Electrical Inspector/Signals/Traffic (PT)																							184		
Utility Coord/Inspection/SWPPP																							1552		
Scheduling/Claim Analyst (PT- As Needed)																							96		
Landscaping/Irrigation (PT-As Needed)																							128		
TOTALS: New Revised Construction Duration -189-Working Days	0	0	0	0	0	0	57	55	50	52	51	54	52	55	54	15	0	0	0	0	0	0	3960		

This Cost Estimate & Schedule is based on 189 WD with Preconstruction and post construction stages as detailed above including Caltrans Safety Review & Punchlist. Fees are based on a Start & Finish Dates shown above, and per attached Rate Sheet. Also Nason IC & Moreno Beach-Phase-1 starting on Oct-1, 2012

Office Supplies Budget includes provisions for Community Outreach/Public Relations related costs.

Holidays include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving (2 days), Christmas, and a Floating Holiday

Cost Proposal is based on Average 168 Hours per Month, Overtime hours will be paid in accordance with applicable labor law.

Costs for job-site construction management office, office equipment, and office furniture are not included in this estimate. (provided by the Contractor)

Field Office, furniture, equipment, & office support is provided by the Contractor.

Overtime, rain, holidays and potential time extensions or delays may result in additional construction management services.

Hourly Rates are based on 2011 Rates and based on a start & finish construction contract.

Other Direct Costs (Equipment, Vehicle & Gas are based on established Monthly Rate @ \$1,500.00/Month and Office Supplies at Actual Costs).

Field Inspection Staff are compensated at Applicable Prevailing Wages in accordance with Applicable State Laws.

Description	Name	Total Hours	Hourly Rate	Total Cost	3% on SC	Construct. Rev. Cost
Project Manager "Resident Engineer"	Wael Faqih, PE (FES)	360	\$220.00	\$79,200		\$79,200.00
Structures Representative	Faisal Zahout, PE (FES)	0	\$203.00	\$0		\$0.00
Lead Structures Engineer (ALT Struct Rep.)	Alex Naime, PE (FES)	80	\$153.34	\$12,267		\$12,267.20
Lead Roadway Inspector	Tariq Malik, EIT	760	\$175.80	\$133,608		\$133,608.00
Office Engineer/General Inspector	M. Al-Khalilah (CPM)	800	\$135.00	\$108,000	\$3,240	\$111,240.00
Electrical Inspector/Signals/Traffic (PT)	Steve Moore (FES)	184	\$130.79	\$24,065		\$24,065.36
Utility Coord/Inspection/SWPPP (PT-Shared)	Ibrahim Masoud, PE (FES)	1,552	\$177.92	\$276,132		\$276,131.84
Scheduling/ Claim Analyst (PT- As Needed)	Dave SeEVERS, PE (CPM)	96	\$220.00	\$21,120	\$634	\$21,753.60
Landscaping (PT-As Needed)	Charles Lamb (Francis)	128	\$165.00	\$21,120	\$634	\$21,753.60
Khalil Francis, PE, PLS, MSCE	Khalil Francis, PE, PLS (Fra	0	\$190.00	\$0	\$0	\$0.00
Total 188-Working Days & Total Cost		3,960		\$675,512		\$680,019.60
ODC						
Added Office Supplies @ \$500/M x 9M =				\$4,500.00		\$4,500.00
Equipment, Vehicle, Gas, Phones, etc @ 1x\$1500M x 9 M=				\$13,500.00		\$13,500.00
Total CM Cost						\$698,019.60
Additional Services as Authorized by the City (10%)						\$69,801.96
Total CM Cost including Additional Services						\$767,821.56

City of Moreno Valley

RTE-60/Moreno Beach Drive Phase 1 Improvement Project

Project No. 07-41570024

June 14, 2012

Construction Engineering & Administrative Services

Staffing Hourly Rate (Loaded Billing Rates)



Name	Description	Contract Hourly Rate	Base Rate	OH "1.05"	Fee "10%"	Loaded Rate
Wael Faqih, PE, MSCE	Project Manager/ Resident Engineer	\$220.00	\$125.00	\$131.25	\$25.63	\$281.88
Faisal Zahlout, MS PE	Structures Rep. Construction Manager	\$203.00	\$94.66	\$99.39	\$19.41	\$213.46
Alex Naime, PE	Roadway/Bridge Insp. (struct. Rep. ALT)	\$153.34	\$68.00	\$71.40	\$13.94	\$153.34
Tariq Malik, MS EIT	Roadway/Bridge Inspector	\$175.80	\$77.96	\$81.86	\$15.98	\$175.80
Ahmad Faqih, EIT	Roadway/Bridge Inspector	\$139.81	\$62.00	\$65.10	\$12.71	\$139.81
Ibrahim Massoud, MS PE	Assist. RE/Structures Rep. (As Needed)	\$175.80	\$77.96	\$81.86	\$15.98	\$175.80
Steve Moore	Electrical/Traffic Signals	\$130.79	\$58.00	\$60.90	\$11.89	\$130.79
Zack Faqih, MS PE	Utility Coordinator/ Technical Support	\$177.92	\$78.90	\$82.85	\$16.17	\$177.92
Sub-Consultants						
Mohammad Al Khalaleh, EIT	Office Engineer (CPM Partners)	\$125.00				
Mohammad Al Khalaleh, EIT	Roadway/Bridge Inspector (CPM Partners)	\$135.00				
Sr. Scheduler	CPM Partners	\$175.00				
Dave SeEVERS, PE	Claim Support/Scheduler Principal	\$220.00				
Charles Lamb	Francis Consulting (Landscaping)	\$165.00				
Carl Francis, PE, PLS, MSCE	Francis Consulting (Tech Support/CM Insp. Services)	\$190.00				



Francis Consulting ¹
Architecture - Engineering – LEED Consulting
4962 Glenview Ave. Anaheim, CA 92807
Phone: (714)401-0137
E-mail: loveku@sbcglobal.net

Charles S. Lamb – Landscape Architect

Licensed Landscape Architect – CA #3098-1989, AZ #37530-2002

Education:

- Associate of Liberal Arts Degree, Fullerton College, California – 1983 – President's Honor Roll
- Bachelor of Science Degree in Landscape Architecture at Cal Poly Pomona - 1987

Work History:

- Closson & Closson Landscape Architecture – Draftsman / Designer – 1986 to 1988
- Lewis Homes of California & Nevada – Landscape Designer – 1988
- J.L. Webb Planning & Landscape Architecture – Project Manager – 1988 to 1992
- Emerald Design -1992 to present
- Francis Consulting 2009 to Present

Related Achievements & Registrations:

- LDA Foundation Design Competition, 1985 – California First Runner-up Residential Design Division
- Volunteer Consultant to "The Tree People", 1986 - 1987
- Cornerstone Landscape Design Award, 1999 - Commercial Design Division
- City of Rancho Cucamonga Award of Excellence, 2002 – Retail Design Division

Recent Public Works Projects:

Project Name: 60 Freeway Landscape

Location: Ontario, California

Scope of Work: Irrigation and Planting Construction Documents

Description: 350' of Freeway landscape north side of 60 near Archibald

Client: Western Realco for Caltrans

Contact: Vance Mape – (949) 720-3787

Project Name: 101 Freeway Landscape

Location: Van Nuys, California

Scope of Work: Irrigation and Planting Construction Documents

Description: 600' of Freeway slope landscape south side of 101 near Winnetka

Client: Dennis Flynn Architects for Caltrans

Contact: Dennis Flynn – (714) 870-4460

Project Name: Van Nuys Beautification

Location: Van Nuys, California

Scope of Work: Irrigation and Planting Construction Documents

Description: 5000' landscape, irrigation, and planting for median and right of way

Client: Dennis Flynn Architects for City of Van Nuys

4962 Glenview Ave., Anaheim, CA, 92807 - TEL: 714-870-4460 FAX: 714-870-4420

Contact: Dennis Flynn – (714) 870-4460

Project Name: Olive Park

Location: Fullerton, California

Scope of Work: Hardscape, Irrigation, & Planting Concept Plans & Construction Documents

Description: Neighborhood Park

Agency: City of Fullerton Community Services Department

Contact: Susan Hunt – (714) 738-6583

Project Name: Milliken Avenue Median, Foothill Blvd. to Arrow Route

Location: Rancho Cucamonga, California

Scope of Work: Hardscape, Irrigation, & Planting Concept Plans & Construction Documents

Description: 2,600' of Landscaped Street Median

Agency: Rancho Cucamonga Community Development Department

Contact: Laura Bonaccorsi (909) - 477-2740

Project Name: Acacia Park Play Area

Location: Fullerton, California

Scope of Work: Hardscape Construction Documents

Description: Play Area Renovation

Agency: City of Fullerton Community Services Department

Contact: Randy McDaniel – (714) 773-5798

Project Name: Little Lake Village

Location: Santa Fe Springs, California

Scope of Work: Hardscape, Irrigation, & Planting Concept Plans & Construction Documents – Artwork Concepts & Coordination

Description: Senior Housing Apartment Complex

Client: Southern California Housing Development Corporation and City of Santa Fe Springs

General Contractor: Lucas General Contracting

Contact: John Ferrall (909) 483-2444

Project Name: River Ridge Municipal Golf Course Renovation

Location: Pico Rivera, California

Scope of Work: Irrigation Construction Documents

Description: Irrigation System Upgrade and Renovation

Client: Coory Engineering

Contact: Samir Khoury - (562) 868-8266

Project Name: Harbor Elementary School Upgrades

Location: Harbor City, Los Angeles, California

Scope of Work: Hardscape, Irrigation, and Planting Construction Documents

Description: Rework of Paved Play Areas and Landscape Planting

Client: Coory Engineering

Contact: Samir Khoury - (562) 868-8266

Project Name: Whittier Boulevard Streetscape

Location: Pico Rivera, California

Scope of Work: Hardscape, Irrigation, & Planting Concept Plans & Construction Documents

Description: 1000' Streetscape Upgrade and Renovation

Client: Coory Engineering

Contact: Samir Khoury - (562) 868-8266

Project Name: Western High School – Handel Stadium

Location: Anaheim, California

Scope of Work: Irrigation Construction Documents

Description: New Irrigation System Design for Football Field and Adjacent Areas

Agency: Anaheim Union High School District

Contact: Mike Vinson - (714) 228-2040

4962 Glenview Ave., Anaheim, CA, 92807 - TEL: 714-870-4460 FAX: 714-870-4420

Project Name: Arrow Route and Monte Vista Street Medians
Location: Upland, California
Scope of Work: Hardscape, Irrigation, & Planting Concept Plans & Construction Documents
Description: 4,000' of Landscaped Street Median
Agency: Upland Engineering Department
Contact: Savoy Bellavia (714) – 921-1200

Project Name: Live Oak Avenue Street Medians
Location: Irwindale, California
Scope of Work: Hardscape, Irrigation, and Planting Construction Documents
Description: 25,000' of Street Median
Client: Coory Engineering
Contact: Samir Khoury - (562) 868-8266

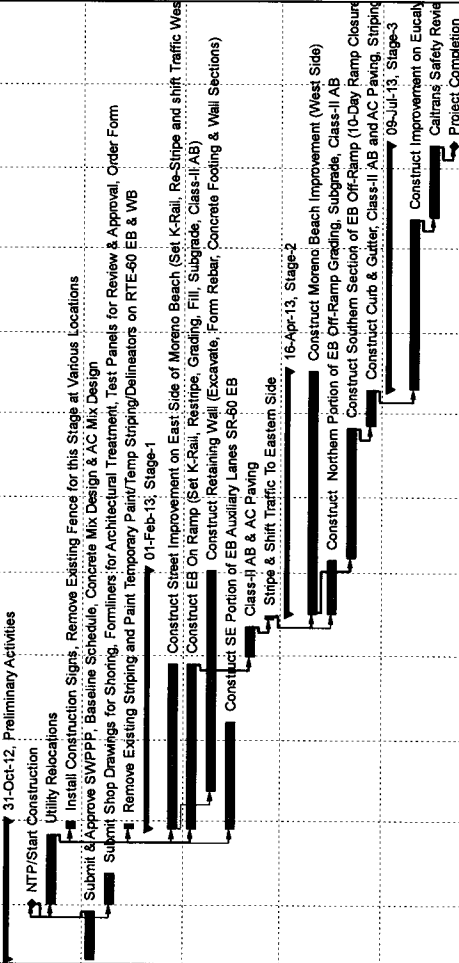
Project Name: Buena Park Community Center
Location: Buena Park City Hall/Police Headquarters, California
Scope of Work: Hardscape, Irrigation, and Planting Construction Documents
Description: New City Hall Campus Facility w/ Atrium and Outdoor Play area
Client: Crane Architectural Group
Contact: Rick Crane - (714) 525-0363

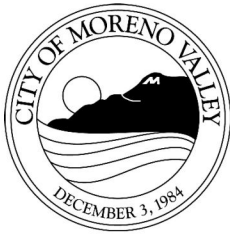
Samples of Project Experience:

- **Olive Park – Fullerton, CA**
 Conceptual and Construction Document Preparation – Hardscape, Planting, Irrigation, Recreation Facilities, and Accessibility Design from Public Street to and within Public Park– Coordination with Local Residents and City Staff – Presentations at Public Hearings – Completed 1999
- **Minimed / Medtronics Biotechnical Facility – Northridge, CA**
 Conceptual and Construction Document Preparation – Planting, Irrigation, and Elaborate Water Features, Hardscape and Accessibility Design of Biotechnical Research and Manufacturing Facility Joint Venture with Cal State Northridge– Completed 2001
- **Acacia Park Play Area – Fullerton, CA**
 Construction Document Preparation –Coordination w/ City Staff to develop Design – Planting, Irrigation, and Hardscape, and Accessibility Design – Prepared Successful Application for California State Grant to Subsidize Playground Surface Material – Completed 2003.
- **Harbor Elementary School – Los Angeles, CA**
 Conceptual Landscape and Construction Document Preparation for Upgrades to Paved Play Areas and Landscape – Planting, Irrigation, and Hardscape – Completed 2005
- **Handel Stadium – Anaheim, CA**
 Construction Document Preparation for Western High School's Handel Stadium Football Field – Planting and Irrigation Plans – Completed 2003.
- **College Park Mixed-Use Project – Upland, CA**
 Master Planning, Conceptual Landscape and Construction Document Preparation – Planting, Irrigation, Accessibility, Fine Grading, Multiple Water Features, and Hardscape, along with Public Park and Streetscape for Large Scale Multi-Family Faculty and Student Residential, Retail and Commercial Mixed-Use Development in Conjunction with City of Upland - Completed 2009.

SR60/Moreno Beach Drive Phase 1 Improvement Project

Activity ID	Description	Start Date	End Date	Duration	Resources	Notes
0010	NTP/Start Construction	01-Oct-12	01-Oct-12	0		
0015	Utility Relocations	01-Oct-12	26-Oct-12	20		
0020	Install Construction Signs, Remove Existing Fence for this Stage at Various Locations	01-Oct-12	31-Oct-12	3		
0030	Submit & Approve SWPPP, Baseline Schedule, Concrete Mix Design & AC IV	29-Oct-12	29-Sep-12	15		
0040	Submit Shop Drawings for Shoring, Formliners for Architectural Treatment, Test Panels for Review & Approval, Order Form	10-Sep-12	12-Oct-12	10		
0050	Remove Existing Striping and Paint Temporary Paint/Temp Striping/Delineator	01-Oct-12	30-Oct-12	2		
0060	Construct Street Improvement on East Side of Moreno Beach (Set K-Rail, Re	29-Oct-12	28-Dec-12	45		
0070	Construct EB On Ramp (Set K-Rail, Restripe, Grading, Fill, Subgrade, Class-	29-Oct-12	28-Dec-12	45		
0080	Construct Retaining Wall (Excavate, Form Rebar, Concrete Footing & Wall Sk	12-Nov-12	01-Feb-13	60		
0100	Construct SE Portion of EB Auxiliary Lanes SR-60 EB	29-Oct-12	07-Dec-12	30		
0110	Class-II AB & AC Paving	31-Dec-12	11-Jan-13	10		
0120	Strip & Shift Traffic To Eastern Side	14-Jan-13	15-Jan-13	2		
0130	Construct Moreno Beach Improvement (West Side)	16-Jan-13	16-Apr-13	65		
0140	Construct Northern Portion of EB Off-Ramp Grading, Subgrade, Class-II AB	16-Jan-13	05-Feb-13	15		
0150	Construct Southern Section of EB Off-Ramp (10-Day Ramp Closure)	06-Feb-13	26-Mar-13	35		
0160	Construct Curb & Gutter, Class-II AB and AC Paving, Striping	27-Mar-13	09-Apr-13	10		
0170	Construct Improvement on Eucalyptus Avenue	10-Apr-13	11-Jun-13	45		
0180	Calltrans Safety Review and Punchlist	12-Jun-13	09-Jul-13	20		
0190	Project Completion		09-Jul-13	0		





APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>RAH</i>
CITY MANAGER	<i>ms</i>

Report to City Council

TO: Mayor and City Council

FROM: Abdul Ahmad, Fire Chief

AGENDA DATE: July 10, 2012

TITLE: LICENSE AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND AMERICAN MEDICAL RESPONSE – INLAND EMPIRE FOR THE USE OF FIRE STATION 91

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Approve a License Agreement between the City of Moreno Valley and American Medical Response - Inland Empire for the use of Fire Station 91; and
2. Authorize the Mayor to execute the Agreement.

BACKGROUND

American Medical Response (AMR) is the emergency medical service (EMS) provider under contract with the County of Riverside EMS Agency to provide Advanced Life Support (ALS) ambulance services throughout the County, including incorporated cities. AMR has provided ALS ambulance services to the City of Moreno Valley since the late 1990's when they acquired Goodhew Ambulance Services.

On November 23, 2004, the City entered into a lease agreement with AMR for use of Fire Station 48 (Sunnymead Ranch) and Fire Station 91 (College Park). This lease was renewed for only Fire Station 91 on September 22, 2009. The current lease expired on June 30, 2012 and continues under a month-to-month clause contained within that agreement.

DISCUSSION

The license agreement (Attachment A) between the City of Moreno Valley and AMR for the use of Fire Station 91 will allow the ambulance company to meet the County of Riverside EMS Agency contract requirement that stipulates that AMR ambulances are to arrive on scene in less than 10 minutes to any call for service within Moreno Valley 90% of the time. This license agreement will also allow Fire Department personnel and AMR employees to jointly train on the delivery of EMS services and become familiar with each other's standard operating procedures.

ALTERNATIVES

1. Approve a License Agreement between the City of Moreno Valley and American Medical Response - Inland Empire for the use of Fire Station 91 and authorize the Mayor to execute the Agreement. ***Staff recommends this alternative as it will allow AMR to continue to dispatch their ambulances from this location.***
2. Do not approve a License Agreement between the City of Moreno Valley and American Medical Response - Inland Empire for the use of Fire Station 91 and do not authorize the Mayor to execute the Agreement. ***Staff does not recommend this alternative as it would require the City to terminate the existing least with AMR***

FISCAL IMPACT

AMR will pay the City \$500.00 per month as rent per the terms of the license agreement. This revenue will be deposited into the Fire Department revenue account code 1010-40-45-30110-463070.

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

ATTACHMENTS/EXHIBITS

ATTACHMENT A – License Agreement

Prepared By:
Cynthia Owens
Management Assistant

Department Head Approval:
Abdul Ahmad
Fire Chief

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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AMERICAN MEDICAL RESPONSE
FIRE STATION LICENSE

The CITY OF MORENO VALLEY, herein called City, licenses to AMERICAN MEDICAL RESPONSE – INLAND EMPIRE (AMR), a California corporation, herein called Licensee, use the property described below upon the following terms and conditions:

1. Recitals.

City owns land and improvements throughout the City and is desirous of licensing the use of a portion of facilities listed in Exhibit “A” to Licensee in order that it may provide direct responsive ambulance services.

Licensee has an interest, desire and willingness to provide such services.

2. Description. The premises licensed hereby consist of land and a portion of the building thereon shown on Exhibit “A”.

3. Use.

(a) The premises are licensed to Licensee for the purpose of providing facilities to accommodate an advanced life support ambulance and paramedic personnel and office and communication equipment in connection therewith.

(b) Licensee shall have the right to use the licensed premises jointly with the City Fire Department and the volunteer fire company.

4. Term.

(a) The term of this license shall become effective on the date signed by the City and remain in effect until June 30, 2015, subject to the provisions contained in Paragraphs 16, 17, and 18 herein. Any holding over by Licensee, after the expiration of this license shall be on a day-to-day basis strictly and continuing tenancy rights shall not accrue to Licensee.

(b) Licensee shall have the right of first refusal as to renewal of this license at the expiration of said term on whatever terms and conditions City may then offer, provided that Licensee is not otherwise in default under the license and has a valid permit to operate an ambulance service in the City.

(c) Exhibit “A” may be amended by agreement of both parties to update license amounts of facilities occupied.

5. Utilities.

City shall provide for all utilities including gas, water, electricity, and rubbish collection services except Licensee shall provide for its own disposal of medical waste at Licensee's expense. Licensee shall provide and pay for the own telephone services. In consideration for such services provided by the City, Licensee shall pay to City that amount as described in Exhibit "A".

6. Repairs.

Licensee, at its expense, shall be responsible for the repair or replacement of the exterior and/or interior of the building, related equipment and property due to damage caused by acts or omissions of Licensee's personnel. All repair or replacement shall be completed in a manner acceptable to the City. In the event Licensee fails, or refuses to perform such repairs, or any portion thereof, City reserves the right to perform same and Licensee shall pay City forthwith for any costs incurred in connection therewith upon an accounting and billing therefore. If Licensee uses commercial vendors to perform the repairs and maintenance work required in this agreement, vendors shall maintain and provide proof of coverage for the insurance requirements (workers' compensation, commercial general liability, vehicle liability, etc.) in Article 18 except for Professional Liability. In lieu of Article 18.d., vendors shall maintain Equipment Floater coverage (Property Physical Damage) for the full replacement value of any and all equipment brought on the licensed premises.

7. Security of Licensed Premises.

Licensee shall be jointly responsible for the security and safekeeping of the licensed premises and all equipment, supplies and other personal property situated therein on a 24-hour basis, except at such times that Licensee is responding to an emergency.

8. Improvements by Licensee.

(a) Any alteration, improvements or installation of fixtures to be undertaken by Licensee, shall have the prior written consent of the City's Fire Chief after the Licensee has submitted proposed plans for such alterations, improvements or fixtures to the City's Fire Chief in writing.

(b) All alterations, improvements and fixtures installed by Licensee, or caused to be made or installed by Licensee, shall become the property of City, with the exception of trade fixtures as such term is used in Section 1019 of the California Civil Code. At, or prior to, the expiration of this license, Licensee may remove such trade fixtures; provided, however, that such removal does not cause injury or damage to the licensed premises, or in the event it does, Licensee shall restore the premises to their original shape and condition as nearly as practicable at Licensee's sole expense..

In the event such trade fixtures are not removed, City may, at its election, either (1) remove and store such fixtures and restore the premises for the account of Licensee, and in such event, Licensee shall, within thirty (30) days after billing and accounting therefore reimburse City for the costs so incurred, or (2) take and hold such fixtures as its sole property.

9. City's Reserved Rights.

(a) Licensee has inspected the licensed premises and Licensee accepts such premises in their present condition. Licensee also takes the premises subject to any and all existing easements or other encumbrances, and City shall have the right to enter upon the licensed premises and to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone, telegraph and computer service lines and such other appliances and appurtenances necessary or convenient to premises or any part thereof. City also reserves the right to grant franchises, easements, rights of way and permits in, over, and upon, along side, or across any, and all portions of said licensed premises as City may elect to do; provided however, that no right of the City provided for in this paragraph shall be so executed as to interfere unreasonably with Licensee's use hereunder. Any right, as set forth, in this paragraph shall not be exercised unless a prior written notice of thirty (30) days is given to Licensee; provided, however, in the event such right must be exercised, by reason of emergency, then City shall give such notice in writing as soon as is reasonable under the circumstances.

(b) City, through its duly authorized agent(s), shall have the full and unrestricted right to enter the licensed premises for the purpose of inspection or maintenance, and for the purpose of doing any and all things which it is obligated and has a right to do under this license.

10. Additional Obligations/Rights of Licensee.

(a) Licensee shall not display, brandish or discharge any firearms within or upon the licensed premises.

(b) Licensee shall not cut any trees within or upon the licensed premises or remove any trees therefrom unless approval is first obtained in writing from City's Fire Chief.

(c) Except as may be required in the performance of its maintenance obligations as provided in Paragraph 7 herein, Licensee shall not cut or otherwise remove any brush or other vegetation from or within the licensed premises unless approval is first obtained in writing from City's Fire Chief.

- (d) Licensee shall not interfere in any manner whatsoever with City's Fire Department operations or the volunteer/reserve fire company, relative to its activities within the licensed premises.
- (e) Licensee's employees shall adhere to all City Fire Department policies and procedures relating to the day-to-day operation of the fire station.
- (f) Licensee's employees shall adhere to local rules and regulations affecting specific station routines as directed by the Fire Department.
- (g) Television will not be on during normal business hours (0800 to 1700). Exceptions will include lunch hours and necessary use for training.
- (h) Visitors will be allowed only in common areas of the fire station and shall not interfere with daily business.
- (i) Licensee's employees will wear the AMR work uniform during normal business hours and will be properly attired when interacting with the general public at the station.
- (j) Licensee will ensure their employees are familiar with the Fire Department code of conduct and will adhere to them while on station property.
- (k) Conflict resolution will start with the local, on-duty Battalion Chief and AMR Field Supervisor.

11. Signs.

Licensee shall not erect, maintain or display any signs or other forms of advertising upon the licensed premises without first obtaining the written approval of City's Fire Chief.

12. Compliance with Law.

Licensee, at its sole cost and expense, shall comply with the requirements of all local, state, and federal statutes, regulations, rules, ordinances and orders now in force, or which may be hereafter in force, pertaining to the licensed premises. The judgment, decree or order of any court of competent jurisdiction, or the admission of Licensee in any action or proceeding against Licensee, whether Licensee be a party thereto or not, that Licensee has violated any such statutes, regulations, rules, ordinances, or orders, in the use of the licensed premises, shall be conclusive of that fact a between City and Licensee.

13. Discrimination or Segregation.

- (a) Licensee shall not discriminate in its recruitment, hiring, promotion, demotion or termination practices on the bases of race, religious creed, color, national origin, ancestry, sex, gender, age, physical handicap, medical condition or marital status with respect to the use of the licensed premises hereunder, and Licensee shall comply with the provision of the California Fair Employment Practice Act (commencing with Section 1410 of the Labor Code), the Federal Civil Rights Act of 1965 (P.L. 88-352), and all amendments thereto, Executive Order No. 12266 (30 Federal Register 12319), as amended, and all Administrative Rules and Regulations issued to said Acts and Orders with respect to its use of the licensed premises.
- (b) Licensee shall not discriminate against or cause the segregation of any person or group of person on account of race, religious creed, color, national origin, ancestry, sex, gender, age, physical handicap, medical condition or marital status, in the occupancy, use tenure or enjoyment of the licensed premises nor shall Licensee, or any person claiming under or through it, establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number, use or occupancy of any person within the licensed premises.
- (c) Licensee assures that it will undertake an affirmative action program as required by 49 CFR, Part 21, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 49 CFR, Part 21, with respect to its use of the licensed premises. Licensee further assures that no person shall be excluded on these grounds from participating in or receiving services or benefits of any program or activity covered herein with respect to its use of the licensed premises. Licensee further assures that it will require that its subcontractors and independent contractors provide assurance to Licensee that they similarly will undertake affirmative action programs and that they will require assurances form subcontractors and independent contractors, as required by 49 CFR, Part 21, to the same effect with respect to its use of the licensed premises.

14. Free from Liens.

Licensee shall pay, when due, all sums of money that may become due for any labor, services, material supplies, or equipment, alleged to have been furnished or to be furnished to Licensee, in, upon, or about the licensed premises, and which may be secured by a mechanic's, materialmen's or other lien against the licensed premises or City' interest therein, and will cause each such lien to be fully discharged and relicensed at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Licensee desires to contest any such lien, it may do so, but not withstanding any such contest, if such lien shall be reduced to final

judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Licensee shall forthwith pay and discharge said judgment forthwith.

15. Termination by City.

City shall have the right to terminate this license:

- (a) In the event a petition is filed for voluntary or involuntary bankruptcy, for the adjudication of Licensee as a debtor and is not dismissed within thirty (30) days.
- (b) In the event that Licensee makes a general assignment, or Licensee's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
- (c) In the event of the abandonment of, or the discontinuance of, the use of the licensed premises by Licensee.
- (d) In the event Licensee fails to perform, keep or observe any of its duties or obligations hereunder provided, however, that Licensee shall have fifteen (15) days in which to correct its breach or default after written notice thereof has been served on it by City Fire Chief or his/her designee.
- (e) In the event Licensee's permit to operate an ambulance service as required under City Ordinance is not renewed, or is suspended, revoked or otherwise terminated.
- (f) By giving sixty (60) days written notice thereof to Licensee.

16. Termination by Licensee.

Licensee shall have the right to terminate this license:

- (a) In the event the City fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that City shall have fifteen (15) days in which to correct its breach or default, after written notice thereof has been served on it by Licensee; provided, further, however, that in the event such breach or default is not corrected, Licensee may elect to terminate this license in its entirety or as to any portion of the premises affected thereby, and such election shall be given by an additional fifteen (15) days written notice to City Fire Chief.
- (b) By giving sixty (60) days written notice thereof to City.

17. Insurance.

Without limiting or diminishing the Licensee's obligation to indemnify or hold the City harmless, Licensee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement:

- (a) Worker's Compensation: Licensee shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the City of Moreno Valley, and If applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.
- (b) Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, cross liability coverage and employment practices liability, covering claims which may arise from or out of Licensee's performance of its obligations hereunder. Policy shall name the City of Moreno Valley, the Moreno Valley Community Services District, the Moreno Valley Housing Authority, other Special Districts, and its Departments, their respective directors, officers, City Council Members, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.
- (c) Vehicle Liability: Licensee shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the City of Moreno Valley, the Moreno Valley Community Services District, the Moreno Valley Housing Authority, other Special Districts, and its Departments, their respective directors, officers, City Council Members, employees, elected or appointed officials, agents or representative as Additional Insured.
- (d) Property (Physical Damage): All-Risk real and personal property insurance coverage for the full replacement cost value of all alterations, improvements, trade fixtures, furniture and equipment, systems and other Licensee property as it may appear on the premises. Policy shall name the City of Moreno Valley, the Moreno Valley Community Services District,

the Moreno Valley Housing Authority, other Special Districts, and its Departments, their respective directors, officers, City Council Members, employees, elected or appointed officials, agents or representatives as Additional Insured and provide a Waiver of subrogation in favor for the City of Moreno Valley.

(e) General Insurance Provisions – All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A-VII (A 7).
2. The Licensee's insurance carrier(s) must declare its insurance deductibles or self-insured retentions.
3. Licensee shall cause Licensee's insurance carrier(s) to furnish the City of Moreno Valley with a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the City of Moreno Valley prior to material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the City of Moreno Valley receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements, including all Insurance and original copies of endorsements, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. Licensee shall not commence operations until the City has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.
4. It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the City's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
5. The City's Reserved Rights--Insurance. If, during the term of this Agreement or any extension thereof, there is a material change in the

scope of services; or there is a material change in the equipment to be used in the performance of the scope of work which will add to additional exposures (such as the use of aircraft, watercraft, cranes, etc); or, the term of this Agreement including any extensions thereof exceeds five (5) years the City reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein if, in the City's Risk Manager's reasonable judgment, the amount or type of insurance carried by the Licensee has become inadequate.

6. Licensee shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
7. The insurance requirement contained in this Agreement may be met with a program(s) of self-insurance acceptable to the City.
8. Licensee agrees to notify the City of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

18. Hold Harmless.

- (a) Licensee represents that it has inspected the licensed premises, that it accepts the condition thereof and that it fully assumes any and all risks incidental to the use thereof. City shall not be liable to Licensee, its officers, agents, employees, subcontractors or independent contractors, for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions within the licensed premises; provided, however, that such dangerous conditions are not caused by the negligence of the City, its officers, agents or employees.
- (b) Licensee shall indemnify and hold harmless the City of Moreno Valley, the Moreno Valley Community Services District, the Moreno Valley Housing Authority, other Special Districts, and its Departments, their respective directors, officers, City Council Members, employees, elected or appointed officials, agents or representatives from any liability whatsoever, based or asserted upon any services of Licensee, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including by not limited to property damage, bodily injury, or death or any other element of any kind arising from the performance of Licensee, its officers, agents, employees, subcontractors, agents or representatives from this Agreement. Licensee shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards the City of Moreno Valley, the Moreno Valley Community Services District, the Moreno Valley Housing Authority, other Special Districts, and its

Departments, their respective directors, officers, City Council Members, employees, elected or appointed officials, agents or representatives in any claim or action based upon such alleged acts or omissions.

- (c) With respect to any action or claim subject to indemnification herein by Licensee, Licensee shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of City; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Licensee's indemnification to the City as set forth herein.
- (d) Licensee's obligation hereunder shall be satisfied when Licensee has provided to City the appropriate form of dismissal relieving City from any liability for the action or claim involved.
- (e) The specified insurance limits required in this Agreement shall in no way limit or circumscribe Licensee's obligation to indemnify and hold harmless the City herein from third party claims.
- (f) In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the Licensee from indemnifying the City to the fullest.

19. Permits, Licenses and Taxes.

Licensee shall secure, at its own expense, all necessary permits and licenses as it may be required to obtain, and Licensee shall pay for fees and taxes levied or required by any authorized public entity. Licensee recognizes and understands that this license may create a possessory interest subject to property taxation and that Licensee may be subject to payment of property taxes levied on such interest.

20. Toxic Materials.

During the term of this license, and any extensions thereof, Licensee shall not violate any federal, state or local law or ordinance or regulations, relating to industrial hygiene or to the environmental condition on, under, or about the licensed premises including, but not limited to, soil and groundwater conditions. Further, Licensee, its successors, assigns and sublicensees, shall not use, generate, manufacture, produce, store or dispose of, on, under, or about the licensed premises, or transport to or from the licensed premises, any flammable explosives, asbestos, radioactive materials, hazardous materials, hazardous wasters, toxic substances or related injurious materials, whether injury is by themselves or in combination with, other materials

(collectively “hazardous materials”). For the purpose of this license, hazardous materials shall include, but not be limited to, substances defined as “hazardous substances”, “hazardous materials”, or “toxic substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; The Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as “hazardous wastes” in section 25117 of the California Health and Safety Code or as “hazardous substances” in Section 25316 of the California Health and Safety Code; and in the regulations promulgated pursuant to said laws.

21. Assignment.

Licensee cannot assign, sublet, mortgage, hypothecate or otherwise transfer any of its rights, duties or obligations hereunder to any person or entity without the written consent of City being first obtained.

22. Binding on Successors.

Licensee, its heirs, assigns and successors in interest shall be bound by all terms and conditions contained in this license, and all of the parties thereto shall be jointly and severally liable hereunder.

23. Employees and Agents of Licensee.

It is understood that all person hired or engaged by Licensee shall be considered to be employees or agents of Licensee and not of City.

24. Surrender in Good Condition.

Licensee shall not permit waste or damage to the licensed premises, and upon the expiration, or earlier termination, of this license, Licensee shall return the premises to City in as good a shape and condition as they now are, reasonable wear and tear and damage by the elements accepted.

25. Waiver of Performance.

No waiver by City at any time of any of the terms and conditions of this license shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

26. Severability.

The invalidity of any provision in this license as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision herein.

27. Venue.

Any action at law or in equity brought by either of the parties hereto, for the purpose of enforcing a right or rights provided for by this license, shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other City.

28. Attorney's Fees.

In the event of any litigation, or arbitration, between Licensee and City to enforce any of the provisions of this license, or any right of either party hereto, the unsuccessful party to such litigation or arbitration, agrees to pay to the successful party, all costs and expenses, including reasonable attorney's fees incurred therein, by the successful party, all of which shall be included in, and as a part of, the judgment or award rendered in such litigation or arbitration.

29. Notices.

Any notices required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

CITY
City of Moreno Valley
Fire Department Headquarters
22850 Call San Juan de Los Lagos
Moreno Valley, CA 92552-0805

LICENSEE
American Medical Response
879 Marlborough Ave.
Riverside, CA 92507

or to such other addresses as from time to time shall be designated by the respective parties

30. No Third Party Rights.

This license does not create any rights in any party not a signatory to this license.

31. City's Representative.

City hereby appoints the City Fire Chief as its authorized representative to administer this license.

32. Entire License.

This license is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of terms and conditions thereof and supersedes any and all prior and contemporaneous licenses, agreements and understandings, oral or written consent of the parties hereto.

Dated: _____

CITY OF MORENO VALLEY

CITY ATTORNEY
Approved as to Form

By: _____
Mayor

By: _____ Date

ATTEST:

Jane Halstead
City Clerk

By: _____

(SEAL)

AMERICAN MEDICAL RESPONSE – INLAND EMPIRE
A CALIFORNIA CORPORATION

By: _____

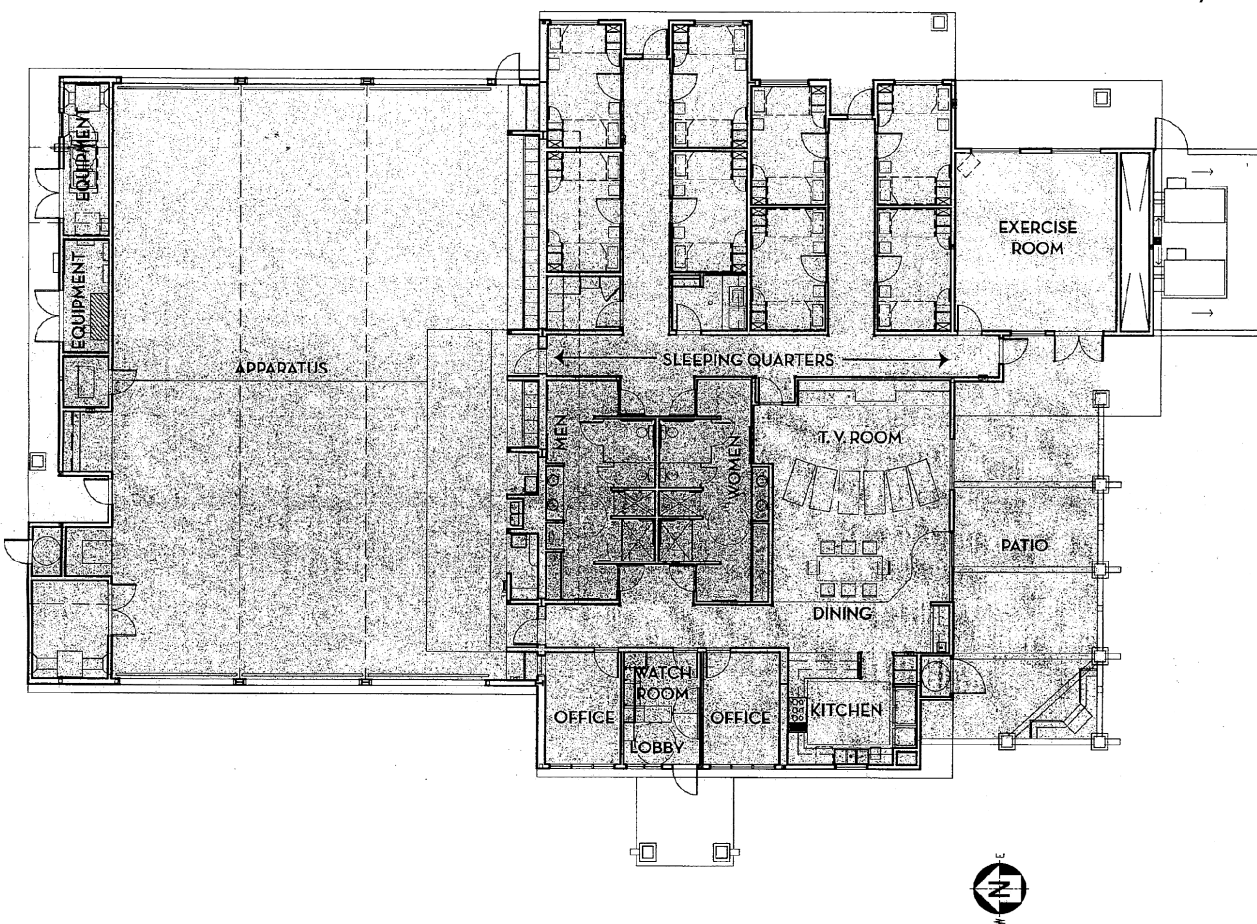
Title: _____

(Corporate Seal)

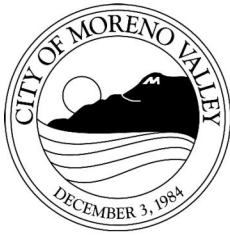
EXHIBIT "A"

FIRE STATION FACILITY LICENSE

<u>Facility</u>	<u>License Amount Monthly</u>
Fire Station 91 – College Park 16110 Lasselle Moreno Valley, CA 92551	\$500.00
Monthly Payment in Advance	\$500.00
Annual Payment	\$6,000.00



Fire Station 91 Floor Plan



APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Ret</i>
CITY MANAGER	<i>msc</i>

Report to City Council

TO: Mayor and City Council

FROM: Abdul Ahmad, Fire Chief

AGENDA DATE: July 10, 2012

TITLE: APPROPRIATION OF EQUIPMENT REPLACEMENT RESERVE FUNDS FOR THE PURCHASE OF A CONFINED SPACE COMMUNICATIONS KIT

RECOMMENDED ACTION

Staff recommends that the City Council approve an appropriation of \$10,500 from Equipment Replacement Reserve Funds to 1010-40-45-30110-660399 for the replacement of a confined space communication kit.

BACKGROUND

The current confined space communication kit on Truck 2 was originally purchased by the City in 1991 as part of the equipment for what was then Truck 65. While Truck 65 was replaced in 2002 with Truck 2, most of the serviceable equipment was moved from the old truck to the current truck as the equipment was still in good condition.

DISCUSSION

Establishing communications with rescuers who are inside of a hazardous confined space environment is a critical component to the safe and expedient rescue of a trapped victim and requires a special communication system as portable radios can fail below grade, around obstacles, and are not safe for intrinsically sensitive reasons. Confined space communication equipment enables simultaneous, two-way voice communications between the rescuers on the outside of the hazardous environment and those within. This equipment can be utilized in a variety of situations such as:

- Confined Space Rescues
- Collapse Rescue
- High Angle Rescue
- Trench Rescue
- Urban Search and Rescue

The confined space communication equipment on Truck 2 is twenty-one years old. Due to the high risk situations that this equipment is utilized in, and due to the age of the equipment, the Fire Department is requesting to replace the confined space communication kit to ensure that communications remain intact during the rescue of a trapped victim in a high hazard, life threatening environment. It is also a CAL-OSHA requirement to provide for communication between rescuers on the outside of a rescue situation and those within the environment.

ALTERNATIVES

1. Approve an appropriation of \$10,500 from Equipment Replacement Reserve Funds to 1010-40-45-30110-660399 for the replacement of a confined space communication kit. ***Staff recommends this alternative as it will ensure communications are available during high risk rescue situations.***

2. Do not approve an appropriation of \$10,500 from Equipment Replacement Reserve Funds to 1010-40-45-30110-660399 for the replacement of a confined space communication kit. ***Staff does not recommend this alternative due to the potential safety issues that could arise with the current equipment.***

FISCAL IMPACT

The equipment that was purchased in 1991 by the City for Truck 2 is fully depreciated. Funding is available in the City’s Equipment Replacement Reserve Fund.

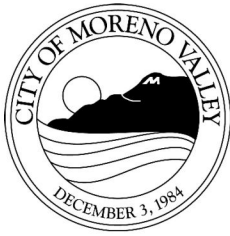
CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Prepared By:
Cynthia Owens
Management Assistant

Department Head Approval:
Abdul Ahmad
Fire Chief

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:



APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>SW</i>
CITY MANAGER	<i>mjo</i>

Report to City Council

TO: Mayor and City Council

FROM: Joel Ontiveros, Chief of Police

AGENDA DATE: July 10, 2012

TITLE: COMMUNITY ORIENTED POLICING SERVICES (COPS)
FUNDING OPPORTUNITY

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Approve the grant application and authorize acceptance (if awarded) of the Office of Community Oriented Policing Services (COPS) grant in the amount of \$155,384, entitled "Community Policing Development Program."
2. Authorize the revenue and expense budgets in the Community Oriented Policing Services (COPS) Fund 2720 for the Community Policing Development Program in the amounts of \$155,384, respectively, upon approval and acceptance of the COPS grant.

ADVISORY BOARD/COMMISSION RECOMMENDATION

On June 25, 2012, the Public Safety Sub-Committee indicated support for the Chief of Police's COPS grant application.

BACKGROUND

In April 2012, staff received notice of a competitive grant program offered by COPS called the "Community Policing Development Program." This grant can be used to fund law enforcement equipment/technology needed to implement or enhance the Moreno Valley Police Department's Community Policing program. Grant funds can be used to pay for program related supplies, training, non-sworn salaries and consulting costs.

DISCUSSION

The Police Department is requesting permission to apply for this grant; which if awarded, will be used to purchase additional cameras for the citywide camera surveillance system, make upgrades to the Mobile Command Center (MCC), and purchase personal uniform mounted audio and video recording devices.

The funding for additional cameras is specifically intended to expand surveillance coverage and enhanced public safety in our city parks. The citywide camera project was planned in several phases, and includes coverage in certain parks in certain phases; but the use of these grant funds will permit surveillance coverage in two more city parks (possibly Morrison and John F Kennedy Veterans Memorial), which were not included in the project.

The grant award would also be used to make necessary repairs, upgrades and enhancements to the MCC. The MCC vehicle is utilized to respond to various catastrophic and community events. The MCC contains specialized electronic equipment and workstations to assist officers in quickly processing information. The MCC is completely self-contained; which allows for multiple police personnel to congregate in an enclosed area to discuss and plan deployment during a given event. It is especially useful during critical events such as hostage situations, homicides, and natural disasters.

When the Department initially acquired the MCC, it was equipped with up-to-date technology and equipment which allowed us to utilize this equipment for maximum efficiency. Unfortunately, our present budget constraints have hindered our ability to upgrade the technology and equipment, and pay for repairs. The grant funding, if awarded, will allow the Department to bring the MCC up-to-date and make the needed repairs.

Lastly, the Department would like to utilize grant funding to purchase 12 wearable video cameras to record actual events from our on duty officers' perspectives. The video footage can be used as evidence during court proceedings, and to assist in the defense of false claims and or complaints. Many MVPD personnel already use and wear similar recording devices and they have been extremely valuable in evidence presentation and defending false claims. The new cameras will be used to supplement and replace existing broken and aging inventory.

For all three purposes cited here, we are requesting \$155,384 for FY 2012-13.

ALTERNATIVES

The Council has the following alternatives:

- 1) Approve the application and acceptance (if awarded) of the COPS Grant titled "Community Policing Development Program" for \$155,384. **Staff recommends this alternative.**

- 2) Not approve the application for the COPS Grant titled “Community Policing Development Program” and find an alternative funding source to purchase additional park surveillance cameras and wearable video cameras, as well as upgrades and repairs to the MCC. **Staff does not recommend this alternative.**

FISCAL IMPACT

There is no requirement to match funds associated with this grant. All expenses are reimbursed by the grant. The grant is cost neutral, so there is no impact to the City General Fund. There is a yearly recurring maintenance cost regarding the camera surveillance system; however, the first year will be covered under a warranty and the cost for the subsequent years will be incorporated into the citywide camera system maintenance funding.

Budget appropriations are as follows upon approval and acceptance of the grant:

<u>FUND</u>	<u>BUSINESS UNIT</u>	<u>TYPE</u>	<u>AMOUNT</u>
COPS - POLICE FUND (2720-Logos Fund)	60657XXXX-485000 (State Grant Operating Revenue)	REV	\$155,384
COPS - POLICE FUND (2720-Logos Fund)	60657XXXX(COPS-Community Policing Development Grant)	EXP	\$155,384

CITY COUNCIL GOALS

To provide a safe and secure environment for people and property in the community, and provide protection for citizens who live, work and visit the City of Moreno Valley. The funding awarded in this grant will aid in these goals by improving surveillance coverage in our city parks, maintain and improve the functionality of the MVPD MCC, and promote professionalism through continued wearing of personal video recording devices.

Attachment

Community Oriented Policing Services Grant Application

Prepared By:
Felicia Brown
Management Analyst

Department Head Approval:
Joel Ontiveros
Chief of Police

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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Opportunity Title:	COPS-CPD-2012
Offering Agency:	Community Oriented Policing Services
CFDA Number:	16.710
CFDA Description:	Public Safety Partnership and Community Policing Grants
Opportunity Number:	COPS-CPD-2012
Competition ID:	
Opportunity Open Date:	04/18/2012
Opportunity Close Date:	05/21/2012
Agency Contact:	COPS Office Response Center Phone: 1-800-421-6770 Email: askCopsRC@usdoj.gov

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

I will be submitting applications on my behalf, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

* Application Filing Name:

Mandatory Documents

Move Form to Complete

Move Form to Delete

Mandatory Documents for Submission

COPS Short Application Attachment to SF-424 Application for Federal Assistance (SF-424)

Optional Documents

Move Form to Submission List

Move Form to Delete

Optional Documents for Submission

Instructions

- 1** Enter a name for the application in the Application Filing Name field.

 - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
 - You can save your application at any time by clicking the "Save" button at the top of your screen.
 - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.
- 2** Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.

 - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
 - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
 - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
 - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.
- 3** Click the "Save & Submit" button to submit your application to Grants.gov.

 - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
 - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
 - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
 - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input checked="" type="checkbox"/> Preapplication <input type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: <input type="text" value="05/01/2012"/>	4. Applicant Identifier: <input type="text"/>	
5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: <input type="text"/>	
State Use Only:		
6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>	
8. APPLICANT INFORMATION:		
* a. Legal Name: <input type="text" value="City of Moreno Valley Police Department"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="330076484"/>	* c. Organizational DUNS: <input type="text" value="1771341860000"/>	
d. Address:		
* Street1: <input type="text" value="22850 Calle San Juan De Los Lagos"/>	Street2: <input type="text"/>	
* City: <input type="text" value="Moreno Valley"/>	County/Parish: <input type="text"/>	
* State: <input type="text" value="CA: California"/>	Province: <input type="text"/>	
* Country: <input type="text" value="USA: UNITED STATES"/>	* Zip / Postal Code: <input type="text" value="92552-0805"/>	
e. Organizational Unit:		
Department Name: <input type="text"/>	Division Name: <input type="text"/>	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text" value="Mrs."/>	* First Name: <input type="text" value="Felicia"/>	
Middle Name: <input type="text"/>	* Last Name: <input type="text" value="Brown"/>	
Suffix: <input type="text"/>	Title: <input type="text" value="Management Analyst"/>	
Organizational Affiliation: <input type="text"/>		
* Telephone Number: <input type="text" value="9514866840"/>	Fax Number: <input type="text"/>	
* Email: <input type="text" value="fbrown@riversidesheriff.org"/>		

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Community Oriented Policing Services

11. Catalog of Federal Domestic Assistance Number:

16.710

CFDA Title:

Public Safety Partnership and Community Policing Grants

*** 12. Funding Opportunity Number:**

COPS-CPD-2012

* Title:

COPS-CPD-2012

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

The Moreno Valley Police Department's Community Policing Program is designed to enhance community involvement with regard to policing efforts and crime reduction.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="155,384.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="155,384.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

COPS Application Attachment to SF-424

Section 1: COPS PROGRAM REQUEST

Federal assistance is being requested under the following COPS program:

Select the COPS grant program for which you are requesting federal assistance. **A separate application must be completed for each COPS program for which you are applying.** Please ensure that you read, understand, and agree to comply with the applicable grant terms and conditions as outlined in the COPS Application Guide before finalizing your selection.

ONLY ONE PROGRAM OPTION MAY BE CHECKED

- | | |
|--|--|
| <input type="checkbox"/> Child Sexual Predator Program | <input type="checkbox"/> Targeted - Technology Program |
| <input checked="" type="checkbox"/> Community Policing Development | <input type="checkbox"/> Targeted - Methamphetamine Initiative |
| <input type="checkbox"/> COPS Hiring Program | <input type="checkbox"/> Targeted - Safe Schools Initiative |
| <input type="checkbox"/> Secure Our Schools | |

Applicant ORI Number:

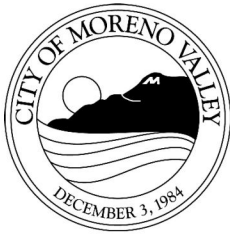
CA03332

Re-enter Applicant ORI Number:

CA03332

The ORI number is assigned by the FBI and is your agency's unique identifier. The COPS Office uses the first seven characters of this number. The first two letters are your state abbreviation, the next three numbers are your county's code, and the next two numbers identify your jurisdiction within your county. If you do not currently have an ORI number, the COPS Office will assign one to your agency for the purpose of tracking your grant. ORI numbers assigned to agencies by the COPS Office may end in "ZZ."

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>RW</i>
CITY MANAGER	<i>ms</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2011

TITLE: AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO ACCEPT THE WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS AND PUNCH-LIST ITEMS ARE COMPLETED FOR THE WIDENING OF PERRIS BOULEVARD SOUTHBOUND AT STATE ROUTE 60 WESTBOUND ON-RAMP, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT THE IMPROVEMENTS INTO THE CITY MAINTAINED SYSTEM PROJECT NO. 08-12566627

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Widening of Perris Boulevard Southbound at State Route 60 Westbound On-Ramp constructed by Hillcrest Contracting, Inc., 1467 Circle City Drive, Corona, CA 92878.
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code.
3. Authorize the Financial and Administrative Services Director to release the retention to Hillcrest Contracting, Inc., thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project.

4. Authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete.

BACKGROUND

On May 10, 2011, the City Council awarded the construction contract to Hillcrest Contracting, Inc. (Hillcrest) in the contract amount of \$247,550. The improvements included construction of a right-turn lane by widening southbound Perris Boulevard from Elder Avenue to the westbound on-ramp of State Route 60, and modifications to the City traffic signal at Elder Avenue and the Caltrans traffic signal at the westbound on-ramp. Project benefits include reduced congestion around the westbound on-ramp due to the southbound turn lane addition and traffic signal improvements as well as enhanced pedestrian mobility due to the reconstruction of the curb ramps.

DISCUSSION

Staff anticipates that all work will be completed by Hillcrest by mid-July 2012. Staff is in the process of negotiating Contract Change Orders and anticipates the final contract cost will be approximately \$260,000 which is not expected to exceed the approved Purchase Order amount of \$297,060. Since the City Council will not meet on July 24, 2012 and August 14, 2012, staff requests the City Council authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete, authorize the recordation of the Notice of Completion with the County Recorder after the Public Works Director/City Engineer accepts the improvements as complete, authorize the release of retention to the Contractor thirty-five (35) calendar days after the date of recordation of the Notice of Completion, and authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system upon acceptance of the improvements as complete. These actions must be completed in a timely manner upon completion of the Contractor's work in accordance with the applicable laws.

ALTERNATIVES

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Widening of Perris Boulevard Southbound at State Route 60 Westbound On-Ramp constructed by Hillcrest Contracting, Inc., 1467 Circle City Drive, Corona, CA 92878, direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code, authorize the Financial and Administrative Services Director to release the retention to Hillcrest Contracting, Inc., thirty-five (35) calendar days after the date of recordation of the Notice of Completion if no claims are filed against the project, and authorize the Public Works Director/City Engineer to accept the improvements into the City's maintained system

upon acceptance of the improvements as complete. *These alternatives will result in payment to the Contractor and acceptance of the improvements into the City's maintained system.*

2. Do not authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Widening of Perris Boulevard Southbound at State Route 60 Westbound On-Ramp constructed by Hillcrest Contracting, Inc., 1467 Circle City Drive, Corona, CA 92878. *This alternative will result in delaying payment to the Contractor, thereby delaying acceptance of the improvements into the City's maintained system, and incurring extra cost to the City.*

FISCAL IMPACT

The Widening of Perris Boulevard Southbound at State Route 60 Westbound On-Ramp was included in the Fiscal Year 2011/2012 budget, and financed by Measure A (Account No. 125.66627). The funds utilized for this project were designated for the Widening of Perris Boulevard Southbound at State Route 60 Westbound On-Ramp capital improvements only. There is no impact to the General Fund.

AVAILABLE BUDGETED FUNDS:

Fiscal Year 2011/2012 (Account No. 125.66627)..... \$438,000

FINAL CONSTRUCTION RELATED COSTS:

Contractor Construction Costs	\$260,000
Design Support Costs during Construction	\$4,000
Construction Geotechnical Services.....	\$5,000
Construction Survey Services	\$5,000
Project Administration and City Inspection*	\$25,000
Total Project Construction Costs	<u>\$299,000</u>

*Public Works staff provided project administration and primary inspection services.

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley's future.

SUMMARY

Staff anticipates Hillcrest Contracting, Inc. will complete construction of the Widening of Perris Boulevard Southbound at State Route 60 Westbound On-Ramp improvements by mid-July 2012. Staff requests the City Council to authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed, authorize the recordation of the Notice of Completion with the County Recorder after the Public Works Director/City Engineer accepts the improvements as complete, authorize the release of retention money to the Contractor thirty-five (35) calendar days after the date of recordation of the Notice of Completion, and authorize the Public Works Director/City Engineer to accept the improvements into the City’s maintained system upon acceptance of the improvements as complete.

ATTACHMENTS

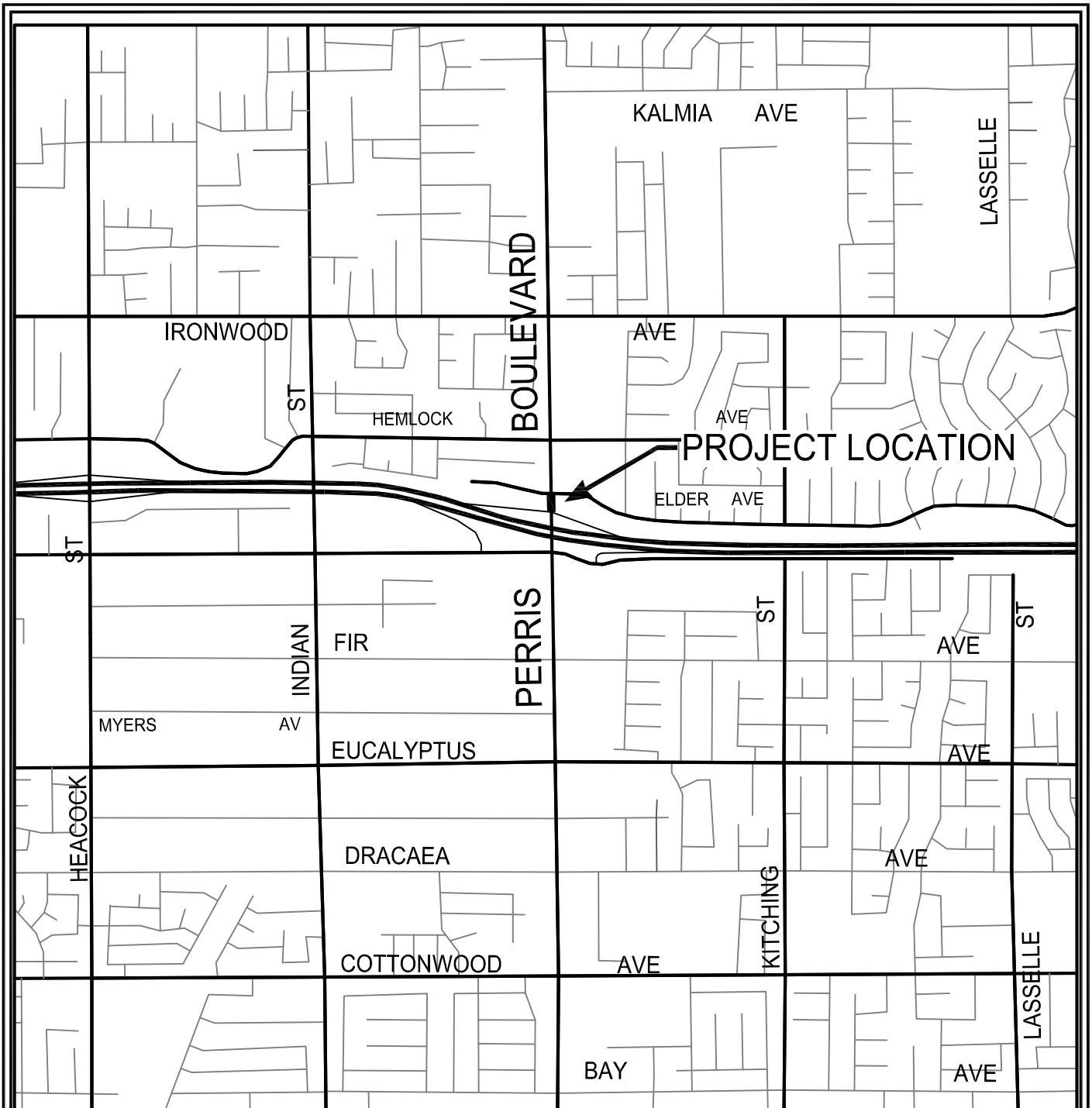
Attachment “A” – Location Map

Prepared By:
Michael Lloyd
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

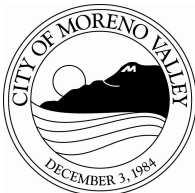
Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:



Public Works Department
Capital Projects Division

LOCATION MAP

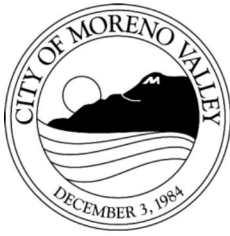


Scale: None

Attachment "A"

PROJECT NO. 08-12566627
TRAFFIC SIGNAL IMPROVEMENTS ON
PERRIS BLVD SOUTHBOUND LANE INTO
RTE 60 WESTBOUND ON-RAMP

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Ret</i>
CITY MANAGER	<i>mso</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: ACCEPTANCE AND APPROPRIATION OF AN ADDITIONAL \$2,000,000 IN SURFACE TRANSPORTATION PROGRAM – LOCAL (STPL) FUNDS FOR THE SR-60/NASON OVERCROSSING IMPROVEMENT PROJECT – PROJECT NO. 07-41570024

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Accept and appropriate an additional \$2,000,000 of Surface Transportation Program – Local (STPL) funds for the SR-60/Nason Overcrossing Improvement Project.

BACKGROUND

In early June, the City was notified by the Riverside County Transportation Commission (RCTC) that an additional \$2,000,000 of federal STPL funding was available to be programmed for the SR-60/Nason Overcrossing Improvement Project. \$4,100,000 in STPL funding has already been appropriated for this project.

DISCUSSION

The SR-60/Nason Overcrossing project is nearing the construction phase. RCTC, in order to meet annual regional expenditure goals, made an additional \$2,000,000 available for the project. RCTC and the City are concurrently programming the funds. The City Council needs to accept and appropriate the additional funds in order to program the funds in the FY 2012/2013 budget. Plans are complete and are undergoing final approval by Caltrans.

The City will be required to execute an amendment to the Construction Cooperative Agreement with Caltrans in order to reflect the additional STPL funding. On May 25, 2010, the City Council approved a Construction Cooperative Agreement with the State of California for the construction phase of the Nason Bridge project, giving the Public Works Director/City Engineer the authority to execute amendments.

ALTERNATIVES

1. Accept and appropriate an additional \$2,000,000 of Surface Transportation Program – Local (STPL) funds for the SR-60/Nason Overcrossing Improvement Project. *This alternative will allow the City to receive state reimbursement for this project.*
2. Do not accept and appropriate an additional \$2,000,000 of Surface Transportation Program – Local (STPL) funds for the SR-60/Nason Overcrossing Improvement Project. *This alternative will not allow for additional STPL reimbursement funds for this project.*

FISCAL IMPACT

The project is currently funded using Successor Agency TABS (Fund 797), Transportation Uniform Mitigation Fees (Design Phase - Fund 415), Developer In-lieu Street Improvement Funds (Fund 414), and DIF Interchange Improvements Capital Projects Funds (Fund 418). These funds have been allocated for the SR-60/Nason Overcrossing improvement project and cannot be utilized for operational activities. STPL funds have an 11.47% match requirement, which will be met with Successor Agency to RDA funds. Depending upon bids received, unused Successor Agency funds may be available for other projects. There is no impact to the General Fund.

BUDGET APPROPRIATION

<u>Fund</u>	<u>Business Unit</u>	<u>Current Budget</u>	<u>Proposed Adjustment</u>	<u>Revised Budget</u>
125 – Measure A Fund	1250 – Revenue Miscellaneous, Federal Reimbursements-Capital	4,100,000	2,000,000	6,100,000
125 – Measure A Fund	New – SR-60/Nason Street Overcrossing Improvement	4,100,000	2,000,000	6,100,000

AVAILABLE FUNDS - FY 2012/2013

FY 2012/2013 STPL Funds (Account 125.New)*	\$ 6,100,000
FY 2012/2013 Successor Agency to RDA Funds (Account 797.79718)	\$12,088,000
FY 2012/2013 SLPP Grant Funding (125.New)	\$ 1,000,000
FY 2012/2013 DIF Interchange Improvements Capital Projects Funds (Account 418.New).....	\$ 950,000
Total FY 2012/2013 Project Budget	\$20,138,000

* Includes additional \$2,000,000 STPL allocation

ANTICIPATED PROJECT SCHEDULE

Advertise Project*June 2012
 Begin Construction*November 2012
 Complete Construction*January 2014
 * Contingent upon reprogramming of funds by Caltrans and RCTC prior to advertisement

COUNCIL GOALS

REVENUE DIVERSIFICATION AND PRESERVATION:

Develop a variety of city revenue sources and policies to create a stable revenue base and fiscal policies to support essential city services, regardless of economic climate.

PUBLIC SAFETY:

Provide a safe and secure environment for people and property I the community, control the number and severity of fire and hazardous materials incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

SUMMARY

Staff requests the City Council to accept and appropriate an additional \$2,000,000 of Surface Transportation Program – Local (STPL) funding for the SR-60/Nason Overcrossing Improvements Project.

Prepared By:
 Margery A. Lazarus, P.E.
 Senior Engineer

Department Head Approval:
 Ahmad R. Ansari, P.E.
 Public Works Director/City Engineer

Concurred By:
 Prem Kumar, P.E.
 Deputy Public Works Director/Assistant City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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Budget Appropriation Adjustment Form



City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552
www.moval.org

1 Date: June 12, 2012
2 Department: Public Works
3 Division: Capital Projects

4 **Type of Adjustment:**

- 5 A) New/Additional Appropriations (Expense) from Reserves/Fund Balance
6 Required Signatures: 1: City Council
- 7 B) New/Additional Appropriations (Expense) with offsetting Revenue (no net budgetary impact).
8 Required Signatures: 1: Requestor 2: Dept. Head 3: Bdgt. Officer 4: FASD Director 5: City Manager
- 9 C) Transfers between Funds & Departments (no net budgetary impact)
10 Required Signatures: 1: Requestor 2: Dept. Head 3: Bdgt. Officer 4: FASD Director 5: City Manager
- 11 D) Transfers between Capital Improvement Plan (CIP) projects (no net budgetary impact)
12 Required Signatures: 1: Requestor 2: Dept. Head 3: Bdgt. Officer 4: FASD Director 5: City Manager
- 13 E) Transfers between Division, Business Units & Object Codes within the same Department & Fund (no net budgetary impact)
14 Required Signatures: 1: Requestor 2: Dept. Head 3: Bdgt. Officer 4: FASD Director

Council Action Date
07/10/12

Council Action No.

15 Revenue Fund Balance

Fund	Program/ Business Unit	Account/ Object Code	Current Budget	Increase/ (Decrease)	Revised/ Budget	Justification/Reason for Budget Appropriation Adjustment
125	1250	4659.2	\$4,100,000	\$2,000,000	\$6,100,000	To increase the revenue budget for the reimbursement of expenditures for the SR-60 / Nason St. Overcrossing Improvement project. An appropriation of \$4.1 million was approved through the CIP budget process on June 12, 2012.
					\$0	
					\$0	
					\$0	
TOTAL			\$4,100,000	\$2,000,000	\$6,100,000	

22 **Expense**

Fund	Program/ Business Unit	Account/ Object Code	Current Budget	Increase/ (Decrease)	Revised/ Budget	Justification/Reason for Budget Appropriation Adjustment
125	NEW	7200	\$4,100,000	\$2,000,000	\$6,100,000	To increase the appropriation for STPL funding of the SR-60/Nason St. Overcrossing project. An appropriation of \$4.1 million was approved through the CIP budget process on June 12, 2012.
					\$0	
					\$0	
					\$0	
TOTAL			\$4,100,000	\$2,000,000	\$6,100,000	

5 **Transfer OUT (From)**

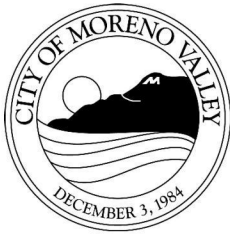
Fund	Program/ Business Unit	Account/ Object Code	Current Budget	Increase/ (Decrease)	Revised/ Budget	Justification/Reason for Budget Appropriation Adjustment
					\$0	
					\$0	
TOTAL			\$0	\$0	\$0	

10 **Transfer IN (To)**

Fund	Program/ Business Unit	Account/ Object Code	Current Budget	Increase/ (Decrease)	Revised/ Budget	Justification/Reason for Budget Appropriation Adjustment
					\$0	
					\$0	
TOTAL			\$0	\$0	\$0	

15 Prepared by: Requestor Linda Wilson *LW* Extension: 3132 Date: 06/12/12
16 Authorization: Department Head _____ Extension: _____ Date: _____
17 Approval as to Funds: Budget Officer _____ Extension: _____ Date: _____
18 Authorization: Fin. & Admin. Svcs. Dir. _____ Extension: _____ Date: _____
19 Authorization: City Manager _____ Extension: _____

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APPROVALS	
BUDGET OFFICER	<i>[Signature]</i>
CITY ATTORNEY	<i>[Signature]</i>
CITY MANAGER	<i>[Signature]</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZATION OF GRANT APPLICATION SUBMITTALS FOR THE HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

RECOMMENDED ACTION

Staff recommends that the City Council authorize the submittal of grant applications for the Highway Safety Improvement Program (HSIP).

BACKGROUND

On April 23, 2012, Caltrans published the Call for Projects for the fifth cycle of the HSIP. Approximately \$100 million will be allocated under this program. The grant applications are due Friday, July 20, 2012.

DISCUSSION

HSIP eligible projects must enhance roadway safety and be consistent with California's Strategic Highway Safety Plan (SHSP). Projects will be prioritized in descending order, statewide, using a benefit/cost (B/C) ratio comparison. A prior category of funding not based on B/C ratios, termed a "work type" project, is not a part of the fifth cycle.

Staff recommends submittal of the following project applications in response to the call for projects:

1. Alessandro Boulevard and Elsworth Street Intersection improvements
2. Sunnymead Boulevard at SR60 EB on ramp from Perris Blvd. intersection improvements

City staff requests authorization of the proposed applications pursuant to the City's grant policy.

ALTERNATIVES

1. Authorize the submittal of grant applications for the Highway Safety Improvement Program (HSIP). *This alternative will provide for potential federal funding of the proposed improvements.*
2. Do not authorize the submittal of grant applications for the Highway Safety Improvement Program (HSIP). *This alternative will not provide for the funding opportunity for the proposed improvements.*

FISCAL IMPACT

Caltrans is soliciting applications for the fifth cycle of HSIP. The maximum federal reimbursement ratio for any HSIP project is 90% with a maximum reimbursement of \$900,000 per project.

The total estimated cost for the two proposed HSIP projects is \$1,425,000. The applications for funding reflect an estimated match of \$142,500 by the City, proposed to be a combination of Measure A and Traffic Signal Development Impact Fee funds. The City could receive a maximum of \$1,282,500 in reimbursement for approved projects under the HSIP. **No General Fund money is being committed.**

Alessandro Boulevard and Elsworth Street Intersection Cross Gutter Elimination

ESTIMATED PROJECT REVENUE

HSIP Cycle 5 Application	\$787,500
City Participation*	<u>\$87,500</u>
Total Project Budget	\$875,000

*City Funding Source would be Measure A

ESTIMATED PROJECT COSTS

Design	\$125,000
Construction & Construction Administration	<u>\$750,000</u>
Estimated Total Project Cost	\$875,000

Sunnymead Boulevard at SR60 EB on ramp from Perris Blvd Collision Mitigation

ESTIMATED PROJECT REVENUE

HSIP Cycle 5 Application	\$495,000
City Participation*	<u>\$55,000</u>
Total Project Budget	\$550,000

*City Funding Source would be DIF traffic signals

ESTIMATED PROJECT COSTS

Design	\$120,000
Construction & Construction Administration	<u>\$380,000</u>
Estimated Total Project Cost	\$550,000

CITY COUNCIL GOALS

REVENUE DIVERSIFICATION AND PRESERVATION

Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential city services, regardless of economic climate.

PUBLIC SAFETY

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

SUMMARY

Caltrans has announced a call for the Highway Safety Improvement Program project applications. Staff requests authorization to submit the recommended projects as part of staff’s aggressive pursuit of outside moneys to improve the safety and efficiency of Moreno Valley’s transportation system.

ATTACHMENTS

Attachment “A” Location Map
 Attachment “B” Grant Cost/Benefit Worksheet

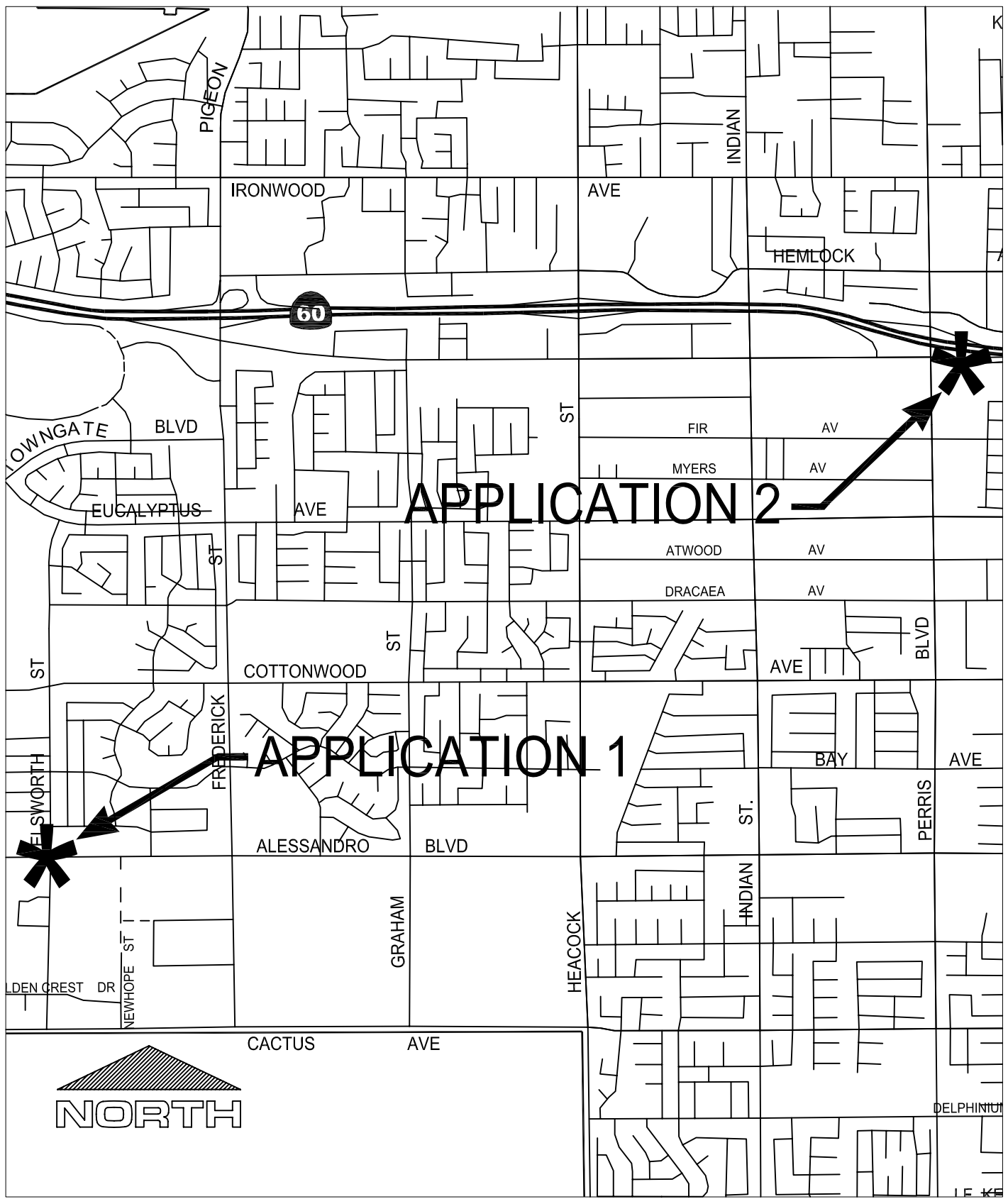
Prepared By:
 John Kerenyi, P.E.
 Senior Engineer

Department Head Approval:
 Ahmad R. Ansari, P.E.
 Public Works Director/City Engineer

Concurred By:
 Eric Lewis, P.E., T.E.
 City Traffic Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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LOCATION MAP



Public Works Department
Transportation Division

ATTACHMENT A

**HIGHWAY SAFETY
IMPROVEMENT PROGRAM**

CYCLE 5

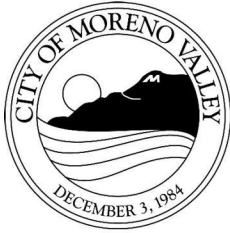
Item No. A.14

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GRANT COST/BENEFIT WORKSHEET									
Expenditure Category	Grant Budget	Grant Budget by Fiscal Year	Percent of Grant	Local Match Budget	Local Match by Fiscal Year	Percent of Local Match	Revenue Source Local Match (Description & Account Code)	Total Cost (Grant plus Local Match)	Total Cost by Fiscal Year
Personnel/Title									
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
Subtotal									
Equipment/Technology									
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
Subtotal									
Design/Engineering									
Alessandro Boulevard and Elsworth Street	112,500	FY2012/2013	90.00%	12,500	FY2012/2013	10.00%	DIF Signals	125,000	FY 2010/2011
Sunnymead Blvd/SR60 EB on ramp from Perris Blvd	108,000	FY2012/2013	90.00%	12,000	FY2012/2013	10.00%	Measure "A"	120,000	FY 2010/2011
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
Subtotal									
Construction									
Alessandro Boulevard and Elsworth Street	675,000	FY2013/2014	90.00%	75,000	FY2013/2014	10.00%	DIF Signals	750,000	FY 2011/2012
Sunnymead Blvd/SR60 EB on ramp from Perris Blvd	342,000	FY2013/2014	90.00%	38,000	FY2013/2014	10.00%	Measure "A"	380,000	FY 2011/2012
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
Subtotal									
Other									
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
Subtotal									
Grand Total									
Alessandro Boulevard Raised Median Enhancement	787,500	FY 2010/2012	90.00%	87,500	FY 2010/2012	10.00%	DIF Signals	875,000	FY 2010/2012
Alessandro Boulevard and Elsworth Street	450,000	FY 2010/2012	90.00%	50,000	FY 2010/2012	10.00%	Measure "A"	500,000	FY 2010/2012
		FY			FY				FY
		FY			FY				FY
		FY			FY				FY
Total	1,237,500			137,500				1,375,000	

ATTACHMENT B

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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZATION TO AWARD CONTRACT TO ALL CITY MANAGEMENT SERVICES FOR THE ADMINISTRATION OF THE CROSSING GUARD PROGRAM

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Authorize the Award of a Crossing Guard Service Contract to All City Management Services to provide adult crossing guard services within the City, commencing with the start of the 2012/2013 school year in mid-August.
2. Authorize the City Manager to execute an agreement with All City Management Services.
3. Authorize the issuance of a Purchase Order to All City Management Services in the amount of \$517,258.50 for the first year of the agreement, and subsequent purchase orders as necessary to fund subsequent years of service in accordance with the terms of the agreement.
4. Authorize the Public Works Director/City Engineer to execute any subsequent amendments to the Agreement with All City Management Services, subject to the approval of the City Attorney.

BACKGROUND

The City of Moreno Valley has provided school crossing guards, supervised by the Public Works Department, since the 1980s to serve the 28 Elementary schools within the Moreno Valley and Val Verde Unified School Districts. The current program employs 33 crossing guards, 6 alternate crossing guards, one crossing guard supervisor, and

one assistant crossing guard supervisor. The City provides approximately 33,350 hours of crossing guard services for a typical school year.

DISCUSSION

As part of City Council identified potential deficit reduction strategies, staff issued a Request for Proposal (RFP) for crossing guard services in June, 2012. All proposals were required to be submitted to the City no later than June 28, 2012. In response to the City's RFP, proposals were received from the following companies (presented in alphabetical order):

1. All City Management Services
2. American Guard Services
3. Commonwealth Integrated Security
4. General Security Service

An internal review team consisting of Public Works staff reviewed the proposals. The proposals were evaluated on multiple criteria utilizing a point system. The criteria included:

- Compliance with the Proposal Format and Clarity of the Proposal
- Proposer's qualifications and similar project management experience
- Key project personnel qualifications and experiences
- Schedule of Implementation, Training and Staffing
- References

The review team unanimously ranked All City Management Services as the best-qualified firm. All City Management Services provides crossing guard services to more than 130 local agencies including Anaheim, Downey, Bellflower, and Bell Gardens. All City Management Services has proposed to provide crossing guard services at a rate of \$15.51 per hour for the first two years and \$15.82 for the following three years. The hourly rate would be billed for guards assigned to posts; all other costs (such as equipment and supervisory personnel) are considered overhead and are thus included in the hourly rate. The proposed contractor prices for Moreno Valley are comparable to those being paid by similar agencies. All City Management Services would be responsible to administer the Crossing Guard Program in its entirety, including recruiting, hiring, and supervising the crossing guards, maintaining each assigned post, training each of the guards in accordance with State established standards, and providing daily oversight of the program to ensure the highest quality service is provided to our residents. At the agreed-to rate and assuming 33,350 billable hours, the City's cost will be \$517,258.50 for the first year of service.

The recommended action will result in the layoff of the City's current crossing guard employees; all crossing guards serve as temporary employees within the City's workforce. As a condition of the RFP, All City Management Services will offer

employment to all qualified employees of the City's crossing guard program at their current hourly rate. If the recommendations are approved, the Financial and Administrative Services Division will administratively make the required funding adjustments within the program's operating budget to defund the current positions and increase the monies available for professional services as appropriate. The crossing guard staff was notified that the City was exploring options to contract this service prior to the request for proposal process. The Superintendents of both Moreno Valley Unified and Val Verde Unified School Districts have been notified of this proposal; per the terms of the agreement, neither students nor parents will notice any change in services provided.

If subsequent changes to the terms of the agreement are required, services would be provided by All City Management Services at the agreed-to hourly rate and presented to the City Council for consideration following coordination with appropriate school district officials.

ALTERNATIVES

1. By motion approve and authorize the recommended actions as presented in this staff report. *This proposed action is considered to be the best value for the City and therefore staff recommends this alternative.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this action.*

FISCAL IMPACT

The Crossing Guard Program is funded by Gas Tax Fund 121. For FY 11/12, the crossing guard program's cost to the City is approximately \$554,000. By outsourcing the adult crossing guard services to All City Management Services, the City will realize at least \$34,000 in cost savings per year. In addition, the City will no longer be liable for any Workers Compensation liabilities as this would be assumed by the contractor. There will be one-time cost to pay for accrued annual leave payout for each employee laid off as a result of contracting out the program.

CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

SUMMARY

The Public Works Department staff’s evaluation concluded that contracting out the Crossing Guard Program is in the best interest of the City. It allows the City to remain fiscally responsible and yet maintain a high quality crossing guard program that will continue to serve the residents of Moreno Valley.

ATTACHMENTS

Attachment A: Agreement with All City Management Services

Prepared By
Eric Lewis
City Traffic Engineer

Department Head Approval
Ahmad R. Ansari, P.E.
Director of Public Works / City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made by and between the City of Moreno Valley, California, a municipal corporation, hereinafter referred to as the "City", and the following named independent contractor, hereinafter referred to as the "Contractor," based upon City policies and the following legal citations:

A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors; and

B. The public interest, convenience, necessity and general welfare will be served by this Agreement.

This Agreement is made and entered into effective the date the City signs this Agreement.

1. CONTRACTOR INFORMATION:

Contractor's Name: All City Management Services

Address: 10440 Pioneer Blvd, Suite 5

City: Santa Fe Springs State: CA Zip: 90670

Business Phone: 310-202-8284 Fax No. 310-202-8325

Other Contact Number: 800-540-9290

Federal Tax I.D. Number: 95-3971517

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

A. The Contractor's scope of service is described in Exhibit "A" attached hereto and incorporated herein by this reference.

B. The City's responsibility, other than payment, is described in Exhibit "B" attached hereto and incorporated herein by this reference.

C. Payment terms are provided in Exhibit "C" attached hereto and incorporated herein by this reference.

D. The Contractor Starting Date is August 1, 2012 and the Contractor Ending Date is June 30, 2013. The City acknowledges that it will not unreasonably withhold approval of the Contractor's requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor's reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

3. STANDARD TERMS AND CONDITIONS:

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement.
- E. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including reasonable attorney's fees and costs, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage.
- F. City Indemnification. The City agrees to indemnify, defend and save the Contractor harmless from any and all liability, claims, damages or injuries to any person, including injury to the City's, Housing Authority's and CSD's employees and all claims which arise from the negligent performance or failure to perform the services or other obligations of the City under this Agreement, or are caused by the negligent acts of the City, Housing Authority and CSD, their officers, agents or employees, or its subcontractor(s) or any person acting for the City or under its control or direction; provided, however, that this indemnification and hold harmless shall not include any claims arising from the negligence or willful misconduct of the Contractor, its officers, agent, employees, or subcontractors.
- G. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide

and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form "Exception to Worker's Compensation Coverage" is signed, notarized and attached to this Agreement

General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and aggregate.

Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

Insurance requirements waived with Risk Manager's approval.

A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City Risk Manager prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as

additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit to the Risk Manager new evidence of insurance in the amounts established.

- H. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- I. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- J. (a) The City may terminate this Agreement without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.
(b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.

- K. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractors time and materials charges under the Agreement. Upon reasonable notice, such records must be made available to the City's agent; however, nothing herein shall convert such records into public records. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- L. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- M. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.

SIGNATURE PAGE TO FOLLOW

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

All City Management Services

BY: _____
City Manager

BY: _____

TITLE: _____
(President or Vice President)

Date

Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

INTERNAL USE ONLY

ATTEST:

City Clerk
(only needed if Mayor signs)

APPROVED AS TO LEGAL FORM:

City Attorney

Date

RECOMMENDED FOR APPROVAL:

Department Head
(if contract exceeds 15,000)

Date

EXHIBIT A

SCOPE OF SERVICES

- a. The CONTRACTOR will monitor, supervise, and assure the safety of all schoolchildren that utilize intersections and crosswalks while moving to and from school zones.
- b. The CONTRACTOR will provide an estimated 33,350 hours per year of crossing guard services by qualified adult crossing guards approved by the City during the pre-determined time periods at specific locations throughout the City. The estimated hours above are calculated based on multiplying the following factors: annual number of hours per day, annual school days, number of locations covered per day and number of crossing guards per day. However, the CONTRACTOR is required to staff the crossing guard positions whenever the schools modify their schedules to accommodate the academic needs of their students. These modifications are represented in the 33,350 estimated hours of crossing guard services.
- c. New locations may be added at the City's request and the CONTRACTOR will increase the service hours accordingly. In addition, the City may remove crossing guard locations and/or reduce crossing guard hours at a location within a 24-hour written notice.
- d. The CONTRACTOR will provide all administrative duties associated with the Crossing Guard Program in the City.
- e. The CONTRACTOR will be required to provide for the supervision of all employees associated with conducting the Crossing Guard Program; including the recruitment, hiring, discipline, and termination of employees.
- f. CONTRACTOR will provide all facilities, vehicles and other associated equipment related to conducting the Crossing Guard Program. Required equipment will, at a minimum, include safety-reflectORIZED vests, stop signs, whistles, rain gear, and photo-identification badges.
- g. CONTRACTOR shall provide all employees with equipment that complies with all applicable laws and established safety standards.
- h. CONTRACTOR agrees to offer employment the crossing guards previously employed by City of Moreno Valley to work the 2012-2013 school year if they meet the CONTRACTOR's hiring requirements. Those employees shall be hired and retained at an hourly rate that is no less than the base amount they were paid while employed by the City. However, these employees shall be subjected to the personnel rules of the CONTRACTOR as it relates to step increases, salary caps, and continued employment. The City makes no representation of employment adequacy

of the previously employed employees. Furthermore, the CONTRACTOR shall ensure that the previous City employees, at a minimum, meet the condition of this proposal as well as the CONTRACTOR'S hiring and retention policy. If the current employee meets the hiring and retention criteria of the CONTRACTOR, they shall be offered employment with the awarded proposer at their current base hourly wage.

i. The CONTRACTOR shall arrange for and provide all substitute employees, ensuring that all designated locations are staffed during the required time periods. The CONTRACTOR shall contact the Transportation Engineering Division if a position cannot be filled by the CONTRACTOR.

j. The CONTRACTOR shall be responsible to coordinate with the affected schools and the Moreno Valley and Val Verde Unified School Districts to ensure coverage is provided at designated locations when school schedules are modified and/or changed for any reason that requires children to arrive or depart at a time that is different than normal.

k. CONTRACTOR shall provide all of the required training for employees selected to be crossing guards.

l. The CONTRACTOR shall certify that all employees and sub-contractor employees selected to perform duties of a crossing guard in the City have never been convicted of any felony, a crime of moral turpitude, or any crime against children. In addition, the recruitment process shall incorporate a Pre-Employment Screening Program that includes:

- i. An employment reference check
- ii. A criminal background check and a fingerprint check
- iii. A drug and alcohol screening test
- iv. Social Security verification
- v. Only documented, authorized CONTRACTOR employees are eligible to work or permitted on or in City facilities and/or crossing guard sites (Verification of the INS-9 forms must be provided to the City upon request).

m. Any employee whose conduct is not satisfactory, as determined by the City, shall be removed from providing crossing guard services in the City.

n. The CONTRACTOR shall investigate all public complaints concerning crossing guard services. In the event of a complaint, the CONTRACTOR shall immediately contact the Transportation Engineering Division at (951) 413.3140, to advise the nature of the complaint and the course of actions/remedy/resolution of said complaint.

CONTRACTOR shall furnish a written report of the incident to the Transportation Engineering Division within five (5) business days after the occurrence. CONTRACTOR shall maintain detailed records and reports of the total number of hours of service provided. These records shall list the number of hours worked at each location. These records will be made available for inspection and audit by the City at any time.

EXHIBIT "B"

SERVICES TO BE PROVIDED BY THE CITY

1. Provide timely City staff liaison with the CONTRACTOR when requested and when reasonably needed.

EXHIBIT C

TERMS OF PAYMENT

1. The Contractor's compensation shall not exceed \$517,258.50.
2. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
3. The Contractor will electronically submit an invoice to the City as provided in this Agreement for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org

Accounts Payable questions can be directed to (951) 413-3073.

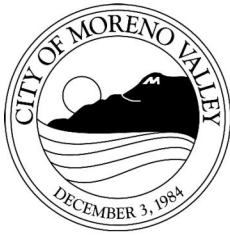
Copies of invoices may be submitted to the [Public Works](#) Department at edwardi@moval.org or calls directed to (951) 413-3140.

3. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall/forms.shtml#bf
4. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or

Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.

6. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Rest</i>
CITY MANAGER	<i>msd</i>

Report to City Council

TO: Mayor and City Council and the City Council Acting as the Successor Agency

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZE THE NINTH AMENDMENT TO AGREEMENT WITH AECOM TECHNICAL SERVICES, INC. FOR PROFESSIONAL CONSULTANT SERVICES FOR THE INDIAN DETENTION BASIN DRAINAGE IMPROVEMENTS, AND IRONWOOD AVENUE STREET IMPROVEMENTS FROM HEACOCK STREET TO NITA DRIVE
PROJECT NO. 09-89791726

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Approve the "Ninth Amendment to Agreement for Professional Consultant Services" with AECOM Technical Services, Inc., for the amount of \$65,785, to provide additional professional services during close-out from the construction of the Indian Detention Basin Drainage Improvements, and Ironwood Avenue Street Improvements from Heacock Street to Nita Drive.
2. Authorize the City Manager to execute said "Ninth Amendment to Agreement for Professional Consultant Services" with AECOM Technical Services, Inc.
3. Acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley, add it to the Recognized Obligation Payment Schedule, submit same to the Oversight Board for approval, and authorize the City Manager to access agency funds only after Oversight Board and State Department of Finance approval.

4. Authorize a Change Order to increase the Purchase Order with AECOM Technical Services, Inc. by \$65,785 when the Ninth Amendment has been signed by all parties.
5. Authorize the Public Works Director/City Engineer to execute any subsequent minor related amendment(s) to the agreement with AECOM Technical Services, Inc. subject to the approval of the City Attorney.

BACKGROUND

On July 8, 2008 the City Council approved an Agreement for Professional Consultant Services for the Indian Detention Basin Drainage Improvements/Ironwood Avenue Improvements, with Lim And Nascimento Engineering Corporation (LAN), to provide planning and engineering services. On July 8, 2008, City Council also approved a separate Agreement for Professional Consultant Services for Ironwood Avenue Improvements from Heacock Street to Perris Boulevard for street improvements on Ironwood Avenue easterly of the area covered by the Indian Basin project.

The Agreement for Professional Consultant Services with LAN provided for design, right-of-way engineering, and environmental assessment. The First, Second, and Third Amendments revised the scope of work within the contingency. The First Amendment provided for updated environmental documentation formats. The Second Amendment provided for additional potholing services due to the presence of additional utility laterals. The Third Amendment provided for additional environmental analysis to evaluate access road alternatives. On September 8, 2009, the City Council authorized the Fourth Amendment for additional design, right-of-way and environmental services. The Fifth Amendment revised the scope of work within the contingency. The Fifth Amendment provided for Value Engineering Analysis to examine various construction alternative scenarios and the impacts to the cost, schedule, right-of-way, design efforts, environmental clearances, and permitting. The Sixth Amendment assigned all rights and obligations of LAN (the subsidiary) under the contract to AECOM Technical Services, Inc. (the parent company) due to a stock purchase. On September 28, 2010 the City Council authorized the Seventh Amendment for additional design services with AECOM and assigned the agreement to the Redevelopment Agency of the City of Moreno Valley. The Eighth Amendment extended the contract time.

On July 13, 2010 the City Council authorized the award of the construction contract to Riverside Construction Company, Inc. On July 12, 2011 the City Council authorized the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed. The Public Works Director/City Engineer accepted the work as complete on October 25, 2011.

DISCUSSION

The Indian Basin, Appurtenant Storm Drain and Miscellaneous Street Improvements Project constructed storm drains Line H and H-1A along Ironwood Avenue. The project

also constructed related street improvements on the south side of Ironwood Avenue from Heacock Street to Nita Drive.

One of the project's objectives was to reduce flooding in the area. The improvements are now functioning as designed. In order to remove areas adjacent to the project from the flood plain, the Federal Emergency Management Agency (FEMA) requires hydraulic and hydrologic mapping in the form of a Letter of Map Revision (LOMR) be done and submitted for review after construction is completed. AECOM prepared the required information as part of the original scope of work and submitted it to FEMA on December 1, 2011. Since that time, FEMA has requested additional documents and analyses to reflect current conditions along the water course. This effort includes researching improvements from the Pigeon Pass Dam area on the north to the Sunnymead Boulevard/Indian Street intersection on the south side of State Route 60. Improvements along the water course had not been submitted to FEMA for the past twenty years; therefore, system updates were needed. The Ninth Amendment to Agreement expands the scope of work to include additional LOMR research and revisions, as well as minor additional scope of work encountered during the completion of construction. The Ninth Amendment totals \$65,785, and the expiration date remains at December 30, 2012.

Completion and acceptance of the LOMR by FEMA will allow the City to notify affected parties of the lowering of the flood plain on their properties. FEMA acceptance is expected by September 2012.

The recommended contract award is an action of the City Council with a funding source from the assets of the former City of Moreno Valley Redevelopment Agency. The recommended actions are included on the Recognized Obligations Payment Schedule (ROPS) approved by the City Council acting as the Successor Agency on February 14, 2012. The Successor Agency Oversight Board approved the ROPS for the period January through June 2012 on May 23, 2012, which has subsequently been approved by the State Department of Finance (DOF). This ROPS approval includes "placeholder" line items representing the expenditure of bond proceeds for approval purposes. The Successor Agency approval of this contract is required to move forward toward complete approval and compliance with ABx1 26 law. The contract will be presented to the Successor Agency Oversight Board, along with an updated ROPS that will include the contractor listed as an enforceable obligation. After Oversight Board approval, the contract and updated ROPS will be sent to the DOF for review. There is a risk that the Oversight Board may not approve the contract or updated ROPS. In addition, the State Department of Finance (DOF) has the authority to challenge actions approved by the Oversight Board within 10 days of the approved action. In light of the current process for approval of the contract and the updated ROPS, the property tax to pay the contracts being recommended has not been authorized to pay the contract obligations. The City Council by approving the recommended contract is assuming the risk that in the event tax increment is not approved to pay the contracts by the Oversight Board or through successful challenge by the State DOF, the City would be obligated to pay the contract commitments from alternative funding sources, most likely the City's General Fund.

ALTERNATIVES

1. Approve the “Ninth Amendment to Agreement for Professional Consultant Services” with AECOM Technical Services, Inc., for the amount of \$65,785, to provide additional professional services during close-out from the construction of the Indian Detention Basin Drainage Improvements, and Ironwood Avenue Street Improvements from Heacock Street to Nita Drive, authorize the City Manager to execute said “Ninth Amendment to Agreement for Professional Consultant Services” with AECOM Technical Services, Inc., acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley, add it to the Recognized Obligation Payment Schedule, submit same to the Oversight Board for approval, and authorize the City Manager to access agency funds only after Oversight Board and State Department of Finance approval, and authorize a Change Order to increase the Purchase Order with AECOM Technical Services, Inc. by \$65,785 when the Ninth Amendment has been signed by all parties, and authorize the Public Works Director/City Engineer to execute any subsequent minor related amendment(s) to the agreement with AECOM Technical Services, Inc. subject to the approval of the City Attorney. *This alternative allows the City to complete the LOMR and pay the Consultant in a timely manner.*

2. Do not approve the “Ninth Amendment to Agreement for Professional Consultant Services” with AECOM Technical Services, Inc., for the amount of \$65,785, to provide additional professional services during close-out from the construction of the Indian Detention Basin Drainage Improvements, and Ironwood Avenue Street Improvements from Heacock Street to Nita Drive. *The alternative will delay the update of the LOMR and the payment to the Consultant.*

FISCAL IMPACT

The Indian Detention Basin Drainage Improvements and Ironwood Avenue Street Improvements were included in the Fiscal Year 2011/2012 budget. This project is funded with Successor Agency funds (Account No. 797.91726). The funds utilized for this project were designated for the Indian Basin and Ironwood Avenue capital improvements only. There is no impact to the General Fund.

The contract total is \$581,697 (\$315,300.00 for the original Agreement plus \$7,679.00 for the First Amendment, \$3,300.00 for the Second Amendment, \$20,116.00 for the Third Amendment, \$55,964.00 for the Fourth Amendment, \$4,990.00 for the Fifth Amendment, \$0.00 for the Sixth Amendment, \$108,563.00 for the Seventh Amendment, \$0.00 for the Eighth Amendment, and \$65,785 for the Ninth Amendment).

AVAILABLE FUNDS:

Fiscal Year 2011/2012 (Account No. 797.79726)..... \$306,000

COSTS:

Additional Design Support..... \$66,000

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley’s future.

SUMMARY

Staff is requesting City Council approve the Ninth Amendment to Agreement with AECOM Technical Services, Inc. to allow for the completion of the LOMR update through FEMA.

ATTACHMENTS

Attachment “A” – “Ninth Amendment to Agreement for Professional Consultant Services, Project No. 09-89791726”

Prepared By:
Margery A. Lazarus
Senior Engineer, P.E.

Department Head Approval:
Barry Foster
Community and Economic Development
Director

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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**NINTH AMENDMENT TO AGREEMENT
FOR PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 09-89791726**

This Ninth Amendment to Agreement is by and between the CITY of MORENO VALLEY, a municipal corporation, hereinafter referred to as "City," and AECOM Technical Services, Inc. a California corporation hereinafter referred to as "Consultant." This Ninth Amendment to Agreement is made and entered into effective on the date the City signs this Amendment.

RECITALS:

Whereas, the City and Consultant entered into an Agreement entitled "AGREEMENT for PROFESSIONAL CONSULTANT SERVICES," hereinafter referred to as "Agreement," dated July 15, 2008.

Whereas, the Consultant is providing consultant design services for Indian Detention Basin Drainage Improvements, and Ironwood Avenue Street Improvements from Heacock Street to Nita Drive, Project No. 09-89791726.

Whereas, the Agreement was amended on November 11, 2008 to extend the professional consultant design services in the First Amendment to Agreement for Professional Consultant Services.

Whereas, the Agreement was amended on February 11, 2009 to extend the professional consultant design services in the Second Amendment to Agreement for Professional Consultant Services.

Attachment "A"

**AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 09-89791726**

Whereas, the Agreement was amended on July 27, 2009 to extend the professional consultant design services in the Third Amendment to Agreement for Professional Consultant Services.

Whereas, the Agreement was amended on October 5, 2009 to extend the professional consultant design services in the Fourth Amendment to Agreement for Professional Consultant Services.

Whereas, the Agreement was amended on November 10, 2009 to extend the professional consultant design services in the Fifth Amendment to Agreement for Professional Consultant Services.

Whereas, the Agreement was amended on March 30, 2010 to transfer all services required under the Agreement from Lim and Nascimento Engineering Corporation to AECOM Technical Services, Inc. for the professional consultant design services in the Sixth Amendment to Agreement for Professional Consultant Services.

Whereas, the Agreement was amended on October 27, 2010 to extend the professional consultant design services in the Seventh Amendment to Agreement for Professional Consultant Services.

Whereas, the Agreement was amended on May 17, 2012 to extend the expiration date in the Eighth Amendment to Agreement for Professional Consultant Services.

Whereas, it is desirable to amend the Agreement to expand the scope of the work to be performed by the Consultant as is more particularly described in Section 1 of this Ninth Amendment.

**AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 09-89791726**

Whereas, the Consultant has submitted two Proposals dated June 7, 2012 (Amendment Request No. 9 and Amendment Request No. 10), for expansion of the scope of work to be performed. A copy of said Proposals is attached as "Exhibit A – Ninth Amendment" and is incorporated herein by this reference.

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 The Agreement termination date is not extended from December 30, 2012 in this Amendment.

1.2 Exhibit "B" to the Agreement is hereby amended by adding to the scope of work section described in "Exhibit A – Ninth Amendment," entitled "Scope of Services."

1.3 Exhibit "D" to the Agreement is hereby further amended by adding to the cost proposal section thereof "Exhibit B – Ninth Amendment," entitled "AECOM – Fee and Manhour Estimate."

1.4 The City agrees to pay the Consultant and the Consultant agrees to receive a "Not-to-Exceed" fee of \$65,785, as set forth in the above-referenced cost proposal, in consideration of the Consultant's performance of the work set forth in "Exhibit A – Ninth Amendment."

1.5 The total "Not to Exceed" fee for this contract is \$581,697 (\$315,300.00 for the original Agreement plus \$7,679.00 for the First Amendment to Agreement, \$3,300.00 for the Second Amendment, \$20,116.00 for the Third Amendment to Agreement, \$55,964.00 for the Fourth Amendment to Agreement, \$4,990.00 for the Fifth Amendment to Agreement, \$0 for the Sixth Amendment to Agreement, \$108,563.00 for the Seventh Amendment to Agreement, \$0 for the Eighth Amendment to Agreement and \$65,785 for the Ninth Amendment to Agreement).

**AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 09-89791726**

SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

**AMENDMENT TO AGREEMENT FOR
PROFESSIONAL CONSULTANT SERVICES
PROJECT NO. 09-89791726**

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

AECOM Technical Services, Inc.

BY: _____
City Manager

BY: _____

TITLE: _____
(President or Vice President)

Date

Date

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head
_____ Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

Date

Attachments: "Exhibit A – Ninth Amendment"
"Exhibit B – Ninth Amendment"

W:\CapProj\CapProj\PROJECTS\Marge - 09-89791726 - Indian Basin\Design Phase\Consultant -\Agreement\9th Amendment\9th Amendment-Indian Basin-062612.doc



AECOM
901 Via Piemonte, 5th Floor
Ontario, CA 91764
www.aecom.com

909 579 3050 tel
909 579 3997 fax

June 7, 2012

City of Moreno Valley
Public Works Department – Capital Projects
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Attention: Ms. Margery Lazarus, P.E.

Subject: Amendment Request No. 9 – Additional LOMR Services
Project No. 09-89791726
Indian Detention Basin, Drainage Improvements (revised 6/7/12)

Dear Ms. Lazarus:

Our original scope included services for a Letter of Map Revision (LOMR) for revising the FEMA FIRM maps flood zone designations associated with our Line H1 and Line H1A storm drain improvements that outletted to the Indian Basin. Our original scope envisioned eliminating or significantly reducing the flood hazard zoning within the project limits which extended from the Ironwood/Heacock intersection to the storm drain outlet at the upstream edge of the basin. However, as a part of the plan check comments from FEMA, it will be necessary to extend the drainage study area beyond the above limits. The additional study area was not covered by our original scope and a contract budget increase is necessary.

The FEMA comment requires that the revised Special Flood Hazard Area (SFHA) tie to a downstream SFHA width and Base Flood Elevation (BFE). The problem is that the previous drainage improvements downstream from the Indian Basin, the existing shopping center at Hemlock and Davis, and the freeway crossing were all done without a LOMR. Therefore, the current SFHA is still based on the conditions that existed prior to the construction of the Indian Basin and prior to the construction of the shopping center at the NE corner of Hemlock & Davis.

The flood hazard area currently shown on the FIRM map is offset significantly from the flood area based on current improvements. The flood maps do not accurately reflect the true current flood zoning width, location, or elevation. Because the prior drainage improvements made a significant shift in drainage alignment, our revised flood limits would be offset and disjointed from the old downstream SFHA which would be unacceptable to FEMA.

In order to produce a valid downstream LOMR, we will need to extend the study area down to the intersection of Sunnymead Boulevard and Indian Street. This will require study of approximately 300-acre additional tributary area of hydrology & hydraulic study outside of our original scope.

“Exhibit A – Ninth Amendment”

It is anticipated that the flood hazard between Heacock/Ironwood and Indian/Sunnymead will be reduced to just the area of the Indian Basin and perhaps a narrow strip where the open channel is near the freeway culvert crossing. The shopping center and the Festival property would have the flood hazard designation removed from those properties. The side benefit to the additional LOMR is the removal or significant reduction of the flood zone designation on the properties in the area. These side benefits include:

- Elimination or reduction of flood hazard insurance costs to property owners
- Properties would be more developable
- Property values would likely be enhanced

It is not necessary to revise the LOMR upstream of the Heacock Street/Ironwood Avenue intersection since the upstream storm drain improvements had a corresponding LOMR prepared and filed. The upstream end SFHA for our work can be matched without issue.

SCOPE OF SERVICES

The Scope of Services covered by this change order are as follows:

1. Data Collection

Obtain as-builts of existing drainage systems from the Indian Basin to the intersection of Sunnymead Blvd and Indian Street. Also obtain as-builts for drainage systems within the expanded study area. These will be obtained from the City of Moreno Valley, or if it from prior to City incorporation, obtained from Riverside County. Obtain topographic mapping from RCFC&WCD and other sources, if available.

2. 3-D Map Creation

Topographic mapping from RCFC&WCD was not available in digital format and had to be digitized into 3-D contours.

3. Prepare Hydrology Map

Utilizing topographic mapping, as-built storm drain data, field review data, and RCFC&WCD MDP maps, prepare hydrology mapping. Delineate basin tributary areas and subareas according to ground contours, streets, and drainage systems. Identify basin sizes and characteristics.

4. Unit-Hydrograph modeling using HEC-1

Perform hydrologic modeling of the basin using the HEC-1. The basin tributary area data including area, soil type, losses, grades, etc. will be input using the unit-hydrograph method to generate simulated storm and flood-routing data for hydraulic analysis.

5. HEC-RAS Hydraulic Modeling

Perform hydraulic analysis of the basin and drainage systems using the HEC-RAS modeling program. Basin drainage systems and facilities data will be input into the model along with the stormwater flows for the 100-year design storm. Water surface profiles will be developed based the stormwater flows and and hydraulic capacities of the drainage facilities. Per an additional request from FEMA, additional profiles for the 10-yr and 50-yr storms were calculated and incorporated into the hydraulic study.

6. Hydraulic Calculations for Basin Overflow and Culvert Analysis

Perform detailed hydraulic analysis of the Indian Basin, downstream channel, and culverts in the SFHA flood zone to determine the flood-routing and analyze flood-stage characteristics. Determine the water surface profiles and flood elevations to delineate the resulting flood area.

7. Prepare Hydrology and Hydraulic Report and Additional Documents

Prepare a hydrology and hydraulic report of the basin analysis and drainage systems. The drainage report will include a report of the background, methodology, and summary of findings. The report will include all hydrologic and hydraulic analysis calculations, maps, and supporting data. The report will provide the necessary documentation and support for the Letter of Map Revision to delineate the flood areas as a result of the completed storm drainage facilities within the study area.

8. Address Review Comments and Teleconference with FEMA Reviewer

Address the review comments received from the FEMA reviewer. Identify the specific requirements needed to address the comments. Conduct teleconferences as necessary to address and discuss any comments received.


FEE PROPOSAL

The proposed fee for the above services is \$44,600.00. Attached is a breakdown of the hours and costs by the task.

Please review the proposed scope and fee estimates for the additional LOMR services. We look forward to your concurrence with the proposed scope and fee. Should you have any questions, please do not hesitate to call me at (909) 579-3755.

Very truly yours,

AECOM



Edward Ng, PE

Project Manager

Attachment: Manhours and Fee Estimate



AECOM
901 Via Piemonte, 5th Floor
Ontario, CA 91764
www.aecom.com

909 579 3050 tel
909 579 3997 fax

June 7, 2012

City of Moreno Valley
Public Works Department – Capital Projects
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Attention: Ms. Margery Lazarus, P.E.

Subject: Amendment Request No. 10 – Additional Work and Change of Project Scope
Project No. 09-89791726
Indian Detention Basin, Drainage Improvements (revised 6/6/12)

Dear Ms. Lazarus:

AECOM has been requested by the City of Moreno Valley to provide additional professional services for the Indian Detention Basin Drainage Improvements Project. In addition, through course of construction, a number situations arose that required AECOM's services. The additional services are for the tasks which were not identified in the City's original request for proposal (RFP) and were not included in the authorized scope of work.

These requested efforts exceed our available budget for the project. The additional services include:

1. Prepare plans for trench repavement and reestablish crown line
2. Revisions to resolve sewer lateral conflict
3. Swale through Indian Basin due to excessive silting
4. Repackage Davis Street PS&E into Heacock Street Project
5. Review site damage due to EMWD water line leak

SCOPE OF SERVICES

The Scope of Services covered by this change order are as follows:

1. Prepare plans for trench repavement and crown line

The Indian Basin storm drain system was constructed near the centerline of Ironwood Avenue from Heacock Street to Hubbard Street. Due to the piecemeal widening of this portion of Ironwood Avenue over the years, the street crown line location and the street crossfalls varied widely. The storm drain trench removed paving along the crown line

and the Contractor was unable to restore the crown line paving without additional information. AECOM reviewed the topographic survey data shots and developed a profile and alignment to allow for restoration of the streen crown line.

2. Prepare detail for sewer lateral conflict

During the course of construction of the storm drain line between Weller Place and Indian Street, a shallow sewer lateral was encountered that conflicted with the proposed storm drain alignment. Due to the offsite property elevation and sewer main location, it was not possible to feasibly relocate or modify the sewer lateral. AECOM met out in the filed with the City and RCFC&WCD personnel to discuss alternatives. AECOM prepared plans and details to construct a transition structure and modified RCB section. AECOM ran the hydraulics of the proposed revised structure to assure that the hydraulic performance of the line was not impacted.

3. Swale through Indian Basin due to excessive silting

Work within the basin was not a part of the original scope of work per the RFP. As such, any work to be performed with the basin is not covered by the existing 401, 404, and 1602 permits. The issue is the excessive silting of the basin over the years exacerbated by the 2010 rainy season. RCFC&WCD is concerned that the storm drain outlet in the basin might be under water when the basin is full. AECOM is working on obtaining the permits and the design of a swale through the basin that will dissipate the water from the storm drain outlet.

4. Repackage access ramp and Davis Street improvements into Heacock Street Project

The access ramp and Davis Street Improvement were originally prepared for the Indian Basin Project, but the City decided to transfer the improvement to another City project, the Heacock Street Project. The PS&E were modified and prepared to be incorporated into the Heacock Street Project with updated bid schedules, drawing numbers and related specifications changes.

5. Review site damage due to EMWD water line break

An EMWD waterline conection failed, causing a washout of the storm drain trench and soils around the headwall. This caused a large amount of the eroded soils to be discharged to the headwall outlet, concreted riprap, and Indian Basin. This occurred just when the Contractor had just demobilized and moved their equipment off the site. An assessment of the damage to the storm drain line and the basin was performed and recommendations made. The sediment deposits were reviewed for their impact to the proposed swale grading through the basin. Additional environmental and engineering assessments were made.

FEE PROPOSAL

The proposed fee for the above services is \$21,185. Attached is a breakdown of the costs by the Change Order task.

Please review the proposed scope and fee estimates for the additional services described. We look forward to your concurrence with the proposed scope and fee. Should you have any questions, please do not hesitate to call me at (909) 579-3755.

Very truly yours,

AECOM



Edward Ng, PE
Project Manager

Attachment: Manhoours and Fee Estimates

AECOM - Fee and Manhour Estimate

City of Moreno Valley

Indian Basin & Ironwood from Heacock to Nita - Additional LOMR Design Services - Amendment No. 9

4/9/2012 (Rev 6/6/12)

Task	Description	Project Mgr \$170.00	Sr Project Engr \$165.00	Project Engr \$116.00	Drainage Engr \$115.00	Engr I \$86.00	Engr II \$85.00	QA/QC \$170.00	Total Hours	ODC	Total Cost
1	Additional design services for LOMR										
	Data collection - as-builts of downstream facilities	1		6	1	4			12.0		\$1,315.00
	3-D topo creation	2		2	8	8			20.0		\$2,170.00
	Prepare hydrology map	2		8	12	16			38.0		\$4,000.00
	Unit Hydrograph Hydrology modeling HEC-1	4		24	40	48			116.0		\$12,120.00
	HEC-RAS hydraulic modeling	4		16	32	40			92.0		\$9,600.00
	Hydraulic calcs for basin overflow & downstream culvert analysis	4		8	10	12			34.0		\$3,770.00
	Prepare hydrology & hydraulic report and additional documents	4		8	16	16			44.0		\$4,800.00
	Address review comments and teleconference with FEMA reviewer	2		2	4	4			12.0		\$1,370.00
	QA/QC	2		4	2	2		4.0	14.0		\$1,880.00
	Additional 10-yr and 50-yr profiles	1			8	16			25.0		\$2,450.00
	ODC									\$1,125.00	\$1,125.00
	Subtotal	26.0		78.0	133.0	166.0		4.0	407.0	\$1,125.00	\$44,600.00
2											
	ODC										
	Subtotal										
3											
	ODC										
	Subtotal										
4											
	ODC										
	Subtotal										

Totals	Total Hours by Classification								Total Mhrs	Total ODC's	Total Fee
	Project Mgr	Sr Project Engr	Project Engr	Drainage Engr	Engr I	Engr II	QA/QC	Total Hours			
Totals	26.0		78.0	133.0	166.0		4.0	407.0	\$1,125.00	\$44,600.00	

Other Direct Costs					
Task No.	Mileage @ \$0.55 per mile	Postage and Deliveries	Printing and reprographics	RCFC Maps	Task ODC Total
1	\$75	\$50	\$500	\$500	\$1,125.00
2					
3					
4					

"Exhibit B – Ninth Amendment"

AECOM - Manhours and Fee Estimate

City of Moreno Valley

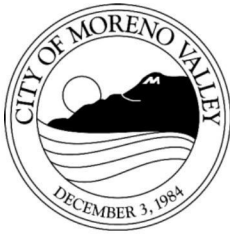
Indian Basin & Ironwood from Heacock to Nita - Previous Additional Design and Construction Support Services - Amendment No. 10

4/18/2012 (rev 6/7/12)

Task	Description	Project Mgr. \$170.00	Sr Project Engr \$145.00	Project Engr \$115.00	Drainage Engr \$115.00	Eng'r II \$85.00	Eng'r II \$85.00	Environmental surveyor \$170.00	QA/QC \$170.00	Total Hours	ODC	Total Cost
	Additional design/const. support services performed											
1	Prepare plans for trench repavement/crown line	4.0		4.0		1.0				9.0		\$1,225.00
2	Prepare detail for sewer lateral conflict	8.0		1.0	6.0	8.0				23.0		\$2,845.00
3	Swale through Indian Basin due to excessive silting	4.0			16.0	16.0		40.0		76.0		\$10,580.00
4	Repackage access ramp & Davis St PS&E into Heacock St. Project	4.0		9.0		16.0				29.0		\$3,075.00
5	Review site damage due to EMWD water line break	8.0								8.0		\$1,360.00
	ODC										\$2,000.00	\$2,000.00
	Subtotal	28.0		14.0	22.0	41.0		40.0		145.00	\$2,000.00	\$21,185.00

Other Direct Costs					
Task No.	Mileage @ \$0.55 per mile	Postage and Deliveries	Printing and reprographics	OPC	Task ODC Total
1	\$300	\$200	\$1,500		\$2,000.00
2					
3					
4					

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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Abdul Ahmad, Fire Chief
Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZE A PURCHASE ORDER TO JOHNSON POWER SYSTEMS FOR THE EMERGENCY OPERATIONS CENTER FAMILY CARE CENTER GENERATOR PROJECT
Project No. 11-24024011

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Authorize the issuance of a Purchase Order in the amount of \$245,670 (\$228,000 plus applicable taxes) to Johnson Power Systems, 656 E. La Cadena Drive, Riverside, CA 92502, for the purchase of the generator set and tank for the Emergency Operations Center Family Care Center.
2. Authorize the issuance of a Purchase Order in the amount of \$73,810 (\$68,500 plus applicable taxes) to Johnson Power Systems, 656 E. La Cadena Drive, Riverside, CA 92502, for the purchase of the additional tank for the existing generator at City Hall, if funding is available at the time of construction award.
3. Authorize the appropriation of the savings in the amount of \$458,000 from the 2005 Lease Revenue Bond Fund 501 for the Public Safety Building Conversion project to the Emergency Operations Center Family Care Center Generator project.

BACKGROUND

On December 14, 2010, City Council authorized the acceptance of the FY 2010 Emergency Operations Center (EOC) Grant in the amount of \$400,000. City Council

also approved the expenditure of the FY 2010 EOC Grant for the Generator Project, EOC Workstation/Peripheral Project, GIS Equipment Project, Traffic Management Display Wall Project, and WebEOC/Security Display Project. The portion of the grant awarded for the EOC Family Care Center Generator project expenditure is \$229,600. The City's Conference and Recreation Center (CRC) is designated as the EOC Family Care Center.

On June 6, 2011, the City retained TMAD Taylor & Gaines (TTG) to provide Professional Consultant Services for the EOC Family Care Center Emergency Generator Analysis and Study.

At the September 26, 2011 Public Safety Subcommittee meeting, the Subcommittee recommended proceeding with constructing a new Emergency Generator for the EOC Family Care Center. Due to budget constraints, the Subcommittee also recommended upgrading the fuel tank at the existing generator as an additive alternate bid item subject to availability in funding. Staff was directed to bring this issue forward to the City Council for approval.

On October 25, 2011, staff recommended, and City Council authorized, the design and construction of a new Emergency Generator for the EOC Family Care Center per the "Analysis and Study for the Existing and Proposed Generator for Civic Center Buildings" that was prepared by TTG. The Analysis and Study also identified that the existing sub-base fuel tank for the existing generator has a capacity of 500 gallons, which will only sustain the generator system at full capacity for eight (8) hours. Since the system is used under the EOC category, the minimum running time required, at full capacity is 96 hours based on National Fire Prevention Association (NFPA) Code 110-5.1.2. The City Council also authorized the upgrade of the fuel tank at the existing generator as an additive alternate bid item subject to the availability in funding.

DISCUSSION

On November 10, 2011 the City sent a Request for Proposal to TTG for the design of the EOC Family Care Center's new generator system. The Agreement was executed and a Notice to Proceed was issued to TTG shortly thereafter. The design will be completed in July 2012 and includes upgrading the fuel tank at the existing generator at City Hall. The base bid for the project is the purchase of a new 700kW generator, 5,000 gallon tank, and construction and installation of both at the EOC Family Care Center. The additive alternate bid consists of purchase and installation of an upgraded fuel tank at the existing generator. Based on the project's available budget and the bid results, the base bid and additive alternate bid will be awarded accordingly.

The design specifies the type of generator, fuel tank, and associated equipment and provides the option for the City to purchase the generator and equipment separately to avoid a surcharge by the general contractor. Since the generator is a long lead item, purchasing this equipment separately also helps shorten the overall project completion timeline. Quotes were requested through direct contact from potential vendors, advertised in the newspaper, and on the City's website. The following quotes, without applicable sale tax, for the combined base bid plus additive alternate were received:

1.	Johnson Power Controls	\$296,500.00
2.	Kohler Power Systems	\$301,198.00
3.	Facility Shield International, Inc.....	\$320,220.00
4.	Cobra Power Systems.....	\$348,900.00
5.	Cummins Cal Pacific LLC.....	\$386,259.18
6.	Valley Power Systems.....	INVALID
7.	YC Power Systems.....	INVALID

Staff reviewed the quotes provided by the five (5) vendors and found the quote from Johnson Power Systems to be the lowest competitive bid. Staff recommends authorizing two Purchase Orders totaling \$319,480 (\$296,500 plus applicable taxes) for the generator set and tank for the EOC Family Care Center and for additional tank for the existing generator at City Hall.

The project will be advertised for construction in August 2012 and construction is anticipated to begin in November 2012. Due to the long-lead time for procuring the generator and associated equipment, staff recommends authorizing the equipment purchase ahead of construction commencement. Staff will purchase the generator set and tank for the EOC Family Care Center (Base Bid) after the City Council authorization. The additional tank for the existing generator at City Hall (Additive Alternate) shall be purchased when and if the City receives favorable construction bid results. The lead time for this additional tank is about ten weeks which is feasible for the proposed overall construction schedule. The deadline to utilize grant funds for the EOC Family Care Center generator project is August 2013.

ALTERNATIVES

1. By motion authorize the recommended actions as presented in this staff report. *This alternative would facilitate the construction of needed facilities and meet the deadline to utilize the grant funds in a timely manner.*
2. Do not authorize the recommended actions as presented in this staff report. *This alternative would delay the construction of needed facilities and the City will likely lose the grant funds.*

FISCAL IMPACT

The available portion of the FY 2010 Emergency Operations Center Grant Fund (Fund 240) for the EOC Family Care Center Generator after completion of the planning phase is \$180,000. Due to the favorable bidding environment and the efficiencies of staff managing the projects associated with the Public Safety Building Conversion, there is a savings of \$458,000 (2005 Lease Revenue Bond Fund 501) that staff is recommending be appropriated to supplement this project resulting in total available funding of \$637,600. The preliminary estimated project cost (including construction costs and soft costs) for the new generator and tank at the EOC Family Care Center is \$557,000 (including \$245,670 cost for the new generator system). The additional project cost to install the tank at the existing generator is \$192,000 (including \$73,810 for the upgraded fuel tank). The current estimated total project cost is \$749,000, resulting in a current anticipated funding deficit of \$111,400. Once construction bids are received, City

Council will have the opportunity to fund the entire project or just authorize the award of the base bid (generator and tank at the EOC Family Care Center) only.

Fiscal Year 2012 / 2013 Available Budget:

EOC Grant Funds – Operating Budget (Account No. 240.24011).....	\$179,600
EOC Family Care Center Generator (Account No. 501.82327).....	<u>\$458,000</u>
Total Available Budget.....	\$637,600

ESTIMATED DESIGN AND CONSTRUCTION RELATED COSTS:

Project Design	\$59,000
Generator System Cost at the EOC Family Care Center.....	\$246,000
Upgrade Fuel Tank Cost at City Hall.....	\$74,000
Construction Cost	\$320,000
Construction Administration *	<u>\$50,000</u>
Total Estimated Design and Construction Related Costs	\$749,000

* Public Works and consultant staff will provide Project Administration.

ANTICIPATED PROJECT SCHEDULE:

Complete Design	July 2012
Start Construction	November 2012
Generator Commission	May 2013
Grant Requirements Fulfilled.....	August 2013

CITY COUNCIL GOALS

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley’s future.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

SUMMARY

This project will install a new 700kW generator with an above-ground 5,000 gallon tank dedicated to EOC Family Care Center as the base bid and the upgraded fuel tank as additive alternate bid. Staff recommends authorizing the issuance of a purchase order in the amount of \$245,670 (\$228,000 plus applicable taxes) for the purchase of the generator system and a Purchase Order in the amount of \$73,810 (\$68,500 plus applicable taxes) for the purchase of the upgraded fuel tank, both to Johnson Power Systems.

ATTACHMENTS

None

Prepared By:
[Henry Ngo](#)
 Senior Engineer, P.E.

Concurred By:
 LeAnn Coletta, CEM
 Office of Emergency Management and
 Volunteer Services Program Manager

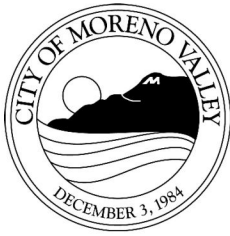
Concurred By:
[Prem Kumar, P.E.](#),
 Deputy Public Works Director / Assistant City Engineer

Department Head Concurrence:
[Ahmad R. Ansari, P.E.](#)
 Public Works Director / City Engineer

Department Head Approval:
 Abdul Ahmad
 Fire Chief

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Ret</i>
CITY MANAGER	<i>mo</i>

Report to City Council

TO: Mayor and City Council

FROM: Joel Ontiveros, Chief of Police

AGENDA DATE: July 10, 2012

TITLE: BALLISTIC GLASS UPGRADES

RECOMMENDED ACTION:

Staff recommends that the City Council:

1. Approve the Ballistic Glass Upgrades of the Moreno Valley Public Safety Building's (Police Department) lobby and clerical area with a revised estimated cost of \$170,000; and
2. Authorize the use of \$100,000 from the Moreno Valley Police Department's operational savings to be used in conjunction with the previously approved \$70,000 asset forfeiture fund to complete the Ballistic Glass Upgrades.

DETAILS:

At a previous Moreno Valley City Council meeting on November 22, 2011, the Council approved the asset forfeiture expenditure report. The report included a section titled Training and Equipment, which listed under Section H, a ballistic upgrade of the Moreno Valley Police Department's lobby and clerical area. Since that time, an additional inspection of the lobby area was conducted to ensure the project was thorough in its design. During the inspection, several walls and doors adjacent to the project were found to be not included in the original upgrade of ballistic material.

Consequently, without other areas also being upgraded with ballistic grade protection, staff assigned to work the area would still be potentially vulnerable to safety risks. TR Design firm is currently under contract and is providing staff with plans and schematics, which will include engineering of ballistic glass in additional areas found to need the recommended upgrades. Once completed, and if approved, the proposal will go out for RFP in June of 2012.

Currently, the Moreno Valley City Council has approved the use of \$70,000 in asset forfeiture money, which was designated to complete the original project. In order to complete the recommended project upgrades, it is estimated the new project will cost approximately \$100,000 in addition to the original \$70,000 previously approved. The Public Safety Committee will be asked to consider the use of operational savings from the Police Department's budget to pay for the new project. As the Police Department has been fiscally responsible in the 2011/2012 budget cycle, and after our mid-year adjustment, the Police Department will have an additional operational savings of approximately 1.1 million.

This 1.1 million is in addition to the \$660,000 the Police Department saved and returned to the City in January of 2012. We are asking to use \$100,000 of this savings for the additional cost of the upgrades, which will bring the project to conclusion. Any cost above the \$70,000.00 will be shown on an RFP as an option. This will allow the City Council and the Financial and Administrative Services Director to approve the optional items as needed with an understanding of how the project will be completed.

TRAINING/EQUIPMENT:

Ballistic Upgrades

- Install bullet resistant barrier, U.L. Standard 752, baffle design with appropriate framing and increased support structure.
- Barrier to be located between the counter top and the bottom of acrylic louvers or drywall. Placing a bullet resistant barrier and ceiling above the area over the front counter.
- Baffle style speak through for voice transmission.
- Stainless steel top mount deal trays at all stations including handicap and one see through level 3 package tray at handicap station.
- Two level IV double doors and framing package to replace existing doorways leading to the Administrative office of the Police Department and to the Hallway towards the Fire Department.
- Level IV protection for new counter area with one teller station Level IV Glass where front lobby deputy sits.
- Additional level IV fiberglass on walls in the reception/counter area to include drywall and paint.
- Two new windows approximately 24"x24" located in the livescan/interview room.

- Additional level II fiberglass and new soffit located on the livescan/interview room walls.
- New integrated Corian countertop at original reception counters area.
- Reception filing cabinets.
- Reception counter cash drawers.
- Two new Level IV solid core doors with peep holes for the livescan room and lobby interview room.
- Additional level II fiberglass and new soffit added to the west lobby wall adjacent to the community services office and future viewing room for the camera system.
- Removal of existing metal grille and supporting framework.
- 10% added for miscellaneous items.

If prices change or estimates are lower than the final bids, expenditures will be adjusted or items removed to keep expenses within the approved purchase amount.

Total Proposed Expenditures: \$ 170,000.00

ALTERNATIVES:

The council has the following alternatives:

1. By motion approve and authorize the spending plan as presented. **Staff recommends this alternative.**
2. Not approve the spending plan as presented and provide staff with further direction. **Staff does not recommend this alternative.**

FISCAL IMPACT:

Police Department – Special Enforcement’s budget (010.62710), will be amended for the following amounts:

Business Unit		Object		Adopted Budget	Proposed Amount	Revised Budget
62710	Police – Spec. Enforcement	6251.252	Other Agency Svcs - County	\$4,338,213	(100,000)	\$4,238,213
62710	Police – Spec. Enforcement	6381	Operating Materials & Supplies - Eqpt	13,500	100,000	113,500
			TOTAL	\$4,351,713	-	\$4,351,713

The existing \$70,000.00 dollars from asset forfeiture set aside for item H will be used and any overages will come from the projected operational savings of 1.1 million.

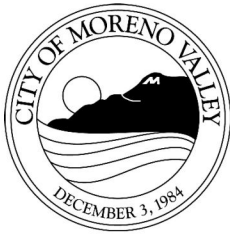
ATTACHMENTS/EXHIBITS

N/A

Prepared by:
 Jacqueline Horton
 Sergeant

Department Head Approval:
 Joel Ontiveros
 Chief of Police

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:



APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>REW</i>
CITY MANAGER	<i>ms</i>

Report to City Council

TO: Mayor and City Council and the City Council Acting as the Successor Agency

FROM: Barry Foster, Community and Economic Development Director
Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZE THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO ACCEPT THE WORK AS COMPLETE WHEN DETERMINED THAT ALL CONTRACT REQUIREMENTS AND PUNCH-LIST ITEMS ARE COMPLETED FOR THE AUTO MALL STREET IMPROVEMENTS PROJECT NO. 08-89791725, AUTHORIZE THE CITY CLERK TO GIVE NOTICE OF SAME, AUTHORIZE THE FINANCIAL AND ADMINISTRATIVE SERVICES DIRECTOR TO RELEASE THE CONTRACT RETENTION TO THE CONTRACTOR, AND ACCEPT THE IMPROVEMENTS INTO THE CITY MAINTAINED SYSTEM

RECOMMENDED ACTION

Staff recommends that the City and the City Council Acting as the Successor Agency:

1. Authorize the Public Works Director/City Engineer to accept the work as complete when all contract requirements and punch-list items are completed for construction of the Auto Mall Street Improvements Project to Sean Malek Engineering and Construction, 43905 Margarita Road, Temecula, CA 92592.
2. Direct the City Clerk to record the Notice of Completion within ten (10) calendar days after the Public Works Director/City Engineer accepts the improvements as complete at the office of the County Recorder of Riverside County as required by Section 3093 of the California Civil code.
3. Authorize the Financial and Administrative Services Director to release the retention to Sean Malek Engineering and Construction, thirty-five (35) calendar

days after the date of recordation of the Notice of Completion if no claims are filed against the project.

4. Acting as the Successor Agency, approve this action as a recognized payment obligation of the former Redevelopment Agency of the City of Moreno Valley as included on the Oversight Board approved list of projects.
5. Authorize the Public Works Director/City Engineer to accept the portion of improvements that are within the City's jurisdiction into the City's maintained system upon acceptance of the improvements as complete.
6. Authorize the Community and Economic Development Director to release the applicable improvements to the Moreno Valley Auto Mall Landscaping Association for maintenance.

BACKGROUND

On February 28, 2012, City Council awarded the Agreement for construction of the Auto Mall street improvements to Sean Malek Engineering and Construction (SMEC).

DISCUSSION

The Auto Mall street improvements included road enhancement and landscape improvements to the southeast corner of Auto Mall Parkway at Eucalyptus Avenue and the northeast corner of Auto Mall Parkway (Moreno Beach Drive) at Auto Mall Drive. Work includes the replacement of the two existing Auto Mall entry way concrete monument signs with new multi-dealership 14-foot high by 7-foot wide signs with eight (8) backlit tenant (dealership) panels similar in architectural features of the recently completed pylon sign, construction of pedestrian access friendly sidewalks and driveways including curbs and ramps, construction of six automobile display pads, and landscape, irrigation, and lighting improvements to improve the overall attractiveness of the area.

The City will only be responsible to maintain the new sidewalk and the ADA required access ramp upgrades at the southeast corner of Moreno Beach and Eucalyptus Drive that is within the existing public right of way. The Moreno Valley Auto Mall Landscaping Association will maintain the applicable improvements in accordance with their Covenants, Conditions, and Restrictions document recorded November 19, 2001.

Staff anticipates that all work will be completed by SMEC by the end of July 2012. Staff anticipates the final contract cost will not exceed the approved purchase order amount of \$521,474.05. Since the City Council will not meet on July 24, 2012 and August 14, 2012, staff requests the City Council authorize the Public Works Director/City Engineer to close out the construction project in accordance with the Public Contract Code.

The recommended actions are included on the Recognized Obligations Payment Schedule (ROPS) approved by the City Council acting as the Successor Agency on February 14, 2012. The Successor Agency Oversight Board approved the ROPS for the period January through June 2012 on May 23, 2012, which has subsequently been approved by the State Department of Finance (DOF).

ALTERNATIVES

The City Council has the following Alternatives:

1. By motion approve and authorize the recommended actions as presented in this staff report. *This alternative will result in timely payment to the Contractor in accordance with the stipulations of the Public Contract Code and acceptance of the improvements into the City’s maintained system.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will result in delaying payment to the Contractor, thereby delaying acceptance of the improvements into the City’s maintained system, and incurring extra cost to the City.*

FISCAL IMPACT

The Moreno Valley Auto Mall Street and Landscape Improvements construction phase of this project is included in Fiscal Year 2011-2012 Budget and is funded by Fund 797 (Successor Agency 2007 Tax Allocation Bonds). These funds have been allocated for the Moreno Valley Auto Mall Improvements project and cannot be utilized for operational activities. There is no impact on the General Fund.

FISCAL YEAR 2011/2012 BUDGETED AND AVAILABLE FUNDS:

Auto Mall Street Upgrades Budget (Account No. 797.79725)	\$682,300
Auto Mall Street Upgrades Available Funds for Construction Phase	\$584,500

ESTIMATED FINAL CONSTRUCTION RELATED COSTS:

Design Support Services	\$14,000
Contractor Construction Costs	\$522,000
Construction Geotechnical Services.....	\$5,000
Construction Survey Services	\$5,000
Project Administration and City Inspection*	<u>\$37,000</u>
Total Project Construction Costs	\$583,000

*Public Works staff provided project administration and primary inspection services.

CITY COUNCIL GOALS

PUBLIC SAFETY:

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

POSITIVE ENVIRONMENT:

Create a positive environment for the development of Moreno Valley’s future.

SUMMARY

Staff anticipates SMEC will complete construction of the Auto Mall Street Improvements by the end of July 2012. Staff requests the City Council and the City Council Acting as the Successor Agency, authorize the Public Works Director/City Engineer to close out the project in accordance with the Public Contract Code.

ATTACHMENT

Attachment “A” – Location Map

Prepared By:
Guy Pegan, P.E.
Senior Engineer

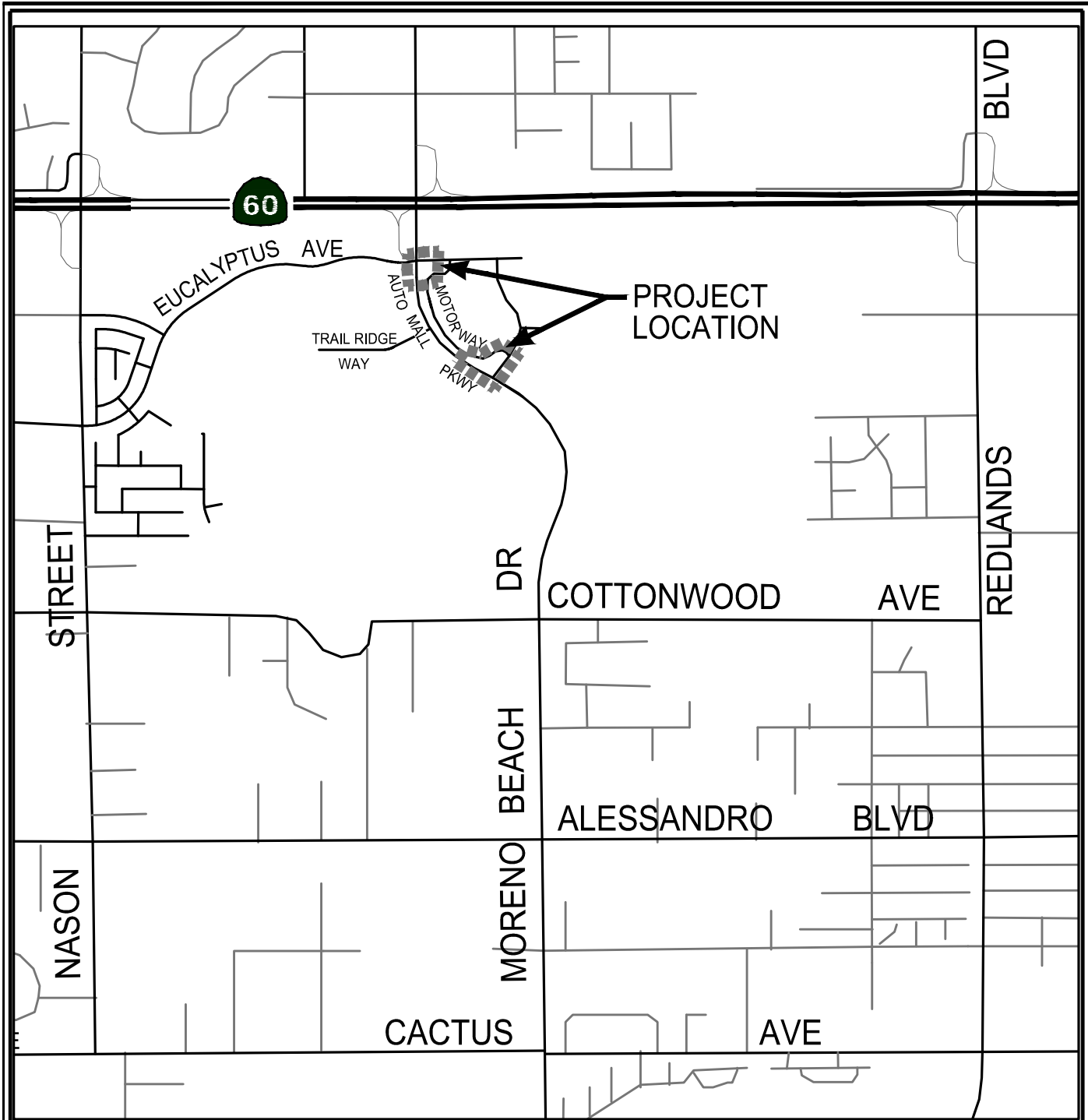
Department Head Approval:
Barry Foster
Community and Economic Development
Director

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

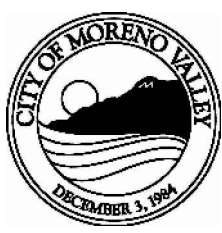
Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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LOCATION MAP



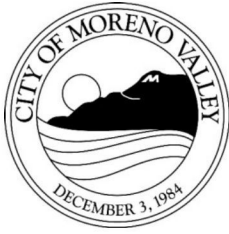
Public Works Department
Capital Projects Division

Scale: None

ATTACHMENT "A"

PROJECT NO. 08-89791725
MORENO VALLEY AUTO MALL
IMPROVEMENTS

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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Financial & Administrative Services Director
Thomas M. DeSantis, Human Resources Director

AGENDA DATE: July 10, 2012

TITLE: AUTHORIZE THE CITY MANAGER TO EXECUTE A CONTRACT AND PURCHASE ORDER WITH JD EDGE SOFTWARE

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Authorize the City Manager to execute an agreement and purchase order with JD Edge Software for costs not-to-exceed \$250,000 (\$199,995 quoted costs plus \$50,005 (25%) contingency) to assist the City in converting Human Resource and Payroll data for incorporation into the City's new ERP system; and
2. Appropriate \$250,000 in FY 2012-13 to the Technology Services Division, Professional Services account from fund balance available from FY 2011-12 savings in the Financial & Administrative Services and Human Resources Departments to fund the contract expenditures for the ERP replacement project.

BACKGROUND

During FY 2011-12, the consulting firm of JD Edge Software supported the City's Enterprise Resource Planning (ERP) system replacement project by converting the City's Chart of Accounts and financial data in preparation for the new ERP system. The financial modules of the ERP system will enter service in July 2012; at that time the City will also begin its implementation of the Human Resources and Payroll (HR/PY) modules. JD Edge Software services are required to facilitate the conversion of HR/PY data into the new ERP system and to communicate payroll information for the next 6 months from the old to the new ERP system. Converting data will help fulfill the City's legal reporting obligations, while precluding the cost, and potential accuracy issues, associated with hiring temporary staff to manually reenter data. The communication of payroll information from the existing system to the financial modules in the new system

is required until the HR/PY modules are available in the new system, which is scheduled for January 2013.

DISCUSSION

JD Edge Software has provided application development and support for the City's One World (OW) financial suite since its implementation. The company has a 12 year history with the City's use and customization of its existing ERP system. This experience uniquely qualifies JD Edge Software to assist City efforts to complete a timely conversion of OW data, guarantee accurate data migration to the new ERP system, and design the efficient automation of interface processes to communicate payroll information to the new ERP system.

The data conversions are a necessary step in replacing the existing ERP system with a system that will be supported for the next decade. Converting data into the new ERP system will allow the City to fulfill reporting obligations (e.g. State employment/unemployment reports, Public Employee Retirement System reports on wages/health benefits, Federal and State quarterly tax return reports, etc.) from a single system without having to combine results and analysis from separate systems.

Consultant services are used by the City when special expertise is required. This is a cost effective way to realize the benefit of engaging highly trained experts for specific engagements. As the City seeks to identify and utilize every possible efficiency, expenditures of this type provide an excellent return on investment.

ALTERNATIVES

1. Authorize the City Manager to execute an agreement and purchase order with JD Edge Software for quoted costs not-to-exceed \$250,000.
This alternative is recommended by staff.
2. Appropriate \$250,000 in FY 2012-13 to the Technology Services Division, Professional Services account from FY 2011-12 savings to fund the contract expenditures for the ERP replacement project.
This alternative is recommended by staff.
3. Provide staff with further direction.

Staff recommends Alternative Nos. 1 and 2.

FISCAL IMPACT

Costs for the proposed agreement will not exceed \$250,000. Funds for this expenditure will be appropriated from fund balance resulting from budget savings during FY 2011-12 savings in the Financial & Administrative Services and Human Resources Departments to the Technology Services Division, Professional Services account (7210-30-39-25410-620299) to support all expenditures for this contract service.

SUMMARY

Council authorization is requested for the City Manager to approve an Independent Contractor Agreement and Purchase Order with JD Edge Software to provide ERP conversion and interface assistance for quoted costs not to exceed \$250,000. Staff is requesting an appropriation, from fund balance, for this amount. The assistance will convert critical historical HR/PY data into the new ERP system and will create an interface for payroll data from the existing system to the financial modules in the new system. The data conversions are necessary for the City to continue to fulfill reporting obligations for HR/PY reports.

ATTACHMENTS/EXHIBITS

Attachment A – Independent Contractor Agreement with JD Edge Software

Prepared By:
Steve Hargis
Technology Services Division Manager

Department Head Approval:
Richard Teichert
Financial & Administrative Services Director

Concurred by:
Thomas M. DeSantis
Human Resources Director

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made by and between the City of Moreno Valley, California, a municipal corporation, hereinafter referred to as the “City”, and the following named independent contractor, hereinafter referred to as the “Contractor,” based upon City policies and the following legal citations:

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors; and
- B. The public interest, convenience, necessity and general welfare will be served by this Agreement.

This Agreement is made and entered into effective the date the City signs this Agreement.

1. CONTRACTOR INFORMATION:

Contractor’s Name: JEdge Software, LLC
Address: 305 Brumley Road
Krugerville, TX 76227
Business Phone: 940.765.3943
Social Security Number:
Business License Number: 20269
Federal Tax I.D. Number: 26-2237750

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor’s scope of service is described in Exhibit “A” attached hereto and incorporated herein by this reference.
- B. The City’s responsibility, other than payment, is described in Exhibit “B” attached hereto and incorporated herein by this reference.
- C. Payment terms are provided in Exhibit “C” attached hereto and incorporated herein by this reference.
- D. The Contractor Starting Date is July 11, 2012 and the Contractor Ending Date is January 31, 2013. The City acknowledges that it will not unreasonably withhold approval of the Contractor’s requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor’s reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

Attachment A

3. **STANDARD TERMS AND CONDITIONS:**

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement.
- E. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including reasonable attorney's fees and costs, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage.
- F. City Indemnification. The City agrees to indemnify, defend and save the Contractor and its officers, agents and employees harmless from any and all liability, claims, damages or injuries to any person, including injury to the City's, Housing Authority's and CSD's employees and all claims which arise from or are connected with the negligent performance or failure to perform the services or other obligations of the City under this Agreement, or are caused or claim to be caused by the negligent acts of the City, Housing Authority and CSD, their officers, agents or employees, or its subcontractor(s) or any person acting for the City or under its control or direction; provided, however, that this indemnification and hold harmless shall not include any claims arising from the negligence or willful misconduct of the Contractor, its officers, agent, employees, or subcontractors.

G. Insurance Requirements. Where determined applicable by the City, Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best’s Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and aggregate.

Worker’s Compensation Insurance—in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City, RDA, and CSD against any loss, claim or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form “Exception to Worker’s Compensation Coverage” is signed, notarized and attached to this Agreement

Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/RDA premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

Insurance requirements waived with Risk Manager’s approval.

Insurance requirements modified with Risk Manager’s approval and attached hereto as Exhibit “D” and incorporated herein by this reference.

A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City Risk Manager prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Housing Authority of the City of Moreno Valley, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Housing Authority of the City of Moreno Valley, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit to the Risk Manager new evidence of insurance in the amounts established.

- H. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- I. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- J. (a) The City may terminate this Agreement without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.

(b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.

- K. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Upon reasonable notice, such records must be made available to the City's agent; however, nothing herein shall convert such records into public records. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- L. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- M. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.

SIGNATURE PAGE TO FOLLOW

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

JDEdge Software, LLC

BY: _____
Henry T. Garcia,
City Manager

BY: _____
Jeff Staples,
Managing Partner

Date

Date

INTERNAL USE ONLY

ATTEST:

City Clerk
(only needed if Mayor signs)

APPROVED AS TO LEGAL FORM:

City Attorney

Date

RECOMMENDED FOR APPROVAL:

Department Head
(if contract exceeds 15,000)

Date

EXHIBIT A

SCOPE OF SERVICE

Under the direction of the City of Moreno Valley's Application and Database Administrator and/or Enterprise Systems Administrator, the Contractor will perform technical services as defined beginning on page 8.

Work will be performed by giving direction by phone or email, or the Contractor will remotely access the City's network via a secured remote access method as approved by the City of Moreno Valley's Network Administrator.

During the term of this agreement, the Contractor shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict with the proper discharge of the Contractor's duties under this agreement.

Additionally, the Contractor will not use or disclose data, or any intellectual property owned by the City of Moreno Valley or New World Systems, Incorporated for purposes other than the contracted work as directed by the Applications and Database Administrator and/or the Enterprise Systems Administrator.

EXHIBIT A
SCOPE OF SERVICE



STATEMENT OF WORK

CITY OF MORENO VALLEY
14177 FREDERICK ST.
MORENO VALLEY, CA 92553

JUNE 25, 2012

INTRODUCTION/BACKGROUND

The City of Moreno Valley is currently transitioning off of the JDE ERP Software and into the Logos.NET 7.0 software. The conversion and export of data from JDE to Logos has already begun. The conversion of the Accounts Payable, Vendor and GL Transaction data has been completed. HR History, Employee, and Payroll Journal data has yet to be converted and exported to Logos. This statement of work will detail JDEdge's tasks in the completion of these conversions.

SCOPE OF WORK

The scope of work for the conversion of the HR Position, Employee, and Payroll History data includes all planning, execution, and implementation necessary to ensure that the data is converted in the most efficient and accurate manner. JDEdge will be responsible for all remaining tasks with respect to JDE legacy data. JDEdge ensures it has adequate resources for designing, building, testing, and implementing the conversion and is able to support of City of Moreno Valley personnel pre and post Go Live as well. Specific deliverables and milestones will be listed in the Work Requirements section of this SOW.

PERIOD OF PERFORMANCE

The period of performance for this project is approximately seven months beginning on 1 July 2012 through 31 January 2013. All work must be scheduled to complete within this timeframe. Any modifications or extensions will be requested through the Financial Operations Division Manager, Cynthia Fortune, for review and discussion.

PLACE OF PERFORMANCE

JDEdge Software (JDEdge) will perform the development work, remotely, at its own facility. Jeff Staples of JDEdge will provide status updates to the Financial Operations Division Manager, Cynthia Fortune in the form of a periodic status meeting.

SCHEDULE/MILESTONES

The schedule by which these tasks will be completed will be dependent upon the implementation schedule of the Logos.NET 7.0 software as determined by the City of Moreno Valley and New World Systems. The following are a list of milestone to be completed by JDEdge:

- HR History Conversion
- Employee Conversion
- Payroll Journal Conversion

WORK REQUIREMENTS

JDEdge will be responsible for performing tasks throughout various stages of this project. All Conversion areas will consist of the following:

- Mapping JDE Data the Logos.NET specifications
 - The Business Analysis reviews the specifications provided by New World Systems for the Logos.NET Software and determines which tables and data items from the JDE Schema should be mapped to a corresponding fields in the Logos.Net database.
- Analysis Design and Build of Conversion Applications
 - The Contract Developer takes the design document created by the Business Analyst and designs the applications, reports and files necessary to provide an export that meets the specification as defined by the Business Analyst.
- Unit Testing
 - The Developer does extensive tests to ensure that the conversion applications perform as designed and creates the necessary exports quickly, efficiently and correctly.
- Integration Testing
 - The Business Analyst, with the support of the Developer, tests the conversion application by executing them and reviewing the exported documents. If the documents do not meet the specifications as defined by the Business Analyst in the mapping document, the Developer is notified. The Developer must then make the necessary modifications to the conversion application to address the discrepancy. Once the Business analyst is convinced that the exported documents are correct, the exported documents are forwarded the New World Systems for testing. If there are any errors or warnings resulting from New World Systems tests, the Business Analyst and Developer are notified and forwarded a validation report. The Business Analyst and Developer must address any errors or warnings reported by New World Systems in the validation report.

The following is a list of these tasks that will result in the successful completion of this project:

Implementation Tasks	Analyst	Contract Developer
Gap Analysis of Logos versus JDE		
<i>HR Functionality</i>		
Application	40	
Reporting	40	
HR History Conversion		
<i>Map JDE HR Data to HR History Files</i>		
Employee Benefit	16	
Primary Employee Job	16	

Implementation Tasks	Analyst	Contract Developer
Create Mapping Document	24	
<i>Conversion Development</i>		
Development of Technical Documentation		
Employee Benefit		8
Primary Employee Job		8
Development of Conversion Applications		
Employee Benefit		24
Primary Employee Job		27
Unit Testing		
Employee Benefit	16	8
Primary Employee Job	16	8
Integration Testing		
Employee Benefit	40	16
Primary Employee Job	35	16
Employee Conversion		
<i>Map JDE Employee Data to Logos Employee Files</i>		
Employee	8	
Employee Name	8	
Employee Address	8	
Employee Contact	8	
Employee Education - Optional	8	
Employee Skill - Optional	8	
Employee Inventory -	8	
Employee User Defined	8	
Employee Employment	8	
Primary Employee Job	8	
Secondary Employee Job	8	
Employee GL Distribution	8	
Employee Deduction	8	
Employee Benefit	8	
Employee Tax	8	
Employee Work Schedule	8	
Employee Direct Deposit	8	
Employee Certification	8	
Employee Check Message	8	
Employee Benefit Plan Option	8	
Employee Benefit Plan Dependents	8	
Employee Benefit Plan Beneficiaries	8	
Create Mapping Document	50	
<i>Conversion Development</i>		

Implementation Tasks	Analyst	Contract Developer
Development of Technical Documentation		
Employee		4
Employee Name		4
Employee Address		4
Employee Contact		4
Employee Education - Optional		4
Employee Skill - Optional		4
Employee Inventory -		4
Employee User Defined		4
Employee Employment		4
Primary Employee Job		4
Secondary Employee Job		4
Employee GL Distribution		4
Employee Deduction		4
Employee Benefit		4
Employee Tax		4
Employee Work Schedule		4
Employee Direct Deposit		4
Employee Certification		4
Employee Check Message		4
Employee Benefit Plan Option		4
Development of Conversion Applications		
Employee		12
Employee Name		12
Employee Address		12
Employee Contact		12
Employee Education - Optional		12
Employee Skill - Optional		12
Employee Inventory -		12
Employee User Defined		12
Employee Employment		12
Primary Employee Job		12
Secondary Employee Job		12
Employee GL Distribution		12
Employee Deduction		12
Employee Benefit		12
Employee Tax		12
Employee Work Schedule		12
Employee Direct Deposit		12
Employee Certification		12

Implementation Tasks	Analyst	Contract Developer
Employee Check Message		12
Employee Benefit Plan Option		12
Unit Testing		
Employee	4	4
Employee Name	4	4
Employee Address	4	4
Employee Contact	4	4
Employee Education - Optional	4	4
Employee Skill - Optional	4	4
Employee Inventory -	4	4
Employee User Defined	4	4
Employee Employment	4	4
Primary Employee Job	4	4
Secondary Employee Job	4	4
Employee GL Distribution	4	4
Employee Deduction	4	4
Employee Benefit	4	4
Employee Tax	4	4
Employee Work Schedule	4	4
Employee Direct Deposit	4	4
Employee Certification	4	4
Employee Check Message	4	4
Employee Benefit Plan Option	4	4
Integration Testing		
Employee	20	6
Employee Name	20	6
Employee Address	20	6
Employee Contact	20	6
Employee Education - Optional	20	6
Employee Skill - Optional	20	6
Employee Inventory -	20	6
Employee User Defined	20	6
Employee Employment	20	6
Primary Employee Job	20	6
Secondary Employee Job	20	6
Employee GL Distribution	20	6
Employee Deduction	20	6
Employee Benefit	20	6
Employee Tax	20	6
Employee Work Schedule	20	6

Implementation Tasks	Analyst	Contract Developer
Employee Direct Deposit	20	6
Employee Certification	20	6
Employee Check Message	20	6
Employee Benefit Plan Option	20	6
<i>HR Preparations</i>		
Preparations for Go Live	80	
Payroll Journal Entry		
<i>Map JDE Payroll Journal Data to Logos Payroll Journal Files</i>		
Payroll Journal	60	
<i>Conversion Development</i>		
Payroll Journal		32
<i>Testing</i>		
Payroll Journal	40	12
<i>Integrated Testing</i>		
Payroll Journal	40	
Total Hours	1,170	679

PROJECT COST

HR History Conversion	30,005
Employee Conversion	149,970
Payroll Journal Conversion	<u>20,020</u>
Total Cost	199,995

ACCEPTANCE CRITERIA

For the Position, Employee HR and Payroll history conversion the acceptance of all deliverables will reside with the Financial & Administrative Service department of the City of Moreno Valley. Once a project phase is completed and JDEdge has provided its results for review and approval, the Financial Operations Division Manager, Cynthia Fortune will either sign off on the approval for the next phase to begin, or reply to the JDEdge in writing, advising what tasks must still be accomplished.

Once all project tasks have been completed, the project will enter the handoff/closure stage. During this stage of the project, JDEdge will provide their project closure report and project task checklist to the Financial & Administrative Service department. The

acceptance of this documentation by the Financial & Administrative Service Department will acknowledge acceptance of all project deliverables and that JDEdge has met all assigned tasks.

Any discrepancies involving completion of project tasks or disagreements between the City of Moreno Valley and JDEdge will be reviewed and discussed by Jeff Staples (JDEdge) and the Enterprise Systems Administrator for the City of Moreno Valley, Dori A. Lienhard.

OTHER REQUIREMENTS

JDEdge will be granted access to the City of Moreno Valley servers and all necessary IT functions. JDEdge will also be given network and JDE User accounts, which are to be used only for work pertaining to the project. Upon completion of the project these accounts may be closed.

All network outages and database refreshes should be scheduled to minimize the impact on the project. Prior to the network outage or database refresh, a notification will be distributed to all users.

ACCEPTANCE

Approved by:

Date: _____

EXHIBIT B

CITY'S RESPONSIBILITY

The City will contact the Contractor when services are required and will provide a detailed description of the services needed. The City will work with the Contractor to obtain a mutually agreed upon schedule for required services. The City will supply the Contractor with the tools necessary to perform on-site services and or on-line access. These tools may include, but are not limited to, a computer and access to the City's software. The City will have staff available to work with the Contractor as necessary to accomplish the desired service result.

EXHIBIT C

TERMS OF PAYMENT

1. The Contractor's compensation shall not exceed \$250,000 for this engagement.
2. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
3. The Contractor will electronically submit an invoice to the City as provided in this Agreement for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org

Accounts Payable questions can be directed to (951) 413-3073.

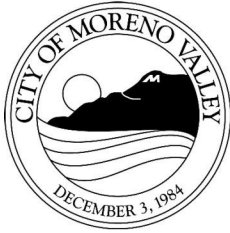
Copies of invoices may be submitted to the Financial & Administrative Services Department, Technology Services Division at doril@moval.org or calls directed to (951) 413-3414.

4. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall/forms.shtml#bf

EXHIBIT C – Continued

TERMS OF PAYMENT

5. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.
6. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
7. Payment rate will be agreed upon by the Contractor and the City. Payment rate may be adjusted at the beginning of the City fiscal year if negotiated and agreed upon by the Contractor and the City. Payment rate may be adjusted at other times during a City fiscal year if negotiated and agreed upon by the Contractor and the City upon a 30 day notification by either party that renegotiation is desired or necessary. The current agreed upon rate for service is \$85.00 per hour for remote work and \$105.00 for contract developer work.



APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	<i>[Signature]</i>
CITY MANAGER	<i>[Signature]</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, City Treasurer

AGENDA DATE: July 10, 2012

TITLE: ADOPT A RESOLUTION APPROVING THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE RELATED TO INVESTMENTS WITH LEHMAN BROTHERS HOLDINGS INC. IN THE AMOUNT OF \$2,819,046.30

RECOMMENDED ACTION

The Finance Sub-Committee of the City Council recommends that the City Council adopt Resolution No. 2012-57 approving the write-off of \$2,819,046.30 in uncollectible Accounts Receivable related to investments in Lehman Brothers Holdings Inc.

BACKGROUND

On September 15, 2008, Lehman Brothers (Lehman) filed for Chapter 11 bankruptcy protection following the massive exodus of most of its clients, drastic losses in its stock, and devaluation of its assets by credit rating agencies. Lehman Brothers' bankruptcy filing is the largest bankruptcy in U.S. history, and is thought to have played a major role in the unfolding of the global financial crisis.

DISCUSSION

At the time that Lehman filed for bankruptcy the City's portfolio held three separate bonds issued by Lehman for \$1 million each. In reviewing the purchase of these securities it is important to note that the purchases were made in compliance with the City's Investment Policy. The notes were rated A+/A1 and met all other criteria as set forth in the City's Investment Policy.

At the time of the bankruptcy the City filed a claim with the bankruptcy court to record the unpaid liability related to the bonds. Shortly after Lehman filed for protection a movement was started by San Mateo County to build a coalition of local agencies that held investments with Lehman and to seek recourse to recover the funds. Eventually 113 cities, special districts, retirement systems and other local agencies across the country came forward with various types of investments ranging from Medium and Long Term Notes (bonds), to Guaranteed Investment Contracts (GICs), Tax Liens, Commercial Paper, Interest Rate Swaps and other similar investments. The total loss claimed across the group was \$1.8 billion. The group sought and gained support from Congresswomen Jackie Speier and Anna Eschoo, and Senators Dianne Feinstein and Barbara Boxer. Additional support was received from the Government Finance Officers Association (GFOA), the Association of Public Treasurers of the United States and Canada (APTUS&C) and the California Municipal Treasurers Association (CMTA). In January 2009, Congresswoman Speier authored H.R. 467 The Equitable Treatment of State and Local Government Act of 2009 and Senator Feinstein authored S.116 The TARP Assistance for Local Governments Act of 2009. In May 2009 members of the coalition were requested to testify before the House Financial Services Committee on behalf of the bills. Both bills eventually stalled in committee but Chairman Barney Frank requested that Treasury Secretary Timothy Geithner look into the possibility that the Troubled Asset Relief Program (TARP) could be used to assist in this situation. Mr. Geithner refused to allow relief under TARP.

After four years, distribution of assets from the Lehman Brothers Holdings Trust has finally begun. In April the City received payment on the three bonds that were held totaling \$180,953.70 along with new escrow bonds issued in the remaining unpaid amounts of the City's claim with the bankruptcy court (\$2.8 million).

ALTERNATIVES

1. Adopt the Proposed Resolution approving the write-off of \$2,819,046.30 in uncollectible Accounts Receivable related to investments in Lehman Brothers Holdings Inc.
2. Do not Adopt the Proposed Resolution and provide additional direction to staff.

FISCAL IMPACT

The fiscal impact is a write-down of assets by \$2,819,043.30. This is the difference between the carry value of \$3,000,000 and the initial distribution by the bankruptcy court which totaled \$180,953.70. Any additional distribution that may be received in the future will be recognized as revenue.

SUMMARY

In the fall of 2008 Lehman Brothers Holdings Inc. filed for Chapter 11 bankruptcy protection. Along with other local agencies across the country, the City's investment portfolio held bonds issued by Brothers Holdings Inc. The amount held by the City totaled \$3 million. In April 2012 the bankruptcy court made an initial distribution of assets to the City in the amount of \$180,953.70. The remaining \$2,819,046.30 is recommended to be recorded as a loss as an uncollectible accounts receivable.

ATTACHMENTS/EXHIBITS

Attachment 1 – Proposed Resolution

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Richard Teichert
City Treasurer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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RESOLUTION NO. 2012-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE RELATED TO INVESTMENTS WITH LEHMAN BROTHERS HOLDINGS INC. IN THE AMOUNT OF \$2,819,046.30

WHEREAS, on September 15, 2008 Lehman Brothers Holdings Inc. filed for Chapter 11 bankruptcy protection; and

WHEREAS, at the time of the bankruptcy filing the City's investment portfolio included three bonds issued by Lehman Brothers Holdings Inc. totaling \$3 million; and

WHEREAS, as of April 17, 2012, the trust established to manage the assets of Lehman Brothers Holdings Inc. began distributing funds to claimholders; and

WHEREAS, the City received payments totaling \$180,953.70 and escrow bonds to record the City's claim against any additional asset distribution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The balances in Accounts Receivable and Investments related to the investment in Lehman Brothers Holdings Inc. shall be written down in the amount of \$2,819,046.30 which equates to the difference between the City's initial investment of \$3,000,000 and the initial distribution of assets totaling \$180,953.70.
2. The adjustment to the account balances shall occur in the financial period that the distribution of assets occurred.

Attachment 1

Resolution No. 2012-57
Date Adopted: July 10, 2012

APPROVED AND ADOPTED this 10th day of July, 2012.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2012-57
Date Adopted: July 10, 2012

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

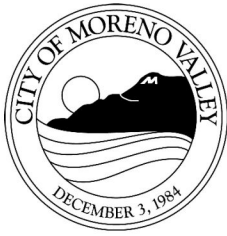
(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2012-57
Date Adopted: July 10, 2012

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>RSW</i>
CITY MANAGER	<i>msj</i>

Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 10, 2012

TITLE: APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, TO AMEND ELECTRIC RATE SCHEDULE ED - ECONOMIC DEVELOPMENT RATE FOR MORENO VALLEY UTILITY

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Approve Resolution No. 2012-58 amending Electric Rate Schedule ED – Economic Development Rate for Moreno Valley Utility.
2. Authorize the City Manager to execute, on behalf of the City Council, the amended Economic Development Rate Agreement for New or Expanded Load Electric Service Customer pursuant to Schedule ED - Economic Development Rate.

BACKGROUND

One of the primary reasons for the creation of the electric utility was to promote a competitive economic climate. The ability to attract businesses and jobs to the City through economic development incentives such as discounted electric rates is an important tool to use to help expand the tax base of the City.

On June 12, 2012, the City Council approved Resolution No. 2012-44 adopting two new electric rate schedules that will give the City the ability to provide additional economic incentives to attract new businesses and retain existing businesses in the City.

DISCUSSION

The Economic Development Electric Rate Incentive Program is a two-year pilot program that consists of a discounted electric rate based on certain criteria. The discounted rate as currently approved for new businesses would be in effect for six years, and is separated into three tiers, as shown below. Staff is recommending the addition of a fourth tier for new businesses that produce a minimum of 350 jobs and sales tax revenue of at least \$40,000 annually for the City. Tier 4 is a 12-year discounted electric rate of 20%.

NEW BUSINESSES

- Targeted industries
 - Logistics/Distribution
 - Healthcare
 - Auto Dealerships
- Building size
 - Logistics/Distribution 500,000 square feet minimum
 - Healthcare 100,000 square feet minimum
 - Auto Dealerships 5 acres
- Job creation
 - Tier 1 discount rate: 150 to 499 jobs
 - Tier 2 discount rate: 500 to 999 jobs
 - Tier 3 discount rate: more than 1,000 jobs
 - Tier 4 discount rate: 350 jobs minimum
- City Revenue Producer – either sales tax or use tax generation
 - Tier 1a
 - Tier 4 \$40,000 annually minimum to the City
- Minimum electric load of 500 kW demand

	Tier 1/Tier 1a	Tier 2	Tier 3	Tier 4
Years 1 - 2	15%	20%	20%	20%
Years 3 - 4	12%	15%	20%	20%
Years 5 – 6	10%	10%	15%	20%
Years 7 – 12	-	-	-	20%

ALTERNATIVES

1. Approve proposed resolution amending Electric Rate Schedule ED - Economic Development Rate and associated agreement for Moreno Valley Utility as on file

in the Electric Utility Division, Public Works Department. *The amendment of the Electric Rates will allow the City's utility to offer competitive rates to attract new businesses and retain existing customers.*

2. Do not approve proposed resolution amending the Electric Rate Schedule ED – Economic Development Rate and associated agreement for Moreno Valley Utility as on file in the Electric Utility Division, Public Works Department. *This would restrict the City's utility in its ability to offer competitive rates and attract new businesses and retain existing customers.*

FISCAL IMPACT

The average annual customer savings under the New Business Program/Expanded Load Program is described in the table below:

	Tier 1/Tier 1a	Tier 2	Tier 3	Tier 4
Average max demand of 1 MW	\$100,878	\$122,690	\$149,954	\$163,586
Average max demand of 750 kW	\$72,244	\$87,865	\$107,390	\$117,153
Average max demand of 580 kW	\$53,945	\$65,609	\$80,189	\$87,479

CITY COUNCIL GOALS

REVENUE DIVERSIFICATION AND PRESERVATION:

The municipal electric utility will generate revenues to provide funding for City programs and services over time. These revenues will help achieve important financial goals of the City.

POSITIVE ENVIRONMENT:

The proposed rate adjustments ensures timely changes to the rates of the City's utility, and helps to create a positive environment for economic development within the community. The City of Moreno Valley will offer competitive rates and will help the City attract new businesses and jobs for the community.

NOTIFICATION

Posting of the Agenda.

Attachments

Attachment 1 – Proposed Resolution

Attachment 2 – Electric Rate Schedule ED – Economic Development Rate

Attachment 3 – Economic Development Rate Agreement for New or Expanded Load Electric Service Customer

Prepared By
 Jeannette Olko
 Electric Utility Division Manager

Department Head Approval
 Ahmad R. Ansari, P.E.
 Public Works Director/City Engineer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

RESOLUTION NO. 2012-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, TO AMEND ELECTRIC RATE SCHEDULE ED – ECONOMIC DEVELOPMENT RATE AND ASSOCIATED AGREEMENT FOR MORENO VALLEY UTILITY

WHEREAS, the City of Moreno Valley (the “City”), a municipal corporation, is authorized pursuant to Article XI, Section 9(a) of the California Constitution to establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication; and

WHEREAS, on June 26, 2001, the City Council of the City of Moreno Valley approved Resolution No. 2001-33 and, as amended by Resolution 2002-46, authorized the formation of a municipally owned utility for the purpose of providing electrical power, storm water, telephone telecommunications, cable TV, water, natural gas, and sanitary sewer; and

WHEREAS, on July 8, 2003, the City Council approved Resolution No. 2003-58 adopting the Electric Service Rules, Fees and Charges document for Moreno Valley Utility which states, in part, that the rates to be charged by and paid to the City for electric service will be the rates legally in effect and on file with the City Council; and

WHEREAS, there are sections of the Electric Service Rules, Fees and Charges document that contain rules which define the terms and conditions under which electric service will be provided to the customer; and

WHEREAS, there are rules, fees, charges, and rates associated with providing the services identified in the document. These rules, fees, charges, and rates are deemed necessary and equitable for services rendered and are required to fund in whole or in part, all of the services required to facilitate the delivery of electric distribution pursuant to the rules; and

WHEREAS, Urgency Ordinance No. 651 was adopted by the City Council on December 9, 2003, allowing for the adoption of rates by resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The City Council hereby adopts the amended Moreno Valley Utility Electric Rates to include the amended rate schedule and associated agreement for the Economic Development Rate – New Business or Expanded Load Customers as on file in the Public Works Department.

Attachment 1

Resolution No. 2012-58
Date Adopted: July 10, 2012

APPROVED AND ADOPTED this 10th day of July, 2012.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2012-58
Date Adopted: July 10, 2012

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-58 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 12th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2012-58
Date Adopted: July 10, 2012

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SCHEDULE ED – ECONOMIC DEVELOPMENT (“ED”) RATE

Applicability

Commercial or industrial end-use customers that would otherwise receive service under Electric Rate Schedule TOU-LGS (Time of Use-Large General Service) and meet certain criteria as established and adopted by resolution of the City Council of the City of Moreno Valley may take advantage of the ED rate as a New Customer or Expanded Load Customer. This ED rate is applicable to all or part of the services provided to New Customers and Expanded Load Customers, as such terms are defined herein.

1. A New Customer shall be a customer seeking to locate a new business or relocate an existing business (not currently located within the territory served by Moreno Valley Utility) within Moreno Valley Utility’s service territory.
2. An Expanded Load Customer shall be an existing Moreno Valley Utility TOU-LGS customer that is adding new load to Moreno Valley by a minimum of 200 kW based upon the customer’s past electrical demand as determined by Moreno Valley Utility. The expanded load can be at the customer’s current site, or at a new site within the Moreno Valley Utility service territory. The ED rate will only be applied to the expanded load as determined in Section 5 below.
3. A New Customer shall meet the following criteria:
 - a. Targeted industries
 - i. Logistics/Distribution
 - ii. Medical/Healthcare
 - iii. Auto Dealerships
 - b. Building/Area size
 - i. Logistics/Distribution 500,000 sf minimum
 - ii. Medical/Healthcare 100,000 sf minimum
 - iii. Auto Dealerships 5 acres
 - c. Job Creation
 - i. Tier 1 Discount Rate 150 – 499 jobs
 - ii. Tier 2 Discount Rate 500 – 999 jobs
 - iii. Tier 3 Discount Rate greater than 1000 jobs
 - iv. Tier 4 Discount Rate 350 jobs minimum
 - d. City Revenue Producer – either sales tax or use tax generation
 - i. Tier 1a Discount Rate
 - ii. Tier 4 Discount Rate \$40,000 annual minimum to the City

Territory

Within the entire territory served by Moreno Valley Utility.

Character of Service

Attachment 2

Proposed by the Moreno Valley Utility
Date Adopted: July 10, 2012

The service provided hereunder shall be alternating current with regulated frequency of 60 hertz, three-phase, or a combination single and three-phase served through one meter, at a standard voltage not to exceed 480 volts, or as may be specified by the Electric Division. To be eligible to participate all customers must have a demand meter.

Rates

Except as provided herein, or in the Economic Development Rate Agreement, all charges and provisions of the customer’s otherwise applicable rate schedule shall apply. The applicable Energy Charge and Demand Charge under the customer’s otherwise applicable rate schedule will be reduced as follows:

	Tier 1/Tier 1a	Tier 2	Tier 3	Tier 4
Years 1 - 2	15%	20%	20%	20%
Years 3 - 4	12%	15%	20%	20%
Years 5 – 6	10%	10%	15%	20%
Years 7 -12	-	-	-	20%

Special Conditions

1. Term: Economic Development Rate Agreements entered into under this Schedule shall be for a single six-year term, except for Tier 4, which shall be for a single twelve-year term.
2. Approval: Application of this Rate Schedule shall be subject to the approval of the City Manager or his designee, based on meeting the eligibility criteria outlined herein.
3. Agreement: The customer must sign a standard Moreno Valley Economic Development Rate Agreement in order for the rates under this Schedule to be applicable. In addition to the other terms of this Schedule, the Economic Development Rate Agreement shall require the customer to reimburse Moreno Valley for all rate reductions received under this Schedule, if the customer fails to maintain the required minimum load during the six-year term or twelve-year term of the Agreement.
4. Minimum Load: Customers qualifying under this Schedule as a New Customer with a projected minimum monthly electric demand of at least 500 kW or as an Expanded Load Customer under Applicability Sections 1 and 2 above, respectively, must agree to maintain a minimum level of load for six years for Tier 1/1a, Tier 2, and Tier 3 discounts, and twelve years for Tier 4 discount from the date service is first rendered under this Schedule as set forth in the Economic Development Rate Agreement.
5. Base Period Usage: Base Period Usage shall be established and agreed to in the Economic Development Rate Agreement for Expanded Load Customers. Base Period Usage shall be the average monthly energy use and demand for the customer during the last three years of service to the customer, from the date ending the last payment period before the date of the Agreement. Expanded Load qualifying for the rate under

**Proposed by the Moreno Valley Utility
Date Adopted: July 10, 2012**

- this Schedule shall be measured as the difference between the new monthly, meter documented energy use and demand, and the Base Period Usage.
6. State Mandated Public Purpose Program Charge: All bills rendered under this Schedule shall be subject to the Public Purpose Program Charge as established by the City Council.
 7. Miscellaneous Fees and Charges: Rates charged pursuant to this Schedule shall be subject to any Energy Users Taxes, Utility Users Taxes, and any other governmental taxes, duties, or fees which are applicable to Electric Service provided to Customer by the City of Moreno Valley. Rates are also subject to adjustment, as established by the City of Moreno Valley City Council in response to federal or state climate change laws, renewable portfolio standard or other mandated legislation. These adjustments may include but are not limited to charges to mitigate the impacts of greenhouse gas emissions or “green power” premiums.
 8. Expanded Load: Expanded Load customers applying for this rate must demonstrate to the satisfaction of the Utility that the expanded load is new to Moreno Valley.
 9. Effective Date: The effective date of the Economic Development Rate Agreement shall commence within 12 months from the date of the City’s approval, or the Agreement becomes null and void. The Agreement becomes effective upon execution by the parties, and the Economic Development Rate commences upon written notice by customer, and coincides with the customer’s normal billing cycle.
 10. Reapplication: Customers who have received service under the Economic Development Rate are eligible to reapply for the rate as an Expanded Load Customer 12 months after their current Economic Development Rate Agreement has expired, if they meet the criteria therefore.
 11. Restrictions: Residential customers and federal, state or local government agencies are not eligible to apply for service under this Schedule.

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CITY OF MORENO VALLEY ELECTRIC UTILITY
ECONOMIC DEVELOPMENT RATE AGREEMENT
FOR NEW OR EXPANDED LOAD ELECTRIC SERVICE CUSTOMER

This ECONOMIC DEVELOPMENT RATE AGREEMENT for New or Expanded Load Electric Service Customer is made and entered into this ____ day of _____, 20__ by and between _____ (“Customer”), and the CITY OF MORENO VALLEY (“Moreno Valley”), a California general law city and municipal corporation organized and existing under the laws of the State of California, each hereinafter sometimes referred to individually as “Party” and collectively as “Parties”.

In consideration of the mutual covenants and promises in this Agreement, the Parties agree as follows:

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

- 1.1 Agreement: This document and appendices, as amended from time to time.
- 1.2 Authorized Representative: The representative designated by each Party, in accordance with Section 14.1, to act on such Party’s behalf with respect to those matters specified in this Agreement.
- 1.3 Economic Development Rate (“ED”): the rates and charges set forth in Schedule ED, subject to the terms and conditions of this Agreement.
- 1.4 Base Period Usage: As defined in Section 4 of this Agreement.
- 1.5 Commencement Date: The date on which Moreno Valley shall begin charging Customer for Electric Service at the Electric Rate as such date may be established pursuant to Section 6.2 and may be tolled pursuant to Section 11.4, but not to exceed twelve (12) months from the Effective Date.
- 1.6 Customer: Customer as defined in the Moreno Valley’s Electric Rule 1.
- 1.7 Effective Date: The date this Agreement is executed by both parties, as set forth in the introductory paragraph of the Agreement.
- 1.8 Electric Rate: Those Customer’s Otherwise Applicable Rate Schedule for Electric Service, less the discounts set forth in Subsection 3.3.
- 1.9 Electric Rules: Applies to all, or any combination of, Moreno Valley’s “Electric Service Rules, Fees, and Charges”, as modified from time to time and adopted by the Moreno Valley City Council.
- 1.10 Electric Service: Energy, demand, substation distribution and transmission service necessary to deliver such Energy to Customer’s Points of Interconnection, and such other services that Moreno Valley is required to provided pursuant to this Agreement,

the Electric Service Rules and any programs or services mandated by a state or federal regulatory agency, or Moreno Valley's City Council.

- 1.11 Expanded Load: The amount of qualifying load eligible for discount under this Agreement and shall be measured as the difference between the new monthly, meter-documented energy use and demand, and the Base Period Usage.
- 1.12 Expanded Load Customer: A commercial or industrial customer currently served by Moreno Valley meeting the qualifications set forth in Schedule ED and expanding business operations within Moreno Valley's electric service area that will add new load and increase their average monthly demand by a minimum of 200 kW.
- 1.13 Forecast Maximum Demand: Customer's forecast of its Total Load maximum demand, including any expansion of load planned over the term of this Agreement.
- 1.14 Labor Dispute: A strike, walkout, lockout or other dispute between a Party's labor force and the Party.
- 1.15 Liquidated Damages: Damages owed by Customer to Moreno Valley as provided in Section 10 of this Agreement.
- 1.16 Minimum Charge: The amount as defined in Customer's Otherwise Applicable Rate Schedule.
- 1.17 Minimum Load: The minimum metered kilowatt input at the Point of Interconnection during one calendar month as averaged over a rolling one year period, as referenced for Customer in Section 5.
- 1.18 New Load Customer: A commercial or industrial customer meeting the qualifications set forth in Schedule ED, locating in Moreno Valley's electric service territory.
- 1.19 Otherwise Applicable Rate (OAR) Schedule: The rate schedule under which Customer is taking electric service from Moreno Valley at the time of signing this Agreement, and any applicable successor schedule.
- 1.20 Party, Parties: The parties to this Agreement are Moreno Valley and Customer, as defined above.
- 1.21 Total Load: customer's recorded (metered) load (energy and demand).
- 1.22 Uncontrollable Force(s): Any cause beyond the control of the Party affected and asserting excuse from performance, including but not restricted to flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or inaction by or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority which by exercise of due diligence such Party could not reasonably have been expected to avoid and to the extent which by exercise of due diligence it has been unable to overcome. The Party claiming such Uncontrollable Force must give the other Party at least ten (10) days written notice of the commencement of such cause, and keep the other Party informed concerning the continuance of such cause.

2 CUSTOMER AFFIDAVIT OF ELIGIBILITY

2.1 Customer represents and warrants to Moreno Valley that it satisfies the criteria for Schedule ED eligibility as indicated by Customer’s initials below [Customer must initial Subsection 2.4 and one of Subsections 2.2 or 2.3.

2.2 () New Load Customer that:

2.2.1 Has a projected minimum monthly electrical demand of at least 500 kW; or

2.3 () Expanded Load Customer is an existing customer of Moreno Valley that:

2.3.1 Covenants to increase its average monthly demand by a minimum of 200 kW, and

2.3.2 Customer represents that all documents that it has provided to Moreno Valley as evidence of Customer’s ability to maintain such a demand increase during the Agreement Term are true and correct.

2.4 () Customer represents and warrants under penalty of perjury under the laws of the State of California that all covenants, statements of facts, representations, and documents provided to Moreno Valley with respect to Customer’s eligibility for Schedule ED are true and correct.

3 ECONOMIC DEVELOPMENT RATE

3.1 Customer represents that it meets the applicability requirements of Schedule ED.

3.2 Customer agrees to purchase from Moreno Valley and Moreno Valley agrees to sell to Customer at the Electric Rate set forth herein, all of Customer’s Electric Service requirements at Customer’s Site(s) including Electric Service necessary to deliver such Energy to Customer’s Points of Interconnection throughout the Term of this Agreement. Except as expressly provided in this Agreement, Moreno Valley shall provide such Electric Service in accordance with the Electric Rules. In the event any term of this Agreement adds to, varies or contradicts the Electric Rules, the terms of this Agreement shall prevail.

3.3 Subject to the terms and conditions of this Agreement, Moreno Valley will provide New Load Customers and only the Expanded Load for existing Customers a _____ discount off the Customer’s bill calculated based on the rate components comprising its OAR for purchases of electricity (demand and energy) over the term of this Agreement.

	Tier 1/Tier 1a	Tier 2	Tier 3	Tier 4
Years 1 - 2	15%	20%	20%	20%
Years 3 - 4	12%	15%	20%	20%
Years 5 – 6	10%	10%	15%	20%
Years 7 -12	-	-	-	20%

- 3.4 All charges for electric Service pursuant to this Agreement shall be subject to Moreno Valley's Public Purpose Program Charge, any applicable state or federal energy Tax, and any other governmental taxes, duties, or fees, as may be revised from time to time by the relevant regulatory authority, applicable to Electric Service provided by Moreno Valley.
- 3.5 The Electric Service provided herein is expressly reserved for Customer's sole use. Customer is prohibited from transferring, providing, or reselling all or any portion of such service to any third party or parties.

4 BASE PERIOD USAGE

- 4.1 Base Period Usage must be established for each Customer.
- 4.2 Moreno Valley shall determine Customer's Base Period Usage by estimating Customer's load characteristics, including estimated demand and energy usage on a time-of-use basis using available data, including Customer's previous electricity bills, if any. That calculation shall be used to determine Customer's Base Period Usage until recorded load data becomes available to more definitively establish Customer load characteristics. When Moreno Valley can more accurately estimate Customer's actual load characteristics, Customer's Base Period Usage shall be established based upon the new recorded data.
- 4.3 If Customer is subject to billing on a time-of-use basis but does not have the requisite historical data to determine its actual base period usage, Moreno Valley shall estimate Customer's load characteristics, including estimated demand and energy usage on a time-of-use basis using available data. That calculation shall be used as Customer's Base Period Usage until recorded load data becomes available to more definitively establish Customer's load characteristics. When Moreno Valley can more accurately estimate Customer's actual load characteristics, Customer's Base Period Usage shall be established based upon the new recorded data.
- 4.4 Base Period Usage is established as follows:

	Average Monthly Base Period Usage (kW)	Average Hourly Base Period Usage (kWh)
Facilities Related Demand		N/A
Summer		
On-Peak		
Mid-Peak		
Off-Peak		
Overall		
Winter		
Mid-Peak		
Off-Peak		
Overall		

Base Period Usage Facilities Related Demand is computed as follows:

1. Determine a Facilities Related Demand for each month in the period used to establish Base Period Usage that is the greater of:
 - a. The maximum billing demand for the month, or
 - b. 50% of the highest of all the billing demands in the period used to establish Base Period Usage.
2. Compute the average of the monthly Facilities Related Demands thus determined. This is Base Period Usage Facilities Related Demand.
3. An “XXX” entered above indicates that the entry is not applicable to Customer’s Base Period Usage.

5 MINIMUM LOAD

- 5.1** Customer must maintain a Minimum Load for each year from the date service is first rendered under Schedule ED for the term of this Agreement.
- 5.2** The Minimum Load for a New Customer representing and warranting its eligibility for Schedule ED under Subsection 2.2 of this Agreement must be at least 500 kW.
- 5.3** The Minimum Load for an Existing Customer representing and warranting its eligibility for Schedule ED under Subsection 2.3 of this Agreement cannot be lower than 200 kW.
- 5.4** If during any year of service the New Customer’s Total Load maximum demand falls below 500 kW in any three months, the Customer’s discounts under Section 3.3 above shall be suspended for the balance of the year and such suspension shall begin with the month of the third occurrence. Customer’s discounts applicable to total Load, shall resume at the beginning of the following year, subject to the terms of this provision. For purposes of this section, a year of service commences with the start of each level of discount set forth above in Section 3.3.
- 5.5** If during any year of service the Expanded Load Customer’s Minimum Expanded Load falls below 200 kW in any three months, the Customer’s discounts under Section 3.3 above shall be suspended for the balance of the year and such suspension shall begin with the month of the third occurrence. Customer’s discounts applicable to Minimum Expanded Load shall resume at the beginning of the following year, subject to the terms of this provision. For purposes of this section, a year of service commences with the start of each level of discount set forth above in Section 3.3.
- 5.6** Any load reductions shown to be directly attributable to energy efficiency measures implemented after establishing Base Period Usage in this Agreement shall not adversely impact the calculation of Customer’s Minimum Load. The imputed load reductions attributable to any energy efficiency measure implemented subsequent to the establishment of Base Period Usage shall be added back into the load calculation in the event that New Customer’s Minimum Load falls below 500 kW, or Expanded Load Customer’s Minimum Expanded Load falls below 200 kW. Provided that New Customer maintains usage of at least 500 kW, and Expanded Load Customer maintains

their Minimum Expanded Load, net of any energy efficiency impacts, all Customer discounts shall apply.

6 COMMENCEMENT OF SERVICE

- 6.1** Moreno Valley will begin providing the Customer service under Schedule ED at the start of the next regular billing period following the date the Customer notifies Moreno Valley that service should begin under Schedule ED, which date shall not be more than 12 months from the effective date of this Agreement.
- 6.2** Customer estimates that service under Schedule ED shall commence at the start of the next regular billing period beginning after _____ and shall provide Moreno Valley at least five business days' notice of any change in such date.

7 ACKNOWLEDGEMENT

- 7.1** Except as otherwise amended herein, customer acknowledges that it is fully subject to all terms and conditions contained in Customer's OAR, or its successor rate schedule, all of the Moreno Valley's rules, and all terms and conditions of service contained in Moreno Valley's rates. Any provision pertaining to either a peak period rate limiter or an average rate limiter does not apply.
- 7.2** Customer also acknowledges that Moreno Valley may request documentation to support Customer's signed Affidavit and may verify any supporting documentation and statements Customer has made in support of its signed Affidavit.

8 TERM

- 8.1** This Agreement shall be effective for six years following the commencement of service under Schedule ED pursuant to Section 6 of this Agreement for Tiers 1/1a, Tier 2, or Tier 3. This Agreement shall be effective for twelve years following the commencement of service under Schedule ED pursuant to Section 6 of this Agreement for Tier 4.
- 8.2** At the end of the sixth year, Customer will no longer take service under Schedule ED and will be billed only under its OAR, effective with the start of the next regular billing period following the end of the sixth year of service under this Agreement for Tiers 1/1a, Tier 2, and Tier 3. Under Tier 4, the Customer will no longer take service under Schedule ED and will be billed only under its OAR, effective with the start of the next regular billing period following the end of the twelfth year of service under this Agreement.
- 8.3** This Agreement is not renewable at the expiration of its term.

9 TERMINATION

This Agreement may be terminated (subject to payment of Liquidated Damages as provided for in Section 10) by either party upon written notice as follows.

- 9.1 Termination for Misrepresentation or Fraud: Moreno Valley may terminate this Agreement upon five business days' notice if any representation made by Customer in this Agreement is untrue in any material respect, or if any statement in Customer's Affidavit was untrue, or if Moreno Valley determines that Customer was not eligible for Schedule ED when this Agreement was signed, in which case Liquidated Damages as set forth in Section 10.3 shall be paid.
- 9.2 Termination at Customer's Request: customer may request termination of this Agreement at any time by providing at least 60 days' written notice to Moreno Valley.
- 9.3 Termination for Nonpayment: Moreno Valley may terminate this Agreement if Customer fails to pay any amount due, under Schedule ED within 30 days after receipt of notice of nonpayment from Moreno Valley. Customer shall be liable for all unpaid amounts and any late payment charges.
- 9.4 Termination for Noncompliance: Moreno Valley may terminate this Agreement upon five business days' notice if Customer fails to comply with any term or condition of Schedule ED or this Agreement, or if Customer ceases the operations to which this Agreement applies or moves such operations out of the Moreno Valley's service territory.
- 9.5 Termination for Ineligibility: Moreno Valley may terminate this Agreement upon five business days' notice if it determines that Customer has become ineligible for Schedule ED.
- 9.6 Termination for Failure to Maintain Minimum Load: Moreno Valley may terminate this Agreement if Customer fails to maintain its Minimum Load during any consecutive 12 month period or shuts down its operations. If Customer fails to maintain its Minimum Load, Moreno Valley must provide Customer at least 90 days' notice of termination and Customer shall have the opportunity to increase its load to the Minimum Load and demonstrate to Moreno Valley's satisfaction that it will continue to use its Minimum Load for the remaining term of this Agreement.
- 9.7 Termination for Failure to Commence Service: Moreno Valley may terminate this Agreement if Customer does not begin service within 12 months after the date this Agreement was executed.
- 9.8 Obligations Continuing: Termination of this Agreement shall not relieve either Party of its obligations incurred prior to termination.
- 9.9 Upon termination of the Agreement, Moreno Valley's obligation to provide Electric Service to Customer and the rates and rules applicable to Moreno Valley's provision of such Electric Service shall be pursuant to Moreno Valley's then existing Electric Service Rate Schedules.

10 LIQUIDATED DAMAGES

- 10.1 Upon termination of this Agreement, prior to its six-year or twelve-year term pursuant to Sections 9.1, 9.2, 9.3, 9.4, 9.5, or 9.6, Customer shall be required to pay Moreno

Valley Liquidated Damages. The Liquidated Damages are required to ensure that neither Moreno Valley nor its ratepayers are financially or otherwise damaged if this Agreement is prematurely terminated before the end of its term.

- 10.2 It would be extremely difficult for the Parties to identify the amounts of increased or additional costs attributable to termination of this Agreement. Parties agree the Liquidated Damages specified herein are a reasonable approximation of damages which Moreno Valley and its ratepayers may incur as a result of such termination, and that the damage amount does not represent a penalty.
- 10.3 For termination under Section 9.1 above, Liquidated Damages under this Agreement shall be an amount equal to 200% of the cumulative difference between (i) the amount the Customer would have paid for its energy and demand if billed at their OAR from the date service was first rendered under Schedule ED to the date of termination, and (ii) the amount billed to Customer under this Agreement and Schedule ED during the same period.
- 10.4 For termination under Sections 9.2, 9.3, 9.5, or 9.6 above (excepting business closure or reduction in load without relocation) Liquidated Damages under this Agreement shall be an amount equal to 100% of the cumulative difference between (i) the amount billed to Customer under Schedule ED from the date service was first rendered under Schedule ED to the date of termination, and (ii) the amount the Customer would have paid for its energy and demand if billed at their OAR from the date service was first rendered under Schedule ED to the date of termination. Should a customer's usage increase such that the cumulative liquidated damages become negative upon contract termination, under no circumstances will Moreno Valley be liable for paying liquidated damages to a customer.
- 10.5 After termination of this Agreement for any cause, Customer shall be billed at its OAR.
- 10.6 The limitations of the Moreno Valley's Electric Rule 17 shall not apply to amounts payable under this Agreement.
- 10.7 The Moreno Valley may in its discretion require Customer to establish a letter of credit or other security as a condition to providing service under Schedule ED to secure payment of any Liquidated Damages.

11 UNCONTROLLABLE FORCE

- 11.1 Neither Party shall be considered to be in default in the performance of any obligation under this Agreement, except for obligations to pay money, when and to the extent that failure of performance shall be caused by an Uncontrollable Force.
- 11.2 If either Party, because of an Uncontrollable Force, is rendered wholly or partly unable to perform its obligations under this Agreement, the Party shall be excused from whatever performance is affected by the Uncontrollable Force to the extent the following conditions are met.

- 11.2.1 The suspension of performance is of no greater scope and of no longer duration than is required by the Uncontrollable Force.
- 11.2.2 The nonperforming Party uses its best efforts to cure its inability to perform. This subsection shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts, or other labor disputes shall be at the sole discretion of the Party having the difficulty.
- 11.2.3 When the nonperforming Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party written notice to that effect immediately.
- 11.3 Nonperformance due to Uncontrollable Force shall be excused, provided Party can demonstrate that the Uncontrollable Force was owing to causes outside its reasonable control and the occurrence of the Uncontrollable Force could not have been prevented by the exercise of due diligence.
 - 11.3.1 Accordingly, nonperformance shall be excused from the date of the occurrence of the Uncontrollable Force, provided the nonperforming Party has given the other Party written notice describing the particulars of the occurrence within two weeks of the event.
 - 11.3.2 Accordingly, nonperformance shall be excused from the date on which the nonperforming Party gives the other Party written notice describing the particulars of the occurrence of the Uncontrollable Force, is such written notice is given more than two weeks after the Uncontrollable Force occurred.
- 11.4 If Customer experiences an Uncontrollable Force that prevents Customer from complying with Schedule ED and this Agreement, Customer may request that Moreno Valley suspend the terms of Schedule ED and this Agreement for the duration of the Uncontrollable Force. Customer will be billed at the Otherwise Applicable Rate for the duration of the suspension of this Agreement. Resumption of the terms of Schedule ED and this Agreement shall commence with the next regularly scheduled billing period. In addition, the term of this Agreement will be extended for up to 12 months beyond the term originally established in this Agreement by the length of time this Agreement was suspended.
- 11.5 The occurrence of an Uncontrollable Force shall not (i) prevent Moreno Valley from terminating this Agreement in accordance with Sections 9.4 and 9.5, or (ii) extend the period any level of discount is available as provided in Section 2.3.
- 11.6 If the Uncontrollable Force causing the nonperformance is caused by the actions or inactions of legislative, judicial or regulatory agencies, or other proper authority, this Agreement may be amended to comply with the legal or regulatory change causing the nonperformance. Any such amendment must first be approved by the Moreno Valley City Council prior to implementation.

12 INDEMNITY

- 12.1** Except for any liens, claims, costs, damages, liability or loss resulting from Willful Action, as defined herein, Customer agrees to indemnify, protect, defend, and hold harmless Moreno Valley, and Moreno Valley's employees, officers, managers, agents and City Council Members from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including reasonable attorney and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with this Agreement but only in proportion to and to the extent such liens, claims, damages, liability or loss are caused by or result from the negligent acts, errors, or omissions of Customer, its employees, officers, or agents. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Customer or anyone employed or working under the Customer.
- 12.2** "Willful Action" shall be defined as an action taken or not taken by a Party at the direction of its directors, officers, or employees where:
- 12.2.1** An action is knowingly or intentionally taken or not taken with conscious indifference to the consequences thereof or with intent that injury or damage would probably result therefrom; or
- 12.2.2** An action has been determined by final arbitration, judgment, or judicial decree to be a material default under this Agreement and occurs beyond the time specified for curing such default or, if no time to cure is specified therein, occurs or continues thereafter beyond a reasonable time to cure such default; or
- 12.2.3** An action is knowingly or intentionally taken or not taken with the knowledge of material default under this Agreement.
- 12.3** Willful Action does not include any act or failure to act which is merely involuntary, accidental, negligent, or performed (or not performed).
- 12.4** The provisions of this Section 13 shall be binding upon the Parties to the full extent permitted by law. The obligations set forth herein are binding on the successors, assigns and heirs of Customer and shall survive termination of this Agreement.

13 ASSIGNMENT OF AGREEMENT

- 13.1** Customer shall not assign this Agreement or any part or interest thereof, to a third party without the prior, written consent of an authorized representative of the City of Moreno Valley. Any assignment made without such consent shall be void and of no effect. Further, any assignment made under this Agreement shall be subject to any applicable City Council authorization except as waived by the City Council.

14 REPRESENTATIVES AND NOTICES

- 14.1** Representatives: Upon the Effective Date of the Agreement, the City Manager or his designee for Moreno Valley, and person identified on the execution page for Customer shall be the Authorized Representatives who will act on its behalf in the implementation of this Agreement. Either Party may at any time change, via written notice, the designation of its Authorized Representative to the other Party.
- 14.2** Form of Notice: any notice and other communication required or permitted to be given under this Agreement shall be deemed given: (i) when hand delivered; or (ii) one (1) business day after pickup by Federal Express or similar overnight delivery service properly addressed as provided below; or (iii) three (3) business days after such notice or communication shall have been deposited with the United States Postal Service, postage prepaid and properly addressed as provided below; or (iv) when sent by facsimile transmission to the fax numbers provided below, with receipt of such fax confirmed telephonically, provided that on the same day such notice or communication shall also be hand delivered or sent by overnight delivery pursuant to this Subsection.
- 14.3** Addresses Of Parties: Notices to Moreno Valley should be given to: City Manager, City of Moreno Valley, 14177 Frederick Street, Moreno Valley, CA 92552; Notices to Customer shall be given to the addressee at the location shown on the execution page.
- 14.4** Change of Address: Either Party may change such address by giving notice to the other Party as provided herein.

15 ENFORCEMENT

- 15.1** Legal Action: In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.
- 15.2** Governing Law: This Agreement shall be interpreted, governed by, and construed under the laws of the State of California or the laws of the United States as applicable without regard to the conflicts of laws or rules thereof. Any action at law or in equity brought by either of the Parties for the purpose of enforcing a right or rights provided in this Agreement shall be tried in a court of proper jurisdiction in the County of Riverside, State of California, and the Parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.
- 15.3** Damage Limitation: Moreno Valley shall not be liable for any consequential, incidental, indirect, or special damages, whether in contract, tort, or strict liability including, but not limited to, lost profits, property damage, personal injury and loss of power, arising out of or in any way related to power outages, other electric service interruption(s), Moreno Valley's performance or nonperformance of its obligations under this Agreement or termination of this Agreement.

- 15.4 Attorney Fees:** If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.
- 15.5 Disputes:** All disputes regarding questions of fact, opinions or interpretation of provisions in this Agreement shall be submitted to the Authorized Representatives. If the Authorized Representatives are unable to resolve the dispute, the matter shall be referred to the individuals designated to receive notices pursuant to Section 14. Nothing in this Agreement precludes either Party from taking any lawful action it deems appropriate to enforce its rights.
- 15.6 Waivers:** Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

16 MISCELLANEOUS

- 16.1 Integration and Amendment:** this Agreement contains the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous oral or written communications of the Parties. Neither Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty of the other Party outside those expressly set forth in this Agreement. Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against either Party, but shall be interpreted in a manner that most accurately reflects the original intent of the Parties, and is consistent with the nature of the Parties' rights and obligations. No modification of this Agreement shall be valid or binding unless in writing duly signed by both Parties.
- 16.2 Severability:** In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless

the invalid provision is so material this its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

- 16.3 Exhibits:** All documents referred to below and attached to this Agreement as Exhibits are incorporated into and made a part of this Agreement. Exhibit "A": Customer Site(s); Metered Accounts
- 16.4 Corporate Authority:** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized agents to be effective on the date of the Moreno Valley's signature below.

CITY OF MORENO VALLEY, a municipal corporation

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CUSTOMER:

By: _____

Name: _____

Title: _____

Address for Notice Representative:

Name: _____

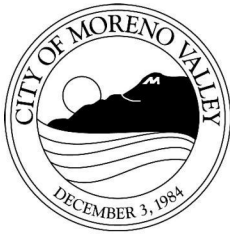
Street: _____

City: _____

Telephone: _____

Fax: _____

Email: _____



APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: July 10, 2012

TITLE: CERTIFICATION OF RIVERSIDE HOUSING DEVELOPMENT CORPORATION AS A DESIGNATED COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR FISCAL YEAR 2012-2013

RECOMMENDED ACTION

Staff recommends that the Mayor and City Council adopt Resolution 2012-59 certifying Riverside Housing Development Corporation (RHDC) as a city-designated Community Housing Development Organization (CHDO).

BACKGROUND

Federal Regulations under Title 24 Code of Federal Regulation (4 CFR) Part 92, within the auspices of the United States Department of Housing and Urban Development (HUD), require that Participating Jurisdictions (PJs) receiving entitlement grant funding through the HOME Investment Partnership Act (HOME) Program must reserve not less than 15% of its annual entitlement over a 24-month period for investment in affordable housing to be developed, sponsored or owned by Community Housing Development Organizations (CHDOs). Each PJ must make reasonable efforts to identify local organizations that are capable of carrying out affordable housing development, either by acquisition, rehabilitation of existing housing or new construction. CHDOs must be evaluated by the PJ certified by resolution as a designated CHDO, and approved by HUD through their Integrated Disbursement and Information System (IDIS).

In accordance with federal requirements, the City must either designate a CHDO or recertify existing CHDO(s). The action to certify RHDC as a city-designated CHDO for Fiscal Year 2012-2013 will assist the City in complying with federal requirements to provide affordable housing opportunities for very low-, low, and moderate income

households in accordance with federal regulations at 24 CFR Part 92 utilizing the CHDO allocation of the City's HOME allocation for FY 2012-2013.

DISCUSSION

Riverside Housing Development Corporation (RHDC) is a locally-based, non-profit organization that has been dedicated to providing permanent, affordable, accessible and safe housing for very low- and low-income households since its inception. Formed over 20 years ago, RHDC has been active with a variety of affordable housing development projects, with much of its concentration in the Riverside, Moreno Valley, and San Bernardino areas.

RHDC has developed a specialization in acquiring distressed multi-family projects—primarily four- to eight-plex apartment buildings—rehabilitating, and renting them (at restricted affordable rental rates) to income-qualifying households. Over the years, RHDC has established a successful partnership with the City of Moreno Valley and has acquired a total of eleven multi-family properties in Moreno Valley. RHDC possesses an expansive portfolio of rent-restricted, multi-family units that are managed in accordance with state and federal regulations.

As a designated-CHDO for the City of Moreno Valley, RHDC has acquired, rehabilitated and manages the following projects located in two of the City's targeted improvement areas:

Project Name	Project Location	# Units
Adrienne III	22801 Adrienne Ave. & 22898 Allies Place	8
Adrienne IV	22813 & 22827 Adrienne Avenue	8
Allies	22791 & 22801 Allies Place	8
Bay	22839 Bay Avenue	4
Sheila I	15414 & 15360 Perris Blvd.	8
Sheila II	15359 & 15385 Sheila Street	8
Total Units		44

In February 2012, RHDC identified a vacant and foreclosed, bank-owned four-unit complex located at 22877 Allies Place. The proposed project is located adjacent to other projects already owned and managed by RHDC as part of the City's affordable housing program (Attachment B). RHDC proposes to purchase the property and perform a complete interior and exterior rehabilitation. Each of the four, one-bedroom units will be reserved for income-eligible households earning no more than 50% of the Area Median Income. RHDC has requested financial assistance from the City utilizing layered financing from NSP and HOME funds to assist with the both acquisition and rehabilitation costs.

As part of the project feasibility process, staff reviewed the project scope and budget and pro forma. Based upon the size of the project and the financial assistance required, staff has determined the project to be feasible. Due to the size of the project and the simplicity of the financing structure, a project analysis by an independent consultant was not required.

Since determining the feasibility of the project, City staff has been working with special counsel to the Housing Authority and Successor Agency to the former RDA to draft an Affordable Housing Agreement (AHA) for the project. The AHA is scheduled to be presented to the City Council for consideration on July 10, 2012. City staff will be recommending the project for approval with the following proposed funding structure:

<u>Sources of Financing</u>	
City NSP Loan	\$209,000
City HOME Loan	<u>\$285,075</u>
Total	\$494,075
<u>Uses of Funds</u>	
Purchase price and Acquisition costs	\$209,000
Rehabilitation and Construction costs	<u>\$285,075</u>
Total	\$494,075

The City must allocate at least \$289,896.75 from previous years HOME allocation funding to a certified CHDO no later than July 31, 2012; this project as proposed by RHDC will assist the City with meeting the timeliness deadline and satisfying this requirement. RHDC has submitted a formal application (Attachment C) for certification as a city-designated CHDO.

Moving to again designate RHDC as a CHDO provides mutually beneficial opportunities for the City and RHDC. In accordance with 24 CFR 92.301 (a) (1), the City is required to allocate 15% of its annual HOME Allocation to a CHDO to provide affordable housing opportunities through the creation of new or use of existing housing stock. A continued partnership with RHDC will assist with satisfying this requirement.

ALTERNATIVES

1. Adopt the resolution certifying Riverside Housing Development Corporation as a designated Community Housing Development Organization. **Staff recommends this alternative as it allows the City to remain in compliance with HOME Program regulations and satisfy the Community Housing Development Organization CHDO requirement.**

2. Decline to adopt the resolution certifying Riverside Housing Development Corporation as a Community Housing Development Organization. ***Staff does not recommend this alternative as it prevents the City from remaining in compliance with HOME Program regulations and satisfying the Community Housing Development Organization reservation requirement.***

FISCAL IMPACT

There is no impact to the City's General Fund. The funds designated for the projects to be completed by RHDC are program specific grant funds that are to be used solely for affordable housing purposes.

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness.

Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

Positive Environment.

Create a positive environment for the development of Moreno Valley's future.

SUMMARY

Federal Regulations under Title 24 Code of Federal Regulation (4 CFR) Part 92, require Participating Jurisdictions (PJs) receiving entitlement grant funding through the HOME Investment Partnership Act (HOME) Program reserve not less than 15% of its annual entitlement over a 24-month period for investment in affordable housing to be developed, sponsored or owned by Community Housing Development Organizations (CHDOs).

The City has received a project proposal from RHDC for the acquisition and rehabilitation of a rental property at 22877 Allies Place and has requested HOME funds to partially finance the project. To comply with federal regulations, RHDC must be certified as a CHDO to participate in HOME-funded affordable housing projects.

Additionally, RHDC has submitted a formal application requesting certification as a city-designated CHDO. The City has a deadline of July 31, 2012, to allocate a portion of previous years HOME funding allocation to a certified CHDO. Certifying RHDC as a designated CHDO will assist the City to remain in compliance with program regulations as set for by the HOME Program.

NOTIFICATION

Notification has occurred with publication of the Agenda.

ATTACHMENTS/EXHIBITS

Attachment A – Resolution 2012-59

Attachment B – Map

Attachment C – CHDO Certification Application with Supporting Documentation

Prepared By:
 Shaniqua Freeman
 Housing Program Coordinator

Department Head Approval:
 Barry Foster
 Community & Economic Development Director

Concurred By:
 Dante G. Hall
 Redevelopment & Neighborhood Programs Administrator

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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RESOLUTION NO. 2012-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DESIGNATING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION UNDER THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOME INVESTMENT PARTNERSHIPS ACT

WHEREAS, the City of Moreno Valley has entered into an Agreement with the United States Department of Housing and Urban Development (“HUD”) to receive funds through the Home Investment Partnerships Act (“HOME”) Program, a portion of which must be set aside for designated Community Housing Development Organizations (“CHDO”); and

WHEREAS, Riverside Housing Development Corporation (“RHDC”) is a non-profit housing corporation dedicated to expanding the opportunities available to low-income residents to gain access to decent, safe and affordable housing, and is qualified as CHDO by complying with the requirements of the HOME Program under the auspices of the HUD; and

WHEREAS, RHDC has submitted the required documentation to certify its eligibility status as a non-profit organization, including Articles of Incorporation and By-Laws of the organization; and

WHEREAS, the City of Moreno Valley, through its Amended FY 2012-2013 Consolidated Plan and FY 2012-2013 Annual Action Plan supports the development of affordable housing in the City for very low- to moderate income persons and households.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY DOES RESOLVE AS FOLLOWS:

Section 1. The City Council supports and approves the designation of Riverside Housing Development Corporation as a Community Housing Development Organization under the regulations of the HOME Investment Partnership Act Program for the purposes of increasing the supply of decent, safe and affordable housing for very-low, low-, and moderate income individuals and households within the City.

Section 2. The City Council hereby authorizes and directs the City Manager to transmit this resolution and required documentation to the United States Department of Housing and Urban Development.

Attachment A

Resolution No. 2012-59
Date Adopted: July 10, 2012

APPROVED and ADOPTED this 10th day of July, 2012.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2012-59
Date Adopted: July 10, 2012

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-59 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2012-59
Date Adopted: July 10, 2012

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**CHDO Eligibility
Request for Information**

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDO) in 24 CFR Subpart A, 92.2 of the HOME Rule. The checklist is a tool for participating jurisdictions concerning the documents they must receive from a nonprofit before it may be certified or recertified as a CHDO. Please answer each of the questions and provide a copy of any document referenced (i.e. Articles of Incorporation, By-Laws, etc).

Please Note: The completion of this form is not an indication nor promise that your organization will become a designated (approved) CHDO for the City of Moreno Valley. All applicants will be notified in writing of the City's determination regarding CHDO status.

I. LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, Yes No

As evidenced by:

Charter
 Articles of Incorporation.

B. No part of the organization's net earnings inure to the benefit of any member, founder, contributor, or individual, Yes No **As evidenced by:**

Charter
 Articles of Incorporation.

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) Yes No
As evidenced by:

501(c)(3) or (4) Certificate from the IRS.
 A group exemption letter under Section 905 from the IRS that includes the CHDO.

D. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, Yes No **As evidenced by:**

Charter
 Articles of Incorporation
 By-laws, OR
 Resolutions

ATTACHMENT C

II. CAPACITY

- A. Conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", Yes No **As evidenced by:**

 X a notarized statement by the President or Chief Financial Officer of the organization;
 a certification from a Certified Public Accountant, OR
 a HUD approved audit summary.

- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds,
 Yes No **As evidenced by:**

 X resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds

 contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.

- C. Has a history of serving the City of Moreno Valley, within which housing to be assisted with HOME funds is to be located, Yes No **As evidenced by:**

 X a statement that documents at least one year of experience in serving the community

 for newly created organizations formed by local churches, service or community organizations, and a statement that documents that its parent organization has at least one year of experience in serving the community.

The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.

III. ORGANIZATIONAL STRUCTURE

- A. Maintains at least one-third of its governing board's membership for **Moreno Valley** residents of low-income neighborhoods, other low-income community residents, or elected representatives of **Moreno Valley** low-income neighborhood organizations Yes No **As evidenced by:**

By-Laws,
 Charter, OR
 Articles of Incorporation
 Membership roster

Under the HOME program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).

- B. No more than one-third of the governing board members may be public officials (including employees of the participating jurisdiction) or appointed by public officials, and government-appointed board members may not, in turn, appoint any of the remaining board members.

As evidenced by:

By-Laws,
 Charter, OR
 Articles of Incorporation.

- C. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects Yes No **As evidenced by:**

the organization's By-laws,
 Resolutions, OR
 a written statement of operating procedures approved by the governing body.

- D. A CHDO may be chartered by a State or local government, but the following restrictions apply:

- The State or local government may not appoint more than one-third of the membership of the organization's governing body;
- The board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and
- No more than one-third of the governing board members are public officials (including any employees of the PJ). **As evidenced by:**

By-laws,
 Charter, OR
 Articles of Incorporation.

- E. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members. **As evidenced by:**

By-laws,
 Charter, OR
 Articles of Incorporation.

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, Yes No

As evidenced by:

Organization's By-laws, OR
 Memorandum of Understanding (MOU).

B. A Community Housing Development Organization may be sponsored or created by a for profit entity, however:

(1) The for-profit entity's primary purpose does not include the development or management of housing, as evidenced by:

In the for-profit organization's By-laws AND;

(2) The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's:

By-laws,
 Charter, OR
 Articles of Incorporation.

Bruce Kulpa, Executive Director
Printed Name & Title of Authorized Representative

Bruce Kulpa
Signature of Authorized Representative

6/19/12
Date Signed

A0682070



State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

SEP 12 2008

DEBRA BOWEN
Secretary of State

A0682070

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

SEP 10 2008

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
RIVERSIDE HOUSING DEVELOPMENT CORPORATION

Bruce Kulpa and Aaron Brown certify that:

1. They are the Executive Director (the "President" of the Corporation), and the Secretary, respectively, of Riverside Housing Development Corporation, a California nonprofit public benefit corporation.
2. Article IV of the Articles of Incorporation of this corporation is amended to read as follows:

"ARTICLE IV.

The property of this corporation is irrevocably dedicated to charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or the benefit of any private person.

Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code (or corresponding provision in any future federal Internal Revenue Code) and under California Revenue and Taxation Code Sections 23071d and Section 214 (or the corresponding provisions of any future California revenue and taxation law)."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors; and
4. The corporation has no members.

We further declare, under penalty of perjury under the laws of the State of California, that the matters set forth in this certificate are true and correct of our own knowledge.

Dated, August 19, 2008


Bruce Kulpa, President


Aaron Brown, Secretary

RD6:00INCERTAMENDARTINC2008_RHDC



1-239 P003/003 F-691

6697-664-008 806256 001011-5ac Attorney Service 08 19 08 17-17-08

State of California
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUN 3 2005

A handwritten signature in cursive script, appearing to read "Bruce McPherson".

BRUCE McPHERSON
Secretary of State

MAY 31 2005

**CERTIFICATE OF AMENDMENT AND RESTATEMENT OF
ARTICLES OF INCORPORATION OF
RIVERSIDE HOUSING DEVELOPMENT CORPORATION**

Bruce Kulpa and Aaron Brown certify that:

1. They are the Executive Director, (vested with the responsibilities of the Chief Executive Officer of the Corporation), and the Secretary, respectively, of Riverside Housing Development Corporation, a California nonprofit public benefit corporation.
2. The Articles of Incorporation of the corporation are amended and restated, as set forth below:

**FIRST AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
RIVERSIDE HOUSING DEVELOPMENT CORPORATION**

ARTICLE I.

The name of this corporation is: Riverside Housing Development Corporation.

ARTICLE II.

- A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.
- B. The specific purposes of this corporation include, but are not limited to:
 - participating in the development and operation of decent housing that is affordable to low and moderate income people within the Counties of Riverside and San Bernardino, California, and subdivisions and municipalities therein, in accordance with to Section 42(h)(5) of the Internal Revenue Code, Redevelopment Law (Health and Safety Code Section 33000 et. seq.) or the corresponding section of any future federal tax code and selected rules and regulations;

- lessening the burdens of the governments of the Counties of Riverside and San Bernardino California and subdivisions and municipalities therein;
 - providing relief of the poor and distressed or of the underprivileged;
 - relieving the distress of the elderly and physically handicapped;
 - eliminating prejudice and discrimination;
 - combating community deterioration; and
 - eliminating neighborhood blight.
- C. This corporation shall endeavor to operate in compliance with the Safe Harbor Guideline found in Rev. Proc. 96-32, 1996-1 C.B. 717 and any amendments thereto, which provides in part for the following guidelines: At least seventy five percent (75%) of units occupied by residents whose incomes are eighty (80) percent or less of the area's median income, and either (1) sixty percent (60%) of the units occupied by residents whose incomes are sixty percent (60%) or less of the area's median income; or (2) twenty percent (20%) of the units occupied by residents whose incomes are fifty percent (50%) or less of the area's median income.

ARTICLE III.

- A. This corporation is organized and operated exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.
- B. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or (c) Section 214 of the California Revenue and Taxation Code.
- C. No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

ARTICLE IV.

The property of this corporation is irrevocably dedicated to public and charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for public or charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code (or corresponding provision in any future federal Internal Revenue Code) and under California Revenue and Taxation Code Sections 23071d and Section 214 (or the corresponding provisions of any future California revenue and taxation law).

3. The foregoing First Amended and Restated Articles of Incorporation of the corporation have been duly approved by the board of directors:

4. The corporation has no members.

We declare under penalty of perjury that the statements contained herein are true and correct of our own knowledge, and that this declaration was executed on May 17, 2005, at Riverside, California.



Bruce Kulpa, Executive Director



Aaron Brown, Secretary





Riverside's Neighborhood Developer

CORPORATE RESOLUTION

At a duly authorized meeting of the Executive Committee of the Board of Directors of:

RIVERSIDE HOUSING DEVELOPMENT CORPORATION

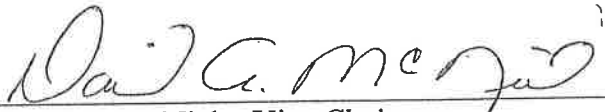
RESOLVED that BRUCE KULPA, Executive Director of Riverside Housing Development Corporation shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have all the power and authority normally accorded to a president of a corporation, including, but not limited to the general supervision, direction and control of the activities of the Corporation, hiring, release and supervision of all staff personnel, maintenance and safekeeping of all Corporate books and records, initiating and executing programs approved by the Board of Directors and signing alone or in conjunction with the Chairperson or a Vice-Chair, of all contracts authorized by the Board of Directors, together with affixing the seal thereto.

IT IS FURTHER RESOLVED that BRUCE KULPA, Executive Director, shall be authorized to execute all documents including but not limited to loan documents, sales contracts and transfer documents on behalf of Riverside Housing Development Corporation.

Dated: February 7, 2006



Francis Baum - Chairman



David A. McNeil - Vice Chairman



William O'Laverty - Chief Financial Officer



Aaron S. Brown - Secretary

Riverside Housing Development Corporation Composition of Board of Directors FY 2011-12						
MEMBER SINCE	TERM EXPIRES	CLASS	Low Income Rep.	OCCUPATION / REPRESENTATION	TITLE	
Up To 7 Directors						
1 AARON BROWN (E)	1995	CLASS I		Riverside Community College, Accounting Services	Assoc. Vice Chancellor, Finance	
2 JAIME HURTADO	JUNE 2014	CLASS I		Riverside County Board of Supervisors	Field Representative	
3 NANCY MELENDEZ (E)	JUNE 2013	CLASS I		Riverside Community College District Foundation, Campaign	Manager	
4 RICK DeJONG	JUNE 2014	CLASS I		City of Moreno Valley - Planning Commission	Chairman	
Up To 7 Directors						
1 FRANCIS BAUM (E)	1993	CLASS II		Partner, Best, Best and Krieger Law Corporation	Attorney, Law Firm Partner	
2 BILL O'LAVERY (E)	1993	CLASS II		Vice-President, Provident Savings Bank	Banker, VP of Loan Administration	
3 DOUGLAS MERKT	JUNE 2012	CLASS II		Retired	Retired	
4 RALPH J. MEGNA	JUNE 2014	CLASS II		The Jamieson Group, Inc.	President, Redevelopment, Real Estate/Environmental Consulting	
5 DUNCAN WEBB	JUNE 2013	CLASS II		Retired	Retired	
At Least 7 Directors						
1 PETER BENAVIDEZ (E)	1993	CLASS III	Low Inc.	Exec. Director, Blindness Support Services	Non Profit Exec. Dir.	
2 ELIZA DANIELY-WOOLFOLK	1993	CLASS III	Low Inc.	Exec. Director, Alternatives to Domestic Violence	Non Profit Exec. Dir.	
3 LOIS CARSON	1993	CLASS I		Exec. Director, Comm. Action Partnership of Riv. County	Non Profit Exec. Dir.	
4 ROSE MAYES	2002	CLASS III	Low Inc.	Exec. Director, Fair Housing Council	Non Profit Exec. Dir.	
5 STEVE SANDERS	2009	CLASS III	Low Inc.	Board President, Heartline Ministries	Non Profit Board Member	
6 WILLIE ULIBARRI	2010	CLASS III	Low Inc.	President/CEO - Project Life Impact, Inc.	Non Profit President/CEO	
(E) signifies Voting Members of Executive Committee						
CLASS I = City Government or School District Representation						
CLASS II = Community Members (AT LARGE)						
CLASS III = Low Income Individual, Neighborhood, or Group Representation						
Ex-Officio (Non-Voting) Directors:						
BILL BATEY	2003			City of Moreno Valley, City Council member		

received
3-7-96

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
2 CUPANIA CIRCLE
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: MAR 06 1996

RIVERSIDE HOUSING DEVELOPMENT
CORPORATION
C/O RANDOLPH HALL JR
7177 BROCKTON AVENUE STE #450
RIVERSIDE, CA 92506

Employer Identification Number:
33-0468093
Case Number:
956046030
Contact Person:
TYRONE THOMAS
Contact Telephone Number:
(213) 894-2289

Our Letter Dated:
July 15, 1991
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(s) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. For guidance in determining whether your gross receipts are "normally" more than \$25,000, see the instructions for Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Letter 1050 (DO/CG)

-2-

RIVERSIDE HOUSING DEVELOPMENT

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Richard R. Oreste
District Director

Letter 1050 (DO/CG)



Riverside Housing Development Corporation

Financial Management Systems

Riverside Housing Development Corporation (RHDC) conforms to the financial accountability standards contained within 24 CFR 84.21 regarding its Standards for Financial Management Systems.


Bruce Kulpa, Executive Director

6/19/12
Date

ACKNOWLEDGEMENT

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

On 10-19-12 before me, Jean Barry, Notary Public

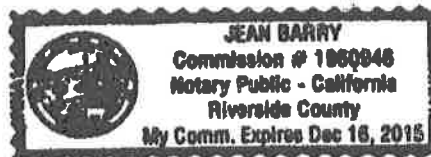
personally appeared BRUCE KULPA

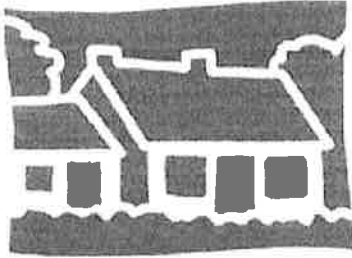
Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and seal.

Signature Jean Barry





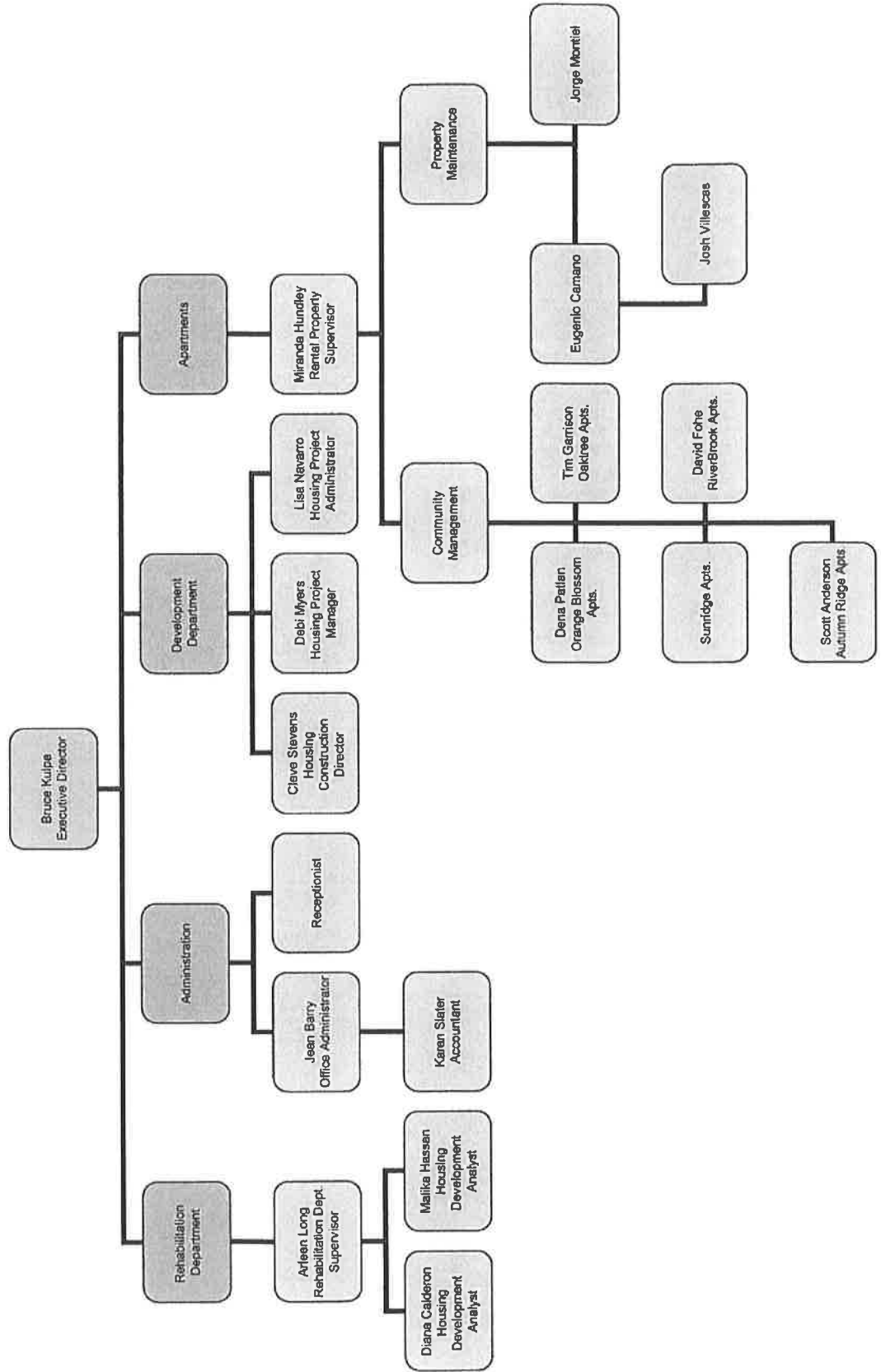
MISSION STATEMENT

Riverside Housing Development Corporation is a locally based community housing development organization (CHDO) created in 1991. The need for a local community housing development organization (CHDO) to help implement necessary low-income housing goals within the Inland region spurred local citizens and community groups to serve as a formation committee and a volunteer board of directors for the RHDC. RHDC's stated mission is to revitalize neighborhoods in Riverside and San Bernardino Counties by improving the quantity, quality, and condition of affordable housing opportunities available for low income households.

RHDC achieves its mission by renovating blighted properties and making them available for purchase or lease to low income households. RHDC's efforts are focused upon distressed neighborhoods that are suffering from blighted conditions, crime, and other social problems. By acquiring, renovating, and pro-actively managing troubled rental properties RHDC helps stabilize these neighborhoods. Taking the worst property in a neighborhood and transforming it into the best property has a positive "upward" effect that reverses the negative effect that blighted, neglected properties can have upon a neighborhood. The RHDC demonstrates "benevolent" ownership of its rental properties by focusing on, and reinvesting in, the quality of life for its residents.

Similarly, RHDC acquires and renovates distressed single-family homes, and offers them with down payment assistance (if available) to make homeownership for low to moderate-income households a reality. The extensive renovation of these homes improves their future marketability and extends their economic life. Each of these programs are essential components of RHDC's efforts to revitalize neighborhoods in Riverside and San Bernardino Counties and through them RHDC has assisted hundreds of low-income households in obtaining and/or maintaining a decent, safe, and affordable home to live in. In summary, RHDC's programs cover a wide range of neighborhood housing issues; from the smallest single-family home up to large apartment complexes.

RHDC Organization Chart





Riverside Housing Development Corporation

List of Principal Staff & Their Resumes

Executive Director - Bruce Kulpa, 27 years experience in banking, real estate, and organization management. Fifteen years experience in administration of governmental housing programs. Mr. Kulpa's knowledge of administrating government programs comes from his volunteer service as President of Habitat for Humanity Riverside and his twelve years of direct employment experience as Executive Director of the Riverside Housing Development Corporation. Previously, Mr. Kulpa was Section Manager for Bank of America's Commercial Appraisal Group covering all of Riverside and San Bernardino counties.

Office Administrator - Jean Barry, 28 years experience in real estate escrow and office administration. Ms. Barry's knowledge of administrating government programs comes from her 13 years of direct employment experience as Office Administrator of the Riverside Housing Development Corporation.

Supervising Property Manager - Miranda Hundley, 12 years experience in real property management, fair housing laws, landlord/tenant relations, rehabilitation construction methods, and construction management. Ms. Hundley has seven years of direct employment experience overseeing the rehabilitation and management of affordable rental housing properties with Riverside Housing Development Corporation.

Housing Project Manager - Debi Myers, 28 years experience in construction/project management, land acquisition, master community development and entitlements. Debi's knowledge and experience comes from her direct employment experience at Fiesta Development, Inc., Century Vintage Homes, and Newport Planning. Her development and construction experience includes commercial/industrial properties, large master developments, single family housing tracts and multi-use projects in both Riverside and San Bernardino Counties.

Housing Construction Director - Cleve Stevens, 31 years of combined experience in the construction industry. Through his combined experience in construction he has completed in excess of 750 projects. His collective background include working with grading contractor, McCoy Construction, Chieftain Construction also developers, William Lyons, DR Horton...His development and construction experience includes commercial properties, single family housing tracts, and multi-family units, public as well as private, either as a general contractor or a subcontractor.

4250 Brockton Avenue, Riverside, CA 92501 (951)341-0170 Fax (951)341-0171

Housing Project Administrator – Lisa Navarro, 14 years experience in the Building Industry directly related to Purchasing. 13 years experience directly related to Business Management. Began at US Homes in 1998, spent most of her career at Century Crowell Communities where she began as a Contract Administrator and worked her way up over a 9 year period to Purchasing Manager responsible for Design, Options, Onsite, Offsite Construction and Budget Management. Lisa's strengths are in Budgeting, and has Purchased and Managed Construction for over 4,000.00 home and Commercial projects in Southern California ranging from 150K price range to Million Dollar Estates.

Housing Rehab Department Supervisor – Arleen Long, 10 years experience in affordable housing, rehabilitation construction methods, program administration, government reporting, code compliance, and health & safety requirements. Ms. Long has nine years of direct employment experience overseeing the owner occupied housing programs of Riverside Housing Development Corporation.

Housing Development Analyst – Diana Calderon, 9 years experience in compiling scopes of work, obtaining contractor bids, preparing loan documents, and determining client eligibility for housing rehabilitation programs. Ms. Calderon has eight years experience coordinating rehabilitation construction projects and underwriting funding eligibility for the owner occupied housing rehabilitation programs of Riverside Housing Development Corporation.

Housing Development Analyst - Malika Hassan, has 20 years experience in the mortgage and real estate industry. Ms. Hassan's background is in mortgage underwriting and management. She currently holds a real estate license, notary license, CTEC license and is an EA for the IRS. Malika works on compiling scopes of work, obtaining contractor bids, preparing loan documents, and determining client eligibility for housing rehabilitation programs.

**RENTAL UNITS OWNED AND OPERATED BY
RIVERSIDE HOUSING DEVELOPMENT CORPORATION**

Address	City	Zip Code	Desc.	Acq. Date
1946 7th St	Riverside	92507	51 Units	3/25/1996
10594 Burton	Riverside	92505	4-plex	7/28/1994
10661 Burton	Riverside	92505	4-plex	6/1/1995
10680 Collett	Riverside	92505	4-plex	6/8/1996
10560-10590 Burton	Riverside	92505	16 units	11/25/1997
4171 Lively	Riverside	92505	4-plex	3/24/1999
4205 Lively	Riverside	92505	4-plex	3/24/1999
8893/95 Indiana	Riverside	92503	4-plex	3/5/1999
8911/13 Indiana	Riverside	92503	4-plex	3/8/1999
8947/49 Indiana	Riverside	92503	4-plex	3/5/1999
8935-37 Indiana	Riverside	92503	4-plex	3/5/1999
8797 Indiana	Riverside	92503	4-plex	8/25/1999
8835 Indiana	Riverside	92503	4-plex	9/3/1999
8879 Indiana	Riverside	92503	4-plex	8/27/1999
8859 Indiana	Riverside	92503	4-plex	1/25/2000
8845 Indiana Ave	Riverside	92503	4-plex	7/18/2003
8865 Indiana Ave.	Riverside	92503	4-plex	8/27/1999
8851 Indiana Ave.	Riverside	92503	4-plex	10/24/2003
8871 Indiana	Riverside	92503	4-plex	12/28/2004
8813 Indiana Ave.	Riverside	92503	4-plex	12/29/2008
8969 Indiana Ave.	Riverside	92503	4-plex	12/29/2008
8981 Indiana Ave.	Riverside	92503	4-plex	12/29/2008
9035 Indiana Ave.	Riverside	92503	4-plex	12/29/2008
9057 Indiana Ave.	Riverside	92503	4-plex	12/28/2008
9077 Indiana Ave.	Riverside	92503	Garages	12/29/2008
9089 Indiana Ave.	Riverside	92503	4-plex	12/29/2008
9097 Indiana Ave.	Riverside	92503	4-plex	12/29/2008
22791 Allies	Moreno Valley	92552	4 units	12/23/1998
22801 Allies	Moreno Valley	92552	4 units	12/23/1998
22839 Bay Ave.	Moreno Valley	92552	4-plex	10/23/2002
22813 Adrienne	Moreno Valley	92552	4-plex	4/20/2007
22827 Adrienne	Moreno Valley	92552	4-plex	4/20/2007
22898 Allies	Moreno Valley	92552	4-plex	10/19/2007
22801 Adrienne	Moreno Valley	92552	4-plex	10/19/2007
15360 Perris	Moreno Valley	92552	4-plex	8/10/2007
15414 Perris	Moreno Valley	92552	4-plex	8/10/2007
15359 Sheila	Moreno Valley	92552	4-plex	2/7/2008
15385 Sheila	Moreno Valley	92552	4-plex	2/7/2008
41896 Orange Blossom	Hemet	92544	4-plex	10/30/2008
41897 Orange Blossom	Hemet	92544	3-plex	10/30/2008
41908 Orange Blossom	Hemet	92544	4-plex	10/30/2008
41909 Orange Blossom	Hemet	92544	3-plex	4/30/2008
41920 Orange Blossom	Hemet	92544	4-plex	3/12/2008
41921 Orange Blossom	Hemet	92544	3-plex	10/30/2008
41956 Orange Blossom	Hemet	92544	4-plex	4/30/2008
41957 Orange Blossom	Hemet	92544	3-plex	4/30/2008
41981 Orange Blossom	Hemet	92544	3-plex	4/30/2008
41992 Orange Blossom	Hemet	92544	4-plex	1/11/2008
41993 Orange Blossom	Hemet	92544	3-plex	10/30/2008
41969 Orange Blossom	Hemet	92544	3-plex	4/5/2010
41882 Orange Blossom	Hemet	92544	4-plex	4/25/2011

Properties Converted to Park Area and Garages for tenants Use for the AUTUMN RIDGE APAR

8883 Indiana Ave.	Riverside	92503		6/19/1998
8855 Indiana	Riverside	92503		1/25/2000
8921/23 Indiana	Riverside	92503		3/6/1999
8957/59 Indiana	Riverside	92503		3/5/1999

RHDC SINGLE FAMILY RENTALS:

600 Central Ave. Unit 353	Riverside	92507	1 bdrm condit	6/26/2009
4163 Mobley Ave.	Riverside	92505		7/17/2009
8881 Shawnee	Riverside	92503		8/20/2009
5240 Sierra St.	Riverside	92504		12/16/2010

RHDC TAX CREDIT PROJECT - CYPRESS SPRINGS APARTMENTS

Cypress Springs Apartments	101 Units	TAX CREDIT PROJECT
7850 Cypress Ave., Riverside, CA		COMPLETED 12/07

City of Riverside

Rehab Activity Log

February - FY 2011/2012

File No.	Address	Target Zip	Target Area	Date Assigned	Agency Approval	Program(s)	Funding	Target Completion Date	Start Date	Completion Date	Days to Complete	Comments	File Closed	Actual Project Amount
1	A 24-027 4000 Pierce Street Sp#213	05	CW	11/28/2011	12/30/2011	HOME MH S/G	\$8,000					Pending docs		\$0.00
2	A 23-060 4000 Pierce Street Sp#108	05	CW	5/9/2011	10/25/2011	HOME MH S/G	\$8,000	2/18/2012	1/18/2012	1/25/2012	7 days	Retention due 2/25/12		\$0.00
3	A 23-072 6545 Dorinda Drive	03	CW	5/9/2011	7/15/2011	HOME S/G	\$5,000	2/26/2012	1/26/2012	2/7/2012		Pending final		\$0.00
4	A 23-072 6545 Dorinda Drive	03	CW	5/9/2011	7/15/2011	HOME D/L	\$5,000							\$0.00
5	A 24-002 4000 Pierce Street Sp#265	05	CW	9/16/2011	10/25/2011	HOME MH S/G	\$8,000	2/17/2012	1/27/2012			Under Construction Cancel per owner - Pending lead \$\$		\$0.00
6	A 23-106 10690 Campbell Avenue	03	ALS	5/18/2011	12/12/2011	CDBG Lead PO	\$459							\$0.00
7	A 23-040 4000 Pierce Street Sp#336	05	CW	5/9/2011	6/24/2011	HOME MH S/G	\$5,610	2/18/2012	1/18/2012	2/8/2012	21 days	Retention due 3/8/12		\$0.00
8	A 23-040 4000 Pierce Street Sp#336	05	CW	5/9/2011	6/24/2011	HOME MH DA/G	\$2,390							\$0.00
9	A 24-042 10513 Magnolia Avenue Sp B-1	05	CW	1/11/2012								Bids due 2/20/12		\$0.00
10	A 24-006 10513 Magnolia Avenue Sp H1	05	ALS	11/28/2011	1/26/2012	HOME MH S/G	\$7,540					Pending agency		\$0.00
11	A 24-006 10513 Magnolia Avenue Sp H1	05	ALS	11/28/2011	1/26/2012	HOME MH DA/G	\$460							\$0.00
12	A 24-005 5452 Central Avenue	04	MC	11/16/2011	12/30/2011	CalHOME D/L	\$40,000					Pending docs, pre-construction		\$0.00
13	A 24-005 5452 Central Avenue	04	MC	11/16/2011	12/30/2011	HOME DA/G	\$4,930							\$0.00
14	A 23-113 3700 Buchanan St Sp#185	03	CW	8/12/2011	1/26/2012	CDBG Lead PO	\$199					Pending agency Pending City signing Deed of Trust		\$0.00
15	A 22-102 7306 Ysmael Villegas Street	04	CB	9/13/2010	5/18/2011	CB Ex/G	\$5,000							\$0.00
16	A 22-102 7306 Ysmael Villegas Street	04	CB	9/13/2010	5/18/2011	CB F/L	\$34,000							\$0.00
17	A 23-084 3700 Buchanan St Sp#169	03	CW	4/25/2011	6/24/2011	HOME MH S/G	\$7,705	12/16/2011	11/16/2011	1/18/2012	62 days	Retention up 2/18/2012		\$0.00
18	A 23-084 3700 Buchanan St Sp#169	03	CW	4/25/2011	6/24/2011	HOME MH DA/G	\$295							\$0.00
19	A 23-059 3700 Buchanan St Sp#155	03	CW	3/25/2011	4/29/2011	HOME MH S/G	\$8,000	8/26/2011	7/26/2011	9/30/2011	67 days	Contract negotiation		\$0.00
20	A 23-112 3700 Buchanan St Sp#107	03	CW	8/11/2011	10/12/2011	HOME MH S/G	\$8,000	2/1/2012	1/18/2012			Pending Final Walk		\$0.00
21	A 23-125 12149 Indiana Avenue Sp#84	03	CW	9/16/2011								Bids to owner to view cost		\$0.00
22	A 23-120 6996 Marguerita Avenue	06	CB	8/12/2011	10/25/2011	CalHOME D/L	\$40,000					Pending MSA		\$0.00
23	A 23-084 3700 Buchanan St Sp#206	03	CW	7/18/2011	9/16/2011	HOME MH S/G	\$8,000	1/14/2012	12/14/2011	1/25/2012	42 days	Retention due 2/25/12		\$0.00
24	A 24-023 6072 Hamilton Drive	06	CW	10/28/2011	11/29/2011	CalHOME D/L	\$31,000					Pending MSA		\$0.00
25	A 23-067 3700 Buchanan St Sp#176	03	CW	5/18/2011	9/16/2011	HOME MH S/G	\$8,000	2/9/2012	1/9/2012			Under Construction		\$0.00
26	A 23-075 3700 Buchanan St Sp#172	03	CW	5/9/2011	6/24/2011	HOME MH S/G	\$8,000	2/3/2012	1/3/2012	1/18/2012	15 days	Retention due 2/18/12		\$0.00

City of Riverside

Rehab Activity Log

February - FY 2011/2012

Item No.	Activity Description	Contractor	Start Date	End Date	Amount	Notes	Completion Date	Status	Amount
A 23-071	568 Spruce Street	CW	7/29/2011	9/16/2011	\$40,000	MSA, insurance, Historical			\$0.00
A 23-071	568 Spruce Street	CW	7/29/2011	9/16/2011	\$5,000				\$0.00
47	A 23-110 3883 Buchanan St Sp#32	CW	8/12/2011	9/30/2011	\$8,000	Pending MSA			\$0.00
48	A 23-089 3700 Buchanan St. Sp #192	CW	7/29/2011	9/16/2011	\$8,000	Pending Final Walk			\$0.00
49	A 23-054/2595 Atlanta Ave Sp#25	ES	4/8/2011	6/15/2011	\$8,000	Pending final - Replace vinyl again	10/4/2011	18 days	\$0.00
50	A 23-119 3500 Buchanan Sp #46	CW	7/29/2011	9/9/2011	\$8,000	Retention due 3/1/12	2/1/2012	56 days	\$0.00
51	C 22-094 11131 Breiner Court	CW	5/14/2010	6/8/2010	\$5,000	COMPLETED - CLOSED	11/18/2010	43 days	\$50,000.00
	C 22-094 11131 Breiner Court	CW	5/14/2010	6/8/2010	\$5,000				
	C 22-094 11131 Breiner Court	CW	5/14/2010	6/8/2010	\$40,000				
52	C 23-097 4000 Pierce Street Sp#197	CW	5/9/2011	6/15/2011	\$8,000	COMPLETED - CLOSED	9/7/2011	7 days	\$8,000.00
3	C 23-049 3202 Mendoza Way	CB	2/11/2011	3/23/2011	\$5,000	COMPLETED - CLOSED	7/27/2011	61 days	\$50,000.00
	C 23-049 3202 Mendoza Way	CB	2/11/2011	3/23/2011	\$45,000				
54	C 23-013 2038 Carlton Place	CW	10/29/2010	1/14/2011	\$45,000	COMPLETED - CLOSED	10/12/2011	112 days	\$49,940.00
	C 23-013 2038 Carlton Place	CW	10/29/2010	1/14/2011	\$5,000				
55	C 23-070 3700 Buchanan St. Sp#52	CW	4/8/2011	6/15/2011	\$8,000	COMPLETED - CLOSED	11/16/2011	21 days	\$8,000.00
56	C 23-052 7723 Evans Street	CB	2/11/2011	3/23/2011	\$5,000	COMPLETED - CLOSED	8/23/2011	59 days	\$50,000.00
	C 23-052 7723 Evans Street	CB	2/11/2011	3/23/2011	\$45,000				
57	C 23-006 5281 Sierra Vista Avenue	CW	10/6/2010	1/14/2011	\$5,000	COMPLETED - CLOSED	5/5/2011	36 days	\$5,000.00
58	C 23-065 3700 Buchanan St. Sp#90	CW	5/9/2011	6/29/2011	\$8,000	COMPLETED - CLOSED	10/28/2011	29 days	\$8,000.00
59	C 23-063 3700 Buchanan Sp#173	CW	3/14/2011	4/29/2011	\$8,000	COMPLETED - CLOSED	9/9/2011	44 days	\$7,795.00
60	C 23-018/3500 Buchanan Sp#62	CW	1/21/2011	3/23/2011	\$8,000	COMPLETED - CLOSED	8/18/2011	33 days	\$8,000.00
61	C 23-048/2855 Sonora Place	CB	2/11/2011	3/23/2011	\$5,000	COMPLETED - CLOSED	9/1/2011	92 days	\$50,000.00
	C 23-048/2855 Sonora Place	CB	2/11/2011	3/23/2011	\$45,000				
62	C 22-089/4695 Marmian Way	CW	4/20/2010	10/25/2010	\$45,000	COMPLETED - CLOSED	8/9/2011	99 days	\$49,723.00
	C 22-089/4695 Marmian Way	CW	4/20/2010	10/25/2010	\$5,000				
63	C 23-064 3700 Buchanan St. Sp#164	CW	3/25/2011	4/29/2011	\$8,000	COMPLETED - CLOSED	9/21/2011	56 days	\$8,000.00
64	C 23-036 6846 Barkwood Road	CW	5/18/2011	6/29/2011	\$5,000	COMPLETED - CLOSED	11/16/2011	12 days	\$5,000.00

City of Riverside

Rehab Activity Log

February - FY 2011/2012

Item No.	Address	Sp#	County	Start Date	End Date	HOME MH S/G	HOME MH S/G	HOME MH S/G	HOME MH DA/G	Start Date	End Date	Days	Completion Status	Response	Final Date	Amount
65	C 23-051	4000 Pierce Street	Sp#288	05	CW	3/4/2011	4/29/2011	HOME MH S/G	\$8,000	8/25/2011	9/25/2011	41 days	COMPLETED - CLOSED		11/30/2011	\$8,000.00
66	C 23-011	3663 Buchanan Street	Sp#55	03	CW	10/25/2010	1/14/2011	HOME MH S/G	\$7,440	4/21/2011	3/21/2011	38 days	COMPLETED - CLOSED		9/1/2011	\$8,000.00
	C 23-011	3663 Buchanan Street	Sp#55	03	CW	10/25/2010	1/14/2011	HOME MH DA/G	\$560							
67	D 23-111	3700 Buchanan Sp 205		03	CW								CANCELLED - No Response		8/17/2011	\$0.00
68	D 24-004	1152 Alhena Court		07	ES	10/28/2011							CANCELLED - Per Owner		12/6/2011	\$0.00
69	D 24-010	4000 Pierce ST Sp 181		05	CW								CANCELLED - Over Income		9/14/2011	\$0.00
70	D 24-045	3520 Elizabeth Street		06	CW								CANCELLED - Per Owner		1/30/2012	\$0.00
71	D 23-105	4034 Midland Road		05	ALS								CANCELLED - Not Eligible		7/29/2011	\$0.00
72	D 24-044	3456 Meadowview Drive		03	County								CANCELLED - County Address		1/20/2012	\$0.00
73	D 23-029	3881 Eucalyptus Avenue		07	ES	2/11/2011	5/1/2011	CDGB Lead PO	\$459				CANCELLED - Per Owner		1/13/2012	\$459.00
74	D 24-028	4000 Pierce Street	Sp#258	05	CW	1/3/2012							CANCELLED - Over Income		1/17/2012	\$0.00
75	D 24-038	2449 Rancho Drive		07	ES								CANCELLED - Not Eligible		1/10/2012	\$0.00
76	D 24-022	20174 Camino Del Sol		08	County								CANCELLED - County Address		11/30/2011	\$0.00
77	D 24-009	3322 Mulberry Street		01	DT								CANCELLED - Not Eligible		8/31/2011	\$0.00
78	D 24-019	7260 Fiesta Avenue		04	CB								CANCELLED - Not Eligible		10/20/2011	\$0.00
79	D 23-117	5340 Dunlop Drive		05	CW	8/12/2011							CANCELLED - Not Eligible		9/6/2011	\$0.00
80	D 24-007	4283 MI Vernon Avenue		07	CW								CANCELLED - Per Owner		8/10/2011	\$0.00
81	D 23-123	7844 Casa Blanca Street		04	CB								CANCELLED - Per Owner		8/29/2011	\$0.00
82	D 24-003	275 Mont Marte Avenue		01	County								CANCELLED - County Address		7/28/2011	\$0.00
83	D 23-030	8912 Brunswick Avenue		03	CW								CANCELLED - No Response		7/28/2011	\$0.00
84	D 24-017	8573 Colorado Avenue		04	ARL	1/3/2012							CANCELLED - Per Owner		1/10/2012	\$0.00
85	D 23-116	1607 Hillcrest Avenue		01	NS								CANCELLED - Over Encumbered		7/28/2011	\$0.00
86	D 24-025	5709 Clifton Blvd		04	CW	11/28/2011							CANCELLED - Per Owner		12/14/2011	\$0.00
87	D 23-087	7888 Evans Street		04	CB	7/29/2011							CANCELLED - Per Owner		8/3/2011	\$0.00
	D 23-083	3700 Buchanan St.	Sp#75	03	CW	3/25/2011	5/4/2011	HOME MH S/G	\$8,000				CANCELLED - Per Owner		10/20/2011	\$199.00
	D 23-079	7739 Evans Street		04	CB								CANCELLED - Per Owner		8/5/2011	\$0.00
	D 23-050	7854 Evans Street		04	CB	7/29/2011							CANCELLED - Code items exceed funding		8/4/2011	\$0.00
	D 23-102	4170 Dewey Avenue		06	MC								CANCELLED - No Response		8/17/2011	\$0.00
	D 23-108	3500 Buchanan Sp 137		03	CW								CANCELLED - Over Income		7/13/2011	\$0.00
	D 23-068	7851 Railroad Avenue		04	CB								CANCELLED - Not Eligible		7/28/2011	\$0.00

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DC	22-097	3585 Farnham Place	03	CW	5/24/2010	5/28/2010	5/28/2010	9/1/2010	HOME ER/G	\$1,550	7/17/2010	7/14/2010	7 days	COMPLETED - CLOSED	10/29/2010	\$1,550.00
MH	22-104	4000 Pierce Street Sp#10	05	CW	8/25/2010	9/8/2010	11/15/2010	11/19/2010	HOME MH S/G	\$8,000	2/21/2011	2/25/2011	36 days	COMPLETED - CLOSED	4/8/2011	\$8,000.00
DC	22-096	6623 Arch Way	06	CW	5/14/2010	5/18/2010	6/23/2010	6/25/2010	HOME S/G	\$5,000	12/29/2010	1/13/2011	46 days	COMPLETED - CLOSED	4/21/2011	\$5,000.00
C	DC	22-088	3700 Buchanan Sp#12	03	CW	4/28/2010	4/30/2010	5/25/2010	HOME MH S/G	\$8,000	9/19/2010	8/19/2010	96 days	COMPLETED - CLOSED	1/20/2011	\$8,000.00
C	AD/DC	21-074	4439 Nellie Street	03	CW	5/28/2009	5/28/2009	6/18/2009	HOME D/L	\$30,000	3/18/2010	3/17/2010	29 days	COMPLETED - CLOSED	3/17/2011	\$70,000.00
C	AD/DC	21-074	4439 Nellie Street	03	CW	5/28/2009	5/28/2009	6/18/2009	CallHome D/L	\$40,000	7/5/2010	4/8/2010	2/24/2011			
C	DC	22-078	4000 Pierce Street Sp#296	05	CW	3/8/2010	3/12/2010	4/16/2010	RDA MH S/G	\$8,000	9/2/2010	8/19/2010	17 days	COMPLETED - CLOSED	9/30/2010	\$8,000.00
C	DC	22-082	3500 Buchanan Sp#27	03	CW	3/19/2010	3/22/2010	5/7/2010	HOME MH S/G	\$8,000	12/10/2010	11/10/2010	23 days	COMPLETED - CLOSED	1/20/2011	\$8,000.00
C	MH	23-014	3700 Buchanan Sp#162	03	CW	11/1/2010	11/17/2010	12/14/2010	RDA MH S/G	\$8,000	3/4/2011	2/4/2011	71 days	COMPLETED - CLOSED	5/31/2011	\$8,000.00
C	DC	22-021	4000 Pierce Street Sp#36	05	CW	10/1/2009	10/8/2009	10/29/2009	HOME MH S/G	\$8,000	7/4/2010	6/16/2010	12 days	COMPLETED - CLOSED	7/21/2010	\$8,000.00
C	DC	22-046	3500 Buchanan Street Sp #158	03	CW	12/7/2009	12/17/2009	1/26/2010	HOME MH S/G	\$7,465	8/9/2010	7/9/2010	26 days	COMPLETED - CLOSED	9/15/2010	\$8,000.00
C	DC	22-046	3500 Buchanan Street Sp #158	03	CW	12/7/2009	12/17/2009	1/26/2010	HOME MH DA/G	\$535						
C	MH	23-020	9391 California Avenue Sp#51	03	CW	11/17/2010	11/24/2010	1/10/2011	HOME MH S/G	\$8,000	3/25/2011	3/17/2011	21 days	COMPLETED - CLOSED	5/31/2011	\$8,000.00
DC	DC	22-101	3500 Buchanan Street Sp#100	03	CW	5/24/2010	6/1/2010	7/8/2010	HOME S/G	\$5,732	1/13/2011	12/12/2010	4 days	COMPLETED - CLOSED	4/8/2011	\$8,000.00
DC	DC	22-101	3500 Buchanan Street Sp#100	03	CW	5/24/2010	6/1/2010	7/8/2010	HOME DA/G	\$2,268						
DC	DC	22-081	3500 Buchanan Sp#73	03	CW	3/12/2010	3/16/2010	4/16/2010	RDA MH S/G	\$8,000	10/13/2010	9/13/2010	29 days	COMPLETED - CLOSED	11/17/2010	\$7,950.00
C	AD/DC	21-090	54 Round Table Drive	07	ES	5/29/2009	5/29/2009	9/24/2009	HOME MH S/G	\$8,000	7/29/2010	6/29/2010	15 days	COMPLETED - CLOSED	9/3/2010	\$8,000.00
C	MH	23-001	3500 Buchanan Street Sp#220	03	CW	11/17/2010	12/15/2010	1/14/2011	HOME MH S/G	\$7,015	4/3/2011	3/4/2011	32 days	COMPLETED - CLOSED	5/26/2011	\$8,000.00
C	MH	23-001	3500 Buchanan Street Sp#220	03	CW	11/17/2010	12/15/2010	1/14/2011	HOME MH DA/G	\$985						

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ID #	HBA File No.	Address	Target Zip	Date Assessed	Date of Initial Insp.	Date Bid Awarded	Agency Approval	Program(s)	Funding	Target Complete Date	Start Date	Complete Date	Days under construction	Comments	File Closed	Actual Project Amount
1	A DC 22-108	4000 Pierce Street Sp#37	05	CW	6/30/2010									Initial 7/1/10		\$0.00
2	A DC 22-094	11131 Breiner Court	05	CW	5/14/2010	5/17/2010	6/8/2010	HOME S/G						Recession 7/1/10		\$0.00
	A DC 22-094	11131 Breiner Court	05	CW	5/14/2010	5/17/2010	6/8/2010	HOME D/L								
	A DC 22-094	11131 Breiner Court	05	CW	5/14/2010	5/17/2010	6/8/2010	CallHome D/L								
3	A DC 22-068	8351 Buck Place	04	CW	2/16/2010	2/17/2010	3/29/2010	HOME S/G	\$4,838	5/28/2010	4/28/2010	5/26/2010	28 days	Retention due 7/9/10		\$0.00
	A DC 22-068	8351 Buck Place	04	CW	2/16/2010	2/17/2010	3/29/2010	HOME DA/G	\$162							
	A DC 22-068	8351 Buck Place	04	CW	2/16/2010	2/17/2010	3/29/2010	CallHome D/L	\$12,000							
4	A DC 22-105	9391 California Avenue Sp#53	03	CW	6/30/2010									Initial 7/1/10		\$0.00
5	A DC 22-055	3500 Buchanan Street Sp#141	03	CW	3/11/2010	3/18/2010	4/26/2010	HOME MH S/G	\$7,145					Pending MSA		\$0.00
	A DC 22-055	3500 Buchanan Street Sp#141	03	CW	3/11/2010	3/18/2010	4/26/2010	HOME MH DA/G	\$855							
6	A DC 22-110	4000 Pierce Street Sp#342	05	CW	6/30/2010									Initial 7/1/10		\$0.00
7	A DC 22-060	4000 Pierce Street Sp#278	05	CW	3/22/2010	3/24/2010	5/12/2010	RDA MH S/G	\$8,000					Pending MSA		\$0.00
8	A DC 22-093	3680 Franklin Avenue	07	ES	4/30/2010	5/7/2010								WWU to owner		\$0.00
	A DC 22-098	554 Toulouse Avenue	01	CW	6/25/2010	6/29/2010								Pending LBP & Termite		\$0.00
	A DC 22-061	13701 Fillmore Street #150	03	CW	2/16/2010	2/17/2010	3/24/2010	RDA MH S/G	\$3,000					Pending MSA		\$0.00
11	A DC 22-080	4000 Pierce Street Sp#229	05	CW	3/19/2010	3/22/2010	4/26/2010	RDA MH S/G	\$8,000					Pending MSA		\$0.00
12	A DC 22-058	3262 Gallon Circle	03	CW	4/20/2010	4/27/2010	6/1/2010	RDA S/G	\$5,000					Pending MSA		\$0.00
13	A DC 22-072	4000 Pierce Street Sp#13	05	CW	3/8/2010	3/10/2010	4/16/2010	RDA MH S/G	\$7,057	7/16/2010	6/16/2010			Under Construction		\$0.00
	A DC 22-072	4000 Pierce Street Sp#13	05	CW	3/8/2010	3/10/2010	4/16/2010	RDA MH DA/G	\$943							
14	A DC 22-062	3500 Buchanan Street Sp#147	03	CW	2/23/2010	2/25/2010	4/16/2010	HOME MH S/G	\$8,000					Pending docs		\$0.00
15	A DC 22-053	4525 Warren Street	03	CW	2/11/2010	2/16/2010	3/24/2010	RDA S/G	\$5,000					Pending MSA		\$0.00
16	A DC 22-070	5869 Glenhurst Street	04	CW	2/16/2010	2/17/2010	3/24/2010	HOME S/G	\$5,000					Pending MSA		\$0.00
17	A DC 22-048	4189 Kingsbury Place	03	CW	5/14/2010	5/17/2010								Pending re-bid project		\$0.00
18	A AD/DC 21-071	3408 First Street	01	DT	3/23/2009	3/30/2009	10/6/2009	CallHome D/L	\$40,000	8/10/2010	5/10/2010			Under Construction		\$0.00
	A AD/DC 21-071	3408 First Street	01	DT	3/23/2009	3/30/2009	10/6/2009	HOME R/L	\$17,000	8/10/2010	3/5/2010					
19	A DC 22-047	10473 Cypress Avenue	03	ALS	11/25/2009	11/30/2009	3/1/2010	CallHome D/L	\$23,000	7/19/2010	6/4/2010			Under Construction		\$0.00
	A DC 22-071	4371 Monticello Avenue	03	CW	2/18/2010	2/19/2010	4/6/2010	RDA R/L	\$35,400	8/4/2010	6/4/2010			Under Construction		\$0.00
	A AD/DC 21-031	4280 Ninth Street	01	DT	5/15/2009	5/19/2009	9/15/2009	CallHome D/L	\$40,000	8/3/2010	5/3/2010			Under Construction		\$0.00
	A AD/DC 21-031	4280 Ninth Street	01	DT	5/15/2009	5/19/2009	9/15/2009	HOME D/L	\$4,000							
	A DC 22-014	8972 Colorado Avenue	03	ARL	9/2/2009	9/4/2009	10/26/2009	CallHome D/L	\$40,000	4/30/2010	1/20/2010	5/19/2010	119 days	Pending electrical permit		\$0.00
	A DC 22-014	8972 Colorado Avenue	03	ARL	9/2/2009	9/4/2009	10/26/2009	HOME R/L	\$5,000							
	A DC 22-014	8972 Colorado Avenue	03	ARL	9/2/2009	9/4/2009	10/26/2009	HOME DA/G	\$5,000							

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46	C AD/DC 21-039 3500 Buchanan Sp#75	03	CW	1/26/2009	2/22/2009	6/5/2009	4/17/2009	RDA MH S/G	\$266.54	11/6/2009	10/6/2009	11/4/2009	29 days	COMPLETED - CLOSED	3/9/2010	\$8,000.00
	C AD/DC 21-039 3500 Buchanan Sp#75	03	CW	1/26/2009	2/22/2009	6/5/2009	7/16/2009	RDA MH S/G	\$6,199							
	C AD/DC 21-039 3500 Buchanan Sp#75	03	CW	1/26/2009	2/22/2009	6/5/2009	7/16/2009	RDA MH DA/G	\$1,534							
47	C DC 22-017 4000 Pierce Street Sp#100	05	CW	9/24/2009	9/29/2009	10/30/2009	1/16/2009	HOME MH S/G	\$8,000	4/8/2010	3/8/2010	3/24/2010	16 days	COMPLETED - CLOSED	4/30/2010	\$8,000.00
48	C DC/AD 21-027 3500 Buchanan Sp#181	03	CW	10/22/2008	10/30/2008	1/7/2009	1/20/2009	RDA MH S/G	\$7,325	7/26/2009	6/26/2009	7/22/2009	26 days	COMPLETED - CLOSED	10/1/2009	\$7,932.61
	C DC/AD 21-027 3500 Buchanan Sp#161	03	CW	10/22/2008	10/30/2008	1/7/2009	1/20/2009	RDA MH DA/G	\$675							
49	C DC 22-013 3500 Buchanan St. Sp#180	03	CW	9/2/2009	9/4/2009	10/8/2009	10/19/2009	HOME MH ER/G	\$130	1/4/2010	12/4/2009	2/3/2010	61 days	COMPLETED - CLOSED	3/16/2010	\$7,980.00
	C DC 22-013 3500 Buchanan St. Sp#180	03	CW	9/2/2009	9/4/2009	10/8/2009	10/19/2009	HOME MH S/G	\$7,255							
	C DC 22-013 3500 Buchanan St. Sp#180	03	CW	9/2/2009	9/4/2009	10/8/2009	10/19/2009	HOME MH DA/G	\$615							
50	C DC 22-023 3500 Buchanan Sp#13	03	CW	9/28/2009	10/2/2009	11/13/2009	1/16/2009	HOME MH S/G	\$8,000	1/11/2010	12/11/2009	1/13/2010	32 days	COMPLETED - CLOSED	2/26/2010	\$8,000.00
51	C DC 22-019 4000 Pierce Street Sp#281	05	CW	9/23/2009	9/25/2009	10/26/2009	1/16/2009	HOME MH S/G	\$8,000	4/8/2010	3/8/2010	4/7/2010	29 days	COMPLETED - CLOSED	5/13/2010	\$8,000.00
52	C AD/DC 21-083 3700 Buchanan Sp#180	03	CW	5/18/2009	5/21/2009	6/10/2009	7/1/2009	HOME MH S/G	\$8,000	12/24/2009	11/24/2009	2/3/2010	89 days	COMPLETED - CLOSED	3/18/2010	\$8,000.00
53	C DC 21-105 96 Sir Galahad Drive	07	ES	7/10/2009	7/14/2009	8/11/2009	9/1/2009	HOME MH S/G	\$7,850	2/8/2010	1/8/2010	2/9/2010	31 days	COMPLETED - CLOSED	3/18/2010	\$8,000.00
	C DC 21-105 96 Sir Galahad Drive	07	ES	7/10/2009	7/14/2009	8/11/2009	9/1/2009	HOME MH DA/G	\$150							
54	C DC 22-009 4000 Pierce Street Sp#170	05	CW	8/27/2009	9/1/2009	10/6/2009	10/19/2009	RDA MH S/G	\$8,000	3/23/2010	2/23/2010	3/17/2010	22 days	COMPLETED - CLOSED	4/20/2010	\$8,000.00
	C AD/DC 21-084 60 Round Table Drive	07	ES	4/14/2009	4/15/2009	5/12/2009	7/1/2009	HOME MH S/G	\$7,765	11/1/2009	10/1/2009	10/2/2009	20 days	COMPLETED - CLOSED	12/9/2009	\$8,000.00
	C AD/DC 21-084 60 Round Table Drive	07	ES	4/14/2009	4/15/2009	5/12/2009	7/1/2009	HOME MH DA/G	\$295							
56	C AD/DC 21-018 4000 Pierce Street Sp#271	05	CW	12/8/2008	1/9/2009	2/25/2009	2/27/2009	HOME MH S/G	\$8,000	6/20/2009	5/21/2009	6/10/2009	20 days	COMPLETED - CLOSED	7/28/2009	\$7,997.78
57	C DC 22-026 3500 Buchanan Sp#14	03	CW	10/6/2009	10/16/2009	11/10/2009	11/16/2009	RDA MH S/G	\$8,000	1/11/2010	12/11/2009	1/13/2010	32 days	COMPLETED - CLOSED	3/9/2010	\$8,000.00
58	C DC 22-022 3500 Buchanan Sp#99	03	CW	10/6/2009	10/16/2009	11/13/2009	11/16/2009	HOME MH S/G	\$5,746	1/11/2010	12/11/2009	1/10/2010	29 days	COMPLETED - CLOSED	3/16/2010	\$8,000.00
	C DC 22-022 3500 Buchanan Sp#99	03	CW	10/6/2009	10/16/2009	11/13/2009	11/16/2009	HOME MH DA/G	\$2,254							
59	C AD/DC 21-065 3700 Buchanan Sp#200	03	CW	6/5/2009	6/8/2009	8/25/2009	9/1/2009	HOME MH S/G	\$8,000	11/9/2009	10/9/2009	11/4/2009	26 days	COMPLETED - CLOSED	12/9/2009	\$8,000.00
60	C DC 21-100 1528 Rosehill Drive	07	CW	7/10/2009	7/16/2009	8/13/2009	9/1/2009	RDA S/G	\$5,000	12/6/2009	11/6/2009	12/2/2009	24 days	COMPLETED - CLOSED	1/14/2010	\$4,996.00
	C AD/DC 21-081 4252 Donald Avenue	03	CW	5/22/2009	5/26/2009	6/17/2009	6/19/2009	CalHome D/L	\$32,000	1/31/2010	12/16/2009	5/19/2010	154 days	COMPLETED - CLOSED	6/28/2010	\$32,660.00
	C AD/DC 21-081 4252 Donald Avenue	03	CW	5/22/2009	5/26/2009	6/17/2009	6/19/2009	HOME DA/G	\$2,676							
62	C AD/DC 21-028 4000 Pierce Street Sp#322	05	CW	2/17/2009	2/20/2009	4/16/2009	4/17/2009	HOME MH S/G	\$8,000	8/24/2009	7/24/2009	8/19/2009	26 days	COMPLETED - CLOSED	10/29/2009	\$7,937.00
63	C DC/AD 21-023 5517 Kent Avenue	03	ALS	10/22/2008	10/27/2008	1/22/2009	2/13/2009	HOME S/G	\$5,000	7/2/2009	6/2/2009	6/17/2009	15 days	COMPLETED - CLOSED	7/29/2009	\$5,000.00
64	C DC 22-025 3500 Buchanan Sp#176	03	CW	10/14/2009	10/20/2009	12/1/2009	12/7/2009	HOME MH S/G	\$8,000	3/10/2010	2/10/2010	4/15/2010	64 days	COMPLETED - CLOSED	5/19/2010	\$8,000.00
	C AD/DC 21-041 4659 Challen Avenue	03	CW	12/8/2008	12/11/2008	5/13/2009	5/29/2009	CalHome D/L	\$35,000	10/25/2009	8/25/2009	10/21/2009	57 days	COMPLETED - CLOSED	1/15/2010	\$39,981.00
	C AD/DC 21-041 4659 Challen Avenue	03	CW	12/8/2008	12/11/2008	5/13/2009	5/29/2009	RDA S/G	\$4,235							
	C AD/DC 21-041 4659 Challen Avenue	03	CW	12/8/2008	12/11/2008	5/13/2009	5/29/2009	RDA DA/G	\$765							
	C AD 21-051 3500 Buchanan Sp#136	03	CW	1/27/2009	2/13/2009	3/23/2009	3/27/2009	HOME MH S/G	\$8,000	6/12/2009	5/12/2009	6/3/2009	22 days	COMPLETED - CLOSED	7/8/2009	\$7,849.00
	C AD/DC 21-092 57 Round Table Drive	07	ES	6/5/2009	6/8/2009	6/25/2009	7/1/2009	HOME MH S/G	\$8,000	11/30/2009	10/30/2009	12/2/2009	33 days	COMPLETED - CLOSED	3/5/2010	\$8,000.00
	C AD/DC 21-022 4000 Pierce Street Sp#33	05	CW	10/31/2008	11/3/2008	1/9/2009	1/20/2009	RDA MH DA/G	\$4,774	8/7/2009	7/7/2009	8/12/2009	35 days	COMPLETED - CLOSED	10/1/2009	\$8,000.00
	C AD/DC 21-022 4000 Pierce Street Sp#33	05	CW	10/31/2008	11/3/2008	1/9/2009	1/20/2009	RDA MH S/G	\$3,226							

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71	C	DC	22-041	4000	Pierce Street Sp#140	CW	12/17/2009	12/29/2009	2/1/2010	2/2/2010	HOME MH S/G	\$8,000	4/30/2010	3/30/2010	5/26/2010	57 days	COMPLETED - CLOSED	6/28/2010	\$7,990.00	
72	C	DC	21-088	5260	Ensley Court	CW	8/27/2009	8/28/2009	10/7/2009	10/19/2009	HOME S/G	\$5,000	2/14/2010	1/14/2010	2/9/2010	26 days	COMPLETED - CLOSED	3/4/2010	\$4,881.00	
73	C	DC	22-032	4000	Pierce Street Sp#306	CW	10/16/2009	10/20/2009	11/23/2009	12/17/2009	HOME MH S/G	\$7,540	3/8/2010	2/8/2010	3/3/2010	23 days	COMPLETED - CLOSED	4/8/2010	\$9,000.00	
74	C	DC	22-032	4000	Pierce Street Sp#306	CW	10/16/2009	10/20/2009	11/23/2009	12/17/2009	HOME MH DA/G	\$460		12/4/2009	1/10/2010	36 days	COMPLETED - CLOSED	3/16/2010	\$7,865.00	
75	C	DC	22-006	20	Round Table Drive	ES	8/18/2009	8/25/2009	10/8/2009	10/19/2009	RDA MH S/G	\$6,675	1/4/2010	12/4/2009	1/10/2010	36 days	COMPLETED - CLOSED	3/16/2010	\$7,865.00	
76	C	DC	22-006	20	Round Table Drive	ES	8/18/2009	8/25/2009	10/8/2009	10/19/2009	RDA MH DA/G	\$1,325		6/5/2009	6/17/2009	12 days	COMPLETED - CLOSED	7/28/2009	\$5,000.00	
77	C	AD	21-040	11149	Blue Jay Drive	CW	1/26/2009	1/27/2009	2/27/2009	2/27/2009	HOME S/G	\$5,000	7/5/2009	6/5/2009	6/17/2009	12 days	COMPLETED - CLOSED	7/28/2009	\$5,000.00	
78	C	DC	22-040	3912	Brookton Avenue	DT	10/28/2009	10/28/2009	10/28/2009	10/28/2009	HOME ER/G	\$3,100	10/26/2009	10/26/2009	10/26/2009	1 day	COMPLETED - CLOSED	12/16/2009	\$3,100.00	
79	C	AD/DC	21-033	6390	La Mirada Way	CW	1/26/2009	2/6/2009	4/7/2009	4/17/2009	HOME S/G	\$5,000	5/30/2009	4/30/2009	5/27/2009	28 days	COMPLETED - CLOSED	7/17/2009	\$8,000.00	
80	C	AD/DC	21-016	3500	Buchanan Sp#120	CW	1/26/2009	1/30/2009	3/5/2009	3/13/2009	HOME MH S/G	\$8,000	11/9/2009	10/9/2009	10/21/2009	12 days	COMPLETED - CLOSED	12/11/2009	\$8,000.00	
81	C	AD/DC	21-059	108	Sir Tristram Drive	CW	2/17/2009	2/20/2009	4/10/2009	4/17/2009	HOME MH S/G	\$8,000	8/1/2009	7/1/2009	9/2/2009	61 days	COMPLETED - CLOSED	10/30/2009	\$8,000.00	
82	C	DC	21-110	2405	Pennsylvania Avenue	ES	8/18/2009	8/25/2009	12/4/2009	1/12/2010	HOME S/G	\$5,000	2/15/2010	1/15/2010	1/27/2010	12 days	COMPLETED - CLOSED	3/4/2010	\$5,414.00	
83	C	DC	21-110	2405	Pennsylvania Avenue	ES	8/18/2009	8/25/2009	12/4/2009	1/12/2010	CDBG Lead PO	\$459		12/10/2008	11/19/2008	10 days	COMPLETED - CLOSED	12/2/2009	\$8,266.54	
84	C	DC	22-027	3500	Buchanan Sp#77	CW	9/9/2008	9/12/2008	10/10/2008	10/24/2008	RDA MH DA/G	\$270	12/3/2009	11/3/2009	12/2/2009	29 days	COMPLETED - CLOSED	1/14/2010	\$8,000.00	
85	C	DC	21-101	3500	Buchanan Sp#77	CW	9/9/2008	9/12/2008	10/10/2008	10/24/2008	RDA MH S/G	\$7,730		5/19/2010	4/19/2010	5/5/2010	16 days	COMPLETED - CLOSED	6/14/2010	\$8,000.00
86	C	DC	22-016	4000	Pierce Street Sp#329	CW	9/11/2009	9/22/2009	11/17/2009	12/7/2009	HOME MH S/G	\$8,000	4/7/2010	2/19/2010	4/15/2010	55 days	COMPLETED - CLOSED	5/24/2010	\$7,875.00	
87	C	DC	22-037	3500	Buchanan Sp#140	CW	11/4/2009	11/19/2009	12/29/2009	1/11/2010	HOME MH S/G	\$8,000	12/20/2009	11/20/2009	1/6/2010	47 days	COMPLETED - CLOSED	6/14/2010	\$20,000.00	
88	C	AD/DC	21-068	3098	Panorama Road Unit A	CW	3/27/2009	4/27/2009	6/1/2009	6/19/2009	CallHome D/L	\$15,000		12/20/2009	11/20/2009	1/6/2010	47 days	COMPLETED - CLOSED	6/14/2010	\$20,000.00
89	C	AD	21-032	4000	Pierce Street Sp#136	CW	12/8/2008	1/9/2009	3/2/2009	3/13/2009	HOME MH S/G	\$8,000	7/12/2009	6/12/2009	7/1/2009	19 days	COMPLETED - CLOSED	8/25/2009	\$8,000.00	
90	C	AD/DC	21-091	3500	Buchanan Sp#154	CW	5/5/2009	5/15/2009	6/2/2009	7/1/2009	HOME MH S/G	\$8,000	11/7/2009	10/7/2009	11/11/2009	35 days	COMPLETED - CLOSED	12/16/2009	\$7,955.00	
91	C	DC	20-116	134	Sir Damas Drive	ES	8/7/2008	8/28/2008	10/15/2008	10/24/2008	RDA MH S/G	\$9,000	6/14/2009	5/14/2009	7/1/2009	48 days	COMPLETED - CLOSED	8/27/2009	\$9,166.61	
92	C	AD/DC	21-082	9391	California Ave. Sp#64	CW	4/14/2009	4/15/2009	5/29/2009	7/1/2009	HOME MH S/G	\$3,000	11/5/2009	10/5/2009	10/26/2009	23 days	COMPLETED - CLOSED	2/26/2010	\$9,000.00	

Rehab Activity Log -
End of FY 2009/2010

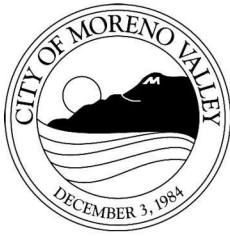
93	C	AD/DC	21-038	13 Round Table Drive	07	ES	1/9/2009	1/14/2009	2/27/2009	2/27/2009	HOME MH S/G	\$8,000	10/18/2009	9/18/2009	10/7/2009	25 days	COMPLETED - CLOSED	11/24/2009	\$8,000.00	
94	C	DC	22-042	10974 Stonehenge Place	03	CW	11/13/2009	11/20/2009	12/30/2009	1/11/2010	HOME S/G	\$5,000	5/16/2010	4/16/2010	5/12/2010	26 days	COMPLETED - CLOSED	6/14/2010	\$5,000.00	
95	C	DC/AD	20-107	97 Sir Galahad Drive	07	CW	9/9/2008	9/9/2008	2/6/2009	2/13/2009	HOME MH S/G	\$6,225	9/25/2009	8/25/2009	9/15/2009	21 days	COMPLETED - CLOSED	10/30/2009	\$8,000.00	
	C	DC/AD	20-107	97 Sir Galahad Drive	07	CW	9/9/2008	9/9/2008	2/6/2009	2/13/2009	HOME MH DA/G	\$1,775								
96	C	DC	22-030	3663 Buchanan Sp#99	03	CW	10/14/2009	10/20/2009	12/29/2009	1/11/2010	HOME MH DA/G	\$675	5/28/2010	4/28/2010	5/19/2010	21 days	COMPLETED - CLOSED	6/28/2010	\$7,976.00	
	C	DC	22-030	3663 Buchanan Sp#99	03	CW	10/14/2009	10/20/2009	12/29/2009	1/11/2010	HOME MH S/G	\$7,325								
97	C	AD/DC	21-095	3500 Buchanan Sp#170	03	CW	5/22/2009	5/26/2009	6/9/2009	7/1/2009	HOME MH S/G	\$6,000	11/7/2009	10/7/2009	11/11/2009	35 days	COMPLETED - CLOSED	12/16/2009	\$8,000.00	
98	C	AD/DC	21-025	750 Blake Road	01	CW	12/8/2008	1/8/2009	3/23/2009	3/27/2009	HOME DA/G	\$5,000	8/1/2009	7/1/2009	7/22/2009	21 days	COMPLETED - CLOSED	9/11/2009	\$5,000.00	
99	C	DC/AD	20-117	4000 Pierce Street Sp#167	05	CW	10/7/2008	10/16/2008	1/12/2009	3/27/2009	HOME MH S/G	\$6,275	7/15/2009	6/15/2009	7/1/2009	16 days	COMPLETED - CLOSED	8/27/2009	\$8,000.00	
	C	DC/AD	20-117	4000 Pierce Street Sp#167	05	CW	10/7/2008	10/16/2008	1/12/2009	3/27/2009	HOME MH DA/G	\$1,725								
100	C	DC	21-102	3500 Buchanan Sp#122	03	CW	7/14/2009	7/17/2009	8/11/2009	9/4/2009	HOME MH S/G	\$8,000	2/8/2010	1/8/2010	3/24/2010	75 days	COMPLETED - CLOSED	4/30/2010	\$8,000.00	
101	C	AD/DC	21-055	9391 California Sp#62	03	CW	2/3/2009	2/13/2009	3/6/2009	3/27/2009	HOME MH S/G	\$7,328	6/8/2009	5/8/2009	5/27/2009	19 days	COMPLETED - CLOSED	7/7/2009	\$7,853.00	
	C	AD/DC	21-055	9391 California Sp#62	03	CW	2/3/2009	2/13/2009	3/6/2009	3/27/2009	HOME MH DA/G	\$672								
102	C	DC/AD	20-121	3700 Buchanan Ave Sp#47	03	CW	9/9/2008	9/12/2008	10/15/2008	10/24/2008	HOME MH DA/G	\$2,250	4/16/2009	3/16/2009	5/27/2009	72 days	COMPLETED - CLOSED	7/7/2009	\$7,999.61	
	C	DC/AD	20-121	3700 Buchanan Ave Sp#47	03	CW	9/9/2008	9/12/2008	10/15/2008	10/24/2008	HOME MH S/G	\$5,750								
	C	DC	21-096	3700 Buchanan Sp #158	03	CW	7/7/2009	7/10/2009	8/27/2009	9/1/2009	HOME MH S/G	\$3,000	1/11/2010	12/11/2009	1/13/2010	32 days	COMPLETED - CLOSED	2/26/2010	\$3,000.00	
	C	AD/DC	21-045	3700 Buchanan Sp#144	03	CW	1/9/2009	1/15/2009	2/11/2009	2/13/2009	HOME MH S/G	\$3,000	7/29/2009	4/20/2009	7/15/2009	86 days	COMPLETED - CLOSED	9/9/2009	\$3,000.00	
105	C	DC	22-020	4000 Pierce Street Sp#255	05	CW	12/7/2009	12/17/2009	1/26/2010	2/2/2010	HOME MH S/G	\$8,000	4/17/2010	3/17/2010	5/5/2010	49 days	COMPLETED - CLOSED	6/28/2010	\$8,000.00	
106	C	AD/DC	21-036	9391 California Ave. #122	03	CW	1/9/2009	1/13/2009	2/27/2009	2/27/2009	HOME MH DA/G	\$6,000	9/10/2009	8/10/2009	9/2/2009	23 days	COMPLETED - CLOSED	10/9/2009	\$8,000.00	

Item No.	Account Name	Address	Est. No.	Est. Description	Est. Type	Est. Status	Est. Start Date	Est. End Date	Est. Budget	Est. Actual	Est. Balance	Est. Comments	Est. Project	Est. Status	Est. Date
1	AD 21-001	1560 Mission Street	07	1560 Mission Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
2	AD 21-002	3147 Market Street	05	3147 Market Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
3	AD 21-003	5150 California Drive	07	5150 California Drive	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
4	AD 21-004	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
5	AD 21-005	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
6	AD 21-006	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
7	AD 21-007	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
8	AD 21-008	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
9	AD 21-009	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
10	AD 21-010	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
11	AD 21-011	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
12	AD 21-012	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
13	AD 21-013	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
14	AD 21-014	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
15	AD 21-015	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
16	AD 21-016	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
17	AD 21-017	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
18	AD 21-018	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
19	AD 21-019	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	
20	AD 21-020	3500 Buchanan Street	05	3500 Buchanan Street	ES	07/20/04	07/20/04	07/20/04	100,000	100,000	0	Under Construction	100,000	07/20/04	

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100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200

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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: July 10, 2012

TITLE: AFFORDABLE HOUSING AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND RIVERSIDE HOUSING DEVELOPMENT CORPORATION FOR 22877 ALLIES PLACE

RECOMMENDED ACTION

Staff recommends that the Mayor and City Council:

1. Adopt Resolution 2012-60 and approve the Affordable Housing Agreement by and between the City of Moreno Valley and Riverside Housing Development Corporation (RHDC).
2. Authorize funding the project from the Program Income generated by the Neighborhood Stabilization Program Grant (197.1970.4595), and approve a budget appropriation of \$209,000 for NSP Multi-Family/Rental Rehabilitation (197.19710.6848.001).
3. Authorize funding the project from HOME CHDO Reserve (Fund 176 Fund Balance), and approve a budget appropriation of \$285,075 for RHDC Allies Place Project (New Business Unit).
4. Authorize the City Manager to amend the Affordable Housing Agreement (AHA) or undertake any other actions necessary, proper or convenient to the implementation of the AHA, as long as any revisions do not materially or substantially increase the City's stated obligations or materially change the uses or development permitted on the Site.
5. Authorize the City Manager, or his appointee, to execute the necessary documents.

BACKGROUND

Riverside Housing Development Corporation (RHDC) is a non-profit Community Housing Development Organization (CHDO) that has direct experience with similar affordable housing projects in Moreno Valley. The organization enters an identified area with a long-term goal of acquiring and rehabilitating several buildings over a period of years. They maintain ownership and management of each property and work to correct negative influences in a neighborhood. This approach has been successful at revitalizing other distressed multi-unit neighborhoods in the community.

The proposed project is located on Allies Place within one of the City's targeted improvement neighborhoods. RHDC has an established presence in this neighborhood and currently owns a total of 28 units that received financial assistance from the former Redevelopment Agency (RDA) beginning in 1998. See Attachment C for a map illustrating all of the RHDC locations. RHDC's rehabilitation and management of these properties continues to provide neighborhood stability. The proposed project would allow for this positive neighborhood influence to continue and expand.

DISCUSSION

RHDC proposes to purchase a four-unit building at 22877 Allies Place and completely renovate the interior, exterior, and grounds. The property is currently vacant, foreclosed, and bank-owned; being held by the Federal National Mortgage Association (Fannie Mae) as a result of a foreclosure proceeding. The property is eligible for acquisition through the City's Neighborhood Stabilization Program (NSP) Program utilizing ongoing Program Income. Pursuant to NSP, the City is required to allocate at least 25% of the initial grant, and any Program Income generated, to create rental and/or homeownership opportunities for the LH25 population which is defined as households earning up to 50% of the Area Median Income (AMI). This project will be used to help satisfy that requirement, as all of the units will be rent restricted to serve households that meet the income criteria.

Under the terms of the transaction, the City will acquire the property directly from Fannie Mae, and utilizing a concurrent escrow process to transfer title to RHDC. RHDC will rehabilitate, manage, and retain ownership of the property. As with other affordable housing projects, the City will record affordability covenants against the property for a term of 55 years. The covenants will run with the land and ensure rents are restricted to serve the target LH25 population for the entirety of the covenant period.

RHDC is requesting City assistance for acquisition and rehabilitation costs. In return, RHDC will provide the affordable rental covenants to the City. The City is proposing to use two sources of financing for the project. A summary of the financing is shown below:

Sources of Financing

City NSP Loan	\$209,000
City HOME Loan	<u>\$285,075</u>
Total	\$494,075

Uses of Funds

Purchase price and Acquisition costs	\$209,000
Rehabilitation and Construction costs	<u>\$285,075</u>
Total	\$494,075

The City loans will be secured by deeds of trust on the property. The City will receive loan payments and a portion of the residual income (gross revenue minus operating expenses) paid annually. This is a common structure for financial assistance for an affordable housing project and has been used with many of the affordable housing projects in Moreno Valley.

ALTERNATIVES

1. Adopt the attached resolution, approve the attached Affordable Housing Agreement; authorize funding the project from the Program Income generated by the Neighborhood Stabilization Program Grant (197.1970.4595), and approve a budget appropriation of \$209,000 for NSP Multi-Family/Rental Rehabilitation (197.19710.6848.001); authorize funding the project from HOME CHDO Reserve (Fund 176 Fund Balance), and approve a budget appropriation of \$285,075 for RHDC Allies Place Project (New Business Unit); authorize the City Manager to amend the Affordable Housing Agreement (AHA) or undertake any other actions necessary, proper or convenient to the implementation of the AHA, as long as any revisions do not materially or substantially increase the City's stated obligations or materially change the uses or development permitted on the Site; and authorize the City Manager- or his assignee- to execute the necessary documents. ***Staff recommends this alternative because it will assist in eliminating neighborhood blight, providing affordable rental units, satisfying the requirements of the Neighborhood Stabilization Program, and achieving the positive benefits to the neighborhood.***
2. Decline to adopt the attached resolution; decline to approve the Affordable Housing Agreement; decline to authorize funding the project from the Program Income generated by the Neighborhood Stabilization Program Grant (197.1970.4595), and decline to approve a budget appropriation of \$209,000 for NSP Multi-Family/Rental Rehabilitation (197.19710.6848.001); decline to authorize funding the project from HOME CHDO Reserve (Fund 176 Fund Balance), and decline to approve a budget appropriation of \$285,075 for RHDC Allies Place Project (New Business Unit); decline to authorize the City Manager

to amend the Affordable Housing Agreement (AHA) or undertake any other actions necessary, proper or convenient to the implementation of the AHA, as long as any revisions do not materially or substantially increase the City's stated obligations or materially change the uses or development permitted on the Site; and decline to authorize the City Manager- or his assignee- to execute the necessary documents. ***Staff does not recommend this alternative because it will impede the City's objective to eliminate blight in this neighborhood, provide affordable rental units, satisfy requirements of the Neighborhood Stabilization Program, and achieve the positive benefits to the neighborhood.***

FISCAL IMPACT

There is no impact to the City's General Fund. The funds designated for this project are grant funds that are to be used for affordable housing purposes.

BUDGET APPROPRIATIONS						
<u>Fund</u>	<u>Business Unit</u>	<u>Object</u>	<u>Description</u>	<u>2011-12 Adjusted Budget</u>	<u>Additional Appropriation</u>	<u>2011-12 Revised Budget</u>
176	NEW	NEW	RHDC ALLIES PLACE	\$ -	\$ 285,075	\$ 285,075
197	19710	6848.001	MULTI-FAMILY RENTAL REHAB	\$ 521,034	\$ 209,000	\$ 730,034
			Total	\$ 521,034	\$ 494,075	\$ 1,015,109

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness.

Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

Positive Environment.

Create a positive environment for the development of Moreno Valley's future.

SUMMARY

The City has received a project proposal and request for assistance from RHDC for the acquisition and rehabilitation of a rental property at 22877 Allies Place (see map

Attachment C). The building contains 4 residential units and has suffered substantial deferred maintenance. As a non-profit Community Housing Development Organization, RHDC plans to rehabilitate and maintain long-term ownership of the property. As a condition of acceptance of the NSP grant and the use of HOME funds, the City agreed to pursue affordable housing projects of this type. The cumulative impact of this proposed project- along with the other affordable housing projects previously completed by RHDC - will be positive to the neighborhood.

NOTIFICATION

Notification has occurred with publication of the Agenda.

ATTACHMENTS/EXHIBITS

- Exhibit A – Resolution 2012-60
- Exhibit B – Affordable Housing Agreement
- Exhibit C – Map

Prepared By:
 Shanikqua Freeman
 Housing Program Coordinator

Department Head Approval:
 Barry Foster
 Community & Economic Development Director

Concurred By:
 Dante G. Hall
 Redevelopment & Neighborhood Programs Administrator

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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RESOLUTION NO. 2012-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY APPROVING AN AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE CITY AND RIVERSIDE HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

WHEREAS, the City is the recipient of moneys from the federal government pursuant to the Neighborhood Stabilization Program (“NSP”) enacted by the United States Congress as part of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, approved July 30, 2008, sometimes referred to as “HERA”); and

WHEREAS, pursuant to the NSP, the City Council of the City adopted, approved, and established Guidelines (“ARR Guidelines”) for the City’s Acquisition, Rehabilitation and Resale Program (“ARR Program”) on November 25, 2008, which provide in part for the acquisition of foreclosed or vacant multi-family units within the area designated in the City’s NSP Action Plan (“NSP Area”) by City and/or a developer partner, rehabilitation of such unit and the rental of such dwelling units to households having incomes at or below fifty percent (50%) of area median income; and

WHEREAS, the City of Moreno Valley, a municipal corporation (the “City”) has received moneys made available under the “HOME Program”, as provided under regulations set forth at 24 Code of Federal Regulations, Part 92 (the “HOME Regulations”), and the City is prepared to make certain moneys available for the Project subject to the terms and conditions of an “Affordable Housing Agreement” between the City and the Participant substantially in the form submitted herewith (the “AHA”); and

WHEREAS, the City is a recipient and administers the use of moneys under the HOME Program. The proposal submitted by Participant includes the City making available certain moneys from the HOME Program as more particularly set forth in the AHA; and

WHEREAS, the Participant has submitted a detailed proposal and evidence of Participant as a developer partner under the ARR program and City has selected Participant to participate in City’s ARR Program and the HOME Program in connection with certain real property located at 22877 Allies Place in the City of Moreno Valley (the “Site”). The Site consists of land upon which is situated one four (4)-unit apartment building; and

WHEREAS, the Participant entered into negotiations with Fannie Mae, the prior owner, for the purchase of the Site. The Participant has proposed that it assign its rights to purchase the Site to the City; and

Resolution 2012-60
Date Adopted: July 10, 2012

WHEREAS, the Participant proposes to enter into the AHA, under which the Participant proposes to purchase the Site from the City and thereupon renovate and rehabilitate the existing four (4) dwelling units on the Site (which renovation constitutes the "Project"), whereupon the Participant shall rent each of such four (4) dwelling units to "Very Low Income Households" at "Affordable Rent" as those terms are defined in the AHA. Such development is intended to implement the City's affordable housing goals. The rental units will not be subject to any restriction on the basis of age; and

WHEREAS, as part of the proposal by the Participant, and as part of Participant's duties and obligations under the AHA, the Participant agrees to comply with the ARR Guidelines and all terms, provisions, and restrictions set forth in the AHA; and

WHEREAS, the Participant is experienced in the construction, development, renovation, rehabilitation, operation and management of high quality housing which is affordable to persons and families of Low to Moderate Income, including Very Low Income Households in Southern California and, specifically, in the City; and

WHEREAS, under the AHA, all of the units at the Site shall be rented at "Affordable Rent" throughout the "Required Covenant Period" (as defined below). All of the undertakings of the Participant to rent the four (4) Units at the Site at Affordable Rent for Very Low Income Households are material to the AHA and but for those undertakings by the Participant, the City would not enter into the AHA; and

WHEREAS, under the AHA, the Participant shall execute and deliver to City three promissory notes. The Participant's obligation to pay shall be evidenced by the "Senior Note," the "Equity Share Note" and the "Capital Recovery Note", all as defined in the AHA. In view of the large commitment of revenues of the City (consisting of certain revenues under the NSP and certain moneys available to the City under the HOME Program) under the AHA, and to promote the continued availability of the dwelling units on the Site as rental units which shall remain available at "Affordable Rent" throughout the "Required Covenant Period" (an approximately 56-year period as more particularly described in the AHA), the AHA provides for the City to receive funds in the form of recovery of its capital and as equity sharing, as more particularly provided in the AHA; and

WHEREAS, Health and Safety Code Section 37001 provides that a low rent housing project under Article XXXIV of the State Constitution does not include existing dwelling units or; and

WHEREAS, the Project consists of existing dwelling units; and

WHEREAS, the financial participation by the City under the AHA is in consideration of the particular uses required by the AHA to be conducted by Participant on the Site as well as the Participant's undertakings concerning the renovation, repair and operation of improvements for affordable rental housing; and

Resolution 2012-60
Date Adopted: July 10, 2012

WHEREAS, the City will expend up to Four Hundred Ninety Four Thousand Seventy-Five Dollars (\$494,075.00) under the AHA, which amount will consist entirely of moneys under the HOME Program and the NSP, all as more particularly set forth in the AHA; and

WHEREAS, a public meeting of the City Council on the proposed AHA was duly noticed; and

WHEREAS, the proposed AHA, and a staff report have been available for public inspection prior to the joint public meeting; and

WHEREAS, all actions required by all applicable law with respect to the proposed AHA have been taken in an appropriate and timely manner; and

WHEREAS, the City Council has duly considered all of the terms and conditions of the proposed AHA and believes that the renovation and rehabilitation of the Site pursuant to the AHA is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY DOES RESOLVE AS FOLLOWS:

Section 1. The City Council finds and determines that the Project is not a “low rent housing project” within the meaning of Article XXXIV of the State Constitution and that the four (4) units to be renovated at the Site are existing units. The City Council further determines that this resolution shall constitute a final approval of a proposal which may result in housing assistance benefiting persons of low income, within the meaning of Health and Safety Code Section 36005.

Section 2. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the level of support provided under the AHA is reasonable and necessary.

Section 3. The City Council hereby approves the AHA in substantially the form presented to the City Council, subject to such revisions as may be made by the City Manager or his designee; such revisions shall not materially or substantially increase the Agency’s or City’s obligations thereunder or materially or substantially change the uses or development permitted on the Site. The City Manager is hereby authorized to execute the AHA (including without limitation all attachments thereto) on behalf of the City and to undertake such actions as are necessary, proper or convenient to the implementation of the AHA. A copy of each of the AHA when executed by the City shall be placed on file in the office of the City Clerk.

Resolution 2012-60
Date Adopted: July 10, 2012

APPROVED and ADOPTED this 10th day of July, 2012.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution 2012-60
Date Adopted: July 10, 2012

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-60 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution 2012-60
Date Adopted: July 10, 2012

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AFFORDABLE HOUSING AGREEMENT

by and between the

CITY OF MORENO VALLEY

and

**RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a
California nonprofit public benefit corporation**

EXHIBIT B

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AFFORDABLE HOUSING AGREEMENT

THIS AFFORDABLE HOUSING AGREEMENT (the “Agreement” or the “AHA”), dated, for identification purposes only, as of June 1, 2012, is entered into by and between the **CITY OF MORENO VALLEY**, a municipal corporation (the “City”), and **RIVERSIDE HOUSING DEVELOPMENT CORPORATION**, a California nonprofit public benefit corporation (the “Participant”).

R E C I T A L S

A. City is the recipient of moneys from the federal government pursuant to the Neighborhood Stabilization Program (“NSP”) enacted by the United States Congress as part of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, approved July 30, 2008, sometimes referred to as “HERA”).

B. Pursuant to the NSP, the City Council of the City adopted, approved, and established Guidelines (“ARR Guidelines”) for the City’s Acquisition, Rehabilitation and Resale Program (“ARR Program”) on November 25, 2008, which provide in part for the acquisition of foreclosed or vacant multi-family units within the area designated in the City’s NSP Action Plan (“NSP Area”) by City and/or a developer partner, rehabilitation of such unit and the rental of such dwelling units to households having incomes at or below fifty percent (50%) of area median income. The ARR Guidelines are incorporated herein by this reference.

C. Participant has submitted a detailed proposal and evidence of Participant as a developer partner under the ARR program and City has selected Participant to participate in City’s ARR Program in connection with certain real property described below as the “Site”.

D. Participant desires to participate in the ARR Program in accordance with the ARR Guidelines and all terms, provisions, and restrictions set forth in this Agreement.

E. The City is a recipient and administers the use of moneys under the “HOME Program,” as defined below. The proposal submitted by Participant includes the City making available certain moneys from the HOME Program as more particularly set forth herein.

F. The Participant entered into negotiations with Fannie Mae, the prior owner, for the purchase one four (4)-unit apartment building located at 22877 Allies Place in the City of Moreno Valley (the “Site”), as more particularly described in the Map (Attachment No. 1) and the Legal Description of the Site (Attachment No. 2.). The City with the consent and approval of the Participant, acquired the Site.

G. The Participant proposes to purchase the Site from the City and thereupon renovate and rehabilitate the existing four (4) dwelling units on the Site, whereupon the Participant shall rent each of such four (4) dwelling units to “Very Low Income Households” at “Affordable Rent” as those terms are defined below. Such development is intended to implement the City’s affordable housing goals.

H. Participant is experienced in the construction, development, renovation, rehabilitation, operation and management of high quality housing which is affordable to persons and

families of Low to Moderate Income, including Very Low Income Households in Southern California.

I. All of the units at the Site shall be rented at "Affordable Rent" throughout the "Required Covenant Period" (as defined below). All of the undertakings of the Participant to rent the four (4) Units at the Site at Affordable Rent for Very Low Income Households are material to this Agreement and but for those undertakings by the Participant and the City would not have entered into this Agreement.

J. Under this Agreement, the Participant shall execute and deliver to City four promissory notes. The Participant's obligation to pay shall be evidenced by the "Senior Note," the "Equity Share Note" and the "Capital Recovery Note" as defined below. In view of the large commitment of revenues of the City (consisting of revenues under the NSP and certain moneys available to the City under the HOME Program) under this Agreement, and to promote the continued availability of the dwelling units on the Site as rental units which shall remain available at "Affordable Rent" throughout the "Required Covenant Period" (as those capitalized terms are defined below), the Agreement provides for the City to receive funds in the form of recovery of its capital and as equity sharing, as more particularly provided herein.

K. This Agreement is in the vital and best interest of the City of Moreno Valley, California, and the health, safety and welfare of its residents.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 **Defined Terms.** As used in this Agreement (and in all other Development Documents, unless otherwise defined), the following capitalized terms shall have the following meanings:

"Affordable Rent" means an amount equal to the lesser of: (i) HOME Rent and (ii) that amount determined pursuant to Sections 50105 and 50053 of the Health and Safety Code (namely, a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the Unit. Household size appropriate to the unit," as used herein, means two persons for each one-bedroom unit (if any), and three persons for each two bedroom unit. The maximum monthly rental amount of the units shall be adjusted annually by the formula set forth above upon the promulgation of revised Riverside-San Bernardino Primary Metropolitan Statistical Area median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent.

"Area" means the Riverside-San Bernardino Metropolitan Statistical Area, as periodically defined by HUD.

"Audited Financial Statement" means an audited financial statement, including without limitation a profit and loss statement, generated by a third party certified public accountant acceptable to the City in its reasonable discretion, showing, for the previous Year, on a monthly basis and in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Operating

Reserve, Capital Replacement Reserve and Residual Receipts. Depreciation and non-cash items shall not be included.

“Base Participant Policy” is defined in Section 2.4 hereof.

“Building Permit” means the building permit(s) issued by the City and required for the Improvements.

“Capital Recovery Deed of Trust” means Attachment No. 16 to this Agreement.

“Capital Recovery Note” means Attachment No. 15 to this Agreement.

“CC&Rs” means Attachment No. 9 to this Agreement.

“Calculation of Affordable Rents” means Attachment No. 5 to this Agreement.

“Capital Replacement Reserve” means a reserve fund to be established by the Participant as a capital reserve in the amount of One Thousand Dollars (\$1,000.00) per Year (for the first Year), which shall remain fixed for the first five Years and then shall increase by fifty dollars (\$50.00) per unit annually. The Capital Replacement Reserve is more fully described in Section 3.3 of this Agreement.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Participant with the City, which Certificate shall be substantially in the form attached hereto as Attachment No. 4.

“Chargeable Fees” means each of the following, within the respective parameters therefor set forth in this Agreement: (i) the Capital Replacement Reserve; and (ii) the Operating Reserve.

“City” means the City of Moreno Valley, California, a California municipal corporation.

“City Deed” means Attachment No. 18 to this Agreement.

“City Disbursement Amount” means the sum of the HOME Amount and the NSP Amount (namely, Four Hundred Ninety-Four Thousand Seventy-Five Dollars (\$494,075.00)).

“City Escrow” is described in Section 2.2 hereof.

“City Manager” means the City Manager of the City or his designee.

“City’s Title Policies” is defined in Section 2.4 hereof.

“Closing” means the recording of the Recordable Documents.

“Closing Deadline” means September 1, 2012, or such later date as may be mutually agreed to in writing by the City and the Participant.

“Condition of Title” is defined in Section 2.3 hereof.

“Conditions Precedent to Closing” is set forth in Section 3.1 hereof.

“**Conditions Precedent to Disbursement**” are set forth in Section 3.2 hereof.

“**County**” means the County of Riverside, California.

“**Date of Agreement**” means June 1, 2012.

“**Debt Service**” means required debt service payments under the Senior Note and the Capital Recovery Note including the funding obligations in respect of all reserves or escrows required thereunder.

“**Default**” is defined in Section 7.1 hereof.

“**Development**” means the new apartment complex and associated improvements as required by this Agreement to be: (i) rehabilitated or reconstructed by the Participant upon the Site, with related improvements, all as more particularly described in the Scope of Work: Budget, and (ii) operated in conformity with the CC&Rs.

“**Development Documents**” means, collectively, this Agreement, the CC&Rs, all other Attachments to this Agreement, and any other agreement, document, or instrument that the City requires in connection with the execution of this Agreement or from time to time to effectuate the purposes of this Agreement.

“**Equity Share Deed of Trust**” means Attachment No. 12 to this Agreement.

“**Equity Share Note**” means Attachment No. 11 to this Agreement.

“**Escrow Holder**” means the holder of the Escrow for the conveyance of the Site by the City to the Participant and the recordation of the CC&Rs, which shall be Stewart Title of California or another escrow holder mutually acceptable to the City and the Participant.

“**Event of Default**” has the meaning set forth in Section 7.1 hereof.

“**General Contractor**” shall mean the general contractor to be hired by Participant to engage and supervise the subcontractors in the performance and completion of the construction of the Development and all other on-site and off-site improvements required to be constructed in connection with the Development, all in accordance with the Scope of Work: Budget and any revised Scope of Work: Budget. The General Contractor shall be reasonably acceptable to and approved by the City Manager, in his reasonable discretion; provided, the Participant is hereby pre-approved to act as the General Contractor for the development of the Development. The parties acknowledge that the General Contractor will not be performing actual construction work for any portion of the Development, but instead shall hire Subcontractors (after competitive bidding) who shall be reasonably approved by the City Manager.

“**Governmental Regulations**” means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq.*; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq.*; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, “CERCLA”), 42 U.S.C. Section 9601, *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C.

Section 2601 *et seq.*; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq.*; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq.*; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq.*; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, the City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Participant or the Site.

“Gross Revenues” means the total rental income and all other revenues or income received by the Participant or its successors or assigns in connection with the Development, including without limitation Housing Rent, laundry charges, payments in connection with Section 8 certificates (including any payments under such certificates that are in excess of the restricted rents provided for hereunder), cable income, and interest earnings, but, except for any interest earned thereon, does not include (i) refinancing proceeds (provided the refinancing is permitted by and is accomplished in accordance with this Agreement, including without limitation the making of disbursements to the City provided for under the Equity Share Note in connection with refinancings) or (ii) insurance proceeds which are used to repair or reconstruct the Development or condemnation proceeds).

“Hazardous Material” or **“Hazardous Materials”** means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903) or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §6901 *et seq.*

“Hazardous Materials Contamination” means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under the Site by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from the Site.

“HOME Amount” means Two Hundred Eighty-Five Thousand Seventy-Five Dollars (\$285,075.00).

“HOME Program” means a program operated by the City to assist the provision of affordable housing in conformance with the HOME Regulations.

“HOME Regulations” means those regulations set forth at 24 C.F.R., Part 92, as such regulations may be revised from time to time. A copy of the HOME Regulations will be kept on file with the City as a public record; provided that any failure of the City to maintain a copy of such HOME Regulations on file shall not excuse the obligation for performance by Participant.

“HOME Rent” means “Low HOME Rent” for Riverside County as determined in conformance with §92.252(b) and the remainder of the HOME Regulations, and applying utility allowances as determined by the County of Riverside Housing Authority (and if the County of Riverside Housing Authority makes no such determinations of utility allowances, then utility allowances established from time to time by the City).

“HOME Share” means forty-two and three tenths percent (42.3%).

“Housing Rent” shall mean the total of monthly payments by the tenants of a Unit for (a) use and occupancy for the Unit and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Participant which are required of all tenants of the Units, other than security deposits, (c) a reasonable allowance for utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity and gas, as determined by regulation of Housing Authority of the County of Riverside pursuant to 24 C.F.R. Section 5.600 *et seq.* and (d) possessory interest, taxes or other fees or charges assessed for the use of the Units and facilities associated therewith by a public or private entity other than the Participant.

“HUD” means the United States Department of Housing and Urban Development.

“Improvements” means all of the improvements described in the Scope of Work: Budget.

“Income Verification” means Attachment No. 10 to this Agreement.

“Legal Description of the Site” means Attachment No. 2 to this Agreement.

“Lender’s Title Policy” is defined in Section 2.4 hereof.

“Median Income” means Median Income for the Area (namely, Riverside County), as set forth by regulation of the California Department of Housing and Community Development pursuant to Health and Safety Code Sections 50079.5 and 50105.

“NSP” is defined in Recital A, above.

“NSP Amount” means Two Hundred Nine Thousand Dollars (\$209,000.00).

“NSP Share” means fifty-seven and seven tenths percent (57.7%).

“Notice” shall mean a notice in the form prescribed by Section 8.2 of this Agreement.

“Operating Expenses” means actual, reasonable and customary costs, fees and expenses directly incurred and for which payment has been made and which are attributable to the operation, maintenance, and management of the Development, excluding the Capital Replacement Reserve and

consisting of only the following (and such additional items, if any, as to which the prior written approval of the City Manager is first obtained. Such approval shall be granted, granted subject to conditions, or refused at the sole and absolute discretion of the City Manager): painting, cleaning, repairs and alterations; landscaping; utilities; rubbish removal; sewer charges; costs incurred to third parties in connection with generating laundry charges (but in no event to exceed the laundry charges); real and personal property taxes and assessments; insurance premiums; security; advertising, promotion and publicity; office, janitorial, cleaning and building supplies; the actual and customary salary payable to an on-site manager which directly and exclusively benefits residents of the Development; the actual and customary salary of one assistant manager, one on-site maintenance manager and such other personnel, if any, as incurred for the hiring of unrelated third parties for on-site management, which directly and exclusively benefit residents of the Development, subject to the prior written approval of the City Manager at his sole and absolute discretion; a management fee ("Management Fee") of not to exceed Six Hundred Twenty-Five Dollars (\$625.00) per Year (as adjusted annually by the City Manager as of January 1st of each year based upon the consumer price index applicable to Riverside County) per Qualifying Rental (per Year); purchase, repairs, servicing and installation of appliances, equipment, fixtures and furnishings; reasonable and customary fees and expenses of accountants, attorneys, consultants and other professionals as incurred commencing after the completion of the Improvements (as evidenced by the issuance by City of a certificate of occupancy for the corresponding building developed as part of the Improvements) in connection with the operation of the Development; tenant improvements that are not included in the costs of the Improvements, and payments made by the Participant to satisfy indemnity obligations and other payments by the Participant pursuant to this AHA other than to the Participant, the Participant's partners or other related persons; provided, however, that payments to parties related to Participant for Operating Expenses must not exceed market rates. The Operating Expenses shall not include non-cash expenses, including without limitation, depreciation. The Operating Expenses shall be reported in the Audited Financial Statement and shall be broken out in line item detail.

"Original Price" means the sum of One Hundred Ninety-Three Thousand Fifty Dollars (\$193,050.00) (exclusive of closing costs).

"Participant" means Riverside Housing Development Corporation, a California nonprofit public benefit corporation.

"Participant Pro Forma" means Attachment No. 17 to this Agreement.

"Principals" means Bruce Kulpa.

"Prior Owner" means Fannie Mae.

"Purchase Price" is defined in the Equity Share Note.

"Qualifying Rentals" means Units operated in strict conformity with all provisions of this Agreement (including the Attachments hereto).

"Recordable Documents" means the following: (i) the City Deed; (ii) the CC&Rs; (iii) the Resale Restriction Agreement; (iv) the Senior Deed of Trust; (v) the Capital Recovery Deed of Trust; and (vi) such other instruments, if any, as shall be approved by the City Manager (upon consultation with City's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof).

“Redevelopment Plan” is defined in Section 1.5 hereof.

“Related Entity” means a Principal or an entity in which any interest is held by the Participant or one or more of the Principals.

“Reporting Amount(s)” means the sum of Two Hundred Fifty Hundred Dollars (\$250.00) per unit per year for each dwelling unit as to which the Participant fails to deliver to City, during any Year, a full and adequate report that conforms to Section 33418 of the California Health and Safety Code.

“Required Affordable Units” means all four (4) of the dwelling units on the Site.

“Required Covenant Period” means a period of fifty-six (56) years, as more particularly set forth in the CC&Rs.

“Resale Restriction Agreement” means Attachment No. 13 to this Agreement.

“Residual Receipts” for a particular Year means Gross Revenues for the corresponding Year less (i) Debt Service payments made during such Year, and (ii) the sum of Operating Expenses and, to the extent funded and within the parameters as set forth in this Agreement therefor, Chargeable Fees made during the corresponding Year. All calculations of Residual Receipts shall be made annually, on or before March 15 for the preceding Year, on a cash (and not accrual) basis and the components thereof shall be subject to verification and approval, on an annual basis, based upon conformity with the terms of the this Agreement, by the City. The calculation of Residual Receipts is to facilitate the tracking by City of performance by the Participant under this Agreement; payments under the promissory notes hereunder shall be due and payable without regard to the availability of Residual Receipts.

“Rules and Regulations” means each of: (i) Health and Safety Code Sections 50052.5, 50053 and 50105; (ii) the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*); (iii) Community Development Block Grant (CDBG) program as authorized under the Housing and Community Development Act of 1974, 42 U.S.C. 5301 *et seq.* (“HCD Act”) and the regulations promulgated thereunder at 24 C.F.R. 570; (iv) The Housing and Economic Recovery Act of 2008 (Public Law 110-289) (“HERA”); (v) The American Reinvestment and Recovery Act of 2009 (Public Law 111-005) (the “Recovery Act”); (vi) Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009 [Docket No. FR-5321-N-01] (the “NSP2 NOFA”); (vii) the Community Development Block Grant (CDBG) program as authorized under the Public Housing and Community Development Act of 1974, 42 U.S.C. 5301 *et seq.* (“HCD Act”) as amplified by regulations set forth at 24 C.F.R. 570; (viii) the Housing and Economic Recovery Act of 2008 (Public Law 110-289) (“HERA”); (ix) the American Reinvestment and Recovery Act of 2009 (Public Law 111-005) (the “Recovery Act”); (x) the Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009 [Docket No. FR 5321-N-01] (the “NSP2 NOFA”); (xi) the National Environmental Policy Act of 1969 and related federal environmental authorities and regulations at 24 C.F.R. Part 58; (xii) the City’s Final Neighborhood Stabilization Program as amended by Substantial Amendment to the City of Moreno Valley’s 2008-2009 Annual Action Plan, as adopted November 25, 2008; and (xiii) the HOME Regulations.

“Schedule of Performance” means Attachment No. 3 to this Agreement. The Schedule of Performance sets forth the dates by which City and Participant are to perform certain obligations under this Agreement.

“Scope of Work: Budget” means Attachment No. 7 to this Agreement.

“Section 3” shall mean and refer to Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. § 1701u, as amended. City has prepared a Section 3 “checklist” and other forms related to Section 3 compliance; and as provided by City to Participant, its General Contractor, Subcontractors, or other contractor(s) or subcontractor(s), as applicable, such forms shall be utilized in all contracts and subcontracts to which Section 3 applies.

“Section 3 Clause” shall mean the language, set forth below, which is required to be included in each and every Construction Contract entered into by Participant, the General Contractor, each Subcontractor and/or any other contractor(s) or subcontractor(s), as applicable, for the development or rehabilitation of the Development. For purposes of this Section 3 Clause and compliance therewith, whenever the word “contractor” is used it shall mean and include, as applicable, Participant, General Contractor, any and all Subcontractors, and any other contractor(s) and subcontractor(s) performing work on the Project.

Participant hereby acknowledges and agrees to take all responsibility for compliance with all Section 3 Clause federal requirements and further acknowledges and agrees that compliance with all Section 3 Clause requirements by Participant, the General Contractor, all Subcontractors, and/or other contractor(s), subcontractor(s), and other agents, is the primary obligation of Participant. Participant shall provide or cause to be provided to its General Contractor and each Subcontractor, and each of its other contractor(s), subcontractor(s) and agents, a checklist for compliance with the Section 3 Clause federal requirements, to obtain from the General Contractor, each Subcontractor, and other contractor(s), subcontractor(s), and agents, all applicable items, documents, and other evidence of compliance with the items, actions, and other provisions within the checklist, and to submit all such completed Section 3 Clause documentation and proof of compliance to the City Manager.

The particular text to be utilized in any and all contracts of the General Contractor or any Subcontractor doing work covered by Section 3 shall be in substantially the form of the following Section 3 Clause, as reasonably determined by City, or as directed by HUD or its representative, and shall be executed by the applicable contractor under penalty of perjury:

“(i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (“Section 3”). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low income persons (inclusive of Very Low and Low Income Persons, Very Low and Low Income Households, and Very Low and Low Income Tenants served by the Project), particularly persons who are recipients of HUD assistance for housing.

“(ii) The parties to this contract agree to comply with HUD’s regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this contract, the

parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

“(iii) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the contractor’s commitments under this Section 3 clause, and will post copies of notices in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number of job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

“(iv) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

“(v) The contractor will certify that any vacant employment positions, including training positions, that are filled (a) after the contractor is selected but before the contract is executed, and (b) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 C.F.R. Part 135.

“(vi) Noncompliance with HUD’s regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

“(vii) With respect to work performed in connection with Section 3 covered Indian Housing assistance, section 7(b) of the Indian Self Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible, (a) preference and opportunities for training and employment shall be given to Indians, and (b) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).”

After the foregoing Section 3 Clause, Participant shall add the signature block of the General Contractor, Subcontractor, or other contractor(s) and subcontractor(s), as applicable, and shall add the following text immediately above the signature block: “The contractor/provider by this his signature affixed hereto declares under penalty of perjury that contractor has read the requirements of this Section 3 Clause and accepts all its requirements contained therein for all of his operations related to this contract.”

“Seller” means Fannie Mae.

“**Senior Loan**” means a loan by the City in the principal amount of One Hundred Ninety Three Thousand Fifty Dollars (\$193,450) as evidenced by the Senior Note.

“**Senior Deed of Trust**” means a deed of trust in the form of Attachment No. 14 to this Agreement.

“**Senior Note**” means a promissory note in the form of Attachment No.6 to this Agreement.

“**Site**” means that real property depicted on the Site Map and described with greater particularity by the Legal Description of the Site.

“**Site Disposition**” means the conveyance of the Site to the Participant by the City Deed.

“**Site Map**” means Attachment No. 1 to this Agreement.

“**Subcontractor**” and “**Subcontractors**” shall mean, individually and collectively, one or more subcontractors hired by Participant’s General Contractor for the Development to perform and complete, or to engage and supervise others to perform and complete, the construction of the Development and all other on-site and off-site improvements required to be constructed in connection with the Development, all of which shall be in accordance with the Scope of Work: Budget. Each of the Subcontractors shall be selected after competitive bidding, and City shall have every reasonable right and opportunity to observe and review all material stages of such competitive bidding process, including a right to review the invitation to bidders, each bid package, each responsive bid form, each submitted bid package and the right to be present when each bid is opened by Participant and/or the General Contractor. Participant shall submit to City information regarding the entity serving as the Subcontractor for any portion of the construction of the Development and all other on-site and off-site improvements required to be constructed in connection therewith in accordance with the Scope of Work: Budget, including compliance with plans approved by City and the obtaining by Participant of all required licenses, certifications, insurance, etc., as reasonably requested by the City Manager.

“**Title Company**” shall be Stewart Title of California or another title insurer mutually acceptable to the City and the Participant.

“**Transfer**” means the transfer of the Site or any interest thereon by Participant, but excluding therefrom the rental of individual units to Very Low Income Households at Affordable Rent in strict conformity with this Agreement.

“**Unit**” means each of the four (4) dwelling units required to be renovated by the Participant under this Agreement.

“**Very Low Income Households**” means households earning not greater than fifty percent (50%) of Median Income for the Area pursuant to Health and Safety Code Section 50105.

“**Year**” means the period commencing as of the Date of Agreement and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Required Covenant Period.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Agreement or any Development Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 References and Other Terms. Any reference to this Agreement or any Development Document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include) without limitation."

1.4 Exhibits Incorporated. All attachments and exhibits to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

1.5 The Redevelopment Plan. The Redevelopment Plan for the Moreno Valley Redevelopment Project (the "Redevelopment Project") was adopted on December 29, 1987 by Ordinance No. 87-154 (the "Redevelopment Plan"). The project area of the Redevelopment Project is referred to herein as the "Project Area". The Participant has reviewed the Redevelopment Plan and agrees to perform under this Agreement in conformity with the Agreement and, to the extent the Redevelopment Plan is applicable following the dissolution of the Community Redevelopment Agency of the City of Moreno Valley which occurred on February 1, 2012, the Redevelopment Plan.

1.6 Representations and Warranties.

1.6.1 Participant Representations. Participant represents and warrants to each of the City as follows:

(a) **Authority.** Participant is a duly organized limited non-profit corporation organized within and in good standing under the laws of the State of California. Participant has full right, power and lawful authority to lease and accept title to and possession of the Site and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Participant has been fully authorized by all requisite actions on the part of the Participant. The parties who have executed this Agreement on behalf of Participant are authorized to bind Participant by their signatures hereto.

(b) **Litigation.** To the best of Participant's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Participant, at law or in equity before any court or governmental agency, domestic or foreign.

(c) **No Conflict.** Participant's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Participant is a party or by which it is bound.

(d) **No Participant Bankruptcy.** Participant is not the subject of a bankruptcy proceeding.

(e) **Vacancy of Site.** The Site was vacant and unoccupied at the time negotiations commenced between the City and the Participant with respect to this Agreement and at the time negotiations commenced between the Participant and the Prior Owner, which negotiations took place prior to the conveyance of the Site by Prior Owner to the City.

(f) **Participant Experience; Sophisticated Party.** The Principals of Participant are sophisticated parties, with substantial experience in the acquisition, rehabilitation, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, including rental projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. The Participant is familiar with and has reviewed all laws and regulations pertaining to the development and operation of the Development (including without limitation the Rules and Regulations), and has obtained advice from any advisers of its own choosing in connection with this Agreement.

(g) **Participant Status as CHODO.** Participant is a community housing development organization (or “CHODO”) within the meaning of § 92.2 of the HOME Regulations.

(h) **Due Authorization and Execution; Studies Completed.** Participant has duly authorized the execution of this Agreement, the CC&Rs, the Resale Restriction Agreement, the Senior Note, the Senior Deed of Trust, the Capital Recovery Note, the Capital Recovery Deed of Trust, the Equity Share Note and the Equity Share Deed of Trust. Participant is ready, willing and able to execute the CC&Rs, the Resale Restriction Agreement, the Equity Share Note, the Equity Share Deed of Trust, and all documents necessary to effectuate the Development. Concurrently with the execution of this Agreement by City or within three (3) calendar days thereafter, Participant shall execute and deposit with the City or the Escrow Holder (to be held pending satisfaction of the Conditions Precedent to Disbursement as set forth in Section 3.1 hereunder) the CC&Rs, the Resale Restriction Agreement, the Senior Note, the Equity Share Note, the Capital Recovery Note, the Equity Share Deed of Trust, the Senior Deed of Trust, the Capital Recovery Deed of Trust and all documents necessary to effectuate the renovation of the Site and the operation of the affordable rental units hereunder in conformity with this Agreement.

1.6.2 City Representations. City represents and warrants to Participant as follows:

(a) **Authority.** City is a municipal corporation, which has been authorized to transact business pursuant to action of the City. City has full right, power and lawful authority to execute, perform under and deliver this Agreement, and the execution of this Agreement by City has been fully authorized by all requisite actions on the part of City. The parties who have executed this Agreement on behalf of City are authorized to bind City by their signatures hereto.

(b) **No Conflict.** To the best of City’s knowledge, City’s execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which it is bound.

(c) **No City Bankruptcy.** City is not the subject of a bankruptcy proceeding.

2. ACQUISITION; LOANS; SITE

2.1 Acquisition of Site. The Participant originally negotiated with the Prior Owner for the acquisition of the Site and subsequently assigned to the City its rights to acquire the Site. The City has acquired the Site. The Participant has proposed that the City convey the Site to the Participant in accordance with the terms of this Agreement. The conveyance of the Site to the Participant shall be concurrent with the recording of the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust. The recordation of those instruments is to be accomplished as set forth in Sections 2.1 to 2.5 hereof.

2.1.1 Site Due Diligence. Based upon its review as undertaken prior to the Date of Agreement, the Participant believes that the Site is suitable for the development and use provided under this Agreement.

2.1.2 City Disbursements; Participant Payments. In connection with this Agreement, particularly in connection with the acquisition of the Site as accomplished by City and funding of the Improvements (subject to the satisfaction of the Conditions Precedent to Disbursement), it is contemplated that the City will disburse the remainder of the City Disbursement Amount (in addition to that portion of the City Disbursement Amount used for the acquisition of the Site and related activities, namely \$209,000.00). Excepting for the portion of the City Disbursement Amount already disbursed in connection with the acquisition of the Site by the City and associated activities, the City Disbursement Amount is to be disbursed as construction drawdowns, as more particularly set forth in Section 4.4.1 of this Agreement.

Thereafter, following the Closing, the Participant shall make all payments to the City as required under the Senior Note, the Equity Share Note, and the Capital Recovery Note.

2.2 Escrow. The parties shall open an escrow (the "City Escrow") with the Escrow Holder, by the time established therefor in the Schedule of Performance for the Closing, and the recordation and delivery of documents described in Section 2.1. The City and the Participant agree to execute such escrow instructions as may be reasonably required to implement this Section 2.2.

Payment of the purchase price for the Site by the Participant to the City is to be accomplished outside escrow and is a matter with which Escrow Holder need not be concerned.

2.2.1 Costs of Escrow. The Participant shall pay for all costs and expenses in connection with the conveyance of the Site by City to Participant (excepting only for that portion of escrow fees and title insurance premiums to be borne by the City as set forth Section 2.4 hereof).

2.2.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of the Participant, the City, and the Escrow Holder to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts reasonably necessary to close this Escrow in the shortest time reasonably practicable. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account. The City designates the City Manager to act on its behalf in connection with the City Escrow.

The parties agree to execute supplemental escrow instructions consistent with the terms of this Agreement and such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. Escrow Holder is instructed to release City's escrow closing and The Participant's escrow closing statements to the respective parties.

2.2.3 Authority of Escrow Holder. Escrow Holder is authorized to, and shall:

(a) Pay and charge the City for the premium for the Base Participant Policy and the premium for the City's Title Policies as set forth in Section 2.4.

(b) Pay and charge the Participant and City for their respective shares of any escrow fees, charges, and costs payable under Section 2.4 of this Agreement.

(c) Disburse funds, record and deliver the Recordable Documents in the order prescribed in Section 2.2.6 hereof.

(d) Do such other actions as necessary to fulfill its obligations under this Agreement.

(e) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

2.2.4 Closing. The recording of the Recordable Documents hereunder (the "Closing") is to be accomplished within thirty (30) days of the parties' satisfaction of all of Conditions Precedent to Closing, but in no event later than the last day established therefor in the Schedule of Performance. As part of the Closing, each of the Senior Note, the Capital Recovery Note and the Equity Share Note shall be executed and held by Escrow Holder for delivery to City and all of the City Deed, the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Capital Recovery Deed of Trust and the Equity Share Deed of Trust shall have been recorded by the Riverside County Recorder. The "Closing Date" shall mean the day on which the Closing occurs.

2.2.5 Termination. If Escrow is not in condition to close by the time established therefor in the Schedule of Performance, then the party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate this Agreement. If a party makes a written demand for return of documents or properties, this Agreement shall not terminate until five (5) days after Escrow Holder shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Holder is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Termination of this Agreement shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no demands are made, the Escrow Holder shall proceed with the Closing as soon as possible. At the election of the City, default by the Participant under this Agreement shall constitute a default under this Agreement.

2.2.6 Closing Procedure. Escrow Holder shall close Escrow for the Transfer as follows:

Record the following documents in this order: (i) the City Deed; (ii) the CC&Rs; (iii) the Resale Restriction Agreement; (iv) the Senior Deed of Trust; (v) the Equity Share Deed of Trust; (vi) the Capital Recovery Deed of Trust; and (vii) such other instruments, if any, as shall be approved by the City Manager (upon consultation with City's legal counsel) as necessary or convenient to effectuate and implement the financing of the acquisition of the Site and the renovation of the Improvements, with instructions for the Recorder of Riverside County, California to deliver: (i) to the City, the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Capital Recovery Deed of Trust and the Equity Share Deed of Trust; (ii) deliver a certified copy of each of the foregoing to the Participant and the original City Deed to the Participant. The Escrow Holder shall also deliver to City each of the Senior Note, the Capital Recovery Note, and the Equity Share Note, a certified copy of the City Deed and each of the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Equity Share Deed of Trust and the Capital Recovery Deed of Trust (and, until the originals of such recorded instruments are available, a conformed copy of each) and shall:

- (a) Instruct the Title Company to deliver to City the City's Title Policies and a copy of the owner's title insurance policy demonstrating that the Participant has acquired fee title to the Site;
- (b) Instruct the Title Company to deliver to Participant the Base Participant Policy;
- (c) Deliver documents as set forth in this Section 2.2.6;
- (d) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;
- (e) Deliver the FIRPTA Certificate, if any;
- (f) Disburse the moneys, if any, due to the respective parties hereto; and
- (g) Forward to both the Participant and the City a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

2.3 Review of Title. The Participant has reviewed the condition of Title. The Participant shall cause the Title Company, within fifteen (15) days of the Date of Agreement, to deliver a copy of a pro forma title insurance policy showing the condition of title as it will appear at closing. The Participant acknowledges that, at closing, title is to be subject to:

- (a) The Redevelopment Plan.
- (b) The lien of any non-delinquent property taxes and assessments.
- (c) The provisions of the City Deed, the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust.
- (d) Any incidental easements or other matters affecting title which do not materially impact the Participant's use of the Site as described in the Scope of Work: Budget.

Each party hereto shall expeditiously review the condition of title and shall confer and consult with one another in the event any exceptions to title are viewed as unacceptable or problematic by either such party. If such matters cannot be resolved to the mutual satisfaction of the Participant and the City, this Agreement may be terminated as provided pursuant to Sections 7.3(b) and 7.4.5 hereof.

2.4 Title Insurance; Escrow Charges. Concurrently with the recordation of the City Deed, the Title Company shall commit to issue to the Participant a CLTA owner's title policy based upon the Original Price (namely, \$193,050); a policy confirming to the foregoing constitutes the "Base Participant Policy." The premium for the Base Participant Policy shall be borne by the City. The premium or other costs for other or additional coverage for the benefit of the Participant shall be borne by the Participant. The Participant shall bear one-half of escrow charges and other closing costs.

Concurrently with recordation of the Senior Deed of Trust, the Equity Share Deed of Trust, the Capital Recovery Deed of Trust, the Title Company shall commit to issue to the City a lender's ALTA title policy for each such deed of trust based upon the original principal amount of such deed of trust secured thereby (the "City's Title Policies") or such other amount(s) as may be mutually agreed by the City and the Title Company. The City shall pay the premium for the City's Title Policies. Closing costs in connection with the deeds of trust having the City as beneficiary shall be borne by the City. One half of escrow charges and other closing costs.

2.5 Environmental Condition of the Site.

2.5.1 Studies and Reports. Prior to the Closing, Participant may obtain data and make any other or additional surveys, tests, studies, and reports necessary to evaluate the suitability of the Site for the Development, including the investigation of the environmental condition of the Site (collectively, the "Studies"). Any studies undertaken on the Site by Participant shall be done at the sole expense of Participant, and Participant shall make arrangements with the owner of the Site prior to undertaking such work and entering the Site. Any studies shall be undertaken only after Participant has secured the consent of the current owner and any necessary permits therefor from the appropriate governmental agencies. Participant hereby agrees to promptly provide the City with any and all Studies relating to the environmental condition of the Site when these become available to Participant.

2.5.2 Approval of Environmental Condition of the Site. Prior to the Closing, Participant shall approve or disapprove the environmental condition of the Site by written notice to the City. In the event that Participant disapproves the environmental condition of the Site, this Agreement shall be terminated as provided in Section 7.3(b) hereof prior to the Closing. In the event Participant disapproves the condition of the Site because it determines that environmental remediation is required to place the Site in a condition suitable for use as required hereunder any party to this Agreement may terminate this Agreement as provided herein prior to the Closing.

2.5.3 Indemnification. Participant shall save, protect, pay for, defend (with counsel acceptable to the City), indemnify and hold harmless the City, and its respective elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees,

attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Site; (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Site; (iii) the physical and environmental condition of the Site, and (iv) any Liabilities relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Site, whether such conditions arose before or after the Closing. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the Required Covenant Period. This indemnification supplements and in no way limits the indemnification set forth in Section 4.7.

2.5.4 Duty to Prevent Hazardous Material Contamination. During the construction, development, operation and management of the Development, Participant shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Site. Such precautions shall include, but not be limited to, compliance with all Environmental Laws and other Governmental Requirements. Participant shall notify the City, and provide to the City a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Participant shall report to the City, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

2.5.5 Release of City by Participant. Participant hereby waives, releases and discharges forever the City and the Indemnitees from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, including attorneys fees, court and litigation costs and fees of expert witnesses, present and future, arising out of or in any way connected with Participant's possession or use of the Site, improvement of the Site in accordance with this Agreement, the Scope of Development, and the land use entitlements obtained by Participant for the Development, and for the operation of the Development at the Site, of any Hazardous Materials on the Site, or the existence of Hazardous Materials contamination in any state on, under, or about the Site, however they came to be located there.

In connection with the foregoing, Participant acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code that provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

As such relates to this Section 2.5.5, Participant hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

Notwithstanding the foregoing, this waiver, discharge, and release shall not be effective in the event the presence or release of Hazardous Materials on the Site occurs as a result of the active willful misconduct of the City or its officers, employees, representatives and agents.

2.5.6 Environmental Inquiries. Participant shall notify the City upon receipt, and provide to the City a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Site or the Development: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Participant shall report to the City, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following:

- (a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;
- (b) All notices of suspension of any permits relating to Hazardous Materials;
- (c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;
- (d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;
- (e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;
- (f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;
- (g) All complaints and other pleadings filed against Participant relating to the storage, use, transportation, handling or disposal of Hazardous Materials on or about the Site; and
- (h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on the Site or the City's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Participant shall, as soon as possible after the release, furnish to the City a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of the City, but subject to any limitations imposed by law or by court order, Participant shall furnish to the City a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Site or portion thereof in Participant's possession and/or shall notify the City of any environmental entitlements or inquiries relating to or affecting the Site within

Participant's actual or constructive knowledge if Participant is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

3. **CONDITIONS TO CLOSING; CONDITIONS TO DISBURSEMENT; REPORTING, RESERVES AND PAYMENTS BY PARTICIPANT**

3.1 Conditions Precedent to Closing. The City shall not convey the Site to Participant unless and until each and every one of the following conditions precedent (the "Conditions Precedent to Closing") has been fully satisfied, as determined in good faith by the City Manager (each of which condition[s], if it requires action by Participant, shall also be a covenant of Participant):

(a) Participant shall have approved the environmental condition of the Site and the condition of title;

(b) Participant shall have deposited with the Escrow Holder those amounts to be paid by the Participant pursuant to Section 2.4;

(c) **Representations and Warranties.** The representations and warranties of Participant contained in this Agreement shall be correct as of Closing; and

(d) **No Default.** No Event of Default by Participant shall have occurred under this Agreement, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Participant under this Agreement, and City Manager shall have received a certificate to that effect signed by an officer of Participant.

All conditions set forth in Section 3.1, or to City's obligations hereunder, are for City's benefit only and the City Manager may waive all or any part of such rights (excepting as to subsection (e), above) by written notice to Participant and Escrow Holder. If the City Manager shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to City's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, City may thereafter terminate this Agreement without any further liability on the part of City by giving written notice of termination to the Escrow Holder, with a copy to Participant. Escrow Holder shall thereupon, without further consent from Participant, return to each party the documents and funds deposited by them.

3.2 City's Conditions to Disbursement. The City shall not disburse any portion of the City Disbursement Amount (excepting for those moneys, if any, heretofore disbursed by City for the purchase of the Site) or make any other disbursement to the Participant or to escrow for the purchase of the Site, as provided pursuant to this Agreement, unless and until each and every one of the following conditions precedent (the "Conditions Precedent to Disbursement") has been fully satisfied, as determined in good faith by the City Manager (each of which condition[s], if it requires action by Participant, shall also be a covenant of Participant):

(a) **Recording of Certain Documents.** A grant deed for the Site in form acceptable to City, the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust have been recorded (or the Escrow Holder has confirmed that such instruments shall be recorded concurrent with the disbursement of such moneys, and that such instruments are ready to record).

(b) **Conditions Precedent to Closing.** The Conditions Precedent to Closing have been and remain satisfied.

(c) **Insurance.** City shall have received evidence, satisfactory to the City Manager, that all of the insurance policies required by Section 4.5, below, are in full force and effect.

(d) **Representations and Warranties.** The representations and warranties of Participant contained in this Agreement shall be correct as of the request for disbursement of funds by the City.

(e) **No Objection by HUD.** HUD shall not have objected to the approval of this Agreement or the disbursement in the manner, time and amounts set forth in this Agreement of moneys made available to the City under the NSP, and HUD shall have consented to such disbursements to the extent such consent is required under the NSP.

(f) **No Default.** No Event of Default by Participant shall have occurred under this Agreement, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Participant under this Agreement, and the City Manager shall have received a certificate to that effect signed by an officer of Participant.

All conditions set forth in Section 3.2, or to City's obligations hereunder, are for City's benefit only and the City Manager may waive all or any part of such rights (excepting as to subsection (e), above) by written notice to Participant and Escrow Holder. If the City Manager shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to City's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, City may thereafter terminate this Agreement without any further liability on the part of City by giving written notice of termination to the Escrow Holder, with a copy to Participant. Escrow Holder shall thereupon, without further consent from Participant, return to each party the documents and funds deposited by them.

3.3 Maintenance of Reserves. Participant shall, commencing as of the first month following the first anniversary of the completion of the first Unit (as such completion is evidenced by the issuance of a certificate of occupancy by the City as to the corresponding building), set aside the Capital Replacement Reserve. The Capital Replacement Reserve shall be deposited into a separate interest-bearing trust account. Funds in the Capital Replacement Reserve shall be used for capital replacements to the Improvements' fixtures and equipment which are normally capitalized under generally accepted accounting principles. As capital repairs and improvements of the Development become necessary, the Capital Replacement Reserve shall be the first source of payment therefor; provided, however, that Participant may first use other funds for payment with the prior consent of City Manager, which approval shall not be unreasonably withheld. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve Participant of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Site in the manner prescribed in this Section 3.3 and the CC&Rs. Participant, at its expense, shall submit to City on not less than an annual basis an accounting for the Capital Replacement Reserve. Any moneys in the Capital Replacement Reserve which are not expended as of June 1, 2067 shall be applied toward payment on one or more obligations payable by Participant to the City.

Capital repairs to and replacement of the Improvements shall include only those items with a long useful life, including without limitation the following: (a) appliance replacement; (b) hot water

heater replacement; (c) plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; (d) air conditioning and heating replacement; (e) asphalt replacement; (f) roofing replacement; (g) landscape tree replacement and irrigation pipe and controls replacement; (h) gas line pipe replacement; (i) lighting fixture replacement; and (j) miscellaneous motors and blowers.

3.4 Submittal of Annual Reports. On or before each March 1 commencing March 1, 2013, the Participant shall submit the annual report provided for in Section 5.3.2 hereof and, at the same time, an Audited Financial Statement for the previous Year (or portion thereof), including all funds from whatever source provided to the Participant or any Related Entity in connection with the Development. The Audited Financial Statement shall demonstrate ongoing compliance with this Agreement, including without limitation the Senior Note, the Equity Share Note, and the Capital Recovery Note.

The Participant agrees that: (i) the Participant shall cooperate fully with the City and its designees in providing information necessary or convenient, in the reasonable judgment of the City, to the computation and verification of all payments due by Participant under this Agreement (including without limitation under the Senior Note, the Equity Share Note, the Capital Recovery Note and the CC&Rs), including without limitation a certified financial statement for the Participant each Year until all obligations under this Agreement (including without limitation the Attachments hereto) have been fully satisfied; if the City has reasonable cause to believe there has been an under-reporting, or otherwise at the City's discretion, the City may conduct an audit. The firm of Keyser Marston Associates, Inc., a certified public account selected by the City, or a firm or economist mutually acceptable to the City and the Participant will be employed to determine the payments due, and the costs of employing such firm shall be borne by the City; provided that if the audit reveals under-reporting of three percent (3%) or more of the amount payable to the City for the corresponding Year, the Participant shall reimburse the City for the cost of the audit. Until the cost of the audit has been paid, such amount shall be deemed to constitute an advance (and thus additional indebtedness) under the Capital Recovery Note.

3.5 Payments By Participant To City. The Participant shall make each and every payment as required under each of the Senior Note, the Equity Share Note, and the Capital Recovery Note. The allocation of payments received by City from the Participant shall be handled exclusively by the City based upon the HOME Share and the NSP Share and is a matter with which the Participant is not concerned.

4. SCOPE OF WORK: BUDGET; INSURANCE AND INDEMNITY, FINANCING

4.1 Scope of Work: Budget. The Participant shall develop the Improvements in accordance with the Scope of Work: Budget, and the approved plans, drawings and documents for the Improvements. In the event of any inconsistency between the Scope of Work: Budget and the plans for the Improvements which have been approved by the City, the approved Development plans shall control. In the event the Participant seeks disbursement of other City moneys due to encountering unanticipated construction problems in the course of implementing the Improvements, the Participant may submit a request for change order including additional City moneys, which request will include a specific delineation of the conditions encountered and the steps Participant proposes to address and correct such conditions. Participant agrees and acknowledges that there is no assurance that the City will have available to it moneys for such purpose, that only moneys made

available to City under the NSP and the HOME Program will be used for such purposes, and that any change orders/additional moneys will be subject to the City's customary change order process.

4.2 Land Use Approvals. Before commencement of construction of the Improvements or other works of improvement upon the Site, the Participant shall, at its own expense, secure or cause to be secured any and all land use and other entitlements, permits, and approvals which may be required for the Improvements by the City or any other governmental agency affected by or having jurisdiction over such construction or work, including without limitation a license agreement between the Participant and the City allowing entry onto the Site which indemnifies City from any claims made in connection with the activities of the Participant. The Participant shall, without limitation, apply for and secure, and pay all costs, charges and fees associated therewith, all permits and fees required by the City, County of Riverside, and other governmental agencies with jurisdiction over the Improvements.

4.3 Time of Performance; Progress Reports. The Participant shall commence and complete construction of all of the Improvements on the Site by the times established therefor in the Schedule of Performance.

4.4 Cost of Development. The cost of planning, designing, developing, and constructing the Improvements shall be borne solely by the Participant, excepting for the disbursement by City of the City Disbursement Amount as provided in Section 4.4.1 hereof. Except to the extent otherwise expressly set forth herein, all fees imposed by any governmental entity in connection with the acquisition of the Site or the development of the Improvements shall be borne by Participant and shall be paid when due by Participant.

4.4.1 Disbursement of the City Disbursement Amount. The City has disbursed an amount equal to the NSP Amount in connection with the acquisition of the Site by the City. The remainder of the City Disbursement Amount shall be disbursed as drawdowns, as follows:

Disbursement for each category described above shall be made as progress payments during the Rehabilitation process subject to compliance with the following procedure:

(a) **Request for Payment.** Participant shall have submitted a request for payment to the City on a form supplied by the City, together with invoices from contractors and subcontractors and any other requested information and documents, indicating that the particular item for which payment is being requested is complete (if applicable).

(b) **Inspection of Work.** The City shall have inspected the particular item of work for which payment is being requested (if applicable) and shall have determined that such work has been completed in accordance with this Agreement and has been completed in a satisfactory manner in accordance with the standards of the applicable industry.

(c) **Verification of Amounts.** Amounts requested shall conform to budgeted amounts corresponding to the items for which payment is requested, as set forth in "The Scope of Work; Budget" (or, if the amounts exceed the amounts budgeted under that category, an offsetting saving equal or greater than any cost overrun under a particular category for which work has been completed or with respect to which the completion of such category of work is assured in the judgment of the City Manager).

(d) **No Default.** There shall exist no condition, event or act which would constitute an Event of Default (as hereinafter defined) hereunder or which, upon the giving of notice or the passage of time, or both, would constitute an Event of Default.

(e) **Representations and Warranties.** All representations and warranties of Participant herein contained shall be true and correct.

Within thirty (30) days following completion of the Rehabilitation, as determined by the City Manager, the City shall determine that portion of the remainder of the City Disbursement Amount which shall be disbursed to Participant. This final disbursement shall include costs of construction as well as allowances for payroll, staffing, administration, asset management, the Deemed Developer Fee, and a capital expense reserve up to the amounts established therefor in "the Scope of Work; Budget." The City Manager may confer with the Participant concerning the amount of the final disbursement but the determination of the City Manager shall be final.

4.5 Insurance Requirements. Commencing as of initial disbursement of moneys by the City (but not later than recordation of the CC&Rs) and continuing throughout the Required Covenant Period, Participant shall maintain at Participant's sole expense, with insurers reasonably approved by City, the following policies of insurance in form and substance reasonably satisfactory to City:

(a) workers' compensation insurance and any other insurance required by law in connection with the Improvements or other work performed on the Site (to be in effect only while work is being performed on the Site);

(b) upon commencement of construction of the Improvements and at all times prior to completion of the Improvements, builder's risk-all risk insurance covering 100% of the replacement cost of all Improvements (including offsite and the materials) during the course of construction in the event of fire, lightning, windstorm, vandalism, earthquake, malicious mischief and all other risks normally covered by "all risk" coverage policies in the area where the Site is located (including loss by flood if the Site is in an area designated as subject to the danger of flood);

(c) following completion of the Improvements, fire and hazard "all risk" insurance covering 100% of the replacement cost of the Improvements in the event of fire, lightning, windstorm, vandalism, earthquake, malicious mischief and all other risks normally covered by "all risk" coverage policies in the area where the Site is located (including loss by flood if the Site is in an area designated as subject to the danger of flood);

(d) public liability insurance in amounts reasonably required by the City Manager from time to time, and in no event less than Two Million Dollars (\$2,000,000) for "single occurrence;"

(e) property damage insurance in amounts reasonably required by the City Manager from time to time, and in no event less than Two Million Dollars (\$2,000,000); and

(f) all other insurance reasonably required by the City Manager from time to time.

All such insurance shall provide that it may not be canceled or materially modified without 30 days prior written notice to City. The policies required under subparagraphs (b) and (c)

shall include a "lender's loss payable endorsement" (Form 438BFU) in form and substance satisfactory to City, showing City as an additional insured and loss payee. City shall be an additional insured in the policies required under subparagraphs (d) and (e). No such insurance shall include deductible amounts to which City has not previously consented in writing. Certificates of insurance for the above policies (and/or original policies, if required by City) shall be delivered to City from time to time within 10 days after demand therefor. All policies insuring against damage to the Improvements shall contain an agreed value clause sufficient to eliminate any risk of co-insurance. No less than thirty (30) days prior to the expiration of each policy, Participant shall deliver to City evidence of renewal or replacement of such policy reasonably satisfactory to the City Manager.

Coverage provided hereunder by Participant shall be primary insurance and not be contributing with any insurance maintained by City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City. None of the above-described policies shall require Participant to meet a deductible or self-insured retention amount of more than Five Thousand Dollars (\$5,000.00) unless approved in writing by the City Manager. All policies shall be written by good and solvent insurers qualified to do business in California and shall have a policyholder's rating of A or better in the most recent edition of "Best's Key Rating Guide -- Property and Casualty." The required certificate shall be furnished by Participant at the time set forth herein.

4.5.1 Waiver of Subrogation. Participant hereby waives all rights to recover against City (or any officer, employee, agent or representative of the City) for any loss incurred by Participant from any cause insured against or required by any Development Document to be insured against; provided, however, that this waiver of subrogation shall not be effective with respect to any insurance policy if the coverage thereunder would be materially reduced or impaired as a result. Participant shall use its best efforts to obtain only policies which permit the foregoing waiver of subrogation.

4.6 Obligation to Repair and Restore Damage Due to Casualty. If during the period of construction the Improvements shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Participant, Participant shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Improvements to substantially the same condition as the Improvements are required to be constructed pursuant to this Agreement, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Participant shall complete the same as soon as possible thereafter so that the Improvements can be occupied as an affordable housing project in accordance with this Agreement. In no event shall the repair, replacement, or restoration period exceed fourteen (14) months from the date Participant obtains insurance proceeds unless the City Manager, in his or her sole and absolute discretion, approves a longer period of time. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Site do not permit the repair, replacement, or restoration, Participant may elect not to repair, replace, or restore the Improvements by giving notice to City (in which event Participant will be entitled to all insurance proceeds but Participant shall be required to remove all debris from the Site) or Participant may reconstruct such other improvements on the Site as are consistent with applicable land use regulations and approved by the City and the other governmental agency or agencies with jurisdiction, and the City may pursue remedies of its choosing under this Agreement, including without limitation termination.

4.7 Indemnity. Participant shall defend (by counsel satisfactory to City), indemnify and save and hold harmless City and their officers, contractors, agents and employees (collectively, the "Indemnitees") from and against all claims, damages, demands, actions, losses, liabilities, costs and expenses (including, without limitation, attorneys' fees and court costs) arising from or relating to: (i) this Agreement (including without limitation Section 4.9 hereof); (ii) the disbursement of amounts equal to the City Disbursement Amount; (iii) a claim, demand or cause of action that any person has or asserts against Participant; (iv) any act or omission of Participant, any contractor, subcontractor or material supplier, engineer, architect or other person with respect to the Site; (v) the ownership, occupancy or use of the Site; or (vi) any claims for relocation benefits or assistance in connection with the acquisition of the Site or the implementation of this Agreement. Notwithstanding the foregoing, Participant shall not be obligated to indemnify the City with respect to the consequences of any act of gross negligence or willful misconduct of the City. Participant's obligations under this Section 4.7 shall survive the issuance of the Certificate of Completion and termination of this Agreement; the requirements under this Section 4.7 are in addition to and do not limit the obligations of the Participant under any of the instruments provided for as attachments to this Agreement, including without limitation the CC&Rs and the Resale Restriction Agreement.

The Participant shall reimburse the City immediately upon written demand for all costs reasonably incurred by the City (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of City) in connection with the enforcement of the Development Documents and all related matters including the following: (a) the City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Development Document, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which the City is indemnified under the Development Documents.

The Participant shall indemnify the City from any real estate commissions or brokerage fees which may arise from this Agreement or the Site, including without limitation the acquisition of the Site by the Participant, or the leasing of dwelling units on the Site. The Participant represents that it has engaged no broker, agent, or finder in connection with this transaction, and the Participant agrees to hold the City harmless from any claim by any broker, agent or finder in connection with this Agreement, the activities by the Participant, or the Site.

In addition, and without limitation to the foregoing, Participant agrees to indemnify, defend and hold City harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Site, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Site. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. At the request of the Participant, the City shall cooperate with and assist the Participant in its defense of any such claim,

action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that the City shall not be obligated to incur any expense in connection with such cooperation or assistance. Upon the Closing, the Participant shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Site. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, the Participant shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

4.8 Rights of Access. Prior to the issuance of the Certificate of Completion, for purposes of assuring compliance with this Agreement, representatives of the City shall have the right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Improvements so long as City representatives comply with all safety rules. City representatives shall, except in emergency situations, notify the Participant prior to exercising its rights pursuant to this Section 4.8; provided that City representatives shall in addition, have all rights and access to Site necessary or convenient to enforce building codes and other laws.

4.9 Compliance With Laws. Participant shall carry out the design, construction and operation of the Improvements in conformity with all applicable laws, including all applicable federal and state labor standards (including without limitation provisions for payment of prevailing wages in connection with all construction of the Improvements), the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and the Fair Housing Act, 42 U.S.C. Section 3601 *et seq.* (and 24 C.F.R. Part 100), the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, the HOME Regulations, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.* Participant, including but not limited to its contractors and subcontractors, shall comply with Labor Code Section 1720, *et seq.*, and its implementing regulations, regarding the payment of prevailing wages and the Davis-Bacon Act (collectively, the "Prevailing Wage Laws") with regard to the construction of the Improvements. Participant hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold the City, its officers, employees, agents and representatives, harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Participant's acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Improvements. Participant agrees and acknowledges that federal prevailing wages under the Davis-Bacon Act are applicable to the Improvements under the NSP, and Participant agrees to comply with the NSP (including without limitation or respect to the payment of federal prevailing wages).

Without limitation as to Section 4.7 of this Agreement, Participant shall indemnify, protect, defend and hold harmless the City and its officers, employees, contractors and agents, with counsel reasonably acceptable to City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Participant of any applicable local, state and/or federal law, including, without limitation, the Rules and Regulations and any applicable federal and/or state labor laws (including, without limitation, if

applicable, the requirement to pay state prevailing wages and, if greater, prevailing wages under the Davis-Bacon Act); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law; and/or (4) failure to comply with the NSP and all regulations and laws applicable in connection thereafter.

4.9.1 Selection of Subcontractors. Participant or the General Contractor, as applicable, shall solicit no fewer than three (3) competitive bids from qualified, licensed, insured, and bonded Subcontractors for each portion of the construction work to be separately contracted for by each Participant or the General Contractor, as applicable, and Participant shall select the Subcontractor(s) that have submitted the lowest responsible and responsive bid for each such separately contracted-for portion of the Development. City shall have every reasonable right and opportunity to review all materials, bid packages, and related documents and to observe and attend all stages of and meetings related to such competitive bidding process, including without limitation a right to review the invitation to bidders and each submitted bid package and the right to be present when each bid is opened by Participant and/or the General Contractor and all selected Subcontractors shall be reasonably acceptable to the City Manager. Participant shall provide copies of all documents and other information reasonably necessary or appropriate to permit City to verify that Participant has solicited competitive bids from such qualified contractors pursuant to this Section 4.9.1 and selected the lowest responsible and responsive Subcontractors as required herein, including copies of the invitation to bidders, all documents distributed to potential bidders by Participant, and all submissions received from bidding contractors in response thereto. Participant shall also submit to City evidence regarding each entity serving and/or contracting as the Subcontractor for each portion of the construction of the Development and all other on-site and off-site improvements required to be constructed in connection therewith in accordance with the Scope of Work: Budget, including all required licenses, certifications, insurance, etc., as determined in good faith by the City Manager.

4.10 Nondiscrimination in Employment. Participant certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, sexual orientation, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability.

4.11 Taxes and Assessments. Participant shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Site. Participant shall remove or have removed any levy or attachment made on the Site or any part thereof which is owned or leased by Participant, or assure the satisfaction thereof within a reasonable time, but in no event to exceed sixty (60) days. The Participant shall additionally defend, indemnify, and hold harmless the City from and against any taxes, assessments, mechanic's liens, claims of materialmen and suppliers, or other claims by private parties in connection with (a) activities undertaken by the Participant or (b) the Site.

4.12 Liens and Stop Notices. Participant shall not allow to be placed on the Site or any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting the Improvements the Participant shall within thirty (30) days of such recording or service or within five (5) days of City's demand whichever last occurs:

- (a) pay and discharge the same; or

(b) affect the release thereof by recording and delivering to City a surety bond in sufficient form and amount, or otherwise; or

(c) provide City with indemnification from the Title Company against such lien or other assurance which City deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of City from the effect of such lien or bonded stop notice.

4.13 Certificate of Completion. Promptly after completion of the Improvements in conformity with this Agreement, City will furnish the Participant with a Certificate of Completion substantially in the form of Attachment No. 8 hereto. City shall not unreasonably withhold such Certificate of Completion; provided that a refusal to provide a Certificate of Completion in the event of objection by HUD or the failure by HUD to approve disbursements by City under this Agreement shall be conclusively deemed to be reasonable for purposes of this Section 4.13. The Certificate of Completion shall be a conclusive determination of satisfactory completion of the Improvements and the Certificate of Completion shall so state. If City refuses or fails to furnish a Certificate of Completion after written request from Participant, City shall, within fifteen (15) days of receipt of written request therefor, provide Participant with a written statement of the reasons City refused or failed to furnish the Certificate of Completion. The statement shall also contain City's opinion of the actions Participant must take to obtain the Certificate of Completion or notification that HUD has failed to approve of the making of disbursements under this Agreement. The Certificate of Completion is not a notice of completion as referred to in Section 3093 of the California Civil Code.

4.14 Further Assurances. The City will undertake good faith efforts to obtain an appraisal or a review appraisal (in the event Participant makes available to City for review an appraisal) prior to the time set forth in this Agreement for the satisfaction of the Conditions Precedent to Disbursement.

Participant shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to City all documents, and take all actions, reasonably required by City from time to time to confirm the rights created or now or hereafter intended to be created under the Development Documents or otherwise to carry out the purposes of the Development Documents. Participant shall, in addition, cooperate with HUD and promptly and fully provide such documentation as may from time to time be requested by HUD.

4.15 City Investment; Preservation of Affordable Rental Housing Resource. The City will be providing one hundred percent (100%) of the equity (and approximately 100% of the total funding) required for the purchase of the Site (from the third-party owning the Site as of the Date of Agreement, which third party Participant has arranged for title to be conveyed to the Participant) and the improvement of the Site under the Scope of Work: Budget. The City's willingness to enter into this Agreement and devote the level of funding as prescribed under this Agreement is based upon assurance that all Units on the Site will be maintained available at Affordable Rent at Prescribed Rent Levels as Qualifying Rentals throughout the Required Covenant Period.

The Participant is a sophisticated party with substantial experience in the acquisition, improvement and operation of affordable rental housing and with California real estate law. Participant has reviewed, and has consulted with legal counsel of Participant's choosing, concerning this Agreement, including without limitation the ARR Guidelines, the NSP, the HOME Regulations, the Rules and Regulations, the Senior Note, the Equity Share Note, the Capital Recovery Note as

well as the City Deed, the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust.

The Participant agrees and acknowledges that it is reasonable that the City have all rights and remedies, including without limitation equity sharing, limits upon resale or transfer, and such other restrictions or prohibitions as are provided under this Agreement and its attachments including without limitation the City Deed, the CC&Rs, the Resale Restriction Agreement, the Senior Note, the Equity Share Note, the Capital Recovery Note, the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust.

5. COVENANTS AND RESTRICTIONS

5.1 Use Covenants. Participant covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site or any part thereof, that the Participant shall devote the Site to the uses specified in and shall operate in conformity with this Agreement, the City Deed and the CC&Rs. All uses conducted on the Site, including, without limitation, all activities undertaken by the Participant pursuant to this Agreement, shall conform to the Redevelopment Plan and all applicable provisions of the City Municipal Code.

5.2 Affordable Housing Requirements.

5.2.1 Number of Affordable Units. Participant agrees to make available, restrict occupancy to, and rent all of the Required Affordable Units at Affordable Rent. There shall be four (4) Required Affordable Units on the Site, all of which shall remain available at Affordable Rent as follows: four (4) 2-bedroom Units shall be available to and occupied by Very Low Income Households. An example of the calculation of Affordable Rent for the Required Affordable Units is attached hereto as Attachment No. 5 and incorporated herein.

5.2.2 Duration of Affordability Requirements. The Required Affordable Units shall be maintained as rental units available at and rented to Very Low Income Households at Affordable Rent throughout the Required Covenant Period, as more particularly set forth in the CC&Rs.

5.2.3 Selection of Tenants. Participant shall be responsible for the selection of tenants for the Required Affordable Units in compliance with the criteria set forth in Section 5.3 of this Agreement. Age shall not be a factor in the selection of tenants. Tenant selection and income determinations shall, in addition to complying with the provisions set forth in this Agreement, comply with the HOME Regulations, including without limitation §§ 92.203 and 92.253 thereof.

5.2.4 Income of Tenants. Each tenant shall be a Very Low Income Household which meets the eligibility requirements established for the corresponding Required Affordable Unit, and Participant shall obtain a certification from each tenant renting or leasing each housing unit which substantiates such fact. Participant shall verify the income certification of each tenant as set forth in Section 5.3 hereof. Prior to the rental or lease of any housing unit on the Site to a tenant, and annually thereafter, the Participant shall submit to City or its designee, at Participant's expense, a completed income computation and certification form, in a form to be provided by City. Participant acknowledges that City shall, to the extent provided under the NSP or requested by HUD, make such reports available to HUD.

5.2.5 Determination of Affordable Rent for the Housing Units. Each Required Affordable Unit shall be rented at an Affordable Rent.

“Household size appropriate to the unit,” for the purpose of the calculation of rent herein (and without regard to actual occupancy), shall mean three persons for each two bedroom unit; provided that the maximum monthly rental amount of the Required Affordable Units shall be adjusted annually by the formula set forth above upon the promulgation of revised figures concerning Median Income for the Area by regulation of the California Department of Housing and Community Development (“HCD”). Actual rent charged may be less than such maximum rent.

5.3 Verifications.

5.3.1 Income Verification. Participant shall verify the income of each proposed and existing tenant of the Required Affordable Units.

5.3.2 Annual Reports. Following the issuance of the Certificate of Completion, and on or before March 15 of each Year, Participant, at its expense, shall submit to City or its designee the reports required pursuant to Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by City. Each annual report shall cover the immediately preceding fiscal year. In addition, the Participant shall provide for reporting to the City and for verification of household incomes as provided under the HOME Regulations.

The Participant shall maintain on file each tenant’s executed lease and Income Verification and rental records for the Required Affordable Units. The Participant shall maintain complete and accurate records pertaining to the Required Affordable Units and will permit any duly authorized representatives of the City to inspect the books and records of the Participant pertaining to this Agreement and the Required Affordable Units. The Participant shall prepare and submit to the City (or its designee) annually commencing March 15, 2013 and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each Required Affordable Unit the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determine compliance with the terms of this Agreement. Participant acknowledges that City shall make all such reports available to the extent provided under the NSP or requested by HUD, to HUD.

5.4 Maintenance of Site. Participant agrees for itself and its successors in interest to the Site, to maintain the improvements on the Site in conformity with the City Municipal Code and the conditions set forth in the CC&Rs, and shall keep the Site free from any accumulation of debris or waste materials. During such period, the Participant shall also maintain the landscaping planted on the Site in a healthy condition. In addition, the Participant shall also maintain the Site in conformity with the HOME Regulations, including without limitation § 92.251 thereof.

5.5 Nondiscrimination Covenants. Participant covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Participant or any person claiming under or through the Participant establish or permit any such

practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site or any portion thereof. The foregoing covenants shall run with the land.

Participant shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased. The foregoing covenants shall run with the land.”

In contracts: “There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises subject to this agreement nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises. The foregoing covenants shall run with the land.”

5.6 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction. The City is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and

for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether the City has been, remains or is an owner of any land or interest therein in the Site or in the Project Area of the Redevelopment Plan. The City shall have the right, if the Agreement or any covenants in any agreement pursuant to this Agreement including without limitation the CC&Rs, the Resale Restriction Agreement, the Senior Note, the Senior Deed of Trust, the Capital Recovery Note, the Capital Recovery Deed of Trust, the Equity Share Note or the Equity Share Deed of Trust are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and such covenants may be entitled.

5.7 No Subordination of Covenants. The CC&Rs shall not be subordinated. In addition, the Participant will not request and the City will not subordinate any of the Senior Deed of Trust, the Equity Share Deed of Trust, the Capital Recovery Deed of Trust and the Resale Restriction Agreement.

6. PARTICIPANT'S GENERAL REPRESENTATIONS AND WARRANTIES.

As a material inducement to City to enter into this Agreement, Participant represents and warrants to the City that:

6.1 Formation, Qualification and Compliance. Participant (a) is a California nonprofit public benefit corporation validly existing and in good standing under the laws of the State of California; (b) has all requisite and the authority to conduct its business and own, purchase, improve and sell its properties. Participant is in compliance in all material respects with all laws applicable to its business and has obtained all approvals, licenses, exemptions and other authorizations from, and has accomplished all filings, registrations and qualifications with any governmental agency that are necessary for the transaction of its business; (c) Participant has and will in the future duly authorize, execute and deliver this Agreement and any and all other agreements and documents required to be executed and delivered by the Participant in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement; (d) Participant does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of the Participant to carry out its obligations hereunder; (e) There are no material pending or, so far as is known to the Participant, threatened, legal proceedings to which the Participant is or may be made a party or to which any of its property is or may become subject, which have not been fully disclosed by the Participant to the City in this Agreement which could materially adversely affect the ability of the Participant to carry out its obligations hereunder; (f) Participant is a community development organization (or "CHODO") within the meaning of § 92.2 of the HOME Regulations; (g) Participant has reviewed the Rules and Regulations, the NSP, the ARR Guidelines, the ARR program and is familiar with and prepared to comply with all terms thereof; and (h) There is no action or proceeding pending or, to the Participant's best knowledge, threatened, looking toward the dissolution or liquidation of the Participant and there is no action or proceeding pending or, to the Participant's best knowledge, threatened by or against the Participant which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of the Participant to carry out its obligations hereunder.

Each of the foregoing items (a) to (h), inclusive, shall be deemed to be an ongoing representation and warranty. The Participant shall advise the City in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (h), inclusive.

6.2 Execution and Performance of Development Documents. Participant has all requisite authority to execute and perform its obligations under the Development Documents. The execution and delivery by Participant of, and the performance by Participant of its obligations under, each Development Document has been authorized by all necessary action and do not and will not violate any provision of, or require any consent or approval not heretofore obtained under, any articles of incorporation, by-laws or other governing document applicable to Participant.

6.3 Covenant Not to Transfer Except in Conformity. Excepting for the rental of individual dwelling units to Very Low Income Households as occupants in the regular course of business (which rental activity shall not be limited by this Section 6.3), the Participant shall not sell, lease, or otherwise transfer or convey all or any part of the Site, or any interest therein, unless the Participant has first obtained the prior written consent of the City Manager, which consent may be granted or refused in the City Manager's sole and absolute discretion. In connection with the foregoing consent requirement, Participant acknowledges that City relied upon Participant's particular expertise and its status as a CHODO in entering into this Agreement and continues to rely on such expertise and status to ensure the satisfactory completion of all of the Improvements, and the marketing and rental of the Required Affordable Units to Very Low Income Households at Affordable Rent to advance the City's objectives in providing affordable housing units and to afford the community a long-term, quality affordable housing resource.

7. DEFAULTS, REMEDIES, AND TERMINATION.

7.1 Default Remedies. Subject to the extensions of time set forth in Section 7.10 of this Agreement, failure by a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" or "Event of Default" under this Agreement. A party claiming a Default shall give written notice of Default to the other party specifying the Default. Except as otherwise expressly provided in this Agreement, and without limiting or affecting rights of parties hereto to terminate this Agreement, the claimant shall not institute any proceedings against any other party, and the other party shall not be in Default if such party within thirty (30) days from receipt of such notice immediately, with due diligence, commences to cure, correct or remedy the specified Default and shall complete such cure, correction or remedy with diligence.

Notwithstanding any provision of this Agreement to contrary effect, in no event shall the City be liable under this Agreement in the event HUD objects to or fails to approve or consent to this Agreement or the mailings of disbursements hereunder by the City.

7.2 Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California, or in the federal court for the Central District of California.

7.3 Termination by the Participant. In the event that:

(a) the Participant is not in default under this Agreement and City does not disburse funds to or for the benefit of the Participant in the manner and condition and by the date provided in this Agreement; or

(b) the Participant does not approve the condition of title or the environmental condition of the Site; or

(c) in the event of any default of City prior to the acquisition of the Site by the Participant which is not cured within the time set forth in Section 7.1 hereof; and

any such failure is not cured within the applicable time period after written demand by the Participant, then this Agreement may, at the option of the Participant, be terminated by Notice thereof to City; provided that the Participant shall have delivered to the City the documents required to be delivered to the City pursuant to this Agreement. From the date of the Notice of termination of this Agreement by the Participant to City and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties.

7.4 Termination by City. In the event that prior to the time established in the Schedule of Performance for the satisfaction of the Conditions Precedent to Disbursement:

7.4.1 Participant (or any successor in interest) assigns this Agreement or any rights therein or in the Site in violation of this Agreement; or

7.4.2 Participant does not fulfill the Conditions Precedent to Disbursement and such failure is not caused by City; or

7.4.3 Participant fails to execute on or more of the City Deed, the CC&Rs, the Senior Note, the Senior Deed of Trust, the Equity Share Note, the Capital Recovery Note, the Equity Share Deed of Trust, the Capital Recovery Deed of Trust or such other additional documentation as may be requested by the City or HUD; or

7.4.4 Participant is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 7.1 hereof; or

7.4.5 The City does not obtain, prior to the time set forth in this Agreement for the satisfaction of the Conditions Precedent to Disbursement, an appraisal or a review appraisal conforming to 49 C.F.R. §24.103 and which expresses an opinion of value as to the Site of at least one Hundred Ninety-Three Thousand Fifty Dollars (\$193,050.00); or

7.4.6 The Participant does not approve the condition of title or the environmental condition of the Site; or

7.4.7 The Prior Owner does not convey the Site to the City prior to the time established for the Closing; or

7.4.8 The City receives notification from HUD that HUD does not consent to this Agreement or disapproves this Agreement or the making of disbursements by the City provided for in this Agreement;

then this Agreement and any rights of the Participant or any assignee or transferee with respect to or arising out of the Agreement or the Site, shall, at the option of City, be terminated by City by Notice thereof to the Participant. From the date of the Notice of termination of this Agreement by City to the Participant and thereafter this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties, except that City may pursue any remedies it has hereunder.

7.5 Acceptance of Service of Process. In the event that any legal action is commenced against the City, service of process on the City shall be made by personal service upon the City Manager or in such other manner as may be provided by law. In the event that any legal action is commenced against the Participant, service of process on the Participant shall be made in such manner as may be provided by law and shall be effective whether served inside or outside of California.

7.6 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

7.7 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

7.8 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement; provided that, concerning the NSP, federal laws shall control in the event of conflict.

7.9 [Intentionally Omitted.]

7.10 Enforced Delay; Extension of Times of Performance; Other Limited Extensions by City Manager. In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts or omissions of another party, or acts or failures to act of the City or any other public or governmental agency or entity (excepting that acts or failures to act of City shall not excuse performance by City). Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Participant. Notwithstanding any provision of this Agreement to the contrary, or the lack of funding to complete the Development shall not constitute grounds of enforced delay pursuant to this Section 7.10. Notwithstanding the foregoing, times for performance shall not be excused in the event of the objection by HUD or the failure by HUD to consent to or approve of the making of disbursements hereunder.

The City Manager shall have the authority to approve extensions on behalf of City to approve extensions of time not to exceed a cumulative total of sixty (60) days.

7.11 Transfers of Interest in Agreement or of Site. Section 7.11, and all subsections of this Section 7.11, shall apply to transfers prior to the Transfer. Any transfers occurring or proposed after the Transfer are subject to the provisions therefor of the CC&Rs.

7.11.1 Prohibition. The qualifications and identity of the Participant are of particular concern to City. It is because of those qualifications and identity that City has entered into this Agreement with the Participant. For the period commencing upon the date of this Agreement and until the end of the Required Covenant Period, no voluntary or involuntary successor in interest of the Participant shall acquire any rights or powers under this Agreement, nor shall the Participant make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Site or the Development thereon (excepting the rental of Units at Affordable Rent to Very Low Income Households in strict conformity with this Agreement and the CC&Rs) without prior written approval of City, except as expressly set forth herein.

7.11.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, the City shall not unreasonably withhold its approval of an assignment of this Agreement or conveyance of the Site, or any part thereof, in connection with the conveyance or dedication of any portion of the Site to the City, or the granting of easements or permits to facilitate construction of the Development.

In the event of a proposed assignment by Participant under subparagraphs 7.11.2 through 7.11.3, inclusive, Participant agrees that at least thirty (30) days prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Participant the obligation to perform under this Agreement.

7.11.3 City Consideration of Requested Transfer. City agrees that it will consider in good faith a request made pursuant to this Section 7.11 after the achievement of occupancy of one hundred percent (100%) of the Units in conformity with this Agreement following the completion of the Improvements, provided that: (i) the Participant causes to be delivered to City written evidence from HUD that HUD consents to and does not object to the action requested; (ii) the Participant pays, or is prepared to pay concurrent with transfer, the amount due under the Equity Share Note in connection with such transfer; (iii) the Participant delivers written notice to City requesting such approval, which notice and the CC&Rs remain in full force and effect; (iv) the Participant is not in default of this Agreement or any attachments hereto; (v) the Participant provides detailed information regarding the transferee (the background, training, experience relative to the operation of affordable rental projects, and its capitalization) and of the proposed transfer (including price, terms of payment, time and place for closing); and/or the agreement of the transferee to be bound by and subject to all of the Development Documents, including without limitation, the CC&Rs, the Resale Restriction Agreement, the Senior Note, the Capital Recovery Note, the Equity Share Note (which shall be adjusted upon transfer based upon the receipt of equity sharing moneys by the City, as more fully described in the Equity Share Note), the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust; and (vi) the Participant pays to City the sum of Five Thousand Dollars (\$5,000.00) ("Special Charges"), on a nonrefundable basis to assist City in defraying its cost to conduct due diligence, consider and process any such request (amounts so paid as Special Charges shall not be applied as payments due under the Equity Share Note or any other Promissory Note). Evidence regarding any proposed assignee or purchaser shall be detailed concerning the proposed assignee's or purchaser's development and/or operational qualifications and experience, its financial commitments and resources, and shall, in addition, describe in detail the financial terms of such assignment (including the consideration proposed to flow to the Participant or Related Entity and/or any of the Principals) in sufficient detail to enable City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 7.11, and as reasonably determined by City. Upon receipt of such request (including payment of the amount due as the equal share), the City shall

evaluate each proposed transferee or assignee on the basis of its development and/or qualifications and experience in the operation of facilities similar to the Development, and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, during the period for which this Section 7.11 applies, which City reasonably determines does not possess sufficient qualifications. An assignment and assumption agreement in form satisfactory to City's legal counsel shall also be required for all proposed assignments. Within thirty (30) days after the receipt of the Participant's written notice requesting approval of an assignment or transfer pursuant to this Section 7.11, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Participant shall promptly furnish to City such further information as may be reasonably requested. No such approval shall be given without receipt by the City of written evidence of the consent or approval by HUD.

Because one hundred percent (100%) of moneys for site acquisition and renovation are being provided by the City, it is not contemplated that mortgages or deeds of trust, excepting for those for the City as beneficiary under this Agreement, shall be recorded as to the City during the Required Covenant Period; any additional or other mortgages, deeds of trusts or liens securing repayment shall require the prior written approval of the City Manager.

7.11.4 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon the Participant and its permitted successors and assigns. Whenever the term "Participant" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

7.11.5 Assignment by City. City may assign or transfer any of its rights or obligations under this Agreement with the approval of the Participant, which approval shall not be unreasonably withheld; provided, however, that City may assign or transfer any of its interests hereunder at any time without the consent of the Participant.

7.12 Non-Liability of Officials and Employees of City. No member, official, officer or employee of the City shall be personally liable to the Participant, or any successor in interest, in the event of any Default or breach by the City or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this Agreement.

7.13 Relationship Between City and Participant. It is hereby acknowledged that the relationship between the City and the Participant is not that of a partnership or joint venture and that City and Participant shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, including the Attachments hereto, the City shall have not any obligations with respect to the development, operation, maintenance or management of the Development.

7.14 City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the City the City Manager is authorized to act on behalf of the City unless specifically provided otherwise or the law otherwise requires.

7.15 Real Estate Brokers. City and Participant each represent and warrant to each other that no broker or finder is entitled to any commission or finder's fee in connection with this

transaction, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

7.16 Attorneys' Fees. In any action among the parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees (based upon the rates customarily charged by the attorneys to private clients).

8. MISCELLANEOUS

8.1 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of City to Participant, or any other claim by Participant against City, in connection with the Site or otherwise, Participant hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Participant's obligations under this Agreement (including without limitation the attachments hereto), or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Participant of any of its obligations under the Development Documents.

8.2 Notices. All notices, demands, approvals and other communications provided for in the Development Documents shall be in writing and be delivered to the appropriate party at its address as follows:

If to Participant: Riverside Housing Development Corporation
4250 Brockton Avenue
Riverside, CA 92501
Attn: Bruce Kulpa

If to City: City of Moreno Valley
14177 Frederick Street
P.O. Box 6459
Moreno Valley, CA 92552-0805
Attention: Economic Development Director

with a copy to: City Clerk
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

8.3 Survival of Representations and Warranties. All representations and warranties in the Development Documents shall survive the rental of the Required Affordable Units and have been or will be relied on by City notwithstanding any investigation made by City.

8.4 No Third Parties Benefited. This Agreement is made for the purpose of setting forth rights and obligations of Participant and the City; no other person shall have any rights hereunder or by reason hereof. There shall be no third party beneficiaries of this Agreement.

8.5 Binding Effect; Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, Participant, the City and their respective successors and assigns. Participant shall not assign any of its rights or obligations under any Development Document without the prior written consent of the City Manager, which consent may be withheld in the City Manager's sole and absolute discretion. Any such assignment without such consent shall, at City's option, be void. In connection with the foregoing consent requirement, Participant acknowledges that City relied upon Participant's particular expertise in entering this Agreement and continues to rely on such expertise to ensure the satisfactory completion of the Improvements and the use of the Required Affordable Units in conformity with this Agreement.

8.6 Counterparts. Any Development Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

8.7 Prior Agreements; Amendments; Consents. This Agreement (together with the other Development Documents) contains the entire agreement between City and Participant with respect to the Site, and all prior negotiations, understandings and agreements with respect to such matters are superseded by this Agreement and such other Development Documents. No modification of any Development Document (including waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 42 and Attachments 1 through 18, which constitutes the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the City, the City and the Participant, and all amendments hereto must be in writing by the appropriate authorities of the City and the Participant.

8.8 Governing Law. All of the Development Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California as well as the Rules and Regulations, the NSP and the laws and regulations referenced therein. Participant irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Riverside or the United States District Court of the Central District of California, as City may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Development Documents. Assuming proper service of process, Participant also waives any objection regarding personal or in rem jurisdiction or venue.

8.9 Severability of Provisions. No provision of any Development Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Development Documents are hereby declared to be severable.

8.10 Headings; Interpretation. Article and section headings are included in the Development Documents for convenience of reference only and shall not be used in construing the Development Documents. This Agreement shall be interpreted in a manner consistent with the public interest in assuring the continued availability of rental units at Affordable Rents to Very Low Income Households, enforceable by City, as provided under this Agreement.

8.11 Conflicts. In the event of any conflict between the provisions of this Agreement and those of any other Development Document, this Agreement shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

8.12 Time of the Essence. Time is of the essence of all of the Development Documents.

8.13 Conflict of Interest. No member, official or employee of City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

8.14 Warranty Against Payment of Consideration. Participant warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

PARTICIPANT:

RIVERSIDE HOUSING DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

By: _____
Name: Bruce Kulpa
Title: Executive Director

CITY:

CITY OF MORENO VALLEY, a municipal corporation

By: _____
Henry Garcia, City Manager

ATTEST:

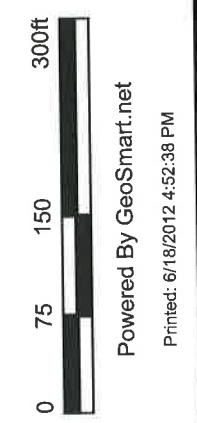
Jane Halstead, City Clerk

Approved as to form for City:
STRADLING YOCCA CARLSON & RAUTH,
Special Counsel

By: _____
Mark J. Huebsch

RHDC: 22877 Allies Place

Site Map



Powered By GeoSmart.net
Printed: 6/18/2012 4:52:38 PM

City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92553

DISCLAIMER: The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses, or damages resulting from the use of this map.



ATTACHMENT NO. 2

LEGAL DESCRIPTION OF THE SITE

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL NO.: 291-293-008-0

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

For the purposes of this Schedule of Performance, the "Date of Agreement" is June 1, 2012. The City Manager may extend by not more than sixty (60) days the time under this Schedule of Performance by which any obligation of Participant shall be performed.

1. Satisfaction of Conditions Precedent to Closing. Participant shall satisfy the Conditions Precedent to Closing. Not later than August 1, 2012.
2. Closing. The conveyance of the Site by the City to the Participant effected by the recording of the City Deed, which shall be accomplished concurrent with the recording of the CC&Rs, the Resale Restriction Agreement, the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust. Within thirty (30) days after the satisfaction of the Conditions Precedent to Closing and not later than the sixtieth (60th) day after the later to occur of (i) the Date of Agreement or (ii) the acquisition of title to the Site by the City from the Prior Owner; provided that in no event shall the Closing occur after December 20, 2012.
3. Commencement of Construction. The Participant shall have commenced construction of the Improvements. Within thirty (30) days after the earlier to occur of: (i) the Closing, or (ii) the time established in this Schedule of Performance for the Closing (per item 2, above).
4. Completion of Construction. Participant shall complete construction of the Improvements. Within ninety (90) days after the earlier of (i) the commencement of construction or (ii) the time established in this Schedule of Performance for the commencement of construction of the Improvements.
5. Rental Units Occupied. Participant causes the Required Affordable Units to be occupied using the Prescribed Rent Levels in conformity with the Agreement. Within sixty (60) days after the earlier of (i) completion of construction or (ii) the time established for completion of construction in this Schedule of Performance.

ATTACHMENT NO. 4

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: City Manager

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of Riverside Housing Development Corporation, a California nonprofit public benefit corporation (the "Participant"), hereby represents and warrants that:

1. He has read and is thoroughly familiar with the provisions of the Affordable Housing Agreement (the "AHA") by and between the City and the Participant dated as of June 1, 2012, including without limitation the CC&Rs, the Resale Restriction Agreement, the Equity Share Note, the Equity Share Deed of Trust and all other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the AHA; and

2. As of the date of this Certificate, the following number of completed residential units at the Site: (i) are currently occupied by Very Low Income Households at Affordable Rent; (ii) are currently occupied by Lower Income Households at Affordable Rent; or (iii) are currently occupied by Moderate Income Households at Affordable Rent; or (iv) are currently vacant and being held available for occupancy by a Very Low Income Household, a Lower Income Household or a Moderate Income Household and have been so held continuously since the date a Very Low Income Household, a Lower Income Household or a Moderate Income Household vacated such unit:

Occupied at an Affordable Rent by:

Very Low Income Households (50%) _____ # of Units, Nos.:
Lower Income Households (60%) _____ # of Units, Nos.:
Moderate Income Households (120%) _____ # of Units, Nos.:

Vacant:

a. Held for occupancy by:

i. Very Low Income Households (50%) _____ # of Units, Nos.:
ii. Lower Income Households (60%) _____ # of Units, Nos.:
iii. Moderate Income Households (120%) _____ # of Units, Nos.:

b. Last occupied by:

i. Very Low Income Households (50%) _____ # of Units, Nos.:
ii. Lower Income Households (60%) _____ # of Units, Nos.:
iii. Moderate Income Households (120%) _____ # of Units, Nos.:

3. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than one hundred percent (100%) of the Required Affordable Units as completed units in the Development been occupied by, or been last occupied, or have been available for occupancy by Very Low Income Households, Lower Income Households or Moderate Income Households at an Affordable Rent.

4. The Participant is not in default under the terms of the Agreement, including without limitation the attachments thereto (such as the Senior Note, Equity Share Note, the Capital Recovery Note, the Resale Restriction Agreement and the CC&Rs).

**RIVERSIDE HOUSING DEVELOPMENT
CORPORATION,**
a California nonprofit public benefit corporation

By: _____
Name: Bruce Kulpa
Title: Executive Director

(PARTICIPANT)

ATTACHMENT NO. 5

CALCULATION OF AFFORDABLE RENTS

**Riverside County
Affordable Rent Worksheet**

(2012 Income Figures)

1. Income Eligibility¹

The first step in determining eligibility for an affordable housing program is determining whether the family which will be purchasing or renting the housing unit meets the following income standards applicable to **Riverside County**, based upon the size of the family:

<i>Income Level</i>	<i>1 person household</i>	<i>2 person household</i>	<i>3 person household</i>	<i>4 person household</i>	<i>5 person household</i>	<i>6 person household</i>	<i>7 person household</i>	<i>8 person household</i>
<i>Extremely Low</i>	\$14,100	\$16,100	\$18,100	\$20,100	\$21,750	\$23,350	\$24,950	\$26,550
<i>Very Low</i>	\$23,450	\$26,800	\$30,150	\$33,500	\$36,200	\$38,900	\$41,550	\$44,250
<i>Lower</i>	\$37,550	\$42,900	\$48,250	\$53,600	\$57,900	\$62,200	\$66,500	\$70,800
<i>Median</i>	\$44,300	\$50,650	\$56,950	\$63,300	\$68,350	\$73,450	\$78,500	\$83,550
<i>Moderate</i>	\$53,150	\$60,750	\$68,350	\$75,950	\$82,050	\$88,100	\$94,200	\$100,250

2. Determining Affordable Rent

For **rental housing**, the second step in determining compliance with affordable housing requirements is determining whether the total rent costs payable by the tenant are within allowable amounts.

For **Extremely Low Income Households**:²

- renting a **0 bedroom** unit, monthly rent may not exceed **\$332.25**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$379.88**

¹ Based on currently effective median income of San Bernardino-Riverside County, as released by the Department of Housing and Community Development (“HCD”) by memorandum dated as of February 1, 2012 as posted to the HCD website. These median income numbers are revised annually; accordingly, affordable rents are revised annually as well. The Participant is responsible for charging rents in the amounts allowable under this Agreement. The Participant is encouraged to annually confirm proposed rents with the City.

² Affordable Rent for Extremely Low Income Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(1).

- renting a **2 bedroom** unit, monthly rent may not exceed **\$427.13**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$474.75**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$512.63**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$550.88**

For Very Low Income Households:³

- renting a **0 bedroom** unit, monthly rent may not exceed **\$553.75**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$633.13**
- renting a **2 bedroom** unit, monthly rent may not exceed **\$711.88**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$791.25**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$854.38**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$918.13**

³ Affordable Rent for Very Low Income Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(2).

For **Lower Income Households**:⁴

- renting a **0 bedroom** unit, monthly rent may not exceed **\$664.50**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$759.75**
- renting a **2 bedroom** unit, monthly rent may not exceed **\$854.25**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$949.50**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$1,025.25**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$1,101.75**

In addition, for any Lower Income Household whose income falls within the following guidelines, it is **optional** for the agency to require that **affordable rent not exceed 30 percent of the gross income of the household**:⁵

- **1 person households** whose income is between **\$26,580 and \$37,550**
- **2 person households** whose income is between **\$30,390 and \$42,900**
- **3 person households** whose income is between **\$34,170 and \$48,250**
- **4 person households** whose income is between **\$37,980 and \$53,600**
- **5 person households** whose income is between **\$41,010 and \$57,900**
- **6 person households** whose income is between **\$44,070 and \$62,200**
- **7 person households** whose income is between **\$47,100 and \$66,500**
- **8 person households** whose income is between **\$50,130 and \$70,800**

⁴ Affordable Rent for Lower Income Households is the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(3).

⁵ Health and Safety Code Section 50053(b)(3).

For **Moderate Income** Households:⁶

- renting a **0 bedroom** unit, monthly rent may not exceed **\$1,218.25**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$1,392.88**
- renting a **2 bedroom** unit, monthly rent may not exceed **\$1,566.13**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$1,740.75**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$1,879.63**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$2,019.88**

In addition, for any Moderate Income Household whose income falls within the following guidelines, it is **optional** for the agency to require that **affordable rent not exceed 30 percent of the gross income of the household:**⁷

- **1 person households** whose income is between **\$48,730 and \$53,150**
- **2 person households** whose income is between **\$55,715 and \$60,750**
- **3 person households** whose income is between **\$62,645 and \$68,350**
- **4 person households** whose income is between **\$69,630 and \$75,950**
- **5 person households** whose income is between **\$75,185 and \$82,050**
- **6 person households** whose income is between **\$80,795 and \$88,100**
- **7 person households** whose income is between **\$86,350 and \$94,200**
- **8 person households** whose income is between **\$91,850 and \$100,250**

⁶ Affordable Rent for Moderate Income Households is the product of 30 percent times 110 percent of area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(4).

⁷ Health and Safety Code Section 50053(b)(4).

For purposes of determining Affordable Rent, "Rent" is an average of estimated housing costs for the next twelve months. "Rent" includes the total of monthly payments for all of the following:⁸

- Use and occupancy of a housing unit and land and facilities associated therewith.
- Any separately charged fees or service charges assessed by the lessor which are required of all tenants, other than security deposits.
- A reasonable allowance for utilities not included in the above costs, including garbage collection, sewer, water, electricity, gas, and other heating, cooking, and refrigeration fuels. Utilities does not include telephone service. Such an allowance shall take into consideration the cost of an adequate level of service.
- Possessory interest taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the lessor.

With respect to all dwelling units at the Site, the third step in determining rents is to determine those rents allowable as Low HOME Rents pursuant to the HOME Regulations (including without limitation §92.252 thereof), as Affordable Rent under the Agreement shall not exceed the lesser of (i) rents determined under Sections 50105 and 50053 of the California Health and Safety Code or (ii) Low HOME Rent.

Under the HOME Regulations (including without limitation §92.252 thereof), a methodology is established for the determination of the maximum rents that may be charged as Low HOME Rents.

As of November 11, 2011, the maximum amounts chargeable as Low HOME Rents were as follows:

<i>Type of Unit</i>	<i>Studio</i>	<i>1 bedroom</i>	<i>2 bedrooms</i>	<i>3 bedrooms</i>
Low HOME Rent (§ 92.252(b))	\$586	\$628	\$753	\$871

⁸ 25 California Code of Regulations Section 6918.

ATTACHMENT NO. 6

SENIOR NOTE

\$193,050.00

Moreno Valley, California

_____ 1, 201_

Property Address: 22877 Allies Place
Moreno Valley, CA 92551

Maturity: July 1, 2042

FOR VALUE RECEIVED, the undersigned (“Maker”) promises to pay to the City of Moreno Valley (“Holder”) at 14177 Frederick Street, Moreno Valley, CA 92552, or at such other address as Holder may direct from time to time in writing, the sum of One Hundred Ninety Three Thousand Fifty Dollars (\$193,050.00) (the “Senior Note Amount”). All sums hereunder shall be payable in lawful money of the United States of America.

1. Loan Agreement. This Senior Note (the “Senior Note”) is made and delivered pursuant to and in implementation of the Affordable Housing Agreement entered by and between the Holder and the Maker dated as of June 1, 2012 (the “Agreement”), a copy of which is on file as a public record with the Holder. The Agreement is incorporated herein by this reference. The Maker acknowledges that but for the execution of this Senior Note, the Holder would not enter into the Agreement or make the loans contemplated therein. Unless definitions of terms have been expressly set out at length herein, each term shall have the same definition as set forth in the Agreement.

2. Interest Rate. The Senior Amount shall bear interest at the rate of zero percent (0%).

3. Payments; Time of Payment. Maker shall make monthly payments to Holder on the first day of each month commencing January 1, 2013, and continuing on the first day of each month thereafter in each Year to and including July 1, 2042 in the amount of Five Hundred Forty-Three Dollars and Eighty Cents (\$543.80); provided that the entire balance under this Senior Note shall be due and payable in full on July 1, 2042.

4. Acceleration. The whole of the Senior Loan Amount shall, at the election of the City, become due and be immediately payable to the Holder by the Maker upon the occurrence of any of the following events: (a) the sale or transfer of the Site, including, without limitation, the lease, exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except (i) the rental of the Required Affordable Units at Affordable Rent to Very Low Income Households, or (ii) the transfer of the Site permitted by the Agreement and as to which the prior written approval of the City has been obtained. The failure by Holder to elect to accelerate upon the occurrence of an event within a particular time after the occurrence of such event shall not operate as a waiver of Holder’s right to accelerate and to declare all amounts due hereunder to be immediately payable.

5. **Security for Note.** This Senior Note shall be secured by a first deed of trust and rider thereto of even date herewith encumbering the Site ("Senior Deed of Trust"), executed by Maker, as trustor, in favor of Holder, as beneficiary.

6. **Prepayment of Note.** Maker may prepay this Note to Holder, provided that any prepayment must be in full and not in part. Prepayment shall not, however, release Maker from the requirements of CC&Rs, the Resale Restriction Agreement, the Equity Share Note, the Capital Recovery Note, or the other provisions of the Agreement. In addition, prepayment shall be treated in the same manner as a refinancing of the Site.

7. **Holder May Assign.** Holder may, at its option, assign its right to receive payment under this Senior Note without necessity of obtaining the consent of the Maker.

8. **Maker Assignment Prohibited.** In no event shall Maker assign or transfer any portion of this Senior Note, or its obligations as to the Senior Loan Amount and/or under the Agreement without the prior express written consent of the Holder.

9. **Joint and Several.** The undersigned, if more than one person, shall be jointly and severally liable hereunder.

10. **Attorneys' Fees and Costs.** In the event that any action is instituted to enforce payment under this Senior Note, the parties agree the non-prevailing party shall be responsible for and shall pay to the prevailing party all court costs and all attorneys' fees (based upon the rates customarily charged by the attorneys to private clients) incurred in enforcing this Senior Note.

11. **Amendments.** This Senior Note may not be modified or amended except by an instrument in writing expressing such intention executed by the parties sought to be bound thereby, which writing must be so firmly attached to this Senior Note so as to become a permanent part thereof.

12. **Maker's Waivers.** Maker waives any rights to require the Holder to: (a) demand payment of amounts due (known as "presentment"), (b) give notice that amounts due have not been paid (known as "notice of dishonor"), and (c) obtain an official certification of nonpayment (known as "protest").

13. **Notice.** Any notice that must be given to Maker under this Senior Note shall be given by personal delivery or by mailing it by certified mail addressed to Maker at the Property address above or such other address as Maker shall direct from time to time in writing. Failure or delay in giving any notice required hereunder shall not constitute a waiver of any default or late payment, nor shall it change the time for any default or payment. Any notice to Holder shall be given by certified mail at the address stated above.

14. **Successors Bound.** This Senior Note shall be binding upon the parties hereto and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, Maker has executed this Senior Note as of the date set forth below.

MAKER:

RIVERSIDE HOUSING DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

Dated: _____, 2012

By: _____
Name: Bruce Kulpa
Title: Executive Director

REV. 4/26/12

22877 Allies - Sources & Uses BUDGET			
Sources:			
		Final	
	Private Bank Loan	\$0	
	City Contribution	\$0	
	Uses funded by NSP	\$494,075	
		\$0	
	TOTAL	\$494,075	
Uses:			
		Final	
	Property Acquisition (1 properties)	\$199,000	*
	Rehab Construction	\$242,940	**
	LBP/ACM testing & removal	\$10,000	***
	Relocation assistance	\$0	
	Soft Costs (Permits, Architectural Fees, etc.) and Reserves	\$12,135	
	Contingency	\$0	
	Developer's Fee	\$30,000	
	TOTAL	\$494,075	
	SHORTFALL or SURPLUS	\$0	

* - Includes purchase price, closing and realtor commission

** - Keep current configuration of building.

Extensive rehab work is needed (units are in poor condition).

*** - Buildings are older and may need LBP/ACM removal. Cost estimate based upon similar properties.

Mapes - Campbell

22877 Allice Place, Merano Valley		
1	Plan Check & Inspection fees for rehab	\$0
2	Rehabilitation permit	\$0
3	New Roof & Trusses Permit	\$0
4	Laundry Room/Storage Room & Garage Construction Permit	\$0
5	Relocate Electrical Panel permit	\$0
6	Grading Permit	\$0
7	Civil Engineer Fees	\$0
8	Structural Engineer Fees	\$0
9	Architectural Fees	\$0
Demolition - Included but not limited to		
10	Remove trees, grass/shrubs & misc landscape	\$2,500
11	Remove concrete walkways	\$500
12	Remove 42 x 22 asphalt Garage foot print & 2' out side footing	\$750
13	Remove damaged wood siding & stucco as needed	\$1,000
14	Remove front entry doors & hardware	\$400
15	Remove existing light fixtures	\$100
16	Remove flooring	\$200
17	Remove all ceilings and walls through out each unit. Remove Ship Lap and Beams (lid)	\$5,000
18	Remove all drywall	\$1,000
19	Remove cabinets	\$1,000
20	Remove plumbing fixtures	\$1,000
21	Remove water supply lines/angle stops	\$200
22	Remove water heater	\$400
23	Remove wall a/c and heater equipment	\$200
24	Remove sinks	\$200
25	Remove countertops	\$300
26	Remove garbage disposals	\$100
27	Remove existing switches/plugs/plates	\$100
28	Remove closet doors/shelving	\$200
29	Remove existing flat roof & fascia	\$5,000
30	Remove all existing plumbing lines in walls and existing electrical lines in walls	\$2,500
31	Remove appliances	\$0
32	Remove interior doors & hardware	\$400
33	Remove existing laundry room equipment	\$250
34	Remove all cables, wires and lines	\$100
35	Remove existing fencing	\$300
36	Haul off debris	\$800
Grading		
37	Grade yards for proper drainage	\$500
38	Install yard drains	\$500
39	Grade for slab for Laundry/Storage & Garages	\$1,000
Framing		
40	Frame laundry room/storage room & garages	\$5,500
41	Convert flat roof to truss roof, install new fascia. 24" Eaves on trusses	\$7,500
42	Frame in all door openings and window openings & attic access	\$800
43	Frame in HVAC closet in hallway at end of bedroom closet	\$250
44	Install backing in wet areas to accommodate hardware	\$0
45	Replace any damaged framing for backing to accommodate hardware	\$0
46	Install new firewalls between units & in attics	\$800
47	Frame out tub clean out access in bedroom closet	\$0
48	Add Pop-Outs to front of building facing street - design to be determined	\$1,500
49	Frame Closet in storage area for water heaters	\$400
50	Termite Report & Mold Report Repairs	\$0
51	Frame in window to accommodate (4 x 4 vinyl)	\$150
52	N/A	\$0
Plumbing		
53	Replace all water lines from the meter in	\$10,000
54	Snake all drains-hydro jet main sewer line after construction completed - Video verification turned in	\$1,000
55	Locate and raise all sewer clean outs	\$400
56	Install new pressure regulators/ball valves	\$1,200
57	Install new exterior hose bibs	\$0
58	Install new angle stops/supply lines	\$0
59	Replace all whole unit plumbing pipes in walls	\$0
60	Install new sinks	\$1,000
61	Install new garbage disposals	\$800
62	Install dishwasher hook-ups	\$0
63	Install new p-traps	\$0
64	Install new toilets & seats	\$1,000
65	Install new water heaters insuring all are to code (50 gallon) 1 for tenants, 1 for laundry room	\$3,000
66	Install new kitchen plumbing fixtures	\$800
67	Install new bathroom plumbing fixtures (tub valves will now be on bedroom wall) with access panel	\$0

69	Install new tub/shower trim includes valves & tub surround	\$3,800
70	Cap any plumbing in wall at old laundry room	\$0
71	Install new laundry hook-ups - 2 washer/dryer vented	\$0
72	Replace old gas lines	\$3,000
73	N/A	\$0
Electrical		
74	Electrical system update with new wires to code, include new wiring for laundry, storage and garage	\$9,500
75	Install new switches, plugs and plates (switch in bathroom will turn on both light & fan at all times)	\$500
76	Install new cable runs	\$0
77	Install hardwired smoke detectors per code (includes 1 w/carbon monoxide detector in each unit)	\$800
78	Ring out electrical system (R.N.I.)	\$0
79	Install ceiling fan box with switch in each bedroom	\$0
80	Install electrical for security lighting	\$0
81	Test doorbells (R.N.I.)	\$0
82	Install GFPE in kitchens/bathrooms/exteriors	\$320
83	Install dedicated circuit for garbage disposal	\$0
84	Install bathroom exhaust fans	\$400
85	Install CAT 5 and pull all cable and telephone wires as necessary to smart box in bedroom	\$0
86	Relocate electrical service panel	\$0
87	Upgrade existing service panel	\$0
88	Install house service panel	\$0
89	Install anti arch breaker	\$0
90	Install house meter	\$0
91	Install electrical for irrigation	\$0
92	Install door bells	\$0
93	N/A	\$0
94	N/A	\$0
HVAC		
95	Install new 18 seer HVAC equipment in newly constructed hall closet	\$2,400
96	Install new HVAC ducting	\$2,000
97	Install new t-stats	\$0
98	Install new HVAC registers	\$0
99	Install new line sets	\$0
100	Compressors to be placed on pad by bedroom window.	\$0
101	N/A	\$0
102	N/A	\$0
HERS		
103	Test HVAC systems for Title 24 compliance	\$450
104	N/A	\$0
105	N/A	\$0
Roofing		
106	Install new roofing and trusses. 24" Eaves on trusses, 24" on center	\$8,000
107	Install new roofing on garage	\$3,000
108	Radiant barrier in attic	\$0
109	Install Solar powered Attic Fans	\$1,000
110	Replace all existing roof vent screens, screens to match	\$400
111	N/A	\$0
112	N/A	\$0
Doors		
113	Install new entry doors with one way peep hole at standard height, dead bolt length to be 1"	\$1,600
114	Install new interior doors	\$1,400
115	Install new bypass closet doors	\$1,000
116	Install new laundry/storage/water heater room door (laundry room door to have window)	\$1,000
117	Install attic access door	\$0
118	N/A	\$0
Insulation		
119	Install insulation R42 in lids	\$1,800
120	Install insulation R19 in walls	\$3,500
121	N/A	\$0
122	N/A	\$0
Moldings		
123	Install new door casing	\$1,200
124	Install new baseboard and/or shoe	\$1,600
125	N/A	\$0
126	N/A	\$0
127	N/A	\$0
Windows		
128	Install new dual pane windows with screens (4 x 4) (Low-E)	\$6,000
129	All windows are to be sealed, locks & windows working correctly	\$0
130	N/A	\$0
131	N/A	\$0
Drywall		
132	Install new drywall and texture (light knockdown) - 1 hour Firewall	\$7,000
133	Texture ceiling (light knockdown)	\$0

133	Install Green Board in all wet areas	\$0
134	N/A	\$0
Stucco		
135	Stucco existing building complete, include laundry/storage room & garages	\$7,500
136	Add Pop Out foam details to exterior - design to be determined	\$0
137	N/A	\$0
138	N/A	\$0
139	N/A	\$0
Cabinetry		
140	Install new cabinets in kitchens and bathrooms	\$19,500
141	Install HVAC cabinet in hallway	\$0
142	N/A	\$0
143	N/A	\$0
Paint		
144	Paint interior of apartments and garage as per specs	\$3,000
145	Hydro blast & scrape off all peeling or cracked paint on exterior	\$0
146	Paint exterior of apartments and garage as per specs	\$2,500
147	Paint trash enclosure gates	\$500
148	Paint wrought iron	\$2,600
149	Touch up painting after construction complete	\$0
150	N/A	\$0
151	N/A	\$0
152	N/A	\$0
Door Hardware - Bright Brass Finish		
153	Install new interior door hardware (Bright Brass Finish)	\$600
154	Install new entry door hardware	\$600
155	Install new laundry / storage room hardware (keyed per Property Management Standard)	\$200
156	All to be keyed per PROPERTY MANAGEMENT'S SPECS	\$0
157	N/A	\$0
158	N/A	\$0
Bath Accessories		
159	Install new towel bars/toilet paper holders	\$400
160	Install new vanity mirrors	\$600
161	Install new medicine cabinets	\$400
162	Install shower rods	\$400
163	N/A	\$0
164	N/A	\$0
Light Fixtures		
165	Install new ceiling fans with light kits at bedrooms	\$1,200
166	Install new ceiling fans with light kits at living rooms	\$600
167	Install new security lights - match existing buildings	\$300
168	Install new light at address numbers or lighted address signs	\$400
169	Install new light bars at bathrooms	\$200
170	Install new hall light fixtures	\$200
171	Install exterior porch lights	\$300
172	Install new fluorescent kitchen lights	\$600
173	Install 4 can lights in kitchen area	\$1,500
174	Install new fluorescent laundry room/storage room light fixture	\$200
175	Install new laundry room/storage room light fixture	\$100
176	N/A	\$0
177	N/A	\$0
Counter Tops		
178	Install Formica Kitchen counter tops (white)	\$2,000
179	Install Formica Bathroom counter tops	\$1,000
180	Install new silestone kitchen counters - In lieu of Formica	\$10,000
181	Install new silestone bathroom counters - In lieu of Formica	\$2,000
182	N/A	\$0
183	N/A	\$0
Tub/Shower		
184	Install new tubs - valves will now back to bedroom wall	\$3,200
185	Install complete tub kit, including surround	\$2,000
186	Caulk all joint areas, around base of tubs/toilets/surrounds	\$0
187	N/A	\$0
188	N/A	\$0
Flooring		
189	Install new carpet - Manufacturer to be Mohawk (Shaw) in Bedroom only	\$1,800
190	Install new 12 in. tile (Color and Manufacturer to be provided) in Kitchen, Living room, Hallway & Bathroom	\$9,000
191	Seal all tile	\$0
192	N/A	\$0
193	N/A	\$0
194	N/A	\$0
Window Coverings		
195	Install new vertical blinds (white)	\$1,000

196	N/A	\$0
197	N/A	\$0
Garage Doors		
198	Install new roll-up garage doors	\$2,000
199	Install garage door opener	\$1,200
200	Install garage door opener manual release/key pad release - No manual release w/elect opener	\$800
201	Provide 8 automatic garage door openers	\$0
202	N/A	\$0
Sheet Metal		
203	Install new seamless rain gutters & downspouts. All to be color matched, commercial grade baked on enamel	\$2,200
204	Install new vents for range hoods (vented to outside)	\$800
205	N/A	\$0
206	N/A	\$0
Mailboxes		
207	Install mailboxes at left front (facing) unit - close to 22888 Alles	\$400
208	N/A	\$0
209	N/A	\$0
Asphalt		
210	Install approx. 22 x 42 area for asphalt at garages	\$3,000
211		\$0
Concrete		
212	Pour new concrete walkway	\$2,400
213	Foundation for Laundry Rm/Storage Rm, Garage & parking area	\$4,000
214		\$0
Wood Fencing		
215	Install dogwood fence in front of units (48' x 2) each side	\$1,800
216	N/A	\$0
217	N/A	\$0
Wrought Iron		
218	Install new wrought iron fencing with 4 man gates, look at 22888 Alles - match	\$11,000
219	Install security cages over all irrigation valves and AC compressors	\$400
220	Install Knox Boxes (2)	\$0
221	Trash Enclosure Gates	\$800
222	N/A	\$0
Landscape		
223	Install elite tall fescue sod (approx. 20 x 20)	\$800
224	2" layer of Mulch & weed barrier	\$200
225	Brick Planter edge	\$800
226	Flats of ground cover, 1 planter every 5' in open areas, every 3' in planters	\$200
227	5-gallon roses 24 ea	\$200
228	15-gallon boxwoods 17 ea	\$270
229	Install 1x4 plastic header board between iron fence and boxwood planters entire project	\$200
230	Install new irrigation system, Includes controller, lines, valves and sprinklers, use bubblers	\$1,600
231	N/A	\$0
232	N/A	\$0
233	N/A	\$0
Appliances		
234	Install new appliances (self-cleaning stove & Micro Hood)	\$8,000
235	Install dishwasher	\$2,000
236	N/A	\$0
Fire Extinguishers		
237	Install Fire Extinguishers with locking cabinets	\$200
238	N/A	\$0
Masonry		
239	Build Trash Enclosure	\$800
240	N/A	\$0
Prep & Clean		
241	Prep & Finish cleaning units	\$0
242	N/A	\$0
243	N/A	\$0
244	P & O	\$0
Sub-Total		\$0
		\$0
		\$0
		\$0
		\$0
Total		\$242,940
		\$0
		\$0

ATTACHMENT NO. 8

CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

(Space Above for Recorder's Use Only)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

CERTIFICATE OF COMPLETION

THIS CERTIFICATE OF COMPLETION (the "Certificate") is made by the **CITY OF MORENO VALLEY**, a public body, corporate and politic (the "City"), in favor of **RIVERSIDE HOUSING DEVELOPMENT CORPORATION**, a California nonprofit public benefit corporation (the "Participant"), as of the date set forth below.

RECITALS

A. The City and the Participant have entered into that certain Affordable Housing Agreement (the "AHA") dated as of June 1, 2012 concerning the redevelopment of certain real property situated in the City of Moreno Valley, California, as more fully described in Exhibit "A" attached hereto and made a part hereof (the "Site").

B. As referenced in Section 4.13 of the AHA, the City is to furnish the Participant or its successors with a Certificate of Completion upon completion of construction of the "Improvements" (as defined in Section 1.1 of the AHA), which Certificate is required to be in such form as to permit it to be recorded in the Recorder's Office of Riverside County. This Certificate is conclusive determination of satisfactory completion of the construction and development required by the AHA.

C. City has conclusively determined that the construction and development of the Development has been satisfactorily completed.

NOW, THEREFORE, City hereby certifies as follows:

1. City does hereby certify that the Improvements to be constructed by the Participant have been fully and satisfactorily completed in full conformance with the AHA.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance construction work on the Site, or any part thereof.

3. This Certificate shall not constitute evidence of Participant's compliance with those covenants in the AHA that survive the issuance of this Certificate.

4. This Certificate is not a Notice of Completion as referred to in California Civil Code Section 3093.

5. Nothing contained in this instrument shall modify in any other way any other provisions of the AHA (including without limitation the attachments thereto).

IN WITNESS WHEREOF, City has executed this Certificate of Completion this ____ day of _____, 201__.

CITY OF MORENO VALLEY, a public body,
corporate and politic

By: _____
Henry Garcia, City Manager

ATTEST:

Jane Halstead, City Clerk

EXHIBIT "A" TO ATTACHMENT NO. 8

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL NO.: 291-293-008-0

ATTACHMENT NO. 9

CC&RS

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attn: City Manager

(Space above for Recorder's Use.)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

REGULATORY AGREEMENT

These Covenants, Conditions and Restrictions, herein sometimes referred to as these "CC&Rs" or "Declaration" or "Regulatory Agreement" are made by the signatories hereto.

RECITALS

WHEREAS, each of the CITY OF MORENO VALLEY, a municipal corporation ("City"), and RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Participant") is a party to this Declaration. The City and the Participant are sometimes collectively referred to herein as the "Declarants".

WHEREAS, the City and the Participant have entered into that certain Affordable Housing Agreement dated as of June 1, 2012 (the "AHA") for the improvement and development of certain real property described in Exhibit "A" (to which these CC&Rs are attached) as the "Site," a legal description of which is attached hereto as Exhibit "A", which AHA provides for the recordation of this Regulatory Agreement. The AHA is incorporated herein by this reference and any capitalized term not defined herein shall have the meaning established therefor in the AHA. The City is a third party beneficiary of the AHA.

WHEREAS, this Regulatory Agreement establishes a plan for the improvement, development and maintenance of the Site, for the benefit of the Project Area, as well as the rest of the City.

A. City is the recipient of moneys from the federal government pursuant to the Neighborhood Stabilization Program ("NSP") enacted by the United States Congress as part of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, approved July 30, 2008, sometimes referred to as "HERA").

B. Pursuant to the NSP, the City Council of the City adopted, approved, and established Guidelines (“ARR Guidelines”) for the City’s Acquisition, Rehabilitation and Resale Program (“ARR Program”) on November 25, 2008, which provide in part for the acquisition of foreclosed or vacant multi-family units within the area designated in the City’s NSP Action Plan (“NSP Area”) by City and/or a developer partner, rehabilitation of such unit and the rental of such dwelling units to households having incomes at or below fifty percent (50%) of area median income. The ARR Guidelines are incorporated herein by this reference.

C. Participant has submitted a detailed proposal and evidence of Participant as a developer partner under the ARR program and City has selected Participant to participate in City’s ARR Program in connection with certain real property described below as the “Site”.

D. Participant desires to participate in the ARR Program in accordance with the ARR Guidelines and all terms, provisions, and restrictions set forth in this Agreement.

WHEREAS, the AHA sets forth certain restrictive covenants applicable to the Site, particularly the use of the Site for the provision of rental housing units available to Very Low Income Households at Affordable Rents as those terms are defined therein.

WHEREAS, City and Participant wish to adopt this Regulatory Agreement to further govern the use of the Site in conjunction and along with the AHA and to ensure that the City provides an affordable housing resource that would conform to the provisions of Section 33413 of the California Health and Safety Code.

NOW, THEREFORE, the City and the Participant (the latter as owner of real property interests described hereinabove located within the corporate limits of the City), declare that the Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the Covenants, Conditions and Restrictions hereinafter set forth expressly and exclusively for the use and benefit of said property, and the City. Each and all of the restrictions, limitations, conditions, covenants, liens, reservations and charges herein contained shall run with the land and be recorded on the property title and shall be binding on Declarants, their grantees, successors, heirs, executors, administrators, devisees or assigns, and all subsequent owners of all or any part of the Site.

ARTICLE I **DEFINITIONS**

The definitions provided herein shall be applicable to this Declaration and also to any amendment or supplemental Declaration (unless the context implicitly or explicitly shall prohibit), recorded against the Site pursuant to the provision of this Declaration.

Section 1. “Affordable Housing Project” means an affordable housing project operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

Section 2. “Affordable Rent” means an amount equal to the lesser of: (i) HOME Rent and (ii) that amount determined pursuant to Sections 50105 and 50053 of the Health and Safety Code (namely, a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the Unit. Household size appropriate to the unit,” as used herein, means two persons for each one-bedroom unit (if any), and three persons for each two bedroom unit. The maximum monthly rental amount of

the units shall be adjusted annually by the formula set forth above upon the promulgation of revised Riverside-San Bernardino Primary Metropolitan Statistical Area median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent.

Section 3. [Reserved].

Section 4 “Approved Housing Project” means all improvements as provided to be developed by Participant under the AHA. The Approved Housing Project must be completed in strict conformity with all specifications contained in or referred to in the AHA.

Section 5. “Area” means the Riverside-San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 6. “ARR Guidelines” means guidelines adopted by the City on November 25, 2008, which implement the City’s ARR Program.

Section 7. “ARR Program” means the City’s Acquisition, Rehabilitation and Resale Program as approved by City during November 2008.

Section 8. “Calculation of Affordable Rents” means the worksheet substantially in the form of Attachment No. 5 to the AHA.

Section 9. “Certificate” or “Certification” is defined in Section 3 of Article II hereof.

Section 10. “City” means and refers to the City of Moreno Valley, a municipal corporation.

Section 11. “City Code” means and refers to the City of Moreno Valley Municipal Code as revised from time to time.

Section 12. “Common Areas” means all areas on the Site that are open or accessible to all tenants of the Site (such as grounds, but excluding buildings).

Section 13. “Gross Income” means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) whether in cash or in kind as calculated pursuant to the Department of Housing and Urban Development (“HUD”) Regulations (24 C.F.R. § 813) in effect as of the Date of Agreement.

Section 14. “HOME Regulations” means those regulations set forth at 24 C.F.R., Part 92, as such regulations may be revised from time to time.

Section 15. “HOME Rents” means “Low HOME Rents” for Riverside County as determined in conformance with §92.252(b) and the remainder of the HOME Regulations, and applying utility allowances as determined by the County of Riverside Housing Authority (and of the County of Riverside Housing Authority makes no such determinations of utility allowances, then utility allowances established from time to time by the City.

Section 16. “HUD” means the United States Department of Housing and Urban Development.

Section 17. “Median Income for the Area” means the median income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

Section 18. “NSP” means the Neighborhood Stabilization Program executed by the United State Congress as part of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, approved July 30, 2008).

Section 19. “Regulatory Agreement” means this Regulatory Agreement and any amendments, modifications or supplements which may also be referred to herein as these “CC&Rs” or this “Declaration.”

Section 20. “Rental Project” means the four (4) unit residential rental development on the Site.

Section 21. “Required Affordable Unit” means a dwelling unit in the Rental Project, as rehabilitated or reconstructed under the AHA, and available to, occupied by, or held vacant for occupancy only by tenants qualifying as Very Low Income Households and rented at Affordable Rent.

Section 22. “Required Covenant Period” means the period commencing on the date this Regulatory Agreement is recorded and ending as of July 1, 2067.

Section 23. “Rules and Regulations” means each of: (i) Health and Safety Code Sections 33413, 33334.2, 33334.3, 50052.5, 50053 and 50105; (ii) the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*); (iii) The Housing and Economic Recovery Act of 2008 (Public Law 110-289) (“HERA”); (iv) The American Reinvestment and Recovery Act of 2009 (Public Law 111-005) (the “Recovery Act”); (v) Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009 [Docket No. FR 5321-N-01] (the “NSP2 NOFA”); (vi) the Community Development Block Grant (CDBG) program as authorized under the Public Housing and Community Development Act of 1974, 42 U.S.C. 5301 *et seq.* (“HCD Act”) as amplified by regulations set forth at 24 C.F.R. 570; (vii) the Housing and Economic Recovery Act of 2008 (Public Law 110-289) (“HERA”); (viii) the American Reinvestment and Recovery Act of 2009 (Public Law 111-005) (the “Recovery Act”); (ix) the Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009 [Docket No. FR 5321-N-01] (the “NSP2 NOFA”); (x) the National Environmental Policy Act of 1969 and related federal environmental authorities and regulations at 24 C.F.R. Part 58; and (xi) the City’s Final Neighborhood Stabilization Program as amended by Substantial Amendment to the City of Moreno Valley’s 2008-2009 Annual Action Plan, as adopted November 25, 2008.

Section 24. “Site” means all of the real property and appurtenances as described above, including all structures and other improvements thereon, and those hereafter constructed.

Section 25. “Unit” means a dwelling unit on the Rental Project.

Section 26. “Very Low Income Households” means Very Low Income Households whose Adjusted Income does not exceed fifty percent (50%) of Median Income for the Area as determined by the United States Department of Housing and Urban Development from time to time and as set forth in Health and Safety Code Section 50105.

ARTICLE II

LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. The Participant shall develop the Approved Housing Project on the Site in conformity with the AHA. Thereafter, the Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in the AHA for the periods of time specified herein. All uses conducted on the Site, including, without limitation, all activities undertaken by the Participant pursuant to the AHA, shall conform to all applicable provisions of the Moreno Valley Municipal Code, the City Approvals, the Rules and Regulations, the NSP, the ARR Program and the ARR Guidelines.

The Site shall be used, maintained and operated in accordance with the AHA and this Regulatory Agreement for the Required Covenant Period. None of the units in the Rental Project shall at any time be utilized on a transient basis nor shall the Rental Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park. No part of the Site, from the date the Participant acquired the Site, has been or will at any time be owned or used as a cooperative housing corporation or a community apartment project or a stock cooperative.

Section 2. Affordable Housing.

Number of Units. Throughout the Required Covenant Period, not less than four (4) of the Units shall be rented at Affordable Rent to Very Low Income Households. Required Affordable Units shall be continuously occupied by or held available for occupancy by Very Low Income Households, at an Affordable Rent. All Affordable Units shall be rented at Affordable Rent. For this purpose, a tenant who qualifies as a Very Low Income Household at the time he or she first occupies an Affordable Unit shall be deemed to continue to be so qualified until such time as a recertification of such individual's or family's income in accordance with Section 3 below demonstrates that such individual or family no longer qualifies as a Very Low Income Household. Moreover, a unit previously occupied by a Very Low Income Household, and then vacated shall be considered occupied by such Very Low Income Household until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined. In no event shall such temporary period exceed thirty-one (31) days.

At such time as a tenant ceases to qualify as a Very Low Income Household, the unit occupied by such tenant shall cease to be a Very Low Income Unit. The Participant shall replace each such Very Low Income Unit by designating the next available unit and any necessary units thereafter as a Very Low Income Unit. For purposes of this Agreement, such designated unit will be considered a Very Low Income Unit if it is held vacant and available for occupancy by a Very Low Income Household, and, upon occupancy, the income eligibility of the tenant as a Very Low Income Household is verified and the unit is rented at Affordable Rent.

In the event a household's income initially complies with the income restriction for a Very Low Income Household but the income of such household increases, such increase shall not be

deemed to result in a violation of the restrictions of this Regulatory Agreement concerning limitations upon income of occupants, provided that the occupancy by such household is for a reasonable time of not to exceed one year (measured from the time the income of the household ceases to qualify at such affordability level). To the greatest extent allowable by law, at such time(s) as a household's income ceases to qualify, the rent for the corresponding unit for such tenant shall be modified to equal market rent as established in good faith by the Participant (with the rent to revert to affordable rent for the next conforming occupant). The Participant shall include in its rental agreements provisions which implement these requirements and limitations, and the Participant shall expressly inform prospective renters as to these provisions prior to the commencement of a tenancy.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and occupied by Very Low Income Households at Affordable Rent throughout the Required Covenant Period. All tenants residing in the Affordable Units during the last two (2) years of the Required Covenant Period shall be given notice by the Participant at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on the Affordable Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Participant shall demonstrate to the City that the proposed tenants of each of the Required Affordable Units constitutes a Very Low Income Household. Tenant selection and income determinations shall, in addition to complying with the provisions set forth in this Agreement, comply with the HOME Regulations, including without limitation §§ 92.203 and 92.253 thereof.

Prior to the rental or lease of an Required Affordable Unit to a tenant, and as set forth in this Section 2 of Article II of this Declaration, the Participant shall require the tenant to execute a written lease and to complete an Income Verification certifying that the tenant(s) occupying the Required Affordable Unit is/are a Very Low Income Household and meet(s) the eligibility requirements established for the Required Affordable Unit. The Participant shall verify the income of the tenant(s).

The Participant shall accept as tenants on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, or its successor. The Participant shall not apply selection criteria to Section 8 certificate holders which are more burdensome than criteria applied to any other prospective tenants.

Determination of Affordable Rent for the Affordable Units. The Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the AHA, Affordable Rent is calculated in accordance with the Affordable Rent Worksheet at the lower of Low HOME Rent or the maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted by Sections 50053 and 50105 of the California Health and Safety Code based on the annual adjustment to the Median Income for the Area established pursuant to Section 50093 of the California Health and Safety Code, as more particularly set forth in the Affordable Rent Worksheet.

THE PARTICIPANT UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE AHA AND THIS REGULATORY AGREEMENT IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.

Section 3. Participant Verification, Program Compliance, Annual Reports.

Income Verification and Certification. The Participant will obtain and maintain on file an Income Verification from each tenant, dated immediately prior to the initial occupancy of such tenant in the Rental Project.

On March 1, 2013 and annually thereafter, the Participant shall file with each of the City or its designee a Certificate, containing all information described at Health and Safety Code Section 33418, in a form prescribed by the City. Each Certificate shall cover the immediately preceding fiscal year.

In addition, commencing as of March 1, 2013, and continuing on each March 1 thereafter until July 1, 2067, the Participant shall submit an Audited Financial Statement for the previous Year (or portion thereof), including all funds from whatever source provided to the Participant or any Related Entity in connection with the Development. The Audited Financial Statement shall demonstrate ongoing compliance with this Regulatory Agreement, including without limitation Section 5.2.2 hereof.

The Participant shall maintain on file each tenant's executed lease and Income Verification and rental records for the Development and the Housing Units. The Participant shall maintain complete and accurate records pertaining to the Very Low Income Units and will permit any duly authorized representative of the City to inspect the books and records of the Participant pertaining to the Development, including those records pertaining to the occupancy of the Units. The Participant shall prepare and submit to the City annually commencing March 1, 2013 and continuing throughout each Year until and including June 1, 2067, a Certificate of Continuing Program Compliance. Such documentation shall state for each unit in the Development the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determine compliance with the terms of this Regulatory Agreement and the AHA.

As part of its annual report, the Participant shall include a statement of amounts payable by Participant under this Regulatory Agreement supported by an Audited Financial Statement (prepared by an independent accounting firm reasonably acceptable to the City) which sets forth information in detail sufficient for adequate review by the City for the purposes of confirming those amounts payable by the Participant to the City as well as showing the general financial performance of the Development ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Services, Operating Reserve, Capital Replacement Reserve, Chargeable Fees (and all components thereof), and Residual Receipts, all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%) or more from that amount owing upon review of the Participant's submittal, Participant shall reimburse City for its cost to review (which may require engagement of auditors) and collect the amounts owing. In addition, the Participant shall provide for reporting to the City and for verification of household incomes as provided under the HOME Regulations.

Reporting Amounts. City intends to utilize as a standard for the collection of information from the Participant that information prescribed by Section 33418 of the California Health and Safety Code in connection with the monitoring of Affordable Units by Participant to and the submitting of annual reports required by Section 3 of Article II of this Declaration. City relies upon such reports in connection with the HOME Regulations and the NSP. In the event the Participant fails to submit to the City or its designee the Certification as required by this Section 3, the Participant shall be in

noncompliance with this Regulatory Agreement. In the event the Participant remains in noncompliance for thirty (30) days following receipt of written notice from the City of such noncompliance, then the Participant shall, without further notice or opportunity to cure, pay to the City Two Hundred Fifty Dollars (\$250.00) per Required Affordable Unit for each year Participant fails to submit a Certificate covering each and every housing unit on the Site. The foregoing portion of this paragraph shall not limit other remedies of the City.

Section 4. Nondiscrimination. The Participant shall refrain from restricting the rental, sale or lease of the Site, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased. The foregoing covenants shall run with the land."

(3) In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises subject to this agreement nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises. The foregoing covenants shall run with the land."

The covenants established in this Declaration and the deeds of conveyance for the Site shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City and any successor in interest to the Site, together with any property acquired by the Participant pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 4 of Article II shall remain in effect in perpetuity.

Section 5. Keeping of Animals. No animals of any kind shall be raised, bred or kept on the Site, except that domesticated dogs, cats or other household pets may be kept by the tenants in the Rental Project at the discretion of Participant and subject to compliance with all laws. However, no animal shall be kept, bred or maintained for any commercial purpose or for fighting purposes. Nothing permitted herein shall derogate in any way the right of the Participant to further restrict keeping of pets.

Section 6. Parking of Vehicles. The Participant shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated for the Required Affordable Units. The Participant shall not permit the parking, storing or keeping of any large commercial type vehicle (dump truck, cement mixer truck, oil or gas truck, etc.), or any recreational vehicle over twenty (20) feet in length (camper unit, motor home, trailer, mobile home or other similar vehicle), boats over twenty (20) feet in length, or any vehicle other than a private passenger vehicle, upon any portion of the Common Areas, including parking spaces. For purposes of this section, a pickup truck with a pickup bed mounted camper shall be considered a private passenger vehicle; provided however, that no such vehicle shall be used for residential purposes while parked on the premises.

The Participant shall not permit major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle to be conducted upon any portion of the Common Area, including the parking areas, except for emergency repairs thereto and then only to the extent necessary to enable movement of the vehicle to a proper repair facility. No inoperable vehicle shall be stored or kept in the Common Area. The Participant shall give the vehicle owner not less than four (4) days, nor more than seven (7) days notice and an opportunity to remove any vehicle parked, stored or kept in violation of the provisions of this Declaration. Notice shall consist minimally of a reasonably diligent attempt to personally notify the vehicle owner or alternatively leaving written notice on the subject vehicle. After due notice and opportunity have been given to the vehicle owner, the Participant shall have the right to remove, at the vehicle owner's expense, any vehicle parked, stored or kept in violation of the provisions of this Declaration.

Section 7. Maximum Occupancies. No persons shall be permitted to occupy any Unit within the Rental Project in excess of applicable limit of maximum occupancy set by the Moreno Valley Municipal Code and the laws of the State of California.

Section 8. Signs Required. "No loitering" signs will be posted at each building and enforced by the owner(s). "Illegally parked vehicles will be towed" signs in compliance with California Vehicle Code requirements will be posted and enforced by the Participant.

Section 9. Fences and Electronic Installations. The Participant shall not install or knowingly permit to be installed on the exterior of any improvement or building on any fences or any antenna or other television or radio receiving device, excepting satellite dishes having a diameter of eighteen inches (18") or less, without prior written consent of City. This prohibition shall not prohibit the installation of cable television or subscription wires or receiving devices.

Section 10. Structural Change. Nothing shall be done on the Site in, on or to any building which would structurally change the exterior or the interior bearing walls of any such building or structure, except as otherwise provided herein. Nothing herein shall affect the rights of the Participant to repair, alter or construct improvements on the buildings on the Site unless such repair, alteration or improvement would impair the structural integrity and/or exterior appearance of said buildings. Nothing herein shall be deemed to prohibit work ordered to be performed by the City building official.

Section 11. Compliance with Laws. The Participant shall comply with all applicable laws in connection with the development and use of the Site, including without limitation the California Community Redevelopment Law (Health and Safety Code section 33000, *et seq.*) and Fair Housing Act (42 U.S.C. § 3601, *et seq.*, and 24 C.F.R. § 100.300, *et seq.*) and the Rules and Regulations. The Participant is a sophisticated party, with substantial experience in the acquisition, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. The Participant is familiar with and has reviewed all laws and regulations pertaining to the acquisition, development and operation of the Rental Project and has obtained advice from any advisers of its own choosing in connection with this Agreement.

ARTICLE III

DUTIES OF PARTICIPANT: SPECIFIC MAINTENANCE RESPONSIBILITIES

Section 1. Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

Section 2. Front and Side Exteriors. The Participant shall at all times maintain the front exterior and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair and any visible side exteriors. The Participant shall hire maintenance personnel to maintain and/or repair any front exterior or yard or visible side yard and exterior of any lot or building.

Section 3. Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed by the later to occur of (i) seventy-two (72) hours of their creation or (ii) seventy-two (72) hours after notice to Participant.

Section 4. Driveways. All driveways must be paved and maintained with impervious material in accordance with the Moreno Valley Municipal Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

Section 5. Exterior Illumination. The Participant shall at all times maintain adequate lighting in all entrance ways, garages and parking areas. Adequate lighting shall mean outdoor, night lighting designed and installed, which provides no less than one (1.0) foot candles in the parking areas and no less than one and one-half (1-1/2) foot candles in the walking areas or common areas and no less than 0.2 foot candles at the point of least illumination.

Section 6. Front Setbacks. All front setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards

established by the City and shall be maintained by the Participant. The landscaping shall meet minimum standards set from time to time by the City.

Section 7. Trash Bins. All trash shall be collected and placed at all times in an enclosable bin to be placed in a designated refuse/trash bin area. The designated area shall be located so that the bin will, to the extent possible, be readily accessible from the street.

Section 8. Prohibited Signs. No exterior sign of any kind shall be displayed to the public view on or from any portion of the Site without the approval of the City and appropriate City departments if any as required by the City Code.

Section 9. Duty to Prevent Hazardous Material Contamination. During the renovation and operation of the Development, Participant shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Development. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. Participant shall notify the City, and provide to the City a copy or copies, of any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and Participant shall report to the City, as soon as possible after each incident, any unusual, potentially important incidents in the event of a release of any Hazardous Materials into the environment.

For purposes of this Section, "Governmental Requirements" means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Development is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Participant or the Development.

For purposes of this Section, "Hazardous Materials" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §6901 *et seq.*

Section 10. Compliance With Laws. Participant shall carry out the design, development and operation of the Development in conformity with all applicable laws, including all applicable state labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Moreno Valley Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*

Section 11. Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

ARTICLE IV
OBLIGATION TO MAINTAIN, REPAIR AND REBUILD; OBLIGATION
TO MAINTAIN RESERVES

Section 1. Maintenance by Participant. The Participant shall, at its sole cost and expense, maintain and repair the Site and the improvements thereon keeping the same in a decent, safe and sanitary manner, in accordance with all applicable Municipal Code Provisions, the United States Department of Housing and Urban Development (“HUD”) Housing Quality Standards (“HQS”), and in good condition and making all repairs as they may be required by this Regulatory Agreement and by all applicable Municipal Code and Uniform Code provisions. The Participant shall also maintain the landscaping required to be planted in a healthy condition. In addition, the Participant shall also maintain the Site in conformity with the HOME Regulations, including without limitation § 92.251 thereof. If, at any time, Participant fails to maintain the Rental Project or any portion thereof in conformance with this Section or Article III, and said condition is not corrected after the expiration of forty-five (45) days from the date of written notice from the City, the City may perform the necessary maintenance and Participant shall pay such costs as are reasonably incurred for such maintenance. Payment shall be due within fifteen (15) days of receipt of an invoice from the City.

Section 2. Damage and Destruction Affecting Project - Participant’s Duty to Rebuild. If all or any portion of the Site and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of the Participant to rebuild, repair or reconstruct said portion of the Site and/or the improvements in a timely manner which will restore it to Code compliance condition.

In furtherance of the requirements of this Section 2, Participant shall keep the construction on the Site insured by carriers at all times satisfactory to City against loss by fire and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy, in an amount of the full replacement cost of the constructions. In the event of loss, Participant shall give prompt notice to the insurance carrier and to the City.

If the Site is abandoned by the Participant, or if Participant fails to respond to City within thirty (30) days from the date notice is mailed by City to Participant that the insurance carrier offers to settle a claim for insurance benefits, City is authorized to collect and apply the insurance proceeds at City’s option either to restoration or repair of the Site.

Section 3. Variance in Exterior Appearance and Design. In the event the Rental Project sustains substantial physical damage due to a casualty event, the Participant may apply to the City of Moreno Valley for approval to reconstruct, rebuild or repair in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty.

Section 4. Time Limitation. Upon damage to the Site or the Rental Project or other improvements, the Participant shall be obligated to proceed with all due diligence hereunder and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs or demolition and vacate within two (2) months, unless prevented by causes beyond their reasonable control, in which event reconstruction shall be commenced at the earliest feasible time.

Section 5. Maintenance of Reserves. Participant shall set aside, or cause the permanent lender to, commencing as of the first month following the first anniversary of the completion of the first Housing Unit (as such completion is evidenced by the issuance of a certificate of occupancy by the City as to the corresponding building) set aside the Capital Replacement Reserve. The Capital Replacement Reserve shall be deposited into a separate interest-bearing trust account. Funds in the Capital Replacement Reserve shall be used for capital replacements to the Improvements' fixtures and equipment which are normally capitalized under generally accepted accounting principles. As capital repairs and improvements of the Development become necessary, the Capital Replacement Reserve shall be the first source of payment therefor; provided, however, that Participant may first use other funds for payment with the prior consent of City Manager, which approval shall not be unreasonably withheld. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve Participant of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Site in the manner prescribed in this Section 5 and the AHA. Participant, at its expense, shall submit to City on not less than an annual basis an accounting for the Capital Replacement Reserve. Any moneys in the Capital Replacement Reserve which are not expended as of June 1, 2067 shall be applied toward the obligations of Participant to City under the AHA, including the attachments thereto.

Capital repairs to and replacement of the Improvements shall include only those items with a long useful life, including without limitation the following:

- (a) Appliance replacement;
- (b) Hot water heater replacement;
- (c) Plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets;
- (d) Air conditioning and heating replacement;
- (e) Asphalt replacement;
- (f) Roofing replacement;
- (g) Landscape tree replacement and irrigation pipe and controls replacement;
- (h) Gas line pipe replacement;

- (i) Lighting fixture replacement; and
- (j) Miscellaneous motors and blowers.

ARTICLE V
ENFORCEMENT

Section 1. Remedies. Breach of the covenants contained in the Declaration may be enjoined, abated or remedied by appropriate legal proceeding by the City.

This Declaration does not in any way infringe on the right or duties of the City of Moreno Valley to enforce any of the provisions of the Moreno Valley Municipal Code including, but not limited to, the abatement of dangerous buildings.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of the City's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, the City shall have the right through its agents and employees, to enter upon any part of the project area for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of the City, and for maintenance and/or repair of any or all publicly owned utilities. In addition, the City has the right of entry at reasonable hours and upon and after reasonable attempts to contact Participant, on any lot to effect emergency repairs or maintenance which the Participant has failed to perform. Subsequent to sixty (60) days written notice to the Participant specifically outlining the Participant's noncompliance, the City shall have the right of entry on the Site at reasonable hours to enforce compliance with this Declaration which the Participant has failed to perform.

Section 4. Costs of Repair. The costs borne by the City of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Participant shall be responsible.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. Failure to Enforce. The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

Section 7. Enforcement and Nonliability. The City may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Declaration. However, the City will not be subject to any liability for failure to affirmatively enforce any provision of this Declaration.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Covenant Against Partition. By acceptance of its interest in the Site, the Participant shall be deemed to covenant for itself and for its heirs, representatives, successors and assigns, that it will not institute legal proceedings or otherwise seek to effect partition of its right and interest in the interest being conveyed to the Participant, or the burdens running with the land as a result of this Regulatory Agreement.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 3. Term. This Declaration shall run with and bind the interest of the Participant in the Site, and shall inure to the owner(s) of any property subject to this Declaration, his legal representatives, heirs, successors and assigns, and as provided in Article VI, Sections 2 and 3, be enforceable by the City, for a term equal to the Required Covenant Period as defined in the AHA, provided; however, that the covenants regarding nondiscrimination set forth in Section 4 of Article II of this Declaration shall remain in effect for perpetuity.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of rental housing available at Affordable Rent for Very Low Income Households and in light of the circumstance that approximately one hundred percent (100%) of the equity and one hundred percent (100%) of the total funding to acquire the Site and provide for the initial improvement to the Units thereon has been provided by the City. Where reference is made to HOME Regulations, compliance therewith shall be required by Participant; provided that where this Regulatory Agreement establishes greater requirements or operates for a greater duration, such greater requirements shall apply in each case. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

The Participant shall be obligated by this Declaration to comply with the provisions hereof, as well as the AHA (including with limitation the attachments thereto). In the event of conflict, the Participant shall comply with the most stringent requirements, in each case.

Section 5. Amendments. This Declaration may be amended only by the written agreement of the Participant and the City.

Section 6. Encroachments. None of the rights and obligations of the Participant created herein shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of Participant if said encroachment occurs due to the willful conduct of said Participant.

Section 7. Notices. Any notice permitted or required to be delivered as provided herein to Participant shall be in writing and may be delivered either personally or by certified mail. Notice to the City shall be made by certified mail to the City Manager or his designee at 14177 Frederick Street, Moreno Valley, California 92552-0805 (with a copy to Stradling Yocca Carlson & Rauth,

Attention: Mark J. Huebsch, 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660), and shall be effective upon receipt. Notice to Participant shall be made by certified mail to Riverside Housing Development Corporation, a California nonprofit public benefit corporation, 4250 Brockton Avenue, Riverside, California 92501, and shall be effective upon receipt. Such address may be changed from time to time by notice in writing.

CITY OF MORENO VALLEY,
a municipal corporation

By: _____
Henry Garcia, City Manager

ATTEST:

By: _____
Jane Halstead, City Clerk

**RIVERSIDE HOUSING DEVELOPMENT
CORPORATION,**
a California nonprofit public benefit corporation

By: _____
Name: Bruce Kulpa
Title: Executive Director

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL NO.: 291-293-008-0

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/~~she~~/~~they~~, ~~is~~/~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,

(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

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- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

Individual(s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

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(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e., certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they~~, ~~is~~/~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

Individual(s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

ATTACHMENT NO. 10

INCOME VERIFICATION

Part I -- General Information

- 1. Project Location: _____
- 2. Landlord's Name: _____

Part II -- Unit Information

- | | | | | | | | |
|----|----------------|----|-----------------------|----|-----------------|----|------------------------|
| 3. | Unit
Number | 4. | Number of
Bedrooms | 5. | Monthly
Rent | 6. | Number of
Occupants |
|----|----------------|----|-----------------------|----|-----------------|----|------------------------|

Part III -- Affidavit of Tenant

I, _____, and I, _____, as applicants for rental of an apartment Unit at the above-described location, do hereby represent and warrant as follows:

A. (My/Our) gross income (anticipated total annual income) **does not exceed fifty percent (50%)** of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

B. (My/Our) gross income (anticipated total annual income) exceeds fifty percent (50%) but **does not exceed eighty percent (80%)** of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$_____. The following computation includes all income (I/we) anticipate receiving for the 12 month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

C. (My/Our) gross income (anticipated total annual income) exceeds eighty percent (80%) but **does not exceed one hundred twenty percent (120%)** of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

D. (My/Our) gross income (anticipated total annual income) **exceeds one hundred twenty (120%)** of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

1. Tenants qualifying as A and B, above, must complete the following:

Monthly Gross Income (All Sources of Income of All Adult Household Members Must be Listed)			
Source	Head of Household	Co-Tenants	Total
Gross amount, before payroll deductions of wages, salaries, overtime pay, commissions, fees, tips and bonuses			
Interest and/or dividends			
Net income from business or from rental property			
Social security, annuities, insurance policies, pension/retirement funds, disability or death benefits received periodically			
Payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay			
Alimony, child support, other periodic allowances			
Public assistance, welfare payments			
Regular pay, special pay and allowances of members of Armed Forces			
Other			
			Total: _____

Total x 12 _____ = Gross Annual Household Income

Note: The following items are **not** considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses; educational scholarships paid directly to

the student or educational institution; government benefits to a veteran for education; special pay to a serviceman head of family away from home and under hostile fire; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; relocation payments under Title II of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; payments received pursuant to participation in the following programs: VISTA, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

2. This affidavit is made with the knowledge that it will be relied upon by the Landlord to determine maximum income for eligibility and (I/we) warrant that all information set forth in this document is true, correct and complete and based upon information (I/we) deem reliable and that the estimate contained in paragraph 1 of this Part III is reasonable and based upon such investigation as the undersigned deemed necessary.
3. (I/We) will assist the Landlord in obtaining any information or documents required to verify the statements made in this Part III and have attached hereto copies of federal income tax return for most recent tax year in which a return was filed (past two years federal income tax returns for self-employed persons).
4. (I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Landlord to rent the unit and will additionally enable the Landlord, the City of Moreno Valley to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

(I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Date

Tenant

Date

Tenant

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Signature

Date

ATTACHMENT NO. 11

EQUITY SHARE NOTE

PROMISSORY NOTE

(PROMISSORY NOTE SECURED BY DEED OF TRUST)

NOTICE TO MAKER: EQUITY SHARE AMOUNT(S) SHALL BE DUE AND PAYABLE IF CERTAIN EVENTS OCCUR

\$39,025.00 ("Original Principal Amount") plus equity share amount(s) Moreno Valley, California

June 1, 2012 ("Loan Date")

Site Address: 22877 Allies Place

Moreno Valley, California 92551
City State Zip Code

FOR VALUE RECEIVED, the undersigned RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California Limited Partnership, a California non-profit public benefit corporation ("Maker" or "Participant"), having its principal place of business at 4250 Brockton Avenue, California 92501, promises to pay to the order of CITY OF MORENO VALLEY, a municipal corporation ("Payee"), at 14177 Frederick Street, Moreno Valley, California 92552-0805, or at such other place as the holder of this promissory note (the "Note") from time to time may designate in writing, the principal sum of Thirty-Nine Thousand Twenty-Five Dollars (\$39,025.00), together with such equity share amount(s) as become payable from time to time. This Note is being delivered pursuant to the Affordable Housing Agreement dated as of June 1, 2012, by and between Maker and Payee (the "AHA" or the "Agreement"). The loan evidenced by this Note shall be governed by such provisions of the AHA (including without limitation the attachments thereto) as shall be applicable. All capitalized terms used herein shall have the meanings set forth therefor in the AHA. No interest shall accrue on the amounts so disbursed provided that the loan evidenced by this Note includes provision for equity sharing.

1. **Term.** The term of this Note (the "Term") commences as of the Loan Date and shall continue to and mature on July 1, 2067 (the "Maturity Date").

2. **Payments.** Payments shall be due and payable hereunder in the event of the transfer of the "Site" (as defined in the AHA and described in the Equity Share Deed of Trust) or the occurrence of any default under the AHA, the Senior Note, the Capital Recovery Note, the Resale Restriction Agreement, or the CC&Rs.

3. **Note Amount.** The sums due and payable pursuant to the terms and provisions of this Note consist of both the Original Principal Amount and amounts which become payable as "Equity Share Amounts" (as set forth in Section 7 hereof), as both terms are hereinafter defined (collectively, the "Note Amount");

(i) **Loan Amount.** As one component of the Note Amount, Maker shall pay to City the principal amount of Thirty-Nine Thousand Twenty-Five Dollars (\$39,025.00); and

(ii) **Equity Share Amount(s).** As a second component of the Note Amount, Maker shall pay to City an Equity Share Amount as set forth in Section 7 herein. It is contemplated that this Note will remain in effect throughout the Required Covenant Period, and that equity share payments will be made to the Payee in connection with each "Transfer" (as defined below) that occurs during the Required Covenant Period (whether or not the Payee accelerates payment hereunder). It is further contemplated that the deed of trust securing payment of this Note will not be reconveyed in that it secures performance under the AHA and the CC&Rs.

4. **Loan Amount; No Interest, Equity Share.** The Loan Amount shall accrue no (0%) interest; provided that upon occurrence of each and every event of acceleration occurs as set forth in Section 6, an Equity Share Amount shall become due and payable.

5. **Loan Amount; Time of Payment and Forgiveness.** No repayment of the Loan Amount shall be required unless and until the Note Amount becomes due and payable, as provided in Section 6 below.

6. **Acceleration.** In addition to Section 2 hereof, in the event of any Transfer (as defined below) of the Site, or any portion thereof or interest therein, Payee shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable (including the whole of the Note Amount and the Equity Share Amount). As used herein, the term "Transfer" means and includes the direct or indirect sale, transfer, conveyance, mortgage, further encumbrance, assignment, or other alienation of the Site, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract, sales agreement or similar instrument affecting all or a portion of the Site, granting of an option to purchase any portion of or interest in the Site or any interest therein, or the lease of all or substantially all of the Site or of all or substantially all of the improvements located thereon. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer. "Transfer" shall not include: (i) the leasing of individual dwelling units on the Site so long as Trustor fully complies with the provisions of the CC&Rs and the AHA relating to such leasing activity; (ii) the sale or other transfer of the Site to a transferee which is accomplished in strict compliance with the Agreement and with City's prior written approval, or (iii) the refinancing of the Senior Loan amount not in excess of the sum of the then current loan balance secured by the Senior Loan and loan closing costs, provided that there is no change to the rights and remedies of the City under the Agreement (including without limitation the attachments thereto) in connection with such refinancing.

7. **Equity Share Amount(s).** In the event that the Note Amount becomes due and payable pursuant to Section 6 above, the Maker shall pay to Holder the "Equity Share Amount(s)," as hereinafter defined. The Note Amount, including without limitation an Equity Share Amount, shall

be computed and shall be due and payable in connection with each and every Event of Acceleration (as described in Section 6 hereof) which occurs during the Affordability Period.

(a) **Calculation of Equity Share Amount(s).** The “Equity Share Amount(s)” means an amount equal to a percentage share of the appreciation of the Site determined by multiplying a variable percentage factor (“Variable Applicable Factor”) by the difference between the Sales Price and the Purchase Price.

(b) **Variable Applicable Factor Calculation.** The Variable Applicable Factor shall be calculated by dividing the “Net City Investment” (as defined below) by the sum of the City Investment plus the Maker’s total initial equity investment as described below (“Participant Investment”). The “Net City Investment” is derived by taking the Holder’s total initial equity investment of \$494,075 (“City Investment”) then subtracting the original principal amount under the Capital Recovery Note (namely, \$262,000) and the Senior Note (\$193,050), with the resulting amount (namely, \$39,025.00) constituting the “Net City Investment”. In computing the Variable Applicable Factor, the Net City Investment shall be the numerator, and the sum of the Net City Investment plus the Participant Investment shall be the denominator of a fraction that equals a percentage that is the Variable Applicable Factor (subject to Section 7(b)(i)).

$$\text{Variable Applicable Factor} = \frac{\text{Net City Investment}}{\text{Net City Investment} + \text{Participant Investment}}$$

For example, if the Net City Investment equals \$39,025.00, for purpose of illustration, and the Participant Investment equals \$0, the Variable Applicable Factor would equal 100% (\$39,025.00 divided by the sum of \$39,025.00 plus \$0).

$$100\% \text{ (Variable Applicable Factor)} = \frac{\$39,025.00 \text{ (Net City Investment)}}{\$39,025.00 \text{ (Net City Investment)} + \$0 \text{ (Participant Investment)}} = (\$39,025.00)$$

The amount of the Net City Investment shall be deemed to be Thirty-Nine Thousand Twenty-Five Dollars (\$39,025.00) (the “Net City Investment Amount”), based upon the total amount of moneys committed by the City under the AHA less the original principal amount of each of the Senior Note and the Capital Recovery Note.

The “Participant Investment” is the sum of the following amounts contributed by Trustor to the Site: (i) Trustor’s cash down payment (consisting only of equity and not including any amounts loaned; namely, zero) and (ii) Trustor’s portion of closing costs (to the extent paid in cash by Trustor). In the above illustration, it is assumed that the Participant makes no cash down payment and makes no payment for closing costs.

The “Purchase Price” is the original purchase price paid by Maker (or Maker as the qualified successor owner of the Site) to the seller of the Site (“Seller”) for Seller’s interest in the Site, exclusive of escrow fees, title insurance costs, broker’s commissions, loan fees or any other closing or transaction costs; in the case of the initial purchase of the Site by the Maker, the sum of \$193,050 (the “Original Price”) is the purchase price. Subject to the provisions set forth herein

below, the value of Qualified Capital Improvements shall be added to the Purchase Price when calculating the Equity Share Amount(s).

The "Sales Price" is the price to be paid by the prospective buyer of the Site ("Buyer") to Maker (or Maker as the qualified successor owner of the Site) for Maker's interest in the Site, exclusive of reasonable escrow fees, title insurance costs, broker's commissions, loan fees or any other closing or transaction costs. The Sales Price shall be established in conformity with Section 7(h)(i). In the event of Maker's refinancing, failure to occupy, or default under the Agreement, the "Sales Price" shall be established in conformity with Section 7(h)(ii).

(c) **Using the Variable Applicable Factor to Determine the Equity Share Amount(s).** The Equity Share Amount(s) is calculated by multiplying the Variable Applicable Factor by the difference between the Sales Price and the Purchase Price. For example, if the Variable Applicable Factor equals 100%, the Equity Share Amount(s) would then be computed based upon a Factor of 100% (Variable Applicable Factor) x (Sales Price minus the Purchase Price).

In the above example, if the Purchase Price equals \$193,050 and the Sales Price (for a sale occurring prior to the tenth (10th) anniversary of the acquisition of the Site by the original owner and assuming no Qualified Capital Improvements) equals \$300,000, the Equity Share Amount(s) would equal \$106,950 (100% x (\$300,000 minus \$193,050)).

$100\% \text{ (Variable Applicable Factor)} \times \$106,950 \text{ (Sales Price - Purchase Price)} = \$106,950 \text{ (Equity Share Amount(s))}.$
--

Using the same example but assuming that the sale takes place after the tenth and prior to the eleventh anniversary of the acquisition of the Site by the Participant, the Equity Share Amount would equal \$96,255 (90.00% Variable Rate Factor [100.00 - 10 = 90] x \$106,950 [Sales Price - Purchase Price] = \$96,255 [Equity Share Amount]). Note: the setting forth of the examples herein does not indicate that such sales are permitted; the restrictions as to affordable rents and Very Low Income as set forth in the Agreement, the Resale Restriction Agreement and the CC&Rs will apply.

(d) **Calculation of Equity Share Amount(s) for Subsequent Buyers (Participants).** If pursuant to Section 9 hereof, a Buyer has fully assumed the Maker's obligations under the Agreement, this Note, the Participant completes the Improvements and operates the Site in strict conformity with each of the AHA, the CC&Rs, the Resale Restriction Agreement, this Note and the Equity Share Deed of Trust, and such Buyer causes an event of acceleration to occur, the Equity Share Amount(s) to be paid by such Buyer shall be calculated by multiplying the Variable Applicable Factor, established in Section 7(b) above (and subject to Section 7(e) below), by the difference between the Sales Price, established in conformity with Section 7(h) hereof, and the Purchase Price.

(e) **Credits for Trustor.** Notwithstanding the foregoing portion of this Section 7, in calculating the Variable Applicable Factor, in the event, the Participant completes the Improvements and operates the Site in strict conformity with each of the AHA, the CC&Rs, the Resale Restriction Agreement, this Note and the Equity Share Deed of Trust for a period of not less than ten (10) years, the Variable Applicable Factor shall be reduced by one (1) percentage point per

year (or a total of ten [10] points). Thereafter, for each additional year that the Participant (or an assignee or transferee approved by the City) operates the Site in strict conformity with the CC&Rs, the Variable Applicable Factor shall be reduced by one percentage point (1.0%).

The process for adjustments is more specifically as follows: for the period commencing with the Date of Agreement and until the tenth anniversary of the Date of Agreement (the "Tenth Anniversary"), the Variable Applicable Factor shall be One Hundred Percent (100%), excepting only for such adjustments, if any, as shall have been approved by the City in connection with Qualified Capital Improvements, if any, made and approved under subsection (f) hereof. Within sixty (60) days after the Tenth Anniversary, the City Manager (on behalf of the City) will determine whether the Participant has operated and is operating the Site in conformance with the Agreement (including all attachments thereto). In the event the City Manager determines there has been conforming operation throughout the ten-year period and that there continues to be conforming operation, the Participant will be credited with a ten percent (10%) equity share, to be effective as of the Tenth Anniversary; upon application of such ten percent (10%) equity share, the Variable Applicable Factor shall become ninety percent (90%) $[100\% - 10\% = 90\%]$.

Thereafter, as of the first anniversary of the Tenth Anniversary, the City Manager shall determine if there has been conforming operation within the preceding year. If such conforming operation is determined to have occurred, a credit of one percent (1.0%) shall be applied as an equity share adjustment. For example, assuming conforming operation is determined for the first eleven (11) years from the Date of Agreement, the Participant shall have achieved an equity share adjustment of eleven percent (11.0%), with the result that the Variable Applicable Factor would be Eighty-Nine (89.0%).

The process described in the preceding paragraph would be repeated annually, with the result that as of the fifty-fifth (55th) anniversary of the Date of Agreement, assuming conforming operation throughout, the Participant would be eligible to obtain a maximum adjustment of equity share of fifty percent (50%).

The determination that a credit is to be applied shall not result in the payment of cash at that time to the Participant (or any successor); any distribution of funds shall occur only concurrent with payment to the City in connection with an event that causes payment to become due.

The payment to Participant (or any successor) of any amounts attributable to adjustments to the equity share (or Variable Applicable Factor) shall be subject and subordinate to the full satisfaction of the principal amounts of each of the Equity Share Note (this promissory note).

In the event of a change of ownership of the Site, the Variable Applicable Factor shall be recalculated by the City Manager of the City consistent with the methodology used in establishing the original Variable Applicable Factor as of the Date of Agreement, and the process for the availability of credits in respect to conforming operation of the Site shall be repeated in the manner described in the foregoing portion of this subsection (e); provided that the only credits or adjustments available after such a transfer shall be one percent (1.0%) per year for each year of conforming operation occurring after such transfer.

(f) **Qualified Capital Improvements.** The value of any Qualified Capital Improvements which are determined by the City to be required and are completed by Maker during Maker's ownership of the Site and are not paid for by the City shall be added to the Purchase Price

when calculating the Equity Share Amount(s) only if, within thirty (30) days following completion of such improvements (but in no event later than the event of acceleration causing the Equity Share Amount(s) to become immediately due and payable pursuant to Section 6 hereof), Maker submits the following to Holder: (i) an itemized list of the Qualified Capital Improvements, (ii) reliable proof of completion of the Qualified Capital Improvements (as evidenced e.g., by final building permits, certificate of completion or original paid invoices or construction contracts), and (iii) an appraisal from a certified appraiser, in form and substance reasonably acceptable to the City Manager (the "City Manager"), the conclusion of which is that the Qualified Capital Improvements have added the stated amount to the fair market value of the Site.

If, within (30) days of receipt of the information concerning the Qualified Capital Improvements, Holder questions the claimed increase in the value of the Site by reason of said Qualified Capital Improvements, Holder and Maker may, by mutual agreement, establish the value of the Qualified Capital Improvements or Holder may require an appraisal of the Site, at Makers expense, by a second independent certified appraiser appointed by the Holder to determine the fair market value of the Qualified Capital Improvements.

(g) Determination of Sales Price; Appraisal.

(i) **Upon Sale of the Site.** In the event of a proposed sale of the Site by Maker and not less than thirty (30) days after Holder receives actual notice of the opening of escrow in connection therewith, the Holder may elect to appoint a certified, independent appraiser to conduct an appraisal of the Site, at Maker's expense, to assist Holder in determining if the Sales Price is at or near the fair market value of the Site at such time. If the Sales Price is determined by the appraisal to be three percent (3%) or more below the fair market value of the Site as estimated in said appraisal, then the "Sales Price" for purposes of determining the Equity Share Amount(s) shall be the fair market value of the Site established in said appraisal.

(ii) **Upon Refinancing/Failure to Occupy/Default.** In the event of refinancing, sale, other transfer, or default or breach of any provision of the Agreement (including all attachments thereto) which causes the Equity Share Amount(s) to become immediately due and payable, the "Sales Price" for purposes of determining the Equity Share Amount(s) shall be determined by an appraisal of the Site. Holder shall appoint a certified independent appraiser to conduct an appraisal of the Site, at Maker's expense. Maker agrees that in such event the Equity Share Amount(s) shall be the Variable Applicable Factor multiplied by the difference between the Purchase Price and "Sales Price" as established by the appraised value of the Site at the time of such refinancing, sale, other transfer, or default of the Agreement (including all attachments thereto).

8. **Maker's Acknowledgment of Equity Share Amount(s).**

MAKER ACKNOWLEDGES AND AGREES THAT UPON SALE, TRANSFER OR REFINANCING OF THE SITE OR OTHER EVENT OF ACCELERATION, MAKER SHALL PAY TO HOLDER, IN ADDITION TO THE ORIGINAL PRINCIPAL AMOUNT, AN EQUITY SHARE AMOUNT(S) EQUAL TO A PERCENTAGE SHARE OF THE APPRECIATION OF THE PROPERTY AS CALCULATED PURSUANT TO THIS SECTION 7.

MAKER'S INITIALS: _____

9. **Security for Note.** This Note shall be secured by a subordinate deed of trust and rider thereto of even date herewith encumbering the Site ("the Equity Share Deed of Trust"), executed by Maker, as trustor, in favor of Holder, as beneficiary.

10. **No Prepayment of Note.** This Note may not be prepaid.

11. **Holder May Assign.** Holder may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Maker.

12. **Maker Assignment Prohibited.** In no event shall Maker assign or transfer any portion of this Note, the Note Amount and/or the Agreement without the prior express written consent of the Holder, as provided in Section 9 hereof.

13. **Successors Bound.** This Note shall be binding upon the parties hereto and their respective heirs, successors and assigns.

14. **Notices.** Any notice, demand, approval, consent, or other communication required or desired to be given under this Note shall be in writing and shall be either personally served, sent by telecopy, mailed in the United States mails, certified, return receipt requested, postage prepaid, or sent by other commercially acceptable means, addressed to the party to be served with the copies indicated below, at the last address given by that party to the other under the provisions of this section. All communications shall be deemed delivered at the earlier of actual receipt, the next business day after deposit with Federal Express or other overnight delivery service or two (2) business days following mailing as aforesaid, or if telecopied, when sent, provided a copy is mailed or delivered as provided herein:

To Maker:

Riverside Housing Development Corporation
Attn: Bruce Kulpa
4250 Brockton Avenue
Riverside, CA 92501

To City:

City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: Economic Development Director

15. Miscellaneous.

(a) Governing Law. All questions with respect to the construction of this Note and the rights and liabilities of the parties to this Note shall be governed by the laws of the State of California.

(b) Binding on Successors. This Note shall inure to the benefit of, and shall be binding upon, the successors and assigns of each of the parties to this Note.

(c) Attorneys' Fees.

(i) Maker shall reimburse Payee for all costs and expenses, incurred by Payee in connection with the enforcement of Payee's rights under this Note, including, without limitation, attorneys' fees (based upon the rates customarily charged by the attorneys to private clients), costs and expenses for trial, appellate proceedings, out-of-court negotiations, workouts and settlements or for enforcement of rights under any state or federal statute, including, without limitation, reasonable attorneys' fees (based upon the rates customarily charged by the attorneys to private clients), costs and expenses incurred to protect Payee's security and attorneys' fees, costs and expenses incurred in bankruptcy and insolvency proceedings such as (but not limited to) seeking relief from stay in a bankruptcy proceeding. The term "expenses" means any expenses incurred by Payee in connection with any of the out-of-court, or state, federal or bankruptcy proceedings referred to above, including, without limitation, the fees and expenses of any appraisers, consultants and expert witnesses retained or consulted by Payee in connection with any such proceeding.

(ii) Payee shall also be entitled to its attorneys' fees, costs and expenses incurred in any post-judgment proceedings to collect and enforce the judgment. This provision is separate and several and shall survive the merger of this Note into any judgment on this Note.

(d) Entire Agreement. This Note and the relevant provisions of the AHA constitute the entire agreement and understanding between and among the parties in respect of the subject matter of such agreements and supersede all prior agreements and understandings with respect to such subject matter, whether oral or written.

(e) Amendments. This Note may not be modified or amended except by an instrument in writing expressing such intention executed by the parties sought to be bound thereby, which writing must be so firmly attached to this Note so as to become a permanent part thereof.]

(f) Time of the Essence. Time of the essence with respect to every provision hereof.

(g) Waivers by Maker. Except as otherwise provided in any agreement executed in connection with this Note, Maker waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of acceleration; notice of protest and nonpayment; notice of costs,

expenses or losses and interest thereon; and diligence in taking any action to collect any sums arising under this Note or in any proceeding against any of the rights or interests in or to properties securing payment of this Note.

(h) Non-waivers. No previous waiver and no failure or delay by Maker in acting with respect to the terms of this Note or the Equity Share Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this Note, the Equity Share Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the Equity Share Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this Note and the terms of any other document related to the loan evidenced by this Note, the terms of this Note shall prevail.

**RIVERSIDE HOUSING DEVELOPMENT
CORPORATION,**
a California nonprofit public benefit corporation

By: _____
Name: Bruce Kulpa
Title: Executive Director

ATTACHMENT NO. 12

EQUITY SHARE DEED OF TRUST

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: City Manager

APN 291-293-008-0

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST, made as of _____, 201_, between

RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, a California non-profit public benefit corporation herein called TRUSTOR, whose address is:

4250 Brockton Avenue, Riverside, California 92501

STEWART TITLE OF CALIFORNIA, a California corporation, herein called TRUSTEE, and

the CITY OF MORENO VALLEY, a public body corporate and politic, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of Moreno Valley,
County of Riverside, State of California, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of \$39,025.00 and equity share payments(s) according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein, (3) the maintenance of four (4) rental units on the Site as affordable units to be rented to Very Low Income Households at Affordable Rent as provided for in the Affordable Housing Agreement and the CC&Rs as referenced in Exhibit "B" hereto; and (4) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust. THIS DEED OF TRUST SECURES A LOAN THAT HAS THE EFFECT OF A SHARED APPRECIATION LOAN.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set

forth in subdivision B of the fictitious deed of trust recorded in Riverside County on August 18, 1964 at Book 3778, Page 347 in the office of the county recorder of Riverside County shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

Individual(s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e., certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, ~~is/are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL NO.: 291-293-008-0

EXHIBIT "B"

RIDER TO DEED OF TRUST

Exhibit B to Deed of Trust with Assignment of Rents dated as of _____, 201_, executed by Riverside Housing Development Corporation, a California nonprofit public benefit corporation, as "Trustor", to Stewart Title of California, a California corporation, as Trustee, for the benefit of City of Moreno Valley, a municipal corporation, as "Beneficiary" ("Deed of Trust").

1. **DEFAULT - OTHER DEEDS OF TRUST, DEED, COVENANTS CONDITIONS AND RESTRICTIONS (CC&Rs) AND AGREEMENT.** A default under any of the following shall, at Beneficiary's option, constitute a default under this Deed of Trust:
 - (a) A default under that certain Affordable Housing Agreement ("Agreement") dated as of June 1, 2012, between Trustor and Beneficiary or any default under any instrument delivered to City under the Agreement, whether senior or junior to this Deed of Trust (all capitalized terms not defined herein shall have the meanings established therefor under the Agreement);
 - (b) A default under the CC&Rs; or
 - (c) A default under the Resale Restriction Agreement;
 - (e) A default under the Capital Recovery Deed of Trust; or
 - (e) A default under the deed of trust securing the Senior Deed of Trust.
2. **DEFAULT - DEED OF TRUST.** A default under this Deed of Trust shall, at Beneficiary's option, as appropriate, constitute a default under the deeds of trust or other instruments referenced in Paragraph 1(a) through (e), inclusive (collectively the "Other Deeds of Trust"), of this Rider.
3. **NON-IMPAIRMENT.** Except as supplemented and/or modified by this Deed of Trust, all of the terms, covenants and conditions of the Other Deeds of Trust and the other loan documents executed in connection therewith shall remain in full force and effect.
4. **DUE ON SALE OR ENCUMBRANCE.** In the event of any Transfer (as defined below) of the Site, or any portion thereof or interest therein, Beneficiary shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. As used herein, the term "Transfer" means and includes the direct or indirect sale, transfer, conveyance, mortgage, further encumbrance, assignment, or other alienation of the Site, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract, sales agreement or similar instrument affecting all or a portion of the Site, granting

of an option to purchase any portion of or interest in the Site or any interest therein, or the lease of all or substantially all of the Site or of all or substantially all of the improvements situated on the Site. "Transfer" shall not include the leasing of individual dwelling units on the Site so long as Trustor complies with the provisions of the Agreement relating to such leasing activity. Transfer shall not include the sale, transfer, assignment, pledge, hypothecation or encumbrance by Participant's limited partner of its partnership interest to the extent permitted by the AHA nor shall Transfer include the removal or any general partner of Participant by the limited partner for cause and the replacement of such removed general partner by another person or entity in accordance with the terms of the Participant's partnership agreement to the extent permitted by the AHA. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer.

5. **PRIORITY OF DEED OF TRUST.** This Deed of Trust is subject and subordinate to the following: (i) the CC&Rs, (ii) the Resale Restriction Agreement and (iii) the Senior Deed of Trust.
6. **EQUITY SHARE PAYMENTS.** In addition to the principal amount of \$39,025, the promissory note secured by this deed of trust provides for equity sharing payments as described therein.

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

G. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) to pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation thereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To Pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

H. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance or any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such

successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD REQUEST FOR FULL RECONVEYANCE

TO STEWART TITLE OF CALIFORNIA, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: _____

Please mail Deed of Trust,
Note and Reconveyance to

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

**DEED OF TRUST
with power of sale**

**STEWART TITLE OF CALIFORNIA,
TRUSTEE**

ATTACHMENT NO. 13

RESALE RESTRICTION AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

CITY OF MORENO VALLEY
Attention: City Manager
15177 Frederick Street
Moreno Valley, California 92552-0805

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN 291-293-008-0

RESALE RESTRICTION AGREEMENT
OF CONDITIONS, COVENANTS AND RESTRICTIONS

This Resale Restriction Agreement (the "RRA") is entered into as of the dates written below, by and between the RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation (the "Owner" or "Participant") and the CITY OF MORENO VALLEY, a public body corporate and politic (the "City"). Owner and the City may be individually referred to as a "Party" and collectively as the "Parties". The Parties desire to enter into this Agreement on the following terms and conditions:

1. RECITALS.

1.1 These Recitals refer to and utilize certain capitalized terms that are defined in Section 2 of this RRA. The Parties intend to refer to those definitions in conjunction with the use of capitalized terms in these Recitals. The Recitals are an integral part of this Agreement.

1.2 The City and the Owner entered into an agreement dated as of June 1, 2012, entitled "Affordable Housing Agreement" (herein the "AHA"). Under the AHA: (i) the Owner purchased certain property described in Exhibit "A" hereto (the "Site") with funds provided by the City (and with no equity by the Owner); (ii) the Owner promised the City that the Owner would improve and operate the Site as an affordable rental housing resource, in conformity with the AHA; and (iii) the City committed substantial moneys, as more particularly set forth in the AHA. All capitalized terms not defined herewith shall have the meanings established in the AHA. The AHA is on file with the City as a public record and is deemed incorporated herein by reference.

2. TERM OF AGREEMENT. The term of this RRA shall commence as of the date of recordation of this RRA (the "Effective Date") and shall expire at 11:59 p.m. on the last day that is the Fifty-fifth (55th) anniversary of the Effective Date (which period constitutes the "Term").

3. SALE RESTRICTIONS. The Owner may not transfer the Site except as provided in, and in conformity with, provisions of this Agreement and the AHA. "Transfer" means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Site, including, but not limited

to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, a mortgage, a deed of trust (other than as expressly approved in writing by City) or an interest evidenced by a land sale contract by which possession of the Site is transferred and Owner retains title. Any Transfer without satisfaction of the provisions of this Agreement is prohibited. The Owner shall not Transfer the Site without prior written consent of the City. The AHA provides, in part (note: references to "Agreement" in the quoted material inset in this Section 3 are to the AHA):

“7.11 Transfers of Interest in Agreement or of Site. Section 7.11, and all subsections of this Section 7.11, shall apply to transfers prior to the Transfer. Any transfers occurring or proposed after the Transfer are subject to the provisions therefor of the CC&Rs.

7.11.1 Prohibition. The qualifications and identity of the Participant are of particular concern to City. It is because of those qualifications and identity that City has entered into this Agreement with the Participant. For the period commencing upon the date of this Agreement and until the end of the Required Covenant Period, no voluntary or involuntary successor in interest of the Participant shall acquire any rights or powers under this Agreement, nor shall the Participant make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Site or the Development thereon (excepting the rental of Units at Affordable Rent to Very Low Income Households in strict conformity with this Agreement and the CC&Rs) without prior written approval of City, except as expressly set forth herein.

7.11.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, the City shall not unreasonably withhold its approval of an assignment of this Agreement or conveyance of the Site, or any part thereof, in connection with the conveyance or dedication of any portion of the Site to the City, or the granting of easements or permits to facilitate construction of the Development.

In the event of a proposed assignment by Participant under subparagraphs 7.11.2 through 7.11.3, inclusive, Participant agrees that at least thirty (30) days prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Participant the obligation to perform under this Agreement.

7.11.3 City Consideration of Requested Transfer. City agrees that it will consider in good faith a request made pursuant to this Section 7.11 after the achievement of occupancy of one hundred percent (100%) of the Units in conformity with this Agreement following the completion of the Improvements, provided that: (i) the Participant causes to be delivered to City written evidence from HUD that HUD consents to and does not object to the action requested; (ii) the Participant pays, or is prepared to pay concurrent with transfer, the amount due under the Equity Share Note in connection with such transfer; (iii) the Participant delivers written notice to City requesting such approval, which notice and the CC&Rs remain in full force and effect; (iv) the Participant is not in default of this Agreement or any attachments hereto; (v) the Participant provides detailed information regarding the transferee (the background, training, experience relative to the operation of affordable rental projects, and its capitalization) and of the proposed transfer (including price, terms of payment, time and place for closing); and/or the agreement of the transferee to be bound by and subject to all of the Development Documents, including without limitation, the CC&Rs, the Resale Restriction Agreement, the Senior Note, the Capital Recovery Note, the Equity Share Note (which shall

be adjusted upon transfer based upon the receipt of equity sharing moneys by the City, as more fully described in the Equity Share Note), the Senior Deed of Trust, the Equity Share Deed of Trust, and the Capital Recovery Deed of Trust; and (vi) the Participant pays to City the sum of Five Thousand Dollars (\$5,000.00) ("Special Charges"), on a nonrefundable basis to assist City in defraying its cost to conduct due diligence, consider and process any such request (amounts so paid as Special Charges shall not be applied as payments due under the Equity Share Note or any other Note). Evidence regarding any proposed assignee or purchaser shall be detailed concerning the proposed assignee's or purchaser's development and/or operational qualifications and experience, its financial commitments and resources, and shall, in addition, describe in detail the financial terms of such assignment (including the consideration proposed to flow to the Participant or Related Entity and/or any of the Principals) in sufficient detail to enable City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 7.11, and as reasonably determined by City. Upon receipt of such request (including payment of the amount due as the equal share), the City shall evaluate each proposed transferee or assignee on the basis of its development and/or qualifications and experience in the operation of facilities similar to the Development, and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, during the period for which this Section 7.11 applies, which City reasonably determines does not possess sufficient qualifications. An assignment and assumption agreement in form satisfactory to City's legal counsel shall also be required for all proposed assignments. Within thirty (30) days after the receipt of the Participant's written notice requesting approval of an assignment or transfer pursuant to this Section 7.11, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Participant shall promptly furnish to City such further information as may be reasonably requested. No such approval shall be given without written evidence of the consent or approval by HUD.

7.11.4 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon the Participant and its permitted successors and assigns. Whenever the term "Participant" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided."

4. CONSENT AND ACKNOWLEDGMENT OF OWNER. The Owner agrees that the provisions of this Agreement are reasonable and appropriate in view of the following:

(i) The City is providing one hundred percent (100%) of the equity (and approximately 100% of the total funding) required for the purchase of the Site (from the third-party owning the Site as of the Date of Agreement, from which third party Participant arranged for title to be conveyed to the Participant) and the improvement of the Site under the Scope of Work: Budget. The City's willingness to enter into the AHA and devote the level of funding as prescribed under the AHA is based upon assurance that all Units on the Site will be maintained available at Affordable Rent for Very Low Income Households throughout the Required Covenant Period;

(ii) Participant is a sophisticated party with substantial experience in the acquisition, improvement and operation of affordable rental housing and with California real estate law. Participant has reviewed, and has consulted with legal counsel of Participant's choosing, concerning the Rules and Regulations and the AHA, including without limitation the Senior Note,

the Senior Deed of Trust, the Capital Recovery Note, the Capital Recovery Deed of Trust, the Equity Share Note, the Capital Recovery Note, the Capital Recovery Deed of Trust, the CC&Rs, the RRA and the Equity Share Deed of Trust.

Accordingly, the Participant agrees and acknowledges that it is reasonable that the City have all rights and remedies, including without limitation equity sharing, limits upon resale or transfer, and such other restrictions or prohibitions as are provided under the AHA and its attachments including without limitation the CC&Rs, this RRA, the Senior Note, the Senior Deed of Trust, the Capital Recovery Note, the Capital Recovery Deed of Trust, the Equity Share Note and the Equity Share Deed of Trust.

5. **DEFAULTS AND REMEDIES.** The Owner's failure to comply with any term or provision of this Agreement will be deemed to be a violation of this Agreement. In addition, the Owner will be deemed to have violated this Agreement if the Owner defaults under any promissory note, deed of trust or lien, including if any judgment lien is recorded against the Site. Furthermore, the Owner will be deemed to have violated this Agreement if any foreclosure proceeding is instituted against the Site. Upon any such violation, the City will give a written notice ("Notice of Default") to the Owner specifying the nature of the violation. The Notice of Default will specify the amount of time that Owner has to correct the violation, but in no event will the Owner have more than thirty (30) days to correct such violation from the date such Notice of Default is mailed to the Owner. If the Owner does not correct the violation to the City's satisfaction within the specified time period, then the City may declare a default under this Agreement and will send Owner a notice that Owner has defaulted under this Agreement ("Declaration of Default"). The Owner will automatically be in default under this Agreement (without the City sending a Notice of Default) if the Owner or the Proposed Purchaser makes any misrepresentation of any nature whatsoever in connection with receiving any benefits under this Agreement, and upon any such event occurring, the City may immediately send the Owner a Declaration of Default. Upon the City sending the Owner a Declaration of Default, the City may apply to a court of competent jurisdiction for specific performance of this Agreement; for an injunction prohibiting a proposed sale or transfer in violation of this Agreement; for a declaration that a transfer in violation of this Agreement is void; for rescission of any sales contract that violates this Agreement; or for any other such relief at law or in equity as may be appropriate.

6. **PURCHASE OPTION UPON DEFAULT.**

6.1 **Purchase Option:** Notwithstanding, and in addition to, the remedies provided to the City in Section 5, the Owner hereby grants to the City the option ("Option") to purchase the Site once the City has given the Owner a Declaration of Default (pursuant to Section 5 hereof) following the giving of a Notice of Default and the failure of Owner to accomplish a cure as provided under Section 5 hereof. The purchase Option will begin upon the date of the Declaration of Default and will continue until the thirtieth (30th) day following the final establishment of the Sales Price under the remainder of this Section 6.1 (which period constitutes the "Notice of Exercise Period"). Said Option to purchase is given in consideration of the economic benefits received by the Owner resulting from ownership of the Site made possible by the reduced purchase price by which the Owner initially acquired the Site from the City. The City may purchase the Site for the Sales Price.

(a) *Determination of Initial Value:* the value of the Site will be determined initially by the City or an appraiser selected by the City based upon the value of the Site (including

improvements thereon) subject to the restrictions and limitations on the rental of all units on the Site to Very Low Income Households as provided under the CC&Rs; the amount as so established constitutes the "Initial Value". In the event the City is obtaining an appraisal, it shall have sixty (60) days to obtain such appraisal and to tender its offer of sale. If an appraiser is utilized by the City, the appraiser shall be instructed to and the appraisal shall utilize the following parameters (the "Appraisal Parameters"): (A) it shall utilize and rely upon the income approach, and (B) it shall be based upon the use of the Site for rental housing (with rents conforming to the requirements of the CC&Rs throughout the Required Covenant Period. The City shall transmit in writing to the Owner following the determination by the City (or, if an appraiser is engaged for such purpose, the determination of value by such appraiser): (i) the determination of value by City or the appraiser, or (ii) notice that the City has elected not to proceed to exercise its rights to acquire the Site by means of the Option.

(b) Within ten (10) business days after the City has transmitted a writing setting forth the Initial Value to Owner, Owner shall deliver in writing to City a writing setting forth: (i) such Owner's decision to sell the Site to the City for an amount equal to the Initial Value; (ii) the Owner's opinion of value; or (iii) such Owner's decision to retain an appraiser to provide an opinion of value of the Site subject to the Limitations on Use and utilizing the Appraisal Parameters. If the Owner approves the Initial Value, such amount shall be deemed to constitute the "Final Value." In the event the Owner is obtaining an appraisal, it shall have sixty (60) days to obtain such appraisal and deliver its offer to sell to City based upon such value. An amount determined under (ii) or (iii) of this subsection (b) shall constitute the "Alternative Value." In the event the Owner fails to deliver its written response to the City by the time set forth in this subsection (b), then the Initial Value shall be deemed to constitute the "Final Value."

(c) Within ten (10) business days after the City receives a writing from Owner under subsection (b) of this Section 6.1, the City shall notify the Owner in writing that: (i) the City has elected to open escrow for the purchase of the Site based upon the Initial Value (which shall be applicable in the event the Owner agrees that the Initial Value shall constitute the Final Value, or if the Owner fails to deliver its written response under subsection (b) by the time prescribed therefor in such subsection (b) in which event the Initial Value shall be deemed to constitute the Final Value); (ii) the City has elected to open escrow for the purchase of the Site treating the Alternative Value as the Final Value; (iii) the City has elected to not proceed to exercise its rights to acquire the Site by means of the Option; or (iv) the City has elected to reject the Alternative Value and instead elects to appoint an independent MAI appraiser (the "Independent MAI Appraiser") to determine the value of the Site. In the event the City elects option (iv), the City shall select the Independent MAI Appraiser; excepting that if the Owner had submitted concurrent with its submittal of the Alternative Value an appraisal by a member of the Member Appraisal Institute expressing the opinion that such Alternative Value is the value of the Site (as subject to the Limitations on Use and the Appraisal Parameters), then the appraiser so selected by the Owner and, if an MAI appraiser is designated by the City, such appraiser, shall designate the Independent MAI Appraiser.

In the event the Independent MAI Appraiser is designated, such appraiser shall determine a value for the Site subject to the Limitations on Use and the Appraisal Parameters (the "Independent MAI Value"). The Owner and the City agree that, in such case, whichever of the Initial Value or the Alternative Value is closer to the Independent MAI Value, shall be deemed to constitute the "Final Value" for purposes of this Agreement and in connection with establishing the Sales Price for the Site.

(d) In connection with any purchase of the Site under this Section 6.1, the City shall receive credit for any indebtedness to City with respect to the Site, including without limitation the Equity Share Note, the Senior Note, and the Capital Recovery Note.

6.2 Implementation of Sale Upon Establishment of Final Value. Within five (3) working days following the establishment of the Final Value, the City shall: (i) deliver its written notice that it elects not to acquire the Site under Section 6.1; (ii) deliver to Owner both: (aa) a written notice of its election to exercise the Option in the form attached hereto as **Exhibit B** (the "Exercise Notice"), and (bb) two (2) copies of the City's standard or customary real estate purchase and sale agreement for income-restricted homes ("Purchase Agreement"), both of which are duly-executed by the City. Upon Owner receiving the Exercise Notice and the two (2) duly-executed Purchase Agreements, Owner shall execute both copies of the Purchase Agreement and return one fully-executed original to the City. Owner's failure to execute and deliver a copy of the Purchase Agreement in accordance with this Section 6.2 shall not affect the validity of the Purchase Agreement. The Purchase Agreement shall be immediately effective and binding on both Owner and the City without further execution by the Parties, on exercise of the Option in accordance with this Section 6.2. The City may, instead of purchasing the Site itself, assign its option and right to purchase the Site.

6.3 PURCHASE OPTION DOES NOT LIMIT REMEDIES. THE PURCHASE OPTION SHALL NOT LIMIT ANY REMEDIES AVAILABLE TO CITY OR AGENCY UNDER THE AHA, INCLUDING WITHOUT LIMITATION REMEDIES UNDER ONE OR MORE OF THE CC&Rs, THE EQUITY SHARE NOTE, THE EQUITY SHARE DEED OF TRUST, THE SENIOR NOTE, THE SENIOR DEED OF TRUST, THE CAPITAL RECOVERY NOTE, AND THE CAPITAL RECOVERY DEED OF TRUST. Without limitation as to other remedies that are available to the City, the obligation of the Owner to convey the Site to the City shall be enforceable by specific performance.

7. NONLIABILITY OF THE CITY. In no event shall the City become in any way liable or obligated to the Owner or any successor-in-interest to the Owner by reason of its Option to purchase under Section 6.1, nor shall the City be in any way obligated or liable to the Owner or any successor-in-interest to the Owner for any failure to exercise its Option to purchase.

8. BINDING ON SUCCESSOR AND ASSIGNS. This Agreement is binding on the Owner and his or her heirs, successors, assigns, transferees, legatees, devisees, and all other persons that acquire any interest in the Site from Owner. It is also binding on anyone to whom the Owner sells, transfers, assigns or grants an interest in the Site, including any secured lender who obtains title through foreclosure or a "deed in lieu" of foreclosure. Furthermore, any purchasers, transferees, assignees, legatees, devisees, donees or foreclosing lenders that acquire any, or the entire, interest in the Site of any nature whatsoever will be subject to the terms and conditions of this Agreement.

9. COVENANTS RUN WITH THE LAND.

9.1 Owner hereby declares its express intent that the provisions of this Agreement shall be deemed covenants running with the land and shall pass to and be binding upon all parties having any interest in the Site throughout the Term. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring the Site or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered and accepted subject to this

Agreement regardless of whether the other party or parties to such contract, deed, lease or any other such instrument have actual knowledge of this Agreement.

9.2 The Owner and the City hereby declare their understanding and intent that 1) this Agreement shall be construed as covenant and servitude running with the land pursuant to California Civil Code Section 1468 and not as conditions which might result in forfeiture of title by Owner; 2) the burden of the covenants and restrictions set forth in this Agreement touch and concern the Site in that the Owner's legal interest in the Site and all improvements thereon may be rendered less valuable thereby; and 3) the benefit of the covenants and restrictions set forth in this Agreement touch and concern the land by implementing provision by the City of affordable rental housing in implementing its housing goals and objectives and each of: (i) the Housing and Economic Recovery Act of 2008 (Public Law 110-289) ("HERA"); (ii) the American Reinvestment and Recovery Act of 2009 (Public Law 111-005) (the "Recovery Act"); (iii) Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009 [Docket No. FR 5321-N-01] (the "NSP2 NOFA"); (iv) the Community Development Block Grant (CDBG) program as authorized under the Public Housing and Community Development Act of 1974, 42 U.S.C. 5301 *et seq.* ("HCD Act") as amplified by regulations set forth at 24 C.F.R. 570; (v) the Housing and Economic Recovery Act of 2008 (Public Law 110-289) ("HERA"); (vi) the American Reinvestment and Recovery Act of 2009 (Public Law 111-005) (the "Recovery Act"); (vii) the Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009 [Docket No. FR 5321-N-01] (the "NSP2 NOFA"); (viii) the National Environmental Policy Act of 1969 and related federal environmental authorities and regulations at 24 C.F.R. Part 58; and (ix) the City's Final Neighborhood Stabilization Program as amended by Substantial Amendment to the City of Moreno Valley's 2008-2009 Annual Action Plan, as adopted November 25, 2008.

9.3 All covenants and restrictions contained herein, without regard to technical classification or designation, shall be binding upon Owner for the benefit of the City and this Agreement shall run in favor of such parties for the entire Term of this Agreement, without regard to whether the City is an owner of any land or interest therein to which this Agreement relate.

10. GENERAL PROVISIONS.

10.1 **Amendment.** This Agreement may not be amended, modified or supplemented except by a written agreement executed by all the Parties.

10.2 **Assignment.** The City may transfer or assign all of its rights under this Agreement to any third party at any time without receiving Owner's prior consent.

10.3 **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their permitted successors and assigns, and any reference to a Party hereto shall also be a reference to a permitted successor or assign.

10.4 **Controlling Law.** This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of California without reference to California's choice of law rules.

10.5 **Interpretation.** In the event any claim is made by any Party relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion

shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular Party or his or its counsel. The Parties further agree that California Civil Code Section 1654 does not apply to this Agreement. This Agreement shall be interpreted to further the affordable housing objectives of the City and particularly the protection of long-term affordability covenants.

10.6 Jurisdiction and Venue. The Parties acknowledge and understand that the making of this Agreement is in Riverside County, California. Any suit, arbitrations, mediation or other remedial process shall be filed and maintained in Riverside County, California.

10.7 Notices. All notices, communications and deliveries hereunder shall be made in writing signed by the Party making the same, shall specify the Section hereunder pursuant to which it is given or being made, and shall be deemed given or made on either 1) the date delivered if delivered in person, 2) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation, 3) on the date delivered if delivered by a nationally recognized overnight courier service or 4) on the third (3rd) business day after it is mailed if mailed by registered or certified mail (return receipt requested) (with postage and other fees prepaid) as follows:

To Owner: Riverside Housing Development Corporation
4250 Brockton Avenue
Riverside, CA 92501
Attn: Bruce Kulpa

To the City: City of Moreno Valley
Attention: City Manager
11777 Frederick Street
Moreno Valley, CA 92552-0805

or to such other representative or at such other address of a Party as such Party hereto may furnish to the other Parties in writing.

10.8 Number; Gender. Whenever the context so requires, the singular number shall include the plural and the plural shall include the singular, and the gender of any pronoun shall include the other genders.

10.9 Remedies Cumulative. The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any person may be lawfully entitled.

10.10 Waiver. The Parties hereto, by or pursuant to action taken by their respective members, partners or officers, may, to the extent legally permitted: (i) extend the time for the performance of any of the obligations or other acts of any other Party; (ii) waive any inaccuracies in the representations or warranties of any other Party contained in this Agreement or in any document or certificate delivered pursuant hereto; (iii) waive compliance or performance by any other Party with any of the covenants, agreements or obligations of such Party contained herein; and (iv) waive the satisfaction of any condition that is precedent to the performance by the Party so waiving of any of its obligations hereunder. Any agreement on the part of a Party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. A waiver by one Party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement,

obligation, condition, representation or warranty. A waiver by any Party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

IN WITNESS WHEREOF, the Parties have executed this Resale Restriction Agreement as of the dates written below:

“OWNER”

RIVERSIDE HOUSING DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

By: _____
Name: Bruce Kulpa
Title: Executive Director

CITY:

CITY OF MORENO VALLEY, a municipal corporation

By: _____
Henry Garcia, City Manager

ATTEST:

Jane Halstead, City Clerk

LIST OF EXHIBITS:

Exhibit A - Legal Description of Site

EXHIBIT A

LEGAL DESCRIPTION OF THE SITE

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL NO.: 291-293-008-0

EXHIBIT B

EXERCISE NOTICE

Riverside Housing Development Corporation
4250 Brockton Avenue
Riverside, CA 92501
Attn: Executive Director of RHDC

Re: Exercise Notice pursuant to Resale Restriction Agreement (under Affordable Housing Agreement dated as of June 1, 2012 between the City of Moreno Valley ["City"] and Riverside Housing Development Corporation, a California nonprofit public benefit corporation ["Participant" or "Owner"]; the "Affordable Housing Agreement")

Gentlemen:

This constitutes Exercise Notice under Section 6.2 of the Resale Restriction Agreement made pursuant to the Affordable Housing Agreement. Section 6.2 provides, in part: "Upon Owner receiving the Exercise Notice and the two (2) duly-executed Purchase Agreements, Owner shall execute both copies of the Purchase Agreement and return one fully-executed original to the City. Owner's failure to execute and deliver a copy of the Purchase Agreement in accordance with this Section 6.2 shall not affect the validity of the Purchase Agreement." The City requests that you execute and return two (2) Purchase Agreements, executed by you, to: [insert addressee and address for City]. The Purchase Agreement provides, in part: a) the City shall bear customary costs of escrow, title and recording; b) escrow and other closing costs that are not customary and result from a request by Owner shall be borne by Owner; and c) the Owner shall bear the cost for any unpaid delinquent or nondelinquent property taxes, bonds and assessments and/or penalties and interest thereon due on the Site.

Escrow [has been opened with _____][will be opened with _____ promptly upon receipt of the signed Purchase Agreements].

Your cooperation in connection with effecting a closing as soon as feasible will be appreciated.

CITY:

CITY OF MORENO VALLEY, a municipal corporation

By: _____
Name: _____
Its: City Manager

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____
(Here insert name and title of the officer)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Seal)

Signature of Notary Public

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

Individual(s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e., certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

ATTACHMENT NO. 14

SENIOR DEED OF TRUST

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: City Manager

APN 291-293-008-0

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)**

This DEED OF TRUST, made as of _____, 201_, between

RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, a California non-profit public benefit corporation herein called TRUSTOR, whose address is:

4250 Brockton Avenue, Riverside, California 92501

STEWART TITLE OF CALIFORNIA, a California corporation, herein called TRUSTEE, and

the CITY OF MORENO VALLEY, a public body corporate and politic, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of Moreno Valley,
County of Riverside, State of California, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of \$193,050.00 plus interest according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein, (3) the maintenance of four (4) rental units on the Site as affordable units to be rented to Very Low Income Households at Affordable Rent as provided for in the Affordable Housing Agreement and the CC&Rs as referenced in Exhibit "B" hereto; (4) payment of amounts due under Section 3.4 of the Affordable Housing Agreement; and (5) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Riverside County on August 18, 1964 at Book 3778,

Page 347 in the office of the county recorder of Riverside County shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF CALIFORNIA)
COUNTY OF _____)
ss

Signature of Trustor

RIVERSIDE HOUSING DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

On _____ before me,

By: _____
Name: Bruce Kulpa
Title: Executive Director

personally appeared _____,
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

(This area for official notaries seal)

WITNESS my hand and official seal

SIGNATURE _____

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL NO.: 291-293-008-0

EXHIBIT "B"

RIDER TO DEED OF TRUST

Exhibit B to Deed of Trust with Assignment of Rents dated as of _____, 201_, executed by Riverside Housing Development Corporation, a California nonprofit public benefit corporation, as "Trustor", to Stewart Title of California, a California corporation, as Trustee, for the benefit of City of Moreno Valley, a municipal corporation, as "Beneficiary" ("Deed of Trust").

1. **DEFAULT - OTHER DEEDS OF TRUST, DEED, COVENANTS CONDITIONS AND RESTRICTIONS (CC&Rs) AND AGREEMENT.** A default under any of the following shall, at Beneficiary's option, constitute a default under this Deed of Trust:
 - (a) A default under that certain Affordable Housing Agreement ("Agreement") dated as of June 1, 2012, between Trustor and Beneficiary or any default under any instruments delivered to City delivered under the Agreement, whether senior or junior to this Deed of Trust (all capitalized terms not defined herein shall have the meanings established therefor under the Agreement);
 - (b) A default under the CC&Rs; or
 - (c) A default under the Resale Restriction Agreement;
 - (d) A default under the Equity Share Deed of Trust; or
 - (e) A default under the Capital Recovery Deed of Trust.
2. **DEFAULT - DEED OF TRUST.** A default under this Deed of Trust shall, at Beneficiary's option, as appropriate, constitute a default under the deeds of trust or other instruments referenced in Paragraph 1(a) through (e), inclusive (collectively the "Other Deeds of Trust"), of this Rider.
3. **NON-IMPAIRMENT.** Except as supplemented and/or modified by this Deed of Trust, all of the terms, covenants and conditions of the Other Deeds of Trust and the other loan documents executed in connection therewith shall remain in full force and effect.
4. **DUE ON SALE OR ENCUMBRANCE.** In the event of any Transfer (as defined below) of the Site, or any portion thereof or interest therein, Beneficiary shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. As used herein, the term "Transfer" means and includes the direct or indirect sale, transfer, conveyance, mortgage, further encumbrance, assignment, or other alienation of the Site, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract, sales agreement or similar instrument affecting all or a portion of the Site, granting

of an option to purchase any portion of or interest in the Site or any interest therein, or the lease of all or substantially all of the Site or of all or substantially all of the improvements situated on the Site. "Transfer" shall not include the leasing of individual dwelling units on the Site so long as Trustor complies with the provisions of the Agreement relating to such

leasing activity. Transfer shall not include the sale, transfer, assignment, pledge, hypothecation or encumbrance by Participant's limited partner of its partnership interest to the extent permitted by the AHA nor shall Transfer include the removal or any general partner of Participant by the limited partner for cause and the replacement of such removed general partner by another person or entity in accordance with the terms of the Participant's partnership agreement to the extent permitted by the AHA. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer.

5. **PRIORITY OF DEED OF TRUST.** This Deed of Trust is subject and subordinate to the following: (i) the CC&Rs.

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

G. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) to pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation thereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To Pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

H. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance or any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD REQUEST FOR FULL RECONVEYANCE

TO STEWART TITLE OF CALIFORNIA, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: _____

Please mail Deed of Trust,
Note and Reconveyance to _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

**DEED OF TRUST
with power of sale**

**STEWART TITLE OF CALIFORNIA,
TRUSTEE**

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title Or Type Of Document

- Partner(s) Limited
- General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

Title(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

- Partner(s) Limited
- General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

ATTACHMENT NO. 15

CAPITAL RECOVERY NOTE
(This Note is secured by a deed of trust)

\$262,000.00

Moreno Valley, California

_____ 1, 201_

Property Address: 22877 Allies Place
Moreno Valley, CA 92551

Maturity: July 1, 2067

FOR VALUE RECEIVED, the undersigned (“Maker”) promises to pay to the City of Moreno Valley (“Holder”) at 14177 Frederick Street, Moreno Valley, CA 92552, or at such other address as Holder may direct from time to time in writing, the sum of Two Hundred Sixty-Two Thousand Dollars (\$262,000.00) (the “Third Lien Amount” or the “Capital Recovery Note Amount”). Such amounts, if any, as become payable to Holder pursuant to Section 3.4 of the “Agreement” (as defined below) shall be added to the principal amount payable hereunder. All sums hereunder shall be payable in lawful money of the United States of America.

1. Loan Agreement. This Capital Recovery Note (the “Capital Recovery Note” or the “Third Note”) is made and delivered pursuant to and in implementation of the Affordable Housing Agreement entered by and between the Holder and the Maker dated as of June 1, 2012 (the “Agreement”), a copy of which is on file as a public record with the Holder. The Agreement is incorporated herein by this reference. The Maker acknowledges that but for the execution of this Third Note, the Holder would not enter into the Agreement or make the loans contemplated therein. Unless definitions of terms have been expressly set out at length herein, each term shall have the same definition as set forth in the Agreement.

2. Interest Rate. The Third Lien Amount shall bear interest at the rate of zero percent (0%) per annum.

3. Payments; Time of Payment. Maker shall make monthly payments to Holder on the first day of each month commencing January 1, 2013, and continuing on the first day of each month thereafter in each Year to and including July 1, 2067 in the amount of Four Hundred Dollars (\$400.00); provided that the entire balance under this Third Note shall be due and payable in full on July 1, 2067.

4. Acceleration. The whole of the Third Lien Amount shall, at the election of the City, become due and be immediately payable to the Holder by the Maker upon the occurrence of any of the following events: (a) the sale or transfer of the Property, including, without limitation, the lease, exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except (i) the rental of the Required Affordable Units at the Site to Very Low income Households at Affordable Rent, or (ii) the transfer of the Property permitted by the Agreement and as to which the prior written approval of the City has been obtained. The failure by Holder to elect to accelerate upon the occurrence of an event within a particular time after the occurrence of such event

shall not operate as a waiver of Holder's right to accelerate and to declare all amounts due hereunder to be immediately payable.

5. Security for Note. This Third Note shall be secured by a third deed of trust and rider thereto of even date herewith encumbering the Site ("Capital Recovery Deed of Trust"), executed by Maker, as trustor, in favor of Holder, as beneficiary.

6 Prepayment of Note. Maker may prepay this Note to Holder, provided that any prepayment must be in full and not in part. Prepayment shall not, however, release Maker from the requirements of CC&Rs, the Resale Restriction Agreement, the Senior Note, the Equity Share Note, the Capital Recovery Note, or the other provisions of the Agreement. In addition, prepayment shall be treated in the same manner as a refinancing of the Property.

7. Holder May Assign. Holder may, at its option, assign its right to receive payment under this Third Note without necessity of obtaining the consent of the Maker.

8. Maker Assignment Prohibited. In no event shall Maker assign or transfer any portion of this Third Note, or its obligations as to the Third Lien Amount and/or under the Agreement without the prior express written consent of the Holder.

9. Joint and Several. The undersigned, if more than one person, shall be jointly and severally liable hereunder.

10. Attorneys' Fees and Costs. In the event that any action is instituted to enforce payment under this Third Note, the parties agree the non-prevailing party shall be responsible for and shall pay to the prevailing party all court costs and all attorneys' fees (based upon the rates customarily charged by the attorneys to private clients) incurred in enforcing this Third Note.

11. Amendments. This Third Note may not be modified or amended except by an instrument in writing expressing such intention executed by the parties sought to be bound thereby, which writing must be so firmly attached to this Third Note so as to become a permanent part thereof.

12. Maker's Waivers. Maker waives any rights to require the Holder to: (a) demand payment of amounts due (known as "presentment"), (b) give notice that amounts due have not been paid (known as "notice of dishonor"), and (c) obtain an official certification of nonpayment (known as "protest").

13. Notice. Any notice that must be given to Maker under this Third Note shall be given by personal delivery or by mailing it by certified mail addressed to Maker at the Property address above or such other address as Maker shall direct from time to time in writing. Failure or delay in giving any notice required hereunder shall not constitute a waiver of any default or late payment, nor shall it change the time for any default or payment. Any notice to Holder shall be given by certified mail at the address stated above.

14. Successors Bound. This Third Note shall be binding upon the parties hereto and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, Maker has executed this Third Note as of the date set forth below.

MAKER:

**RIVERSIDE HOUSING DEVELOPMENT
CORPORATION,**
a California nonprofit public benefit corporation

Dated: _____, 201__

By: _____
Name: Bruce Kulpa
Title: Executive Director

ATTACHMENT NO. 16

CAPITAL RECOVERY DEED OF TRUST

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: City Manager

APN 291-293-008-0

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST, made as of _____, 201_, between

RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, a California non-profit public benefit corporation herein called TRUSTOR, whose address is:

4250 Brockton Avenue, Riverside, California 92501

STEWART TITLE OF CALIFORNIA, a California corporation, herein called TRUSTEE, and

the CITY OF MORENO VALLEY, a public body corporate and politic, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of Moreno Valley,
County of Riverside, State of California, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of \$262,000 plus interest according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein, (3) the maintenance of four (4) rental units on the Site as affordable units to be rented to Very Low Income Households at Affordable Rent as provided for in the Affordable Housing Agreement and the CC&Rs as referenced in Exhibit "B" hereto; (4) payment of amounts due under Section 3.4 of the Affordable Housing Agreement; and (5) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Riverside County on August 18, 1964 at Book 3778,

Page 347 in the office of the county recorder of Riverside County shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF CALIFORNIA)
COUNTY OF _____)
ss

Signature of Trustor

RIVERSIDE HOUSING DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

On _____ before me,

personally appeared _____,
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose names(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

By: _____
Name: Bruce Kulpa
Title: Executive Director

(This area for official notaries seal)

WITNESS my hand and official seal

SIGNATURE _____

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL NO.: 291-293-008-0

EXHIBIT "B"

RIDER TO DEED OF TRUST

Exhibit B to Deed of Trust with Assignment of Rents dated as of _____, 201_, executed by Riverside Housing Development Corporation, a California nonprofit public benefit corporation, as "Trustor", to Stewart Title of California, a California corporation, as Trustee, for the benefit of City of Moreno Valley, a municipal corporation, as "Beneficiary" ("Deed of Trust").

1. **DEFAULT - OTHER DEEDS OF TRUST, DEED, COVENANTS CONDITIONS AND RESTRICTIONS (CC&Rs) AND AGREEMENT.** A default under any of the following shall, at Beneficiary's option, constitute a default under this Deed of Trust:
 - (a) A default under that certain Affordable Housing Agreement ("Agreement") dated as of June 1, 2012, between Trustor and Beneficiary or any default under any instruments delivered to the City under the Agreement, whether senior or junior to this Deed of Trust (all capitalized terms not defined herein shall have the meanings established therefor under the Agreement);
 - (b) A default under the CC&Rs; or
 - (c) A default under the Resale Restriction Agreement;
 - (d) A default under the Equity Share Deed of Trust; or
 - (e) A default under the Senior Deed of Trust.
2. **DEFAULT - DEED OF TRUST.** A default under this Deed of Trust shall, at Beneficiary's option, as appropriate, constitute a default under the deeds of trust or other instruments referenced in Paragraph 1(a) through (e), inclusive (collectively the "Other Deeds of Trust"), of this Rider.
3. **NON-IMPAIRMENT.** Except as supplemented and/or modified by this Deed of Trust, all of the terms, covenants and conditions of the Other Deeds of Trust and the other loan documents executed in connection therewith shall remain in full force and effect.
4. **DUE ON SALE OR ENCUMBRANCE.** In the event of any Transfer (as defined below) of the Site, or any portion thereof or interest therein, Beneficiary shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. As used herein, the term "Transfer" means and includes the direct or indirect sale, transfer, conveyance, mortgage, further encumbrance, assignment, or other alienation of the Site, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract, sales agreement or similar instrument affecting all or a portion of the Site, granting

of an option to purchase any portion of or interest in the Site or any interest therein, or the lease of all or substantially all of the Site or of all or substantially all of the improvements situated on the Site. "Transfer" shall not include the leasing of individual dwelling units on the Site so long as Trustor complies with the provisions of the Agreement relating to such

leasing activity. Transfer shall not include the sale, transfer, assignment, pledge, hypothecation or encumbrance by Participant's limited partner of its partnership interest to the extent permitted by the AHA nor shall Transfer include the removal or any general partner of Participant by the limited partner for cause and the replacement of such removed general partner by another person or entity in accordance with the terms of the Participant's partnership agreement to the extent permitted by the AHA. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer.

5. **PRIORITY OF DEED OF TRUST.** This Deed of Trust is subject and subordinate to the following: (i) the CC&Rs, (ii) the Resale Restriction Agreement, (iii) the Senior Deed of Trust, and (iv) the Equity Share Deed of Trust.

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

G. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) to pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation thereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To Pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

H. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance or any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such

successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD REQUEST FOR FULL RECONVEYANCE

TO STEWART TITLE OF CALIFORNIA, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: _____

Please mail Deed of Trust,
Note and Reconveyance to

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

**DEED OF TRUST
with power of sale**

**STEWART TITLE OF CALIFORNIA,
TRUSTEE**

22877 Allies - 50% & 60% AMI (HOME Funds)								
DIRECT CAPITALIZATION TECHNIQUE								
RENTAL ASSUMPTIONS								
Unit Type	Limit	Rent/ Unit/Mo.	# of Units	Monthly Rent	Percentage of Total	Cap. Rate	Blended Cap. Rate	
1 bed - 1 bath or studio SHP unit*		\$100.00	0	\$0	0.00%	7.500%	0.00%	
1 bed - 1 bath (@ 50% median)	\$582.00	\$575.00	4	\$2,300	100.00%	7.500%	7.50%	
1 bed - 1 bath (@ 60% median)	\$750.00	\$610.00	0	\$0	0.00%	7.500%	0.00%	
1 bed - 1 bath (@ 80% median)	\$750.00	\$610.00	0	\$0	0.00%	7.500%	0.00%	
1 bed - 1 bath (@120% median)	\$1,332.00	\$700.00	0	\$0	0.00%	7.500%	0.00%	
2 bed - 1 bath (@ 50% median) Limit = \$673		\$655.00	0	\$0	0.00%	7.500%	0.00%	
2 bed - 1 bath (@ 60% median) Limit = \$877		\$695.00	0	\$0	0.00%	7.500%	0.00%	
2 bed - 1 bath (@ 80% median) Limit = \$877		\$695.00	0	\$0	0.00%	7.500%	0.00%	
2 bed - 1 bath (@120% median) Limit = \$1,067		\$710.00	0	\$0	0.00%	7.500%	0.00%	
3 bed - 2 bath (@ 50% median) Limit = \$774		\$760.00	0	\$0	0.00%	7.500%	0.00%	
3 bed - 2 bath (@ 60% median) Limit = \$1,001		\$900.00	0	\$0	0.00%	7.500%	0.00%	
3 bed - 2 bath (@ 80% median) Limit = \$1,001		\$950.00	0	\$0	0.00%	7.500%	0.00%	
3 bed - 2 bath (@120% median) Limit = \$1,531		\$1,200.00	0	\$0	0.00%	7.500%	0.00%	
TOTAL/AVERAGE		\$575.00	4	\$2,300	100.00%	NA	7.50%	
		Units at 30%	0					
		Units at 50%	4					
		Units at 60%	0					
		Units at 80%	0					
		Units at 120%	0					
ADDITIONAL FACTORS								
Number of units			4					
Blended Vacancy & Coll. Loss Rate			7.50%					
Off Site Management Expense			7.69%					
Tax Rate		0.250000%						
Assumed Tax Value		\$400,000						
Implied Taxes		\$1,000.00						
Reimbursable Base		\$0		\$0.00				
INCOME SUMMARY								
		Rent	Reimburse	Total	% of Total	Vacancy	Total Vacancy	
Total Income : 1 Bedroom Units		\$27,600	\$0	\$27,600	98.12%	7.50%	7.36%	
: 2 Bedroom Units		\$0	\$0	\$0	0.00%	7.50%	0.00%	
: 3 Bedroom Units		\$0	\$0	\$0	0.00%	7.50%	0.00%	
Laundry Income		\$528	\$0	\$528	1.88%	7.50%	0.14%	
Total Income		\$28,128	\$0	\$28,128	100.00%	NA	7.50%	
INCOME								
								Per Unit
Annual Rent: 1 Bedroom Units		\$27,600						\$6,900.00
: 2 Bedroom Units		\$0						#DIV/0!
: 3 Bedroom Units		\$0						#DIV/0!
Laundry :		\$528						\$132.00
Reimburse. : All Units		\$0		\$0.00			\$0.00	
:		\$0		\$0.00				
:		\$0		\$0.00				
Sub-Total		\$28,128						\$7,032.00
Vacancy & Coll. Loss		(\$2,110)						\$527.40
EGI		\$26,018						\$6,504.60
EXPENSES								
								Per Unit
PAYROLL, STAFFING		\$3,300						\$825.00
ASSET MGMT. (RHDC)		\$2,000						\$500.00
ADMIN. (Legal, advert, taxes, ins.)		\$3,100						\$775.00
MAINT. (Repairs, Trash, Landscaping)		\$5,600						\$1,400.00
UTIL. - (Common Area Gas, Elect, Water)		\$3,340						\$835.00
RESERVES (Capital Expenses)		\$1,200						\$300.00
Other		\$0						\$0.00
Other		\$0						\$0.00
TOTAL EXPENSES		\$18,540						\$4,635.00
Expenses/%EGI		71.26%						
NET OPERATING INCOME		\$7,478						\$1,869.60
								DCR = #DIV/0!
ANNUAL DEBT SERVICE		\$0		\$0.00				\$0.00
CASHFLOW AFTER DEBT SERVICE		\$7,478		\$1,869.60				\$1,869.60

LOAN AMT.	INTR RATE	TERM (yrs)
\$0	0.00%	55
MO. PYMT.	CITY LOANS	
\$0.00		
LOAN AMT.	INTR RATE	TERM (yrs)
\$0	7.50%	30
MO. PYMT.	BANK LOAN	
\$0.00		

ATTACHMENT NO. 18

CITY DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

[Empty box for recording information]

Documentary Transfer Tax: \$ _____
Based on Full Value of Real Property Conveyed

This document is exempt from payment of a recording fee pursuant to government Code Section 27383.

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The CITY OF MORENO VALLEY, a municipal corporation (the "City"), hereby grants to RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Participant" or "Grantee"), the real property described in Exhibit A attached hereto and incorporated herein (the "Property"), subject to existing easements, restrictions and covenants of record, the provisions set forth in Sections 1 and 2 hereof and the requirements of the Affordable Housing Agreement (the "AHA") between the Participant and the City as parties, dated as of June 1, 2012. All capitalized terms not defined herein shall have the respective meanings established therefor in the AHA. The AHA is on file with the City as a public record and its provisions, including without limitation the attachments thereto, are deemed to be incorporated herein by reference.

1. **Affordability Restrictions.** The use of the Property is limited to rental to households of limited income at a rent that does not exceed affordable rent, all as more particularly set forth a "Regulatory Agreement," in the form prescribed as Attachment No. 9 to the AHA (such Regulatory Agreement is sometimes referred to in the AHA as the "CC&Rs"), the Regulatory Agreement, which is to be recorded of even date herewith, is deemed to be incorporated herein by reference.

2. **Nondiscrimination.** The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

3. The Property is required to be maintained as an affordable rental housing resource for an approximately fifty-six (56) year period commencing with the recording of this deed and ending as of July 1, 2067 (which period constitutes the "Required Covenant Period"). At all times during the Required Covenant Period, the prior written permission of the City is required for the conveyance of the Property.

CITY:

CITY OF MORENO VALLEY, a municipal corporation

ATTEST:

Henry Garcia
City Manager

ACKNOWLEDGMENT BY GRANTEE

Grantee acknowledges and concurs in the foregoing, including the provisions of Sections 1, 2 and 3.

RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation

By: _____
Name: Bruce Kulpa
Title: Executive Director

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

That real property located in the State of California, County of Riverside, and described as follows:

LOT 40 OF TRACT 2831, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 49, PAGE 15 THROUGH 16, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 291-293-008-0

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

Individual(s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e., certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

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- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

Individual(s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

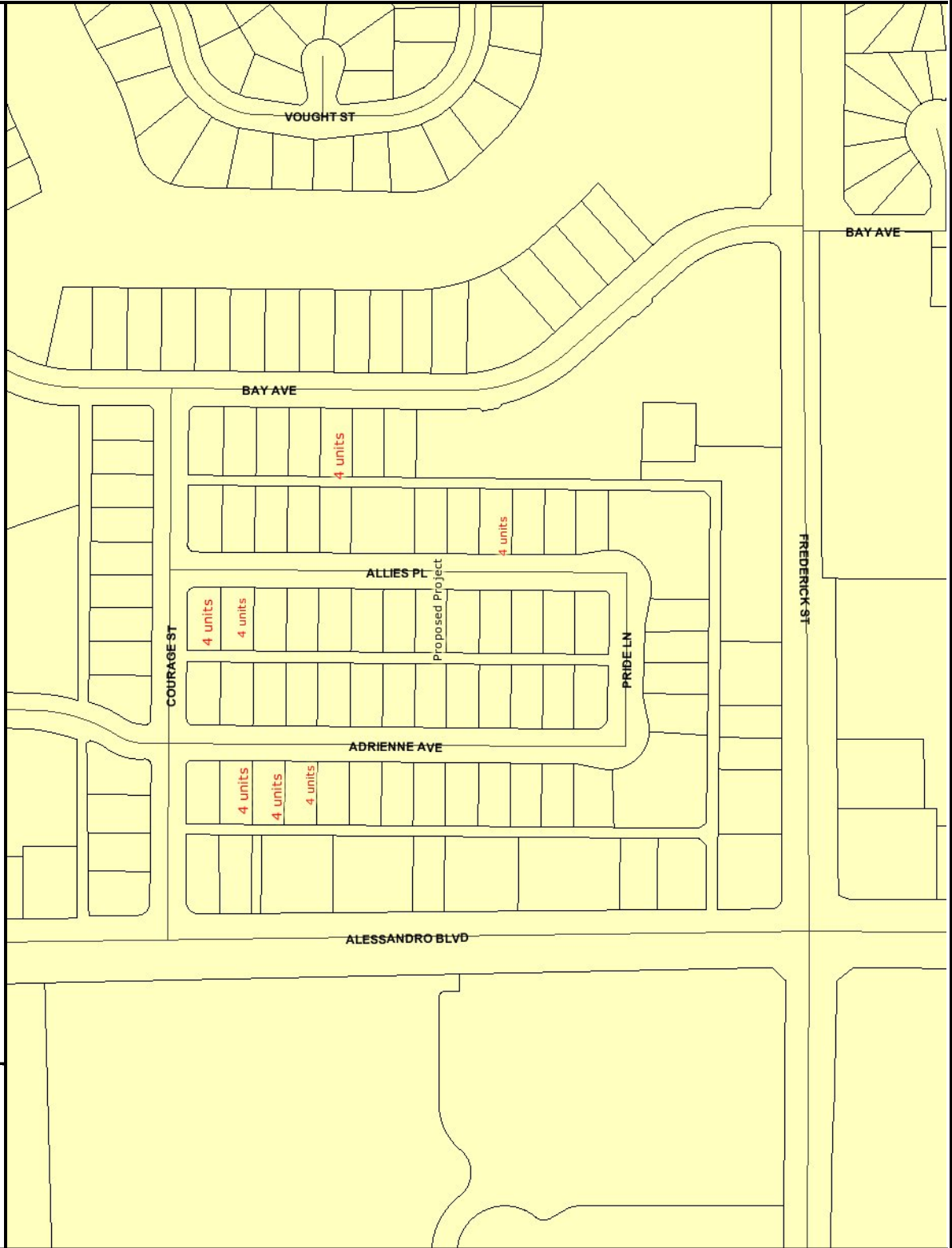
Other _____

EXHIBIT C

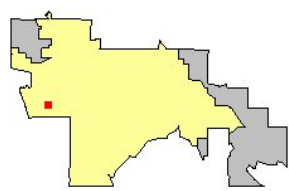
RHDC Project Locations

Legend

-  Highways
-  Parcels
-  Roads
-  March Installation Area
-  Waterbodies
-  Sphere of Influence
- City Boundaries**
-  Calimesa
-  Moreno Valley
-  Perris
-  Riverside

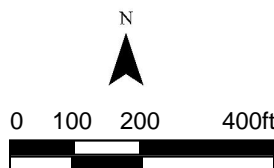


Powered By GeoSmart.net



City of Moreno Valley
 14177 Frederick St
 Moreno Valley, CA 92553

DISCLAIMER: The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses, or damages resulting from the use of this map.

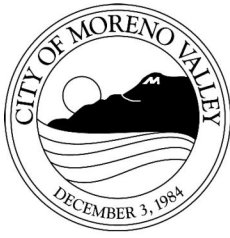


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Item No. A.24

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>RH</i>
CITY MANAGER	<i>mjo</i>

Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk

AGENDA DATE: July 10, 2012

TITLE: ADOPT RESOLUTION NO. 2012-62, APPOINTING MAYOR RICHARD A. STEWART AS THE CITY'S VOTING DELEGATE AND COUNCIL MEMBERS JESSE L. MOLINA AND MARCELO CO AS FIRST AND SECOND ALTERNATE DELEGATES RESPECTIVELY, TO THE LEAGUE OF CALIFORNIA CITIES ANNUAL BUSINESS MEETING – SEPTEMBER 7, 2012

RECOMMENDED ACTION

Staff recommends that the City Council adopt Resolution No. 2012-62 appointing Mayor Richard A. Stewart as the City's Voting Delegate and Council Members Jesse L. Molina and Marcelo Co as first and second alternate delegates respectively to the League of California Cities 2012 Annual Business Meeting.

BACKGROUND

The League of California Cities Annual Conference is scheduled for September 5-7, 2012 in San Diego. At this meeting, the League membership will consider and take action on resolutions that establish League policy. The city must designate a voting delegate and may appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve. Designation of a voting delegate must be done by City Council action.

ALTERNATIVES

1. Adopt the proposed resolution appointing Mayor Richard A. Stewart as the City's Voting Delegate and Council Members Jesse L. Molina and Marcelo Co as first and second alternate delegates respectively to the League of California Cities Annual Business Meeting (recommended by staff)

2. Do not adopt the proposed resolution appointing Mayor Richard A. Stewart as the City’s Voting Delegate and Council Members Jesse L. Molina and Marcelo Co as first and second alternate delegates respectively to the League of California Cities Annual Business Meeting (not recommended by staff)

FISCAL IMPACT

Funds for this conference are found in the City Council 2012-13 Operating Budget account 11110.6221.

NOTIFICATION

Agenda publication

ATTACHMENTS/EXHIBITS

- Attachment A – Voting Delegate Proposed Resolution
- Attachment B – 2012 Annual Conference Voting Delegate/Alternate Form

Prepared By:
Jane Halstead
City Clerk

Department Head Approval:
Jane Halstead
City Clerk

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

RESOLUTION NO. 2012-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DESIGNATING A VOTING DELEGATE TO THE LEAGUE OF CALIFORNIA CITIES 2012 ANNUAL CONFERENCE

WHEREAS, the City of Moreno Valley is a member city of the League of California Cities ("League"); and

WHEREAS, as a member, each city has one vote at the League's annual conference pertaining to League policy; and

WHEREAS, prior to the 2012 annual conference and by August 15, 2012, each City Council may designate a voting delegate and up to two alternates; and

WHEREAS, Mayor Richard A. Stewart of the City of Moreno Valley will be attending the business meeting on Friday, September 7, 2012 at the San Diego Convention Center, San Diego, California.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

That Mayor Richard A. Stewart, voting delegate and Council Members Jesse L. Molina and Marcelo Co, first and second voting alternate delegates respectively are designated for the City of Moreno Valley at the League of California Cities 2012 Annual Conference at the San Diego Convention Center, San Diego, California.

That the City Clerk is authorized and directed to complete and attest to the Voting Delegate/Alternate Form and transmit it to the League of California Cities by August 15, 2012.

APPROVED AND ADOPTED this 10th day of July, 2012.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-62 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

(SEAL)



CITY: Moreno Valley

**2012 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Wednesday, August 15, 2012. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: Richard A. Stewart

Title: Mayor

2. VOTING DELEGATE - ALTERNATE

Name: Jesse L. Molina

Title: Council Member

3. VOTING DELEGATE - ALTERNATE

Name: Marcelo Co

Title: Council Member

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail _____

Mayor or City Clerk _____ Phone: _____
(circle one) (signature)

Date: _____

Please complete and return by Wednesday, August 15th, to:

League of California Cities
ATTN: Mary McCullough
1400 K Street
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: mmccullough@cacities.org
(916) 658-8247

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**MINUTES - REGULAR MEETING OF JUNE 26, 2012 (Report
of: City Clerk's Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.2

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**MINUTES - REGULAR MEETING OF JUNE 26, 2012 (Report
of: City Clerk's Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.2

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**MINUTES - REGULAR MEETING OF JUNE 26, 2012 (Report
of: City Clerk's Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.2

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CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

**a) Report by Mayor Richard A. Stewart on
March Joint Powers Commission (MJPC)**

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2012-2035 Regional Goods Movement Environmental Strategy

PRESENTED BY:

Annie Nam

*Manager, Goods Movement and Transportation Finance,
Southern California Association of Governments (SCAG)*



**SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS**



Images via Siemens



Goods Movement in 2012-2035 RTP

- RTP/SCS Dedicates \$48.4 Billion Toward Grade Separations & Goods Movement
 - **\$6.0 Billion** for Grade Separations
(\$5.6 billion for freight-intensive/\$0.4 billion for primarily commuter rail grade separations)
 - **\$42.4 Billion** for Goods Movement Projects
(e.g., freight corridors, truck climbing lanes, bottleneck improvements, rail capacity, and intermodal facilities)
 - **\$35.0 Million** for Zero Emissions Technology Demonstration and Initial Deployment

Goods Movement Environmental Strategy

- **Two-Pronged Strategy** to address environmental concerns related to both rail and trucks:
 - NEAR-TERM: support proven low-emission technologies
 - LONG-TERM: plan for new infrastructure to accommodate zero emission technologies and continue RD&D



Photo of Cummins Westport LNG waste truck.
Photo taken from www.cumminswestport.com



Balquon-Nautilus XE30 Electric Tractor

Action Plan & Key Milestones

2012

2013

2014

2015

2016

2017

2035

PHASE 1

Project Scoping and Evaluation of Existing Work

PHASE 2

Evaluation, Development and Prototype Demonstrations

PHASE 3

Initial Deployment and Operational Demonstration

PHASE 4

Full Scale Demonstrations and Commercial Deployment

Near-Term Zero-Emission Technology Initial Operational Deployment

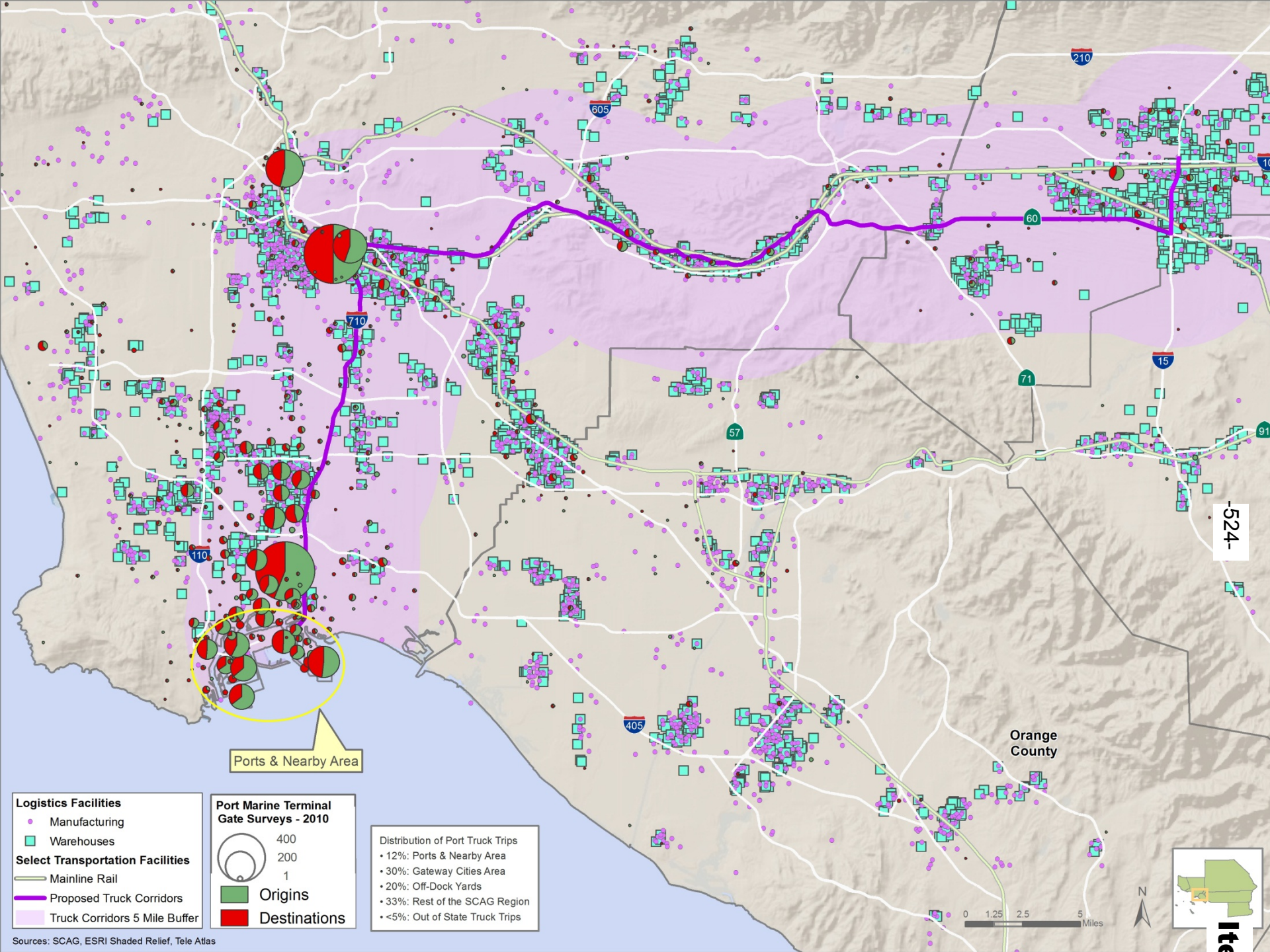
Near-Term Zero-Emission Technology Demonstration

-522-

Regional Application: Zero/Near Zero Emissions Freight Corridor System



- 58 Miles from Ports to I-15 (including I-710 and East-West Freight Corridor)
- Infrastructure could provide charging systems *that could extend the range of various technologies*
- Fixed Guideway is not an option - *vehicles must be able to exit and enter corridor to serve local markets*



Ports & Nearby Area

- Logistics Facilities**
- Manufacturing
 - Warehouses
- Select Transportation Facilities**
- Mainline Rail
 - Proposed Truck Corridors
 - Truck Corridors 5 Mile Buffer

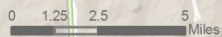
Port Marine Terminal Gate Surveys - 2010

- 400
- 200
- 1
- Origins
- Destinations

Distribution of Port Truck Trips

- 12%: Ports & Nearby Area
- 30%: Gateway Cities Area
- 20%: Off-Dock Yards
- 33%: Rest of the SCAG Region
- <5%: Out of State Truck Trips

Sources: SCAG, ESRI Shaded Relief, Tele Atlas



-524-

Orange County

ite

Potential Technologies for Freight Corridor System

■ Attributes

- Zero emissions along specific corridors/areas
- Infrastructure, e.g., wayside power, charging, fueling

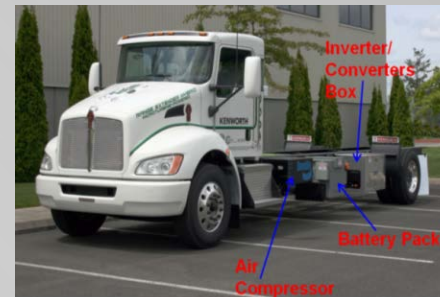
■ Examples

- Fuel Cell
- Battery-Electric
- Plug-in Hybrids/Dual Mode Hybrids



Item No. G.2

-525-



Near-Term Zero-Emission Technology Demonstration and Initial Deployment

- **Regional Zero Emissions Cargo Movement Collaborative**
- **Demonstrate zero emissions system**
 - One mile corridor including infrastructure
 - Catenary and battery truck technologies
- **Responded to DOE solicitation DE-FOA-0000669**
 - Closed May 15, 2012
 - Expected announcements in August 2012
 - Must demonstrate feasible system
- **Top priority for AQMD for past 2 years**

SIEMENS

US Hybrid

VISION motor corp

balqon Corporation

Letter of support from

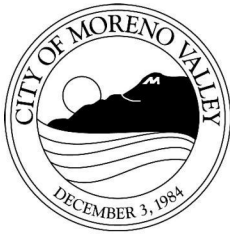
Daimler Trucks North America

-526-

Conclusions and Next Steps

- Technologically Feasible
- Implementation is key issue
- Short-term Needs –
Collaboration and commitment
- Long-term Needs –
Foster technology market

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APPROVALS	
BUDGET OFFICER	
CITY ATTORNEY	
CITY MANAGER	

Report to City Council

TO: Mayor and City Council

FROM: Rick Teichert, Financial & Administrative Services Director

AGENDA DATE: July 10, 2012

TITLE: APPROVE THE LONG RANGE BUSINESS PLAN FOR THE PERIOD FY 2010 THROUGH FY 2020

RECOMMENDED ACTION

The Finance Subcommittee recommends that the City Council approve the Long Range Business Plan (LRBP) for the period FY 2010 through FY 2020.

BACKGROUND

The City of Moreno Valley incorporated on December 3, 1984 during a significant housing boom in California. The City's population has grown from 58,300 in January 1985 to a current population of 196,495 as of January 2012.

The City of Moreno Valley, the second largest City in Riverside County, is on a path to remain fiscally sound, and continues to maintain a good credit rating. The City needs to plan for the financial future to take advantage of opportunities and manage the many financial challenges affecting the community today and into the future. It is appropriate to review the recently established City Council Goals and approved plans, such as the Economic Development Action Plan, the Three-Year Deficit Elimination Plan and the Two-Year Budget, to ensure they work in concert together, along with appropriate financial policies to direct the City toward a strong and prosperous financial future.

In the wake of the Great Recession, the City has substantially reduced General Fund expenditures and staffing levels in an effort to successfully manage the City's General Fund finances and achieve a balanced budget while faced with rapidly declining revenues. As revenues stabilized and with the end of the recession, the City Council and Executive Management team prudently developed a Three-Year Deficit Elimination Plan in April 2011 that further reduced expenditures, while relying on slowly growing

revenues and the strategic use of fund balance to bring the General Fund budget nearly into balance by June 30, 2014.

DISCUSSION

The current economic recovery and the resulting stabilization of General Fund revenues presents an opportunity to look into the future to review and establish the City's long term financial direction and potential. Long range financial planning is an integral step in the visioning and goal setting process of a well-run government agency. The LRBP discusses the goals and strategies of the organization and translates them into a financial context, using financial modeling to frame the fiscal policies and potential for the City's future. This Long Rang Business Plan (LRBP) projects the financial impacts of the current direction and policies of the organization over a longer duration of time. This document provides the baseline that allows policymakers to test and model the impacts to the organization of various choices and decisions that will be faced in the near term and well into the future.

The foundation of the plan includes the City Council Goals and Action Plan resulting from the Council's goal setting work shop on May 18, 2011, the Economic Development Action Plan covering the two-year period of FY 2011-12 and FY 2012-13, the Three-year Deficit Elimination Plan and the adopted Two-year Budget for FY 2011-12 and FY 2012-13. These planning documents were relatively short-term focused to navigate the City out of the period of the Great Recession. The LRBP takes these documents and plans as the foundation and projects the City's economic development efforts and related estimated results through 2020. The report results in the following conclusions and/or recommendations:

- ❑ City Council has established a vision and direction for the City to implement its Economic Development Action Plan with a focus to bring in jobs and tax base growth
- ❑ The LRBP brings life to that vision by being able to dynamically model revenues and expenditures resulting from the Economic Development Action Plan
- ❑ The LRBP translates that revenue and tax base growth into services and programs based on Council's expenditure priorities, that will continue to improve and enhance the quality of life for our residents
 - ❑ The City is financially stable and the current vision and direction results in more stability and a better quality of life.
 - ❑ The needs are significant and the new revenue growth provides an opportunity to begin to meet these needs

- ❑ Stay on Course with the three-year DEP results, but reduce the service and position reductions as new revenues allow
- ❑ Update the Economic Development Action Plan for an additional three-year period covering Fiscal Years 2013-14 through 2015-16
- ❑ Establish a three-year budget, for period FY 2013-14 through 2015-16, based on a current stable economy and steady revenue growth. Remain dynamic, through the priorities set in this plan, to quickly allocate economic growth to appropriate uses.

ALTERNATIVES

1. Approve the Long Range Business Plan (LRBP) for the period FY 2010 through FY 2020.
2. Do not approve the Long Range Business Plan and provide staff with further direction.

FISCAL IMPACT

The Long Range Business Plan does not have an impact on the short term financial plans of the City and does not impact the FY 2012-13 Adopted Budget. The LRBP estimates the financial impact of the City's long range vision, goals and action plans.

CITY COUNCIL GOALS

Revenue Diversification and Preservation

Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety

Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment

Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness

Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced

neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

SUMMARY

The current economic recovery and the resulting stabilization of General Fund revenues presents an opportunity to look into the future to review and establish the City’s long term financial direction and potential. The foundation of the plan includes the City Council Goals and Action Plan resulting from the Council’s goal setting work shop on May 18, 2011, the Economic Development Action Plan covering the two-year period of FY 2011-12 and FY 2012-13, the Three-year Deficit Elimination Plan and the adopted Two-year Budget for FY 2011-12 and FY 2012-13. These planning documents were relatively short-term focused to navigate the City out of the period of the Great Recession. The LRBP takes these documents and plans as the foundation and projects the City’s economic development efforts and related estimated results through 2020.

NOTIFICATION

Publication of the agenda

ATTACHMENTS/EXHIBITS

Exhibit A – Long Range Business Plan

Prepared By:
Richard Teichert
Financial & Administrative Services Director

Department Head Approval:
Henry Garcia
City Manager

Concurred By:
Michelle Dawson
Assistant City Manager

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

**City of Moreno Valley
Long Range Business Plan
General Fund
July 10, 2012**

The City of Moreno Valley incorporated on December 3, 1984 during a significant housing boom in California. The City's population has grown from 58,300 in January 1985 to a current population of 196,495 as of January 2012.

The City of Moreno Valley, the second largest City in Riverside County, is on a path to remain fiscally sound, and continues to maintain a good credit rating. The City needs to plan for the financial future to take advantage of opportunities and manage the many financial challenges affecting the community today and into the future. It is appropriate to review the recently established City Council Goals and approved plans, such as the Economic Development Action Plan, the Three-Year Deficit Elimination Plan and the Two-Year Budget, to ensure they work in concert together, along with appropriate financial policies to direct the City toward a strong and prosperous financial future.

In the wake of the Great Recession, the City has substantially reduced General Fund expenditures and staffing levels in an effort to successfully manage the City's General Fund finances and achieve a balanced budget while faced with rapidly declining revenues. As revenues stabilized and with the end of the recession, the City Council and Executive Management team prudently developed a Three-Year Deficit Elimination Plan in April 2011 that further reduced expenditures, while relying on slowly growing revenues and the strategic use of fund balance to bring the General Fund budget nearly into balance by June 30, 2014.

The stabilization of the General Fund revenues presents an opportunity to look into the future to review and establish the City's long term financial direction and potential. Long range financial planning is an integral step in the visioning and goal setting process of a well-run government agency. This plan discusses the goals and strategies of the organization and translates them into a financial context, using financial modeling to frame the fiscal policies and potential for the City's future. This Long Range Business Plan (LRBP) projects the financial impacts of the current direction and policies of the organization over a longer duration of time. This document will provide the baseline that allows policymakers to test and model the impacts to the organization of various choices and decisions that will be faced in the near term and well into the future.

Current Long Term Planning

City Council Goals

In the spring of 2011, the City Council established their prioritized goals, and a corresponding action plan. The prioritized goals were approved on June 14, 2011 and are directed in five key areas:

1. Job Development, including maximizing vacant land in support of this goal
2. Focus on Medical Corridor and Health Services/Educational Opportunities
3. Maximize Transportation and Infrastructure Opportunities
4. Economic and Tax Base Development
5. Enhance City Image

The Council also approved actions and tasks related to each goal to direct staff toward successfully achieving these Council directives. These key goals have driven the planning and action plans developed subsequent to their adoption.

Economic Development Action Plan

The City Council approved a two-year Economic Development Action Plan that established actions through June 2013 focusing on both job development and tax base growth. Action items included re-sequencing and advancing capital projects to create the infrastructure and environment to attract and facilitate commercial and retail development in the Central and Easterly parts of the City. The plan includes actions that focus on continuing to build commercial and retail growth and stability in existing centers. This plan is designed to leverage current economic development efforts and deliver projects within the next two to three year period and beyond as businesses develop along the improved corridor. The primary goals of the Council-approved Two-year Economic Development Action Plan action plan are:

1. Focus on business development and attraction in a range of commercial and retail locations
2. Enhance retail and restaurant development in the Towngate area
3. Advance development on projects in the Centerpointe Business Park
4. Facilitate development of projects in the South Moreno Valley Industrial Specific Plan
5. Re-evaluate land uses in eastern Moreno Valley
6. Re-sequence and fast-track three Capital Improvement Projects in the City Center area

This plan recognizes that residential development is not an option to pursue in the short term due to two factors. First, the City's low tax base cannot support additional residential development and provide the related City-funded services. Second, the real estate market is not expected to rebound in the foreseeable future due to the impacts of ongoing foreclosures impacting the housing market and the crisis created by problems in the banking industry making credit very difficult to obtain.

This is an opportune time for the City to focus on the development of jobs and tax base through an aggressive pursuit of commercial and retail development. The two markets that are seeking to expand currently include logistics/distribution centers and health care. The City is prepared to be in position to take advantage of opportunities in the healthcare industry through capital improvements in a healthcare corridor.

The City Council, City Manager's Office, Community and Economic Development Department, Public Works Department, and related support staff are focusing tremendous effort to achieve significant economic development and job creation within our City. Making Moreno Valley the place to do business is our objective and the catalyst to full economic recovery for our community.

The Long Range Business Plan identifies some of the results already realized from these efforts and anticipates others that will be delivered during the next three years. These are known projects that have commenced and will be operating within this timeframe. Additionally, the LRBP includes estimates from new taxes as a result of expected economic growth and new development during the next eight years, through June 2020. The impacts of these assumptions are estimated and presented in the LRBP Model Results section of this report.

While the Two-year Economic Development Action Plan was a critical tool to focus the City on a solid direction immediately, **staff is now preparing a Three-year Economic Development Action Plan for Council consideration that will address the period from July 2013 through June 2016.**

Three-year Deficit Elimination Plan (DEP)

The economic recovery has begun, but it is the consensus of regional and national economists that the recovery will continue to build slowly and gradually. Faced with this realization, the Deficit Elimination Plan (DEP) focuses primarily on bringing the City's budget into balance by reducing expenditures, since this is the area where the City Council has the greatest control. The goal of the DEP is to eliminate the structural deficit over a three-year period ending June 2014, focusing on aligning ongoing expenses with the projected revenue stream.

Using the proposed combination of significantly reduced expenditures with the strategic use of available reserves, the implementation of the 3-Year Deficit Elimination Plan will result in a nearly balanced budget by June 2014. Council approval of the 3-Year Deficit Elimination Plan mitigated the need to revisit and recreate a new deficit reduction plan every year. Reductions identified in year three of the plan will be revisited during the budget process in late 2012 when staff has further information on the strength of the economic recovery.

Although significant expenditure and service reductions have been necessary, it is important to maintain an aggressive focus on increasing the City's revenue base from every angle possible to minimize reductions in programs and services.

With a stronger revenue base, as the recovery begins to pick up steam within the next few years, the City will be able to restore and enhance services that our residents expect and deserve. The purpose of this LRBP is to estimate and gauge the rate of revenue growth, including the anticipated success of economic development efforts, to use as a tool with the City Council to determine what services may be restored and what new services might be afforded the residents of the City.

Having received approval of the DEP on March 26, 2011, the City Council directed staff to apply the approved budget reductions identified in the first two years of the plan to the two-year base budget covering Fiscal Years 2011-12 and 2012-13.

Two-Year Adopted Budget

The City Council adopted the Two-year Budget for FY 2011-12 and 2012-13 on June 14, 2011 consistent with the reductions approved in the DEP. The two-year budget established the appropriations necessary to make the DEP vision a reality. The reductions approved for FY 2011-12 were implemented early in the fiscal year to ensure that all departments were operating within the reduced budget constraints. The two-year budget process has worked very well during the gradual economic recovery, providing the framework to stay the course and ensure a budget balanced based on the DEP assumptions.

Revenues have exceeded projections, allowing staff to do an abbreviated update process for the second year of the plan, FY 2012-13. The two-year budget has provided a flexible structure to quickly and strategically adapt and prevent unnecessary reductions in services as revenues recover. The improved revenues allowed Council to reduce the second year position eliminations, while staying on track with delivering on the DEP expected results.

Having a two-year plan in place also allowed staff to spend more time on service delivery and ongoing projects instead of recreating a complete new budget. The time savings and benefit to both staff and City Council has been tremendous. This has been particularly helpful as the City staff manages a heavy workload with reduced staffing levels.

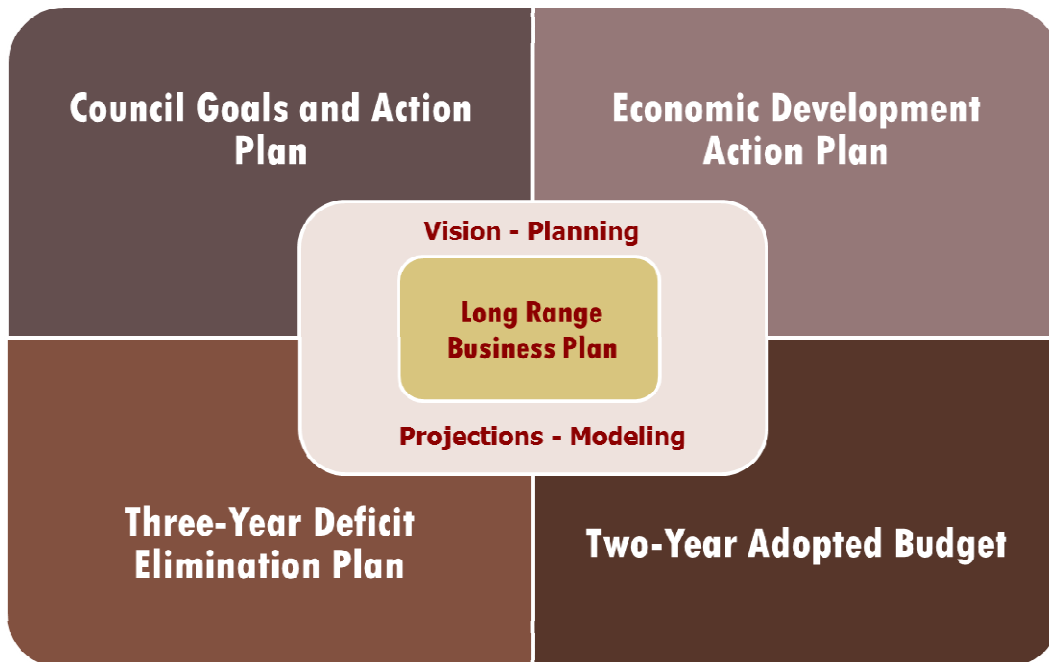
As staff is managing the second year of the two-year budget, the process for the next budget cycle will begin in fall of 2012. **Staff is recommending a three-year budget for FY 2013-14 through 2015-16.** Staff is considering this option due to the slow, but steady, growth in the economy and revenues, making the budgeting for current core services very stable. The City Council will continue to receive updated revenue estimates and recommendations for service adjustments and expenditure modifications for consideration at mid-year and with each new Fiscal Year. The three-year budget provides a stable, consistent, yet dynamic structure to quickly respond to economic changes, while using the LRBP to prepare for

and anticipate the recommendations, making the process more efficient for both staff and Council.

LONG RANGE BUSINESS PLAN (LRBP)

This long range plan links together the vision and direction of the Council Goals and action plan, the Economic Development Action Plan, the Three-Year Deficit Elimination Plan and the current Adopted Two-Year Budget for Fiscal Years 2011-12 and 2012-13 to model the long range financial impact and success of these plans working in concert. The report discusses the revenue and expenditure challenges facing the City over a ten-year period, modeling results through June 2020. It provides a financial model and basis on which to determine the sensitivity and impact to the General Fund financial position as the Council considers options regarding financial policies, economic changes, new services, projects, and other decisions impacting the General Fund. The LRBP depicts the transition from the Great Recession, through slow economic growth and recovery, to a period in which our community will reap the benefits from the long-term fiscal decisions made today.

As the following chart illustrates, the long term planning structure is complex, but it is necessary to dedicate the time to create a vision and understanding of the continuing impacts of today’s actions and investments. There are immediate benefits that will be realized from recent economic development efforts within the next three years. These are commercial projects primarily in the southern portion of Moreno Valley, as well as expanding retail development throughout the City.



The Council has also directed significant infrastructure improvements in the Central and Eastern sectors of the City. The benefits of these investments in terms of job development and tax base improvement will be realized as early as 2014 and will be realized throughout the LRBP period as commercial and retail projects and support businesses emerge from these investments.

The City Council Goals are clear in articulating the focus in creating jobs through appropriate commercial and retail development. This is timely, since the lag in residential development makes this a very good focus for the City while the real estate markets and credit markets are stabilized and rebuilt. The City is also focused on improving and building the tax base, which has historically lagged behind other comparable cities in the region.

The report provides projections of revenues through 2020, including estimates for new revenue to be generated from Economic Development activity realized as a result of the Economic Development Action Plan. The LRBP discusses the historical and current revenue challenges the City faces, and how current and future plans address these issues.

The LRBP also illustrates difficult expenditure choices. It presents the opportunities for the Council to choose and prioritize how to apply new or increased revenues as they are realized. The need to enhance existing and establish new reserves to weather the next economic downturn is also discussed. The needs and choices are many, making the decisions challenging. However, the choices reveal that the future is bright and the opportunities are significant for the City as the focus and investment on commercial and retail business development begins to pay off for the citizens of Moreno Valley.

Status and Direction of the Economy

The federal, state and local economies continue a slow, gradual pace of growth. Although many factors remain positive indicating that stronger than anticipated growth could occur in the future, significant growth restricting factors remain, such as the instability in European markets, massive federal debt and chronic state budget problems. These negative issues not only are constraining market growth, but may have direct negative impacts on local government. .

Staff has considered factors affecting the overall economy when preparing the LRBP. Economic research experts Beacon Economics remains relatively bullish on the national economy and believes it could grow at 3% or more, on average, in 2012. The US economy expanded at an annualized rate of 2.2 percent in the first quarter of 2012, compared with 3 percent in the final quarter of 2011. While this subdued rate of growth missed market expectations of 2.7 percent, it reflects continued expansion in the US as consumption and investment continue to build from their recessionary low. Unfortunately, much of the current debate and media coverage revolves around worries about housing, gas prices, the European debt

crisis, and China. These issues still tend to trump other data that paint a brighter picture. However, the trouble spots that worry many observers do have the ability to slow growth. Ultimately the United States is going to have to go through an adjustment period, using higher taxes and less spending to close the Federal deficit. This makes the outlook for 2013 and beyond slightly less rosy than it might otherwise have been.

Consumer Spending

In the U.S., consumer spending is starting to power growth as business investment cools. A report showed orders for durable goods fell in March by the most in three years, indicating manufacturing will contribute less to growth this year. However, retail sales rose more than forecast in March as Americans snapped up everything from cars and furniture to clothes and electronics. The 0.8 percent gain was almost three times as large as projected and followed a 1 percent advance in February, Commerce Department figures showed as of April 16. Consumer confidence has been lifted by an improving labor market and gains in stocks, along with signs that the housing market may be stabilizing. The Bloomberg Consumer Comfort Index last week matched the highest level in four years.

KEY NATIONAL ECONOMIC INDICATORS

	As Of	Period Release	Expected	Actual	Prior
Unemployment Rate	Apr 12	05/04	8.2%	8.1%	8.2%
Consumer Price Index	Mar 12	04/13	2.7%	2.7%	2.9%
FOMC Rate Decision		04/25	0%-0.25%	0%-0.25%	0%-0.25%
Gross Domestic Product 1Q 12		04/27	2.5%	2.2%	3.0%

Jobs and Employment

In an April 25 statement, the Federal Reserve said “labor market conditions have improved in recent months” and the Fed “anticipates that the unemployment rate will decline gradually.” Staff continues to monitor state and local labor markets, with the following of current information:

- Locally, the unemployment rate in Moreno Valley has fallen to 13.7% as of April, 2012. This is the lowest rate since February 2009 when the rate was 14.0%. The unemployment rate peaked in Moreno Valley in July 2010 at 17.5%.
- California saw modest employment growth from February to March 2012, adding back 18,200 jobs (seasonally adjusted) in the month-over-month period. This is the 8th consecutive month the state has seen gains in total nonfarm employment.
- Also important was the upward revision of the February data. The EDD data originally showed California adding only 4,000 positions while the latest revised data shows a gain of 38,600 positions. This substantial revision illustrates the resilience of California’s job recovery.

In summary, assumptions guiding economic growth over the next eight-year period will follow current trends of slow steady economic growth and expansion, with a gradually improving job picture. This appears to be a conservative, responsible approach to estimate future revenues driven by economic activity within the City. The dynamic approach to the City's long range planning and multi-year budgeting will allow the Council and staff to quickly allocate faster revenue growth toward priority expenditure needs. Additionally, if the economy falters, the City will be positioned to respond quickly to adjust expenditures to achieve and maintain a balanced General Fund budget.

REVENUE BACKGROUND, CHALLENGES AND OPPORTUNITIES

The City of Moreno Valley incorporated five years after Proposition 13 froze the property tax allocation to taxing agencies, creating inequity with cities that existed prior to 1979. Cities incorporating after 1979 had to negotiate with the County to gain a minimal portion of the property tax within the statutory 1% levy allowed. The Moreno Valley General Fund receives about 5.5% of the property taxes collected in the City, compared to pre-Proposition 13 cities that receive 20% or more. The City also receives about 5.5% for Fire Services, reflecting a total of about 11% of the property tax levy that is returned to the City. In addition, cities as a whole have had to deal with the consequences of Proposition 13. Proposition 13 has resulted in a very complex and costly government financial structure to administer and fund city services expected by the voters. This complexity has required that cities hire more staff to address the administration, reporting and regulatory management that is mandatory for the multiple organizations required to provide municipal services.

As a low-property tax city with a low sales tax base, City leaders have to make difficult choices when allocating the financial resources toward needed services for the residents. Moreno Valley has had to manage the provision of necessary city services through alternative funding choices. The City uses a number of post-Proposition 13 revenue generating options, such as parcel fees for specific services, including Parks, Recreation and Community Services, Street Lighting and Landscaping services. The City has utilized the Redevelopment Agency to effectively capture property tax increment to support vital infrastructure needs and incentives to lure the retail and commercial development the City enjoys today. In addition, to support core City services during the recession of 1990-1993, the City implemented a Utility User's Tax (UUT) in 1991. Although the City had reduced General Fund staff by 40%, this new revenue source allowed the City to balance the General Fund budget without reducing public safety services. In 2008, the UUT, by direction of City Council and by action of the City's voters, was reduced from 6% to 5.75%. Analysis through this LRBP indicates the UUT is a vital, stabilizing revenue source critical to providing public safety services and is a revenue source that the City cannot afford to lose.

The City's tax base has not developed as quickly as similar cities in the region due to two factors. First, Moreno Valley needs jobs. The City is a "bedroom community", which does not create significant property tax base compared to the cost of services required for a good quality of life for the residents, and does not create the necessary sales tax base required to pay for necessary services. The commuter characteristic of being a "bedroom community" has hindered the tax base growth. Citizens tend to spend where they work, and do not tend to shop after coming home from a long commute. A strong employment base has not developed within the City, which would keep residents at home and bring outside commuters into the City to work and spend. The commercial and retail development is desirable not only for the jobs it brings, but it also brings higher property assessments and utility usage, both of which have a positive impact on the City's tax base. Secondly, there are geographic "barriers" to drawing people from outside the City into Moreno Valley for shopping and commerce. The fact that Moreno Valley is nestled into "the Badlands" creates a natural physical barrier that makes it less convenient for non-residents to the north and east to access Moreno Valley retail and shopping. In addition, there is not a lot of nonresidential traffic that passes directly through Moreno Valley that would stop and shop in the City compared to cities like Corona, Rancho Cucamonga and Temecula. The largest share of commuter traffic on Interstate 215 never enters the City. The City Council cannot easily change these geographic barriers, but may consider a policy to push for a northerly connection to Interstate 10 to provide access to Moreno Valley shopping to residents of Redlands, Yucaipa, Cherry Valley, Calimesa and Beaumont, without having to wind through the Badlands stretch of Highway 60.

We have to be cognizant of what creates a strong tax base. Job centers bring people into the City. People tend to spend where they work. In addition, job centers cultivate more support businesses and foster tax producing business-to-business sales. Moreno Valley had a vision in the 1990's that the Riverside County Regional Medical Center would be a catalyst to draw support businesses and jobs into Moreno Valley in the central area of the City. This has not occurred due to the lack of infrastructure in place to draw businesses to this area.

The City's revenue challenges are summarized by the following points:

- Insufficient tax base and revenue growth to support the growth in operating and capital expenditure requirements.
 - Due to a low tax base compared to other cities regionally of comparable size
 - Due to lack of job producing businesses and high unemployment
 - many of those that work do so outside of the City and spend outside of Moreno Valley
 - many residents are out of work and unable to spend at the same levels as prior to the recession
 - Economic fluctuation of the existing tax base

- The State impact to local government revenues – slowly coming to an end simply because they have taken everything they can constitutionally take
 - The State dissolved Redevelopment Agencies creating a significant impact to the City and active capital projects
 - The State shifted the annual Vehicle License Fees allocation of \$400,000 from the City to the County to support realigned State public safety requirements
- Inability to manage fee-based services due to voter restricted access to non-tax revenue sources (Props. 218 and 26)

Comparison to other cities:

A comparison of the City’s tax base to other comparable cities in the region shows that the City’s tax base is about 74% of cities of similar size/complexity.

General Fund Revenue Comparison to Similar Cities in the Region			
City	Population	General Fund Per Capita	Percent of Average
Moreno Valley	195,216	\$414	74%
Corona	153,649	\$702	
Fontana	198,456	\$475	
Rancho Cucamonga	168,181	\$522	
Temecula	101,657	\$535	
Four City Average	155,486	\$559	

Utilizing this comparison as an example, if Moreno Valley is successful in achieving the same revenue per capita as the City of Fontana at \$475 per capita, the Moreno Valley would be generating an additional \$11.8 million per year. Similarly, if Moreno Valley is able to achieve the average per capita revenue of \$559, the City would be receiving an additional \$28.2 million per year in General Fund revenue. These are revenues that would have a very positive impact on services that would improve the quality of life for Moreno Valley citizens.

Sales Tax Example

A more stark view is a comparison of sales tax collected for the same regional cities. The comparison reflected in the following table shows that the total sales tax base for Moreno Valley for the 2nd quarter of 2011 is 51% of the average for Corona, Fontana, Rancho Cucamonga and Temecula. However, on a sales tax

per 1,000 population basis, Moreno Valley is only 38% of the average of the other four cities.

This is reflective of several factors. The four comparison cities are geographically closer to Los Angeles and Orange County job centers, meaning that they have built-out sooner than Moreno Valley and are more mature in business/job generation and retail sales tax generation. Job creation is a significant factor in developing a strong tax base in general and sales tax in particular. In the City of Rancho Cucamonga, for instance, the population is greater during the day than in the evening due to the number of jobs in that city. This generates more sales tax as these wage earners buy and spend within the City. In addition, the maturing of retail and commercial development provides significant growth in property taxes, utility taxes, and sales taxes. This is compounded by the attraction of support businesses and the business-to-business activity that is generated. Moreno Valley is only about 50% built out. With the job growth disseminating from the employment centers of Los Angeles and Orange County like a wave, the jobs have tended to be to the west and Moreno Valley developed as a primarily residential community, with residents commuting to the west for work. Now Moreno Valley is poised to make important progress in the area of commercial and retail job producing development through the City Council's goals and Economic Action Plan.

Second Quarter 2011 Sales Tax Comparison						
	Population As of 1/1/2011	No. of Businesses	Sales Tax Generated	Avg. Sales Tax/Business	Businesses per 1,000 Pop.	Sales Tax/ 1,000 Pop.
Moreno Valley	195,216	2,611	2,994,923	1,147	13.4	15,342
Percent of Average	125.6%	59.2%	50.6%	84.5%	45.7%	37.9%
Temecula	101,657	3,611	5,707,393	1,581	35.5	56,144
Corona	153,649	4,709	6,998,813	1,486	30.6	45,551
Rancho Cucamonga	168,181	4,393	5,362,449	1,221	26.1	31,885
Fontana	198,456	4,917	5,614,550	1,142	24.8	28,291
Four City Average	155,486	4,408	5,920,801	1,357	29	40,468

The City of Riverside was not included in the previous comparison as a comparable City. However, the City of Riverside has a population of 308,500 in 2012 and reported a total of 9,686 businesses for the second quarter of 2011. In addition, Riverside generated \$10,200,000 in sales tax for the same quarter reflecting an average sales tax per business of \$1,053. The city has 31 businesses per 1,000 population.

The Long Range Vision:

As the City Council's Goals articulate, the City must focus on the development and use of vacant land for job producing commercial and retail development. The focus of development in the Central and East portions of the City has been planned and anticipated since the early 1990's. The development of the Riverside County Regional Medical Center (RCRMC) in the late 1990's was expected to be a catalyst to development in the central area of the City with medical support and retail businesses touted to follow this important development hub. Development would have generated fees to construct the street and utility infrastructure to continue to support and expand more retail and commercial development in this area. However, the lack of infrastructure has delayed development along this central corridor of the City. This "wait and see" approach has delayed jobs from coming into the City and has delayed development of the City's tax base that is needed to provide necessary services for the City's 196,000 residents.

The Economic Development Action Plan, in response to the City Council's Goals, refocused important capital resources to advance the infrastructure development in the central corridor of the City which will accelerate the commercial and retail growth, thereby creating jobs, reducing unemployment and building the City's tax base,. This LRBP model will estimate the revenue benefit that will be derived from the accelerated growth along the Nason Medical Corridor and through the development of distribution centers to the south and east portions of the City. The LRBP Model provides a tool for estimating the revenue that may be developed through implementation of the Economic Development Action Plan.

The City needs to solve the challenges presented by Propositions 218 and 26. Voters passed these ballot measures to gain more control over fees for services funded by parcel fees and other fee based services. Unfortunately for Moreno Valley, as the costs to provide services such as street lighting and landscaping have increased, property owners have not been receptive to paying increased parcel fees to cover these expenditures. The result has been decreased services (landscaping) or the City's General Fund subsidizing services (street lighting). The City needs to consider an alternate, less costly, means of providing the financial resources for these services. Staff is recommending consideration of a ballot measure targeted for June 2013 to provide a substitute revenue source to provide for the street lighting and landscaping services that are not now covered by the current parcel fees. The ballot measure research will include many options including an increase in the City's TOT tax or sales tax, where the

additional revenue may be dedicated to a specific purpose, based on what research indicates will garner the most voter support. An alternative for a revenue measure may be to dedicate the revenue to new or expanded services, since most existing revenue growth is addressing cost increases for existing services. These may include expanded public safety services, such as additional sworn officers or motor officers or similar new services not supported by the current revenue base.

EXPENDITURE NEEDS, CHALLENGES AND PRIORITIES

The City Council has done an excellent job allocating scarce resources across the array of services needed to provide a high quality of life to the City's residents. The City wisely built a significant nest-egg or fund balance during the years of strong property tax growth that has enabled it to maintain most services during the period of the Great Recession. The City also moved quickly to reduce expenditures and certain services to weather the storm of the recession. The City Council approved a Three-Year Deficit Elimination Plan in April 2011 that is serving as the blue print to bring the City's General Fund into balance by June 2014. The City must stay the course with this plan to establish a point of balance for the General Fund in the post-recession period of slow revenue growth. The LRBP provides the framework to discuss the expenditure needs that have developed during the recession that the City Council may now begin to prioritize and address as the City focuses on developing its tax base and the resources necessary to meet these needs through 2020. The needs are significant and not all can be met within the expected resources identified in this plan. It is important to be aware of the needs and have plans and priorities in place to quickly manage the implementation of the priorities as economic development is successful and resources become available. This plan is intended to spark the discussion about where to direct and prioritize the expenditure of growing revenues and tax base at a high level, not at a detail or budget level.

The needs are generally categorized as those requiring resources and revenues to sustain current service levels, such as contract cost increases for no additional service levels (public safety contracts and contracts with CPI escalators), employee pay/benefit concessions resulting from the recession, and absorbing rising street lighting costs without corresponding fee increases.

Costs related to new or increased service levels will be considered in the LRBP. Examples of these needs would be adding back staff positions reduced during the recession, adding back contracted police service hours or reinstating the staffing for a fire truck recently cut from the budget. Examples of new services would include opening a new library which has been a priority for a number of years or building and staffing a new fire station.

The LRBP will also address long term asset management issues, including the need for investment in street rehabilitation, funding liabilities that are currently underfunded (retirement and retiree medical) and funding liabilities that are not

funded today (compensated absences). The plan will also discuss the need to rebuild depleted reserves as revenues recover and grow.

The plan illustrates how the long term planning tools result in improvement in services and quality of life for Moreno Valley residents, reflecting a return on the investment in infrastructure and new commercial/retail development.

The Long Range Business Plan Model

The Long Range Business Plan (LRBP) models are designed to be very dynamic, allowing for changes in various assumptions in the revenue and expense elements of the model, tracking the specific assumption changes, and identifying/analyzing the corresponding results. The model incorporates actual revenues and expenditures for the past five fiscal years, utilizing the current Two-Year budget as a basis for FY 2011-12 and 2012-13, and making assumptions for both revenue and expenditures for future years through FY 2019-20. Revenues are projected based on each major revenue source.

Baseline Model1

A base level of projected revenues and expenditures is presented in Attachment 1 and is titled **Baseline Model 1**. This view takes a moderate estimation of revenues beginning with the most recently completed Fiscal Year 2010-11 and the current approved Two-Year Budget and projects the General Fund revenues through FY 2019-20, providing a ten-year view of the City's revenues.

Expenses are projected at today's base or core service level, with no service expansion or recovery of positions lost during the recession. A few known expenditure increases are built into the expense base, such as nominal contract increases for public safety, which are detailed in the following section of the report. Salary and benefit costs are projected based on constant staffing levels based on the current approved position control.

Revenues

Staff has reviewed current trends and factors impacting each primary tax source and uses the following table to conservatively, but realistically project the growth of the current tax base for these revenues.

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
	Budget	Budget							
Property Tax	0.50%	1.00%	1.50%	2.00%	2.00%	2.50%	3.00%	3.50%	4.00%
Sales Tax	7.50%	7.50%	6.70%	5.80%	4.90%	3.90%	3.90%	3.90%	3.90%
Transient	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Occupancy									
Franchise Fees	2.10%	2.10%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business Gross Receipts	3.60%	3.60%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Documentary Transfer Tax	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Utility Use Tax	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Property taxes are recovering from the recent real estate market upheaval and have stabilized in the most recent year. Staff does not foresee any rapid recovery and remains vigilant to detect any weakness in the real estate market that may indicate a reversal of real estate prices. The projection reflects a 0.5% growth rate in assessed valuation in the FY 2011-12 budget year with very slow and gradual growth peaking in FY 2019-20 at 4%, when the real estate market may begin to see strength once again. The estimate for total property taxes grows from \$22.8 million in FY 2011-12 to \$27.8 million in FY 2019-20 which is an increase of \$5.0 million or an increase of 22% over the 8 year period, an average of \$625,000 annually during the planning period.

Sales taxes follow a reverse trend. The projection of growth in the short term is fairly strong based on the recent activity of the City's current base of about 2,760 businesses. Part of the recent sales tax growth has been derived from new business. The number of businesses has grown during the recent economic recovery from 2,550 in 2009 to 2,760 in 2012, reflecting an additional 210 business or an 8.4% increase. This is growth of an average of 70 businesses or about 3% per year. In addition, the existing businesses have experienced a steady growth of about 3 to 4% annually. These factors combine to a conservative projection of sales tax growth of 7.5% in FY 2011-12 and 2012-13, reducing toward the consistent growth rate for existing business of about 4% in the later years of the LRBP. The total sales tax revenue in FY 2011-12 is projected to be \$12.8 million. This is estimated to grow by \$6.3 million or 49% to a total of \$19.1 million by FY 2019-20 or an average of about \$800,000 annually during the plan period.

The City's Utility User's Tax (UUT) is the second largest revenue source. Currently, annual UUT is project to be \$15.7 million based on utility usage of existing residents and businesses in the City. Staff projects this will grow by 2% annually to \$18.5 million in FY 2019-20. This represents growth of \$2.8 million during the period, or \$350,000 annually.

Other tax sources include Transient Occupancy Tax, Franchise Fees, Business Gross Receipts Tax, and Documentary Transfer Tax. These taxes combined generate \$7.6 million in FY 2011-12. Staff anticipates a growth rate of between 2 and 2.5% from these sources during the next eight years. These tax revenues are projected to grow to \$9.2 million or a total of \$1.6 million. This is about 21% growth which will average about \$200,000 annually in additional revenue.

Overall, the revenues of the City General Fund are planned to be \$73.2 million in the FY 2011-12 amended budget. The largest share of this revenue is from the tax sources discussed above totaling \$58.9 million. Based on the assumptions used in developing Baseline Model 1, staff estimates total General Fund revenue will grow to \$90.2 million in FY 2019-20. This is an increase of about \$17.0 million, representing an average annual growth of \$2.1 million during the model period.

Expenditures

The General Fund expenditures reflect current core service levels provided, and the costs for supporting and providing those services as approved in the Mid-Year FY 2011-12 and 2012-13 Two-Year Budget. Staffing levels are held constant assuming no service level changes or recovery of positions reduced during the past four years. The Baseline Model 1 assumes implementation of the third year of the Deficit Elimination Plan (DEP) except for the \$2 million reduction to police services, which has been removed from this baseline model.

The model does reflect the incorporation of “vacancy” factors for City staff positions and for public safety contracts. This change in practice corrects for severe budget “under-runs” during a time of declining or slow growing revenues when these scarce resources are required to preserve City services and positions that provide valuable support and services within the General Fund. The result is anticipated budget performance within 2% variance of the approved budget. The factors used include a 4% vacancy factor for City staff, a 1% of contract factor for police services and a 3% of contract factor for fire services.

The Baseline Model 1 also includes the recent COLA of 4.75% for City staff. A savings assumption has also been included to model the impact of the Council’s approval of “Tier 3 benefits” for staff hired after September 2011. This savings will become more substantial over time. Public safety contracts assume a 2% growth rate each year through FY 2019-20.

Baseline Model 1 Summary

Using the assumptions described above, the Baseline Model 1 results are presented in Attachment 1. The total revenues and expenses for FY 2011-12 are \$73.2 million and \$79.9 million, respectively, resulting in the deficit of \$6.7 million. This is consistent with the Three-Year DEP. The revenue growth, without the benefits expected from the Economic Development Action Plan, indicate that the General Fund budget will be balanced in FY 2017-18, reflecting a small surplus of \$167,000 that fiscal year. The City’s fund balance would reach a low point of \$16.9 million in the preceding year, which remains above the \$15 million projected in the Three-Year DEP. This Baseline Model indicates that the City can maintain the core services today, while remaining fiscally stable, within the limits of the assumptions in the model. **These assumptions may not be realistic.** They include assuming that there is no change or increase in employee compensation (pay or benefits) through 2020, while remaining under the stark conditions of a 10% furlough and frozen movement in their pay ranges via merit pay awards. There are limited inclusions for inflationary adjustments in contracts, such as public safety. Additionally there is a major assumption that the General Fund will not be required to support the cost of street lighting services after June 30, 2013.

The purpose of Baseline Model 1 is to establish a static frame of reference as staff begins to adjust model certain assumptions to compare to this baseline. The encouraging result of the assumptions in this Baseline Model is that it does reflect a core level of financial stability, and that with economic growth and new businesses and corresponding increase in tax base, the City will have some positive news and good choices to make beyond this baseline scenario.

The Baseline Model 2 will estimate and compare the revenue impact of additional business growth resulting from the Economic Development Action Plan on the General Fund revenues

Baseline Model 2

The purpose of Baseline Model 2 is to incorporate the revenue generation and benefit expected to be derived from the Economic Development Action Plan. No changes are assumed in the expenditure aspect of the plan. The results of this model version are presented in Attachment 2. The goal of presenting Baseline Model 2 is to address how the Economic Development Action Plan (EDAP) strategically improves the revenue and tax base of the City General Fund. This then sets the stage for the discussion on the benefit of these new resources to the City in terms of addressing cost increases of base services, recovering positions and services lost to the recession and ultimately providing new additional services required for a strong quality of life for Moreno Valley residents.

The immediate benefit of the EDAP is from businesses already online to establish in the southern portion of the City as properties are being developed for distribution centers and commercial use. In addition, a number of retailers have been attracted to the City through Economic Development efforts that will also have a more immediate impact on the City's tax base. Staff has modeled the benefit of these businesses opening within the next one to three year period.

The projects in the central corridor and eastern portions of the City are the result of significant investment in infrastructure that will take time to complete, and the returns on the investment will be realized in the longer term. Staff projects these revenue impacts beginning in the fourth year of the plan through the eighth year of the plan.

In addition, staff has modeled expected growth in support business areas as the critical mass of employment begins to develop from these EDAP efforts. This is the multiplier effect of having businesses and employers develop within the City in significant numbers, they attract multiple support businesses like office supply products, food, additional service employees to support expanded cleaners, banking and the like.

Revenues

Property taxes will increase based on the increase in retail, commercial and logistics business expansion resulting from the EDAP. Property taxes are levied based on the value of structures built and major equipment installed.

Staff has analyzed property taxes received on a variety of business types and sizes. Based on the type/size of business and estimated opening dates, staff has projected the amount of property tax generated and the year the anticipated tax receipts will begin to be received. The number of new business anticipated per year grows as the infrastructure begins to be built out. Staff anticipates 10 significant new businesses generating additional property tax in FY 2013-14, growing to 40 new businesses opening in FY 2019-20. The estimate for total property taxes from new business grows to an additional \$1.5 million in FY 2015-16 and \$2.8 million in FY 2019-20. This is an average of \$350,000 annually in new property taxes in the planning period.

Sales taxes follow a similar trend. Staff has analyzed the types of new businesses anticipated during the planning period. Staff has estimated average sales tax expected for businesses by the quartile within the top 100 sales tax generators the business will fall into. The top 100 businesses, out of about 2,700 total businesses in the City, generate over 80% of the sales tax. Staff has focused on those businesses that would fall within an expected quartile of the top 100 which have the most impact on improving the sales tax base in the City. The projection for sales tax driven by new businesses opening grows to an additional \$2.4 million in FY 2015-16 and \$5.4 million in FY 2019-20. This is an average of \$675,000 annually in new property taxes in the planning period.

The City's Utility User's Tax (UUT) is also impacted by the growth in commercial, retail and businesses expansion. Business and commercial utility usage is typically more than residential use. The City will see a significant benefit in UUT revenue increases as a result of the EDAP. Staff is anticipating an additional \$130,000 in UUT by FY 2016-17 and an additional \$260,000 by FY 2019-20. This is an average of \$33,000 increase each year.

Other tax sources include Transient Occupancy Tax, Franchise Fees, Business Gross Receipts Tax, and Documentary Transfer Tax. These taxes combined generate an additional \$50,000 by FY 2015-16 and an additional \$100,000 from new business growth by FY 2019-20.

Overall, the revenues of the City General Fund are planned to be \$73.2 million in the FY 2011-12 amended budget. Based on the assumptions used in developing Baseline Model 2, staff estimates total General Fund revenue will grow to \$98.9 million in FY 2019-20 compared to \$90.2 million in Baseline Model 1. This is an increase of \$8.7 million in revenue generated by new business growth, or about \$1.1 million average each year.

Expenditures

There is no assumed change in expenditures in this model. Program expenses were kept constant to gauge the amount of revenue that is estimated to be developed from the EDAP.

Baseline Model 2 Summary

General Fund is in balance in FY 2014-15 with a small surplus of 178,000, in line with the original DEP. Fund Balance does not drop below \$23.6 million, while the DEP had estimated an amount as low as \$15 million.

Overall, the new revenue contributed to the City General Fund is projected to be significant. The revenue projection for FY 2015-16 is projected to be \$84.8 million compared to \$80.7 million in Baseline Model 1. This is an increase of \$4.1 million derived from new business growth in the next four-year period.

The total revenue projected for FY 2019-20 is \$98.9 million in the Baseline Model 2 plan versus \$90.2 million in the Baseline Model 1 plan. **This represents new General Fund revenue of \$8.7 million over the 8 year period, averaging \$1.1 million in total new tax base revenue from the EDAP efforts.**

The City's population has been increasing about 2,000 residents per year in recent years. Based on this trend, population in Moreno Valley would grow from 196,500 in 2012 to 212,500 in 2020. The General Fund per capita revenue in 2020 would be \$465 compared to \$414 per capita in 2012. This represents a 12.3% increase in per capita revenue during the eight year LRBP period. This is a significant improvement, demonstrating the expected positive results from the City's current goals, direction and long range planning.

These new revenues are available to address the needs articulated in the following section of the plan.

EXPENDITURE NEEDS/CHALLENGES/PRIORITIES

The following is a list of the known challenges, needs and priorities based on analysis of the City Manager and Finance Offices. This is a list of known, higher priority expenditure needs and opportunities for use of General Fund revenues and is not exhaustive.

The needs/projects/opportunities may change quickly as staff becomes aware of new opportunities and/or technology to better deploy or provide City services. One good example of this is the City-wide police camera project. As staff became aware of this emerging use of camera technology and its benefits, the Council was very quickly briefed and engaged on the use of this equipment, its success in other installations, with the resulting quick approval of this project.

There is a clear need to manage the rate of cost growth in two key areas. A lesson learned during the recession is that the rate of cost growth cannot significantly vary from the rate of revenue growth, or budget imbalances quickly result. This applies in the cost areas of employee salaries and benefits and in public safety contract cost increases. **These cost areas are singled out because collectively they comprise about 85% of the General Fund budget. Due to the magnitude of these costs, they must be managed within the rate of revenue growth to maintain a balanced budget.**

Staff presents the following list of needs for awareness at this time. The City Manager will bring these issues for discussion at a point in the future. This report is intended to stage this discussion, highlighting the positive results and direction of the current long range plans.

Needs to be Addressed – No added Service Benefit:

- Annual Public Safety Contract Increases – Police and Fire
 - Baseline Models 1 and 2 assume a 2% annual public safety contract increase
 - Each additional 1% adds about \$350,000 annually for Police and \$140,000 annually for Fire
- Employee Furlough will need to be phased out at some point
- Employee Step Increases (Merit based) will need to be restored
- Consideration of an Annual Cost of Living adjustment for employees
- Begin to restore lost positions and services as feasible
 - Police: restore reduced Sworn Officer positions (13 sworn officers)
 - Fire: restore Captain Medic, Administrative Battalion Chief, Fire Safety Specialist
 - Finance: Accounting, Treasury, Facilities, Animal Services
 - Community and Economic Development: Code Enforcement
 - Public Works
 - City Clerk
 - Human Resources
 - Others
- Future Street lighting costs
 - Currently subsidize residential and arterial programs for \$1 million through June 2013 – nothing provided beyond that through FY 2019-20
- PERS contributions will be increasing for the planning period

- City PERS trust has decreased to being 56% funded based on the Market Value of Assets as of June 2010; this compares to 82% in June 2006 and 52% in June 2009
- Need to rebuild and re-establish reserves
 - Update reserve policy with a funding plan

Needs to be Addressed – New Service Benefit:

- Future Street Maintenance needs, significant deferred maintenance liability
 - Need at least \$1 million per year to begin to maintain street quality
- Increase Police Services (increase sworn officers and increase traffic officers) to an established service goal adjusted based on the availability and use of City-wide camera system
- Fire Stations, equipment and staffing to address commercial and retail growth, timing uncertain
 - Add two fire stations, based on growth and development requirements
 - One east end and one south/central
 - Purchase an engine for each new Fire Station
 - Add new truck to replace current Quint, requires new funds since replacement funds were already used
 - Redeploy the Truck removed from service in DEP, staff with 11 people instead of the eight previously employed
- Library Capital and Operating for new Library facility
- Fund solutions to Box Springs Mutual Water Company water infrastructure problems
- Loss of Redevelopment – RDA provided necessary funding for infrastructure improvements, business attraction and development
 - What can we do to address these needs

SUMMARY

The LRBP leaves us with the following comments and recommendations:

- Council has established a vision and direction for the City to implement its Economic Development Action Plan with a focus to bring in jobs and tax base growth

- ❑ LRBP brings life to that vision by being able to dynamically model revenues and expenditures resulting from the Economic Development Action Plan
- ❑ Ultimately translating that revenue and tax base growth into services and programs based on Council's expenditure priorities, that will continue to improve and enhance the quality of life for our residents
 - ❑ The City is financially stable and the current vision and direction results in more stability and a better quality of life.
 - ❑ The needs are significant and the new revenue growth provides an opportunity to begin to meet these needs
- ❑ Tax measure should be discussed due to the failure of parcel fees to support current services and to possibly support improvements to public safety
 - ❑ Special Tax for Public Safety or Street Lights, Library Services
 - ❑ General Tax in the form of TOT, Sales Tax, Parcel Fee
- ❑ Stay on Course with the three-year DEP results, but reduce the service and position reductions as new revenues allow
- ❑ Update the Economic Development Action Plan for an additional three-year period covering Fiscal Years 2013-14 through 2015-16
- ❑ Establish a three-year budget, for period FY 2013-14 through 2015-16, based on a current stable economy and steady revenue growth. Remain dynamic, through the priorities set in this plan, to quickly allocate economic growth to appropriate uses.

Attachments

Baseline Model 1

Baseline Model 2

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City of Moreno Valley
Long Range Business Plan
Baseline Model 1
July 10, 2012

	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
<u>General Revenues</u>	Actual	Estimated Actual	Adopted Budget	Adopted Budget	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Taxes	\$ 54,372,344	\$ 56,297,509	\$ 58,925,000	\$ 60,800,000	\$ 62,602,041	\$ 64,442,292	\$ 66,208,546	\$ 68,003,562	\$ 69,976,423	\$ 72,139,441	\$ 74,507,527
Licenses & Permits	624,673	636,789	602,000	620,000	653,510	688,023	720,346	754,386	785,377	817,751	851,572
Fines & Forfeitures	1,162,233	753,170	586,000	586,000	761,000	774,000	787,260	800,785	814,581	828,653	843,006
Use of Money & Property	6,165,877	3,441,802	3,583,500	3,243,500	3,518,000	3,568,000	3,618,000	3,668,000	3,718,000	3,768,000	3,818,000
Intergovernmental	548,088	887,331	-	-	-	-	-	-	-	-	-
Current Service Charges	2,449,190	2,338,126	2,190,700	2,130,600	2,160,884	2,228,135	2,297,403	2,368,749	2,442,235	2,517,926	2,595,888
Development Service Fees	2,671,918	2,531,046	3,436,849	3,354,010	3,751,416	3,863,744	3,979,442	4,098,610	4,221,354	4,347,780	4,477,999
Other Revenues	11,722,157	4,775,794	3,839,396	3,220,813	3,343,300	3,143,300	3,143,300	3,143,300	3,143,300	3,143,300	3,143,300
Other Financing Sources	34,887	-	-	-	-	-	-	-	-	-	-
Total General Revenues	\$ 79,751,367	\$ 71,661,565	\$ 73,163,445	\$ 73,954,923	\$ 76,790,151	\$ 78,707,494	\$ 80,754,296	\$ 82,837,392	\$ 85,101,270	\$ 87,562,851	\$ 90,237,292
	\$ (2,851,962)	\$ (8,089,801)	\$ 1,501,880	\$ 791,478	\$ 2,835,228	\$ 1,917,342	\$ 2,046,803	\$ 2,083,096	\$ 2,263,878	\$ 2,461,580	\$ 2,674,442
	-3.5%	-10.1%	2.1%	1.1%	3.8%	2.5%	2.6%	2.6%	2.7%	2.9%	3.1%
General Expenditures											
General Government:											
City Council	\$ 545,316	\$ 513,870	\$ 577,150	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099
City Clerk	460,656	507,399	543,007	529,905	486,492	486,492	486,492	486,492	486,492	486,492	486,492
City Attorney	1,043,839	1,034,442	928,169	930,802	840,542	840,542	840,542	840,542	840,542	840,542	840,542
City Manager's Office	1,267,339	726,440	940,319	924,795	924,795	924,795	924,795	924,795	924,795	924,795	924,795
Finance	5,592,641	5,301,107	5,189,790	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838
Human Resources	992,649	923,963	890,959	837,395	837,395	837,395	837,395	837,395	837,395	837,395	837,395
Media & Communications	240,303	175,516	64,700	66,233	66,233	66,233	66,233	66,233	66,233	66,233	66,233
Graphics Support	201,265	181,716	188,094	190,104	190,104	190,104	190,104	190,104	190,104	190,104	190,104
Economic Development	483,845	391,450	293,497	430,573	429,403	429,403	429,403	429,403	429,403	429,403	429,403
Non-Departmental	(2,754,808)	4,514,215	4,883,400	3,089,535	3,376,985	3,926,985	4,026,985	4,016,985	4,006,985	3,996,985	3,986,985
Sub-Total - Gen'l Government	8,073,046	14,270,118	14,499,085	12,768,279	12,920,886	13,470,886	13,570,886	13,560,886	13,550,886	13,540,886	13,530,886
Public Safety:											
Police	38,726,541	39,161,671	40,596,770	40,429,819	41,098,729	41,806,046	42,527,608	43,263,704	44,014,627	44,780,676	45,562,158
Fire Operations	15,438,182	15,113,321	16,029,044	16,605,068	17,183,366	17,498,966	17,820,878	18,149,228	18,484,145	18,825,761	19,174,209
Crossing Guards	619,308	566,065	-	-	-	-	-	-	-	-	-
Sub-Total - Public Safety	54,784,031	54,841,058	56,625,814	57,034,887	58,282,095	59,305,012	60,348,486	61,412,932	62,498,772	63,606,437	64,736,367
Other General Fund											
Public Works	1,789,162	1,761,118	2,287,897	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854
Community Development	2,290,371	1,914,232	1,798,494	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906
Sub-Total - Other Gen'l Fund	4,079,533	3,675,350	4,086,391	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760
Development Services											
Public Works	8,194,688	613,699	555,377	562,416	562,416	562,416	562,416	562,416	562,416	562,416	562,416
Fire Inspection Services	335,484	286,274	248,374	243,343	243,343	243,343	513,343	613,343	613,343	613,343	613,343
Community Development	4,016,589	3,412,042	3,866,681	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732
Sub-Total - Public Works	12,546,761	4,312,014	4,670,432	4,536,491	4,536,491	4,536,491	4,806,491	4,906,491	4,906,491	4,906,491	4,906,491
Total General Government Exp.	\$ 79,483,370	\$ 77,098,539	\$ 79,881,722	\$ 78,317,417	\$ 79,717,232	\$ 81,290,149	\$ 82,703,623	\$ 83,858,069	\$ 84,933,909	\$ 86,031,574	\$ 87,151,504
	\$ (8,986,756)	\$ (2,384,830)	\$ 2,783,183	\$ (1,564,305)	\$ 1,399,815	\$ 1,572,917	\$ 1,413,474	\$ 1,154,446	\$ 1,075,840	\$ 1,097,665	\$ 1,119,931
	-10.2%	-3.0%	3.6%	-2.0%	1.8%	2.0%	1.7%	1.4%	1.3%	1.3%	1.3%
Beginning Undesignated FB	41,615,655	41,883,652	36,446,678	29,728,401	25,365,907	22,438,826	19,856,171	17,906,844	16,886,167	17,053,529	18,584,805
Net Change to FB	267,997	(5,436,974)	(6,718,277)	(4,362,494)	(2,927,081)	(2,582,655)	(1,949,327)	(1,020,677)	167,362	1,531,277	3,085,788
Less Designated Fund Balance											
Ending Fund Balance	41,883,652	36,446,678	29,728,401	25,365,907	22,438,826	19,856,171	17,906,844	16,886,167	17,053,529	18,584,805	21,670,593

-557-

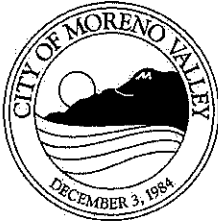
Item No. G.3

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City of Moreno Valley
Long Range Business Plan
Baseline Model 2
July 10, 2012

	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
<u>General Revenues</u>	Actual	Estimated Actual	Adopted Budget	Adopted Budget	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Taxes	\$ 54,372,344	\$ 56,297,584	\$ 58,925,000	\$ 60,800,000	\$ 63,804,825	\$ 67,203,141	\$ 70,272,953	\$ 73,041,565	\$ 76,343,795	\$ 79,492,383	\$ 83,146,666
Licenses & Permits	624,673	636,789	602,000	620,000	653,510	688,023	720,346	754,386	785,377	817,751	851,572
Fines & Forfeitures	1,162,233	753,170	586,000	586,000	761,000	774,000	787,260	800,785	814,581	828,653	843,006
Use of Money & Property	6,165,877	3,441,802	3,583,500	3,243,500	3,518,000	3,568,000	3,618,000	3,668,000	3,718,000	3,768,000	3,818,000
Intergovernmental	548,088	887,331	-	-	-	-	-	-	-	-	-
Current Service Charges	2,449,190	2,338,126	2,190,700	2,130,600	2,160,884	2,228,135	2,297,403	2,368,749	2,442,235	2,517,926	2,595,888
Development Service Fees	2,671,918	2,531,046	3,436,849	3,354,010	3,751,416	3,863,744	3,979,442	4,098,610	4,221,354	4,347,780	4,477,999
Other Revenues	11,722,157	4,775,794	3,839,396	3,220,813	3,343,300	3,143,300	3,143,300	3,143,300	3,143,300	3,143,300	3,143,300
Other Financing Sources	34,887	-	-	-	-	-	-	-	-	-	-
Total General Revenues	\$ 79,751,367	\$ 71,661,640	\$ 73,163,445	\$ 73,954,923	\$ 77,992,935	\$ 81,468,343	\$ 84,818,704	\$ 87,875,395	\$ 91,468,642	\$ 94,915,793	\$ 98,876,431
	\$ (2,851,962)	\$ (8,089,726)	\$ 1,501,805	\$ 791,478	\$ 4,038,012	\$ 3,475,408	\$ 3,350,360	\$ 3,056,691	\$ 3,593,247	\$ 3,447,151	\$ 3,960,638
	-3.5%	-10.1%	2.1%	1.1%	5.5%	4.5%	4.1%	3.6%	4.1%	3.8%	4.2%
General Expenditures											
General Government:											
City Council	\$ 545,316	\$ 513,870	\$ 577,150	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099	\$ 577,099
City Clerk	460,656	507,399	543,007	529,905	486,492	486,492	486,492	486,492	486,492	486,492	486,492
City Attorney	1,043,839	1,034,442	928,169	930,802	840,542	840,542	840,542	840,542	840,542	840,542	840,542
City Manager's Office	1,267,339	726,440	940,319	924,795	924,795	924,795	924,795	924,795	924,795	924,795	924,795
Finance	5,592,641	5,301,107	5,189,790	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838	5,191,838
Human Resources	992,649	923,963	890,959	837,395	837,395	837,395	837,395	837,395	837,395	837,395	837,395
Media & Communications	240,303	175,516	64,700	66,233	66,233	66,233	66,233	66,233	66,233	66,233	66,233
Graphics Support	201,265	181,716	188,094	190,104	190,104	190,104	190,104	190,104	190,104	190,104	190,104
Economic Development	483,845	391,450	293,497	430,573	429,403	429,403	429,403	429,403	429,403	429,403	429,403
Non-Departmental	(2,754,808)	4,514,215	4,883,400	3,089,535	3,376,985	3,926,985	4,026,985	4,016,985	4,006,985	3,996,985	3,986,985
Sub-Total - Gen'l Government	8,073,046	14,270,118	14,499,085	12,768,279	12,920,886	13,470,886	13,570,886	13,560,886	13,550,886	13,540,886	13,530,886
Public Safety:											
Police	38,726,541	39,161,671	40,596,770	40,429,819	41,098,729	41,806,046	42,527,608	43,263,704	44,014,627	44,780,676	45,562,158
Fire Operations	15,438,182	15,113,321	16,029,044	16,605,068	17,183,366	17,498,966	17,820,878	18,149,228	18,484,145	18,825,761	19,174,209
Crossing Guards	619,308	566,065	-	-	-	-	-	-	-	-	-
Sub-Total - Public Safety	54,784,031	54,841,058	56,625,814	57,034,887	58,282,095	59,305,012	60,348,486	61,412,932	62,498,772	63,606,437	64,736,367
Other General Fund											
Public Works	1,789,162	1,761,118	2,287,897	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854	2,242,854
Community Development	2,290,371	1,914,232	1,798,494	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906	1,734,906
Sub-Total - Other Gen'l Fund	4,079,533	3,675,350	4,086,391	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760	3,977,760
Development Services											
Public Works	8,194,688	613,699	555,377	562,416	562,416	562,416	562,416	562,416	562,416	562,416	562,416
Fire Inspection Services	335,484	286,274	248,374	243,343	243,343	243,343	513,343	613,343	613,343	613,343	613,343
Community Development	4,016,589	3,412,042	3,866,681	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732	3,730,732
Sub-Total - Public Works	12,546,761	4,312,014	4,670,432	4,536,491	4,536,491	4,536,491	4,806,491	4,906,491	4,906,491	4,906,491	4,906,491
Total General Government Exp.	\$ 79,483,370	\$ 77,098,539	\$ 79,881,722	\$ 78,317,417	\$ 79,717,232	\$ 81,290,149	\$ 82,703,623	\$ 83,858,069	\$ 84,933,909	\$ 86,031,574	\$ 87,151,504
	\$ (8,986,756)	\$ (2,384,830)	\$ 2,783,183	\$ (1,564,305)	\$ 1,399,815	\$ 1,572,917	\$ 1,413,474	\$ 1,154,446	\$ 1,075,840	\$ 1,097,665	\$ 1,119,931
	-10.2%	-3.0%	3.6%	-2.0%	1.8%	2.0%	1.7%	1.4%	1.3%	1.3%	1.3%
Beginning Undesignated FB	41,615,655	41,883,652	36,446,753	29,728,476	25,365,982	23,641,685	23,819,879	25,934,960	29,952,286	36,487,019	45,371,238
Net Change to FB	267,997	(5,436,899)	(6,718,277)	(4,362,494)	(1,724,297)	178,194	2,115,080	4,017,326	6,534,733	8,884,219	11,724,927
Less Designated Fund Balance											
Ending Fund Balance	41,883,652	36,446,753	29,728,476	25,365,982	23,641,685	23,819,879	25,934,960	29,952,286	36,487,019	45,371,238	57,096,165

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APPROVALS	
BUDGET OFFICER	<i>[Signature]</i>
CITY ATTORNEY	<i>[Signature]</i>
CITY MANAGER	<i>[Signature]</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Financial & Administrative Services Director

AGENDA DATE: July 10, 2012

TITLE: ADOPT A RESOLUTION OF THE CITY OF MORENO VALLEY DECLARING ITS OFFICIAL INTENT TO PROCEED WITH THE CALIFORNIA COMMUNITIES TOTAL ROAD IMPROVEMENT PROGRAM (TRIP) AND TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS AND RATIFY THE RETENTION OF ORRICK HERRINGTON TO REPRESENT THE CITY IN LEGAL MATTERS RELATED TO THE TRIP FINANCING

RECOMMENDED ACTION

Staff recommends that the City Council adopt Resolution No. 2012-61 approving a resolution declaring the official intent to proceed with the California Communities Total Road Improvement Program (TRIP) and to reimburse certain expenditures from proceeds of indebtedness and ratify the retention of Orrick Herrington (cost expected to be between \$50,000 - \$100,000) to represent the City in legal matters related to the TRIP financing and authorize the legal fees and costs to be paid from COP proceeds.

BACKGROUND

On January 10, 2012, the City Council approved participation in the California Communities Total Road Improvement Program (TRIP) financing. The action approved the sale of not more than \$20 million in principal amount of TRIP Certificates of Participation (COPs). The TRIP process requires a judicial validation proceeding to validate the legality of the financing mechanism prior to the sale of the COPs. Typically, the validation process is an administrative matter, since the legality of the financing structure has been validated numerous times before. A Moreno Valley resident, Radene Hiers, has belatedly challenged the default judgment of the validation requested by the

City. The City prevailed in Superior Court, with Commissioner Barkley upholding the default validation after the issues raised by Ms. Hiers were deemed unrelated to the issue of determining the legality of the financing structure under the laws of the State of California. Ms. Hiers has filed a Notice of Appeal in the Superior Court apparently in an attempt to further delay the Nason Street project and other projects that may be funded by the TRIP COPs, since there is no legal basis to challenge the structure of the financing.

DISCUSSION

Staff is confident that the TRIP financing process is completely legal and that the court awarded validation is without fault. As such, staff is recommending defending the appeal action by Radene Hiers through the Appellate Court process. Staff believes that there is no legal basis for an appeal of the Superior Court action validating the financing structure.

Staff is requesting that the City Council take two actions related to the appeal of the validation ruling. First is to approve a resolution of intent to reimburse the City from Certificate of Participation sale proceeds for project costs incurred prior to sale of the COPs. Staff has already continued to design the Nason Street project. These "soft" costs, along with other costs of issuance, are eligible to be reimbursed from the sale of COP proceeds. Staff is requesting authority to proceed with additional project expenditures during the next few months, which will soon include Right of Way costs. Upon approval of this resolution by City Council, staff will continue to incur project costs funded by available gas tax and/or Measure A funds, which will be reimbursed when the TRIP COP sale is completed. Staff is anticipating the delay from the appeal process will take between 9-12 months or longer. This action by Council will negate the delay of the project progress that the appeal could otherwise cause.

Secondly, staff is requesting that the City Council ratify the staff action to retain Orrick Herrington to represent the City through the appeal process. Staff estimates that the cost of legal representation through the appeal process will be between \$50,000 to \$100,000. This cost will be paid from COP proceeds, thereby reducing the funds available for the projects, and effectively increasing the cost to the taxpayers of Moreno Valley by the amount of the legal fees and costs.

ALTERNATIVES

1. Adopt the proposed Resolution approving a resolution declaring the official intent to proceed with the California Communities Total Road Improvement Program (TRIP) and to reimburse certain expenditures from proceeds of indebtedness and ratify the retention of Orrick Herrington to represent the City in legal matters related to the TRIP financing and authorize the legal fees and costs to be paid from COP proceeds.
2. Do not Adopt Resolution 2012-61 and provide additional direction to staff.

FISCAL IMPACT

The appeal of the validation ruling is expected to cost the City between \$50,000 - \$100,000 to defend. This will be a cost to the taxpayers of the City of Moreno Valley that will be funded from the proceeds from the Sale of TRIP COPs.

SUMMARY

On January 10, 2012, the City Council approved participation in the California Communities Total Road Improvement Program (TRIP) financing. Radene Hiers has challenged the default judgment validating the legality of the TRIP financing process by filing a notice of appeal in Superior Court. Staff is recommending defending the appeal by ratifying the retention of Orrick Herrington to represent the City during the appeal process. Staff is also requesting City Council approval to proceed with the Nason Street project funded by the TRIP COPs by authorizing a resolution of intent to reimburse the City for the costs of the project incurred before the sale of the COPs is completed.

ATTACHMENTS/EXHIBITS

Attachment 1 – Proposed Resolution

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Richard Teichert
City Treasurer

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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RESOLUTION NO. 2012-61

RESOLUTION OF THE CITY OF MORENO VALLEY,
CALIFORNIA, DECLARING ITS OFFICIAL INTENT TO
PROCEED WITH THE CALIFORNIA COMMUNITIES
TOTAL ROAD IMPROVEMENT PROGRAM (TRIP)
AND TO REIMBURSE CERTAIN EXPENDITURES
FROM PROCEEDS OF INDEBTEDNESS

WHEREAS, the City of Moreno Valley (the "City") has determined that the design, acquisition and construction of certain roadway improvements and street resurfacing described in Exhibit A hereto (the "Project") is necessary and proper for, and for the common benefit of, the City, and under the terms of applicable law, the payment for such Project may be made from motor vehicle fuel tax revenues received by the City from the State of California and deposited into the Gas Tax Fund and Measure A Receipts, as those terms are defined in the Installment Sale Agreement; and

WHEREAS, in order to achieve a lower net interest cost and lower costs of issuance in connection with financing the acquisition of the Project, the City has determined to participate with certain other local agencies which are also members of the California Statewide Communities Development Authority (collectively, the "Local Agencies") in the California Communities Total Road Improvement Program (TRIP) (the "Program") established by the California Statewide Communities Development Authority (the "Authority") to finance street improvement projects, such as the Project; and

WHEREAS, pursuant to the Program the Authority will acquire and construct the Project for, and sell the Project to, the City, pursuant to an Installment Sale Agreement by and between the City and the Authority, in the form previously approved by this City Council (with such changes, insertions and omissions as are necessary or desirable, being referred to herein as the "Installment Sale Agreement"); and

WHEREAS, the City Council previously approved participation in the Program on a pooled basis and authorized staff to initiate the judicial validation proceedings with the intent to secure a default judgment validating the legal structure of the financing and the execution and delivery of Communities Gas Tax Revenue Certificates of Participation, Total Road Improvement Program (TRIP) (the "Certificates of Participation") as required to proceed with the Program; and

WHEREAS, the City obtained a default judgment in its judicial validation action, which judgment was challenged by an individual, whose motion to set aside the default judgment was denied by the California Superior Court, and who has filed a notice of appeal of that order to the California Court of Appeal; and

WHEREAS, by this Resolution, the City Council desires to restate its interest in the Program, its approval of the Project, its intent to reimburse prior expenditures for the Project with proceeds of indebtedness and its determination to respond to the petitioner's appeal of the judgment and order; and

Attachment 1

Resolution No. 2012-61
Date Adopted: July 10, 2012

WHEREAS, beginning the 60-day period prior to the date hereof, the City has paid or incurred, or expects to pay or incur, costs with respect to the Project prior to the execution and delivery of the Certificates of Participation in order to finance the Project; and

WHEREAS, the City also may have paid or incurred certain 'preliminary expenditures' in connection with the Project, which term includes architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction; and

WHEREAS, in order to reimburse itself for the payment, or pay unpaid costs, of the Project, the City anticipates it will request the issuance of debt obligations in an amount not expected to exceed \$20,000,000 in the first series of obligations of the Certificates of Participation for the purpose of financing costs of the Project; and

WHEREAS, proceeds of such debt obligations (including the Certificates of Participation) will be allocated to reimbursement expenditures no later than 18 months after the later of (i) the date the cost is paid, or (ii) the date the Project (or each component thereof) is placed in service or abandoned (but in no event more than three years after the cost is paid); and

WHEREAS, the Authority will act as issuer, and the City as the borrower of the proceeds, of the Certificates of Participation and the City is the applicable authorized entity to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of indebtedness; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the City to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of indebtedness; and

WHEREAS, the City wishes to declare its official intent to use proceeds of indebtedness (such as the Certificates of Participation) to reimburse Project expenditures paid before the obligations are executed and delivered and to finance Project costs on a long-term basis with the proceeds of such indebtedness.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moreno Valley, as follows:

1. All of the recitals herein contained are true and correct and the City Council so finds.

Resolution No. 2012-61
Date Adopted: July 10, 2012

2. This Resolution is adopted by the City Council solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. Unless otherwise defined, terms used herein shall have the meaning set forth in the Internal Revenue Code of 1986 and in Section 1.150-2 of the Treasury Regulations. This Resolution does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.
3. The City Manager and the Financial and Administrative Services Director are, and each of them is, authorized and directed, for and in the name of the City, to instruct Orrick, Herrington & Sutcliffe LLP, as special counsel to the Program to continue its work in connection with the validation action under Section 860 of the California Code of Civil Procedure on appeal to determine the legality and validity of the Installment Sale Agreement, the Trust Agreement, the Certificates of Participation and the other documents and proceedings in connection with the City's participation in the Program.
4. The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the actions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.
5. All actions heretofore taken by the officers, employees and agents of the City with respect to the actions set forth above are hereby approved, confirmed and ratified.
6. This Resolution shall be in full force and effect upon its adoption.

APPROVED AND ADOPTED this 10th day of July, 2012.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2012-61
Date Adopted: July 10, 2012

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-61 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2012-61
Date Adopted: July 10, 2012

EXHIBIT A

DESCRIPTION OF THE FACILITIES

The construction of streets and roadway capital improvements within the corporate limits of the City of Moreno Valley, which improvements are eligible costs payable from Revenues pursuant to (i) the terms of Article XIX of the California Constitution and related provisions of the California Streets and Highways Code and (ii) Measure A Receipts, including engineering, inspection, contract administration and other incidental costs.

Resolution No. 2012-61
Date Adopted: July 10, 2012

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ORDINANCE NO. 849

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING THE MORENO VALLEY MUNICIPAL CODE REGULATIONS REGARDING: (1) ADOPTING WRCOG GOOD NEIGHBOR GUIDELINES; (2) REVISED PARKING STANDARDS FOR RESTAURANTS; (3) REDUCTION OF (CC) COMMUNITY COMMERCIAL FRONT AND STREET SIDE BUILDING SETBACKS, AND REVISIONS TO PARKING AND LANDSCAPE SETBACKS; (4) PROVIDE FOR PARKING LOT MAINTENANCE STANDARDS, BANNING "TOPPING" OF TREES; AND (5) AMEND THE GENERAL PARKING DESIGN STANDARD WITH REVISED SAFETY FEATURES AND 24 FOOT WIDE DRIVE AISLES.

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1. FINDINGS:

Based on substantial evidence presented to this City Council during its public hearing on June 26, 2012, including written and oral staff reports and the record from the public hearing, this City Council hereby finds as follows:

- A. Conformance with General Plan – The proposed amendment is consistent with the General Plan and its goals, objectives, policies and programs.

FACT: All of the proposed changes are consistent with, and do not conflict with the goals, objectives, policies, and programs established within the General Plan or any specific plan. The amendments modify various provisions of the Municipal Code regarding: (1) Adopting WRCOG Good Neighbor Guidelines with amendments to address air quality; (2) Reducing the minimum restaurant parking space requirement within shopping centers greater than 25,000 square feet of building area where restaurant space is less than 15% of the shopping center square footage; (3) Recommending that the (CC) Community Commercial front and street side building setbacks be reduced, while maintaining a greater setback for parking than for buildings and eliminating the 10 feet and 10 feet landscape option, and replacing it with a 15 feet landscape depth requirement between the property line and parking area on the parking side street setback and 20 feet on the parking front street setback; (4) Providing for a parking lot maintenance standard including the banning of "topping" of trees; and (5) Amending the General Parking Design Standard with revised safety features and 24 foot maximum wide drive aisles. The modifications are aimed at reducing the environmental impact of new and existing development by increased attention on post-construction operational issues, increased efficiency in site development and decreased energy usage.

Ordinance No. 849
Date Adopted: July 10, 2012

- B. Health, Safety and Welfare – The proposed amendment will not adversely affect the public health, safety or general welfare.

FACT: The proposed changes do not have the potential of adversely affecting the public health, safety or welfare of the residents of the City of Moreno Valley or surrounding jurisdictions. The amendment deals with administrative matters that would not cause a physical effect on the environment. Amendments like the Good Neighbor Guidelines and amendments that make development more efficient only improve the Health, Safety and Welfare.

- C. Conformance with Intent of Zoning Regulations – The proposed amendments is consistent with the purposes and intent of Title 9 of the Municipal Code.

FACT: The amendments to the Municipal Code provides for an internally consistent set of regulations that are compatible with the purpose and intent of Title 9. The proposed changes eliminate conflicts or clarify the meaning of some sections of Title 9. As such, it furthers the specific purpose and intent of Title 9 to “implement the goals, objectives, policies and programs of the Moreno Valley General Plan and manage future growth and change in accordance with that plan.”

SECTION 2 MUNICIPAL CODE AMENDMENT:

- 2.1 Section 9.05.050 of Chapter 9.05 of the City of Moreno Valley Municipal Code is hereby added as follows:

Chapter 9.05 INDUSTRIAL DISTRICTS

Sections:

9.05.010 Purpose and intent.

9.05.020 Industrial districts.

9.05.030 Permitted uses for industrial districts.

9.05.040 Industrial site development standards.

9.05.050 Good Neighbor Guidelines

9.05.050 Good Neighbor Guidelines for Warehouse Distribution Facilities.

In September, 2005, the Western Riverside Council of Governments (WRCOG) and the Regional Air Quality Task Force (RAQTF) approved the *Good Neighbor Guidelines For Siting New and/or Modified Warehouse/Distribution Facilities*. The Good Neighbor Guidelines used in this section are a modified version of the WRCOG’s RAQTF Guidelines. The modified version includes goals and strategies that fit the specific needs of the City of Moreno Valley.

Ordinance No. 849
Date Adopted: July 10, 2012

These “Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities,” (referred to as “Good Neighbor Guidelines”) assist planning departments, developers, property owners, elected officials, community organizations, and the general public as a tool to potentially help address some of the complicated choices associated with permitting warehouse/distribution facilities and understanding the options available when addressing environmental issues. These Good Neighbor Guidelines are designed to help minimize the impacts of diesel particulate matter (PM) from on-road trucks associated with warehouses and distribution centers on sensitive receptors located within the City of Moreno Valley. Sensitive receptors include residential neighborhoods, schools, parks, playgrounds, day care centers, nursing homes, hospitals, and other public places where residents are most likely to spend time.

For the purpose of these Guidelines, warehouse/distribution center means a building used for the storage, receiving, shipping, or wholesaling of goods and merchandise, and any incidental or accessory activities that is greater than 650,000 square feet. This shall be cumulative to include multiple warehouse buildings deemed as part of a project or a phased project exceeding a combined total building area of 650,000 square feet. For the purpose of these Guidelines, a warehouse and distribution center is not intended to include “big box” discount or warehouse stores that sell retail goods, merchandise or equipment, or storage and mini-storage facilities that are offered for rent or lease to the general public.

A. Minimize exposure to diesel emissions to neighbors that are situated in close proximity to the warehouse/distribution center by using the following strategies:

1. To the extent possible, locate driveways, loading docks and internal circulation routes away from residential uses or any other sensitive receptors.

2. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020.B.2 – “Parking Prohibitions or Restrictions” is unlawful to park or leave standing any commercial vehicle weighing 10,000 pounds or more on any vacant lot or unimproved nonresidential property in the City.

3. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020.B.5 – “Parking Prohibitions or Restrictions” is unlawful to park or leave standing any commercial vehicle weighing 10,000 pounds within any commercially zoned property for the purpose other than doing business at the site, and or remaining parked or standing for longer than reasonably appropriate to do such business acts related to such business operations.

4. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020.B.8 – “Parking Prohibitions or Restrictions” is unlawful to park or leave standing any commercial vehicle weighing 10,000 pounds or more on any highway, street or road which is adjacent to a parcel upon which there exists a public facility.

5. Enforce compliance with Moreno Valley Municipal Code Section 9.10.150 – “Odors” no operation or activity shall be permitted which emits odorous gases or other odorous matter in such quantities as to be dangerous, injurious, noxious, or otherwise

objectionable to a level that is detectable with or without the aid of instruments at or beyond the lot line of the property containing said operation or activity.

B Eliminate diesel trucks from unnecessarily traversing through residential neighborhoods by using the following strategies:

1. Enforce compliance with Moreno Valley Municipal Code Section 12.36.030 – “Designation of Truck Routes” the city traffic engineer shall erect appropriate signs designating the affected street or portion thereof.

2. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020.B.1 – “Parking Prohibitions or Restrictions” is unlawful to park or leave standing any commercial vehicle weighing 10,000 pounds or more on any highway, street, road, alley or private property within any residential district within the city.

3. Required warehouse/distribution centers to establish a specific truck route and post signage between the warehouse/distribution center and the freeway and/or primary access arterial that achieves the objective.

4. Require warehouse/distribution centers to provide signage or flyers identifying where food, lodging and entertainment can be found, when it is not available on site.

C. Eliminate trucks from using residential areas and repairing vehicles on the streets by using the following strategies:

1. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020.A.4. – “Parking Prohibitions or Restrictions” It is unlawful to park or leave standing any vehicle on any highway, street, road or alley within the city for the purpose of servicing or repairing such vehicle except when necessitated by an emergency.

2. Allow warehouse/distribution facilities to establish an area within the facility for repairs.

D. Reduce and/or eliminate diesel idling within the warehouse/distribution center by using the following strategies:

1. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020.C – “Parking Prohibitions or Restrictions” while adjacent to a developed residential area, the operator shall not idle the vehicle’s engine for longer than fifteen (15) minutes.

2. Enforce compliance with Moreno Valley Municipal Code Section 12.50.040.A.1 – “Idling Limitation” a driver of a vehicle must turn off the engine upon stopping at a destination.

3. Enforce compliance with Moreno Valley Municipal Code Section 12.50.040.C – “Idling Limitation” an equipment operator of a TRU (Transportation Refrigeration Unit) must not cause or allow a TRU to operate while stationary unless the vehicle is lawfully parked at a location approved for truck parking by this code and not within five hundred (500) feet of a school unless the operator is actively engaged in the process of loading or unloading cargo or is waiting in a queue to load or unload cargo for a period not to exceed two hours.

4. Enforce compliance with Moreno Valley Municipal Code Section 12.50.060.D – “Relationship to other laws” nothing in this chapter allows idling in excess

of other applicable laws, including, but not limited to any other local, state or federal law or regulation as stringent as, or more stringent than this chapter.

5. Future tenant improvements involving conversion of a warehouse for refrigeration storage shall include electrical hookups for refrigeration units.

6. Promote the installation of on-site electric hook-ups to eliminate the idling of main and auxiliary engines during loading and unloading of cargo and when trucks are not in use.

2.2 Table 9.11.040B-12 of Section 9.11.040 of Chapter 9.11 of the City of Moreno Valley Municipal Code is hereby amended as follows:

**Table 9.11.040B-12
Off-Street Parking Requirements**

Commercial Uses	Requirement	Notes
General retail (unless specified elsewhere)	1/225 sq. ft. of gross floor area	
Eating and drinking establishments	1/100 sq. ft. of gross floor area up to 6,000 sq. ft. 1/75 sq. ft. of gross floor area over 6,000 sq. ft.	A minimum of 10 spaces required for stand alone use.
Eating and drinking establishments within shopping centers of 25,000 square feet of building area or greater.	1/225 sq. ft. of gross floor area up to 15% of the shopping center gross building square footage. 1/100 sq. ft. of gross floor area over the 15%.	Example a 25,000s.f. Shopping Center. 15% of Shopping Center = 3,750s.f. is calculated at 1/225. $3,750/225 = 17$. Any restaurant space over 3,750s.f. is calculated at 1/100. $2000/100 = 20$

2.3 Table 9.04.040-7 of Section 9.04.040 of Chapter 9.04 of the City of Moreno Valley Municipal Code is hereby amended as follows:

9.04.040 Commercial site development standards.

A. General Requirements. The following table sets forth minimum site development standards for all commercial and office zones. All sites shall conform to the dimensions set forth in this section. A development or center may, however, be a combination of

many parcels totaling at least the required site size, but its design must be integrated and unified. In addition, projects must comply with the special requirements enumerated in Section 9.04.040(B), the performance standards included in Chapter 9.10 and any other applicable city ordinances, policies, and programs.

Table 9.04.040-7

Commercial Site Development Minimum Standards

	Requirement	O	OC	VC	NC	CC
1	Minimum site area	10K ¹	10K	10K	10K	1ac ²
2	Minimum site width, in feet	100	100	100	100	200
3	Minimum site depth, in feet	100	100	100	100	175
4	Front building setback, in feet ³	20*	20*	20*	20*	10*
5	Side street building setback area, street sides, in feet ³	20*	20*	20*	20*	10*
6	Lot coverage, maximum	60%	60%	—	—	—
7	Building height, in feet, maximum	See Special Requirements				
8	Parking front street setback, in feet ³	20	20	20	20	20
9	Parking side street setback, in feet ³	15	15	15	15	15

Ordinance No. 849
Date Adopted: July 10, 2012

Requirement	O	OC	VC	NC	CC
10 Setback landscaping	All setbacks exclusive of required walkways and driveways will be landscaped planting areas	All setbacks exclusive of required walkways and driveways will be landscaped planting areas	All setbacks exclusive of required walkways and driveways will be landscaped planting areas	All setbacks exclusive of required walkways and driveways will be landscaped planting areas	All setbacks exclusive of required walkways and driveways will be landscaped planting areas

¹ The term “K” means one thousand (1,000).

² The term “ac” means acre or acres.

³ Measured from property line after dedications for public rights-of-way.

* Building areas above 30 feet shall be setback an additional 5 feet for every 10 feet of additional structure height unless otherwise approved by the Planning Commission.

On legal lots of record existing immediately prior to the date of adoption of this title, and which otherwise comply with all other provisions in this title and with all land use regulations existing immediately prior to adoption of this title, if any of such lots contain less than the minimum depths required by this section they need not provide a front building setback or landscaping greater than twenty (20) percent of the depth of the property (excluding right-of-way area). The creation of new lots within these districts shall conform to these minimum dimensions, except in the case of condominium lots or lots within an integrated commercial center containing shared parking and access, in which case no minimums are established. Parcels created within integrated commercial centers are exempt from the site development standards stated herein, as they relate to minimum site areas, and minimum lot width and depth, as long as a conceptual development plan for the entire center has been developed and approved and if appropriate easements for reciprocal access parking and maintenance are provided.

B. Special Requirements.

1. Wherever a lot in any commercial district abuts a lot in any residential district, a minimum setback equal to the building height, but not less than ten (10) feet shall be required. A minimum of ten (10) feet nearest the district boundary line shall be landscaped.

2. Where off-street parking areas or drive-through aisles in commercial districts are situated so as to be visible from any street, screening in the form of a landscaped earthen berm, shrubs, or decorative wall three feet in height shall be erected between the street and the parking area.

3. In all commercial districts, required front building setback areas shall be landscaped. Such landscaping shall consist predominantly of plant materials except for necessary walks and drives.

4. Required rear and interior side building setback areas in any commercial district shall be used only for landscaping, pedestrian walkways, driveways, off-street parking or loading, recreational activities or facilities, and similar accessory activities.

5. In the office commercial district, all nonoffice uses permitted shall be supportive of office-based development. (See Table 9.02.020-1)

6. In the office commercial district, all commercial and retail activities, other than offices, shall be limited to no more than twenty-five (25) percent of the square footage of any building. In the case of a mixed use development, no more than twenty-five (25) percent of the total square footage of all buildings shall be devoted to commercial/retail uses, with the remaining seventy-five (75) percent to be utilized for office.

7. Parking for each use shall comply with the requirements of Chapter 9.11.

8. Except as otherwise specified in this section, structures shall be constructed either on the property line or be set back at least three feet from the rear or interior side property line. (Ord. 643 § 2.1, 2003; Ord. 616 §§ 2.2.3, 2.2.4, 2003; Ord. 590 § 2 (part), 2001; Ord. 560 § 2.1, 2000; Ord. 497 § 1.4, 1996; Ord. 359 (part), 1992).

2.4 Section 9.17.030 of Chapter 9.17 of the City of Moreno Valley Municipal Code is hereby amended as follows:

9.17.030 Landscape and irrigation design standards.

A. General. The landscape plans shall incorporate low water use plants, turf trees and ground covers adaptable to the area. A list of plants may be found in the county of Riverside's Guide to California Friendly Landscaping that provides a variety of options to meet the drought tolerant needs of the area while ensuring an aesthetically pleasing landscape. Plants not on the list may be used providing the water consumption does not exceed the project's water budget. Consideration should be given to climate, soil types and topographic conditions. Landscapes should group plants using similar watering patterns to eliminate over watering and provide irrigation watering zones of similar use.

The irrigation systems shall be installed using water-conserving equipment including the installation of bubblers, drip systems, low volume sprays and smart irrigation controls. Smart irrigation controls are sensitive to the changing weather patterns and adjust watering cycles automatically to reduce water usage during colder/rainy weather. A water budget shall be completed that meets Eastern Municipal Water District guidelines and submitted with the landscape plans. Based on the landscape design, the water budget will determine the landscape's water demand. Once

calculated, the annual maximum allowable water budget (AMAWB) is compared to the estimated annual water use (EAWU) to ensure the design does not exceed the allowed water use.

Projects shall be designed to capture and retain storm water onsite to improve water use efficiency and water quality. The use of reclaimed water is encouraged. Contact Eastern Municipal Water District for availability.

B. Plan Design Standards. The following design standards are required on all landscape plan submittals:

1. Final landscape and irrigation plans shall be based on the approved site plan and/or the final grading plan for the project.

2. Final landscape and irrigation plans for all projects, with more than one thousand (1,000) SF of landscaped area, except custom homes or projects designed in-house by the public works department or parks and community services department, shall be designed (and wet stamped/certified) by a California state licensed architect, civil engineer or landscape architect. All non-residential projects with one thousand (1,000) square feet or less of landscaped areas shall provide landscape and irrigation plans certified by a certified irrigation designer.

3. Minimum scale is one inch = twenty (20) feet. A smaller scale may be used with prior approval by the city. Standard sheet size is twenty-four (24) inches by thirty-six (36) inches.

4. Existing vegetation shall be retained on any portion of a development not designated for grading or construction, unless otherwise approved or required by the city.

5. Landscape shall include drought-tolerant plants and water conservation principles.

6. All soil surfaces in landscape areas shall be covered with plant materials, walkways or mulch (organic or inorganic).

7. Ground-mounted equipment (e.g., transformers and back flow preventers) shall be screened with landscaping or screening walls, allowing for adequate access for equipment maintenance.

8. Trash enclosures are screened with at least three feet of landscaping on three sides.

9. Unimproved areas are maintained in a weed-free condition, and may require temporary landscape and irrigation.

10. All nonturf landscape areas are covered with a minimum of three inches of mulch following installation, unless otherwise approved by the city.

11. Native or low-water use plant materials shall be used. The use of invasive plants should be avoided. (See the California Invasive Plant Inventory by the California Invasive Plant Council www.cal-ipc.org). No invasive plants are permitted adjacent to Multi-Species Habitat Conservation Plan conservation areas.

12. Water budgets that meet Eastern Municipal Water District guidelines shall be attached to plan submittal. Obtain water budget information from Eastern Municipal Water District.

13. Water budgets are subject to approval by Eastern Municipal Water District. The city of Moreno Valley will cooperate with Eastern Municipal Water District in monitoring to the extent practicable.

14. Irrigation systems shall be designed, maintained and managed to meet the current irrigation efficiency standard as determined by the state of California Code of Regulations and Eastern Municipal Water District. Landscape plans submitted shall meet this standard.

15. Water quality basin design shall ensure that the design between the basin and the required landscaping area complement one another.

C. Turf Areas.

1. Turf areas shall have a maximum design slope of twenty (20) percent and a minimum design slope of one percent.

2. Turf areas shall be limited to less than twenty-five (25) percent and only in gathering areas with the exception of parks and similar recreational facilities. Turf shall not be used solely for decorative purposes. Turfless or xeriscape design concepts are preferred.

3. Where turf areas are allowed, drought-tolerant and warm season turf varieties shall be used.

4. Except for single-family residences, concrete mow strips shall be installed between all turf areas and groundcover/shrub areas, vine pockets, walls, structures, or signs.

5. High quality artificial turf is allowed as an element of a project landscape.

6. Native grasses not requiring regular mowing shall be used in lieu of turf in water quality facilities.

D. Ground Cover/Shrub Areas.

1. Shrubs and groundcover shall be installed in shrub/planting areas in amounts and at intervals that will provide eighty (80) percent coverage within twenty-four (24) months.

2. Shrubs shall be located to provide visual interest to the project site, break-up building massing, and help screen unsightly views.

3. Groundcover (low water use plants are preferred) shall be installed in such a manner to ensure eighty (80) percent coverage within twelve (12) months.

4. No plantings shall be located closer than twenty-four (24) inches from any building or structure, unless otherwise approved by the city.

5. All planting areas adjacent to buildings or structures shall slope away from all buildings, structures or walls, or incorporate drains to direct water away from these elements.

6. Large ground cover areas shall have multiple plant types including a variation in height, texture and color.

7. The plant palette provided in the Riverside County Landscape Guidelines is recommended to identify plants which can be used to establish a balance of drought tolerant plants.

E. Trees.

1. Trees shall be planted in a manner, which maximizes the shading of paved areas, outdoor seating, and both south- and west-facing windows.

2. Street trees for designated streets shall be used, unless a different street tree has already been established along the street segment in question.

3. Trees shall be planted at sufficient size and manner to ensure successful establishment and protection from breakage.

4. All landscape plans shall indicate mature tree canopy diameters.

5. The tree palette shall provide a balanced use of evergreen and deciduous trees with attention to summer shade, fall and spring color, winter sunlight, and new growth.

6. Parkway tree planting shall provide a buffer effect that creates partial screening between parking lot areas and street vehicular traffic.

7. Existing mature trees that cannot be preserved in-place, shall be transplanted elsewhere on the site, unless transplantation is infeasible due to the type or condition of the trees.

8. Projects necessitating the removal of existing trees with four-inch or greater trunk diameters (calipers), shall be replaced at a three to one ratio, with minimum twenty-four (24) inch box size trees of the same species, or a minimum thirty-six (36) inch box for a one to one replacement, where approved.

9. Trees shall be planted in a manner and at locations, which minimize the potential for damage to adjacent walkways and paving.

F. Tree Preservation and Maintenance.

1. Trees are required to be pruned, fertilized, and irrigated as needed to maintain an appropriate healthy condition, maximize shading, and maintain an aesthetically pleasing appearance.

2. Topping of trees is prohibited. Topping of trees means cutting back of the crown creating large stubs and preventing trees from growing to maximum maturity resulting in a loss of shading.

3. Pest diseased trees and dead trees shall be replaced with the same species and in the appropriate size. The appropriate size shall be a minimum twenty-four (24) inch box tree.

4. Guidelines are subject to modifications as determined by an arborist, or landscape architect, and approved by the Community & Economic Development Director.

G. Heritage Trees.

1. Heritage trees are defined as meeting one of the following:

a. Any tree that defines the historical and cultural character of the City including older Palm and Olive trees, and or any tree designated as such by official action.

b. Trees with a fifteen (15) inch diameter measured twenty-four (24) inches above ground level.

c. Trees that have reached a height of fifteen (15) feet or greater.

2. No person shall remove, destroy, top, or disfigure a Heritage tree within the City Limits.

3. Removal of a Heritage tree is permitted if the tree poses a dangerous or hazardous condition to people, structures, property, or another Heritage tree.

4. Removal of a Heritage tree is permitted if tree is diseased, drying, or dead, and if a reasonable undertaking to preserve the tree had occurred.

5. Removal of a Heritage tree in the public or future right of way is permitted with the approval of the Community and Economic Development Director and if a reasonable undertaking to preserve the tree had occurred.

6. Removal of a Heritage tree designated historic and or culturally significant by official action shall require the review of the Ecological Historical Preservation Board.

7. Trees grown by nurseries and tree farms for sale purposes are exempt from being a Heritage tree.

H. Irrigation.

1. All planted landscape areas shall be provided with an approved “smart” automatic irrigation control systems (labeled as evapotranspiration (E.T.) based), with rain sensing and soil moisture sensing devices. Watering during the rain shall be avoided.

2. Drip and bubbler-type and MP rotator sprinkler heads or similar efficient sprinklers shall be used whenever possible. These sprinklers should be used exclusively when positioned adjacent to building walls. (Bubblers and spray heads should be pressure compensating, low volume type).

3. Separate irrigation zones shall be provided for areas with different irrigation requirements, including, but not limited to, trees, turf and nonturf areas.

4. Reduced pressure backflow preventers are required on all irrigation systems.

5. No fixed risers are permitted, unless otherwise approved by the community development director.

6. A pressure vacuum breaker shall be installed at the top of slopes when irrigation is installed on the top of the slope.

7. Irrigation shall be placed in a manner that eliminates overspray, runoff, wicking action and/or damage to adjacent buildings, walls, walks, driveways, streets, and fences.

8. Irrigation of landscapes should occur between nine p.m. and six a.m. except during the establishment period, when temperatures are predicted to fall below zero or when repairing/adjusting the irrigation system.

9. Eastern Municipal Water District will calculate the annual maximum allowable water budget (AMAWB) for customers requesting a new account. The proposed landscape must meet the AMAWB requirements prior to meter release. (Ord. 786 § 2, 2009)

2.5 Table 9.11.080-13 of Section 9.11.080 of Chapter 9.11 of the City of Moreno Valley Municipal Code is hereby amended as follows:

9.11.080 Design standards.

A. General Parking Design Standards.

1. Parking lot design shall take into consideration the appropriate integration of commercial uses. Parking facilities shall be designed to eliminate obstacles to pedestrian movement, consider spatial relationships between commercial uses and associated parking, and where appropriate, parking design will dictate the types of uses that may feasibly be established to ensure that adequate parking is available within a reasonable distance to the use it serves.
2. Special plazas, motor courts or turnarounds are encouraged to identify entrance areas.
3. Project access and circulation shall allow for both vehicles and pedestrians by separating autos and foot traffic, by creating pedestrian entrances to projects and by using enhanced paving treatments, bollards or pergolas to identify pedestrian pathways through parking areas and along buildings.
4. Projects shall minimize impacts on adjacent streets by consolidating access points. Access points should be consolidated to take advantage of planned or existing median breaks.
5. The city may require reciprocal parking and access agreements between individual and adjacent commercial parcels.
6. To discourage excessive speeds within parking areas, the maximum length of straight aisles shall not exceed three hundred (300) feet unless otherwise approved by the community development director.
7. Parking rows shall not be longer than one hundred eighty (180) feet, allowing for easier movement within the parking lot and preventing long queues within aisles unless otherwise approved by the community development director.
8. Drive aisles should make a loop around the structures and avoid dead end parking. In the case of straight drive aisles, provide at least ten (10) feet of setback between the last parking stall and the property line.
9. Parking areas shall be screened from streets through a combination of mounded landscaping, low profile walls and/or grading separations.
10. Parking areas shall not be used for loading or unloading.
11. Internal roadways should be designed so that direct access is available to all structures visible from a particular parking area.
12. Parking areas should use sound walls, screen walls and landscaping to minimize auto noise, glare and increased ambient temperature.
13. Landscaping, signs and walls shall be limited to thirty-six (36) inches in height, measured from top of curb within twenty-five (25) feet of any driveway entrance to protect visibility. Any trees located in these areas shall have trunks not exceeding eight inches in diameter and shall have a minimum branching height of six feet.

14. Trash enclosures shall not impair visibility.
15. Auto headlights in parking areas shall be screened so that they do not shine into adjacent properties or public rights-of-way.
16. All illumination of streets, parking areas and other project areas shall provide a variety of light quality and intensity, emphasizing areas of high vehicular and pedestrian activity with increased light intensity.
17. Driveways shall be designed so entering vehicles do not interfere with the existing vehicles. Main driveways shall employ entry medians whenever possible.
18. The first parking stall perpendicular to a driveway or first aisle juncture shall be at least sixty (60) feet back from the property line, providing sufficient queuing for exiting vehicles unless otherwise approved by the city engineer.
19. In commercial developments, parking aisles should be oriented perpendicular to the major tenant's front entrance, to facilitate pedestrian movement.
20. Dead-end parking aisles which exceed eight standard parking stalls in length, and serving greater than sixteen (16) standard stalls for dual lanes, shall provide turnaround facilities (i.e., hammerhead, cul-de-sac, etc.) adequate to accommodate emergency vehicles.
21. Consideration shall be given to service vehicles (i.e., tractor trailers) when designing landscape and hardscape areas.
22. Bicycle and motorcycle parking shall be provided as required by this code.
23. All projects generating vehicular traffic shall participate in the traffic signal mitigation program as adopted by the city of Moreno Valley.
24. Transportation management programs may be requested of projects generating significant vehicular traffic. These programs may include transportation system strategies or transportation demand strategies targeted to reduce the project's impact on roads, air quality, and energy consumption. System strategies deal with physical improvements to the road or facility network, such as street widening, restriping, bus turnout improvements or consolidation of driveways. Demand strategies deal with the behavior of those using the road system and include carpooling, subsidized transit passes, bicycle racks, showers for employee use located within the facility, transit centers, and flexible work shifts.
25. Parking lot design shall include openings in curbs to convey water run off into landscape areas for water quality, retention and absorption. Pervious surfaces are recommended where feasible and required for parking areas provided in excess of city requirements.

B. Dimensions of Parking Spaces.

1. Covered Spaces. Parking spaces within an enclosed garage shall have an unobstructed, clear area dimension of ten (10) feet by twenty (20) feet for each required parking space provided. All other covered spaces shall each be nine feet in width and eighteen (18) feet in depth. The parking area shall be clear of any obstructions and the measurements shall not include the exterior walls or structural supports.

2. Parallel Space. Each parallel parking space shall have a minimum dimension of eight feet wide by twenty-two (22) feet long. However, if a parallel space does not abut another parallel space, and access is adequate to that space, the length may be reduced to twenty (20) feet (see Figure 9.11.080-4).

3. Uncovered Spaces, Full-Size. Each full-size uncovered space shall be nine feet in width and sixteen (16) feet in depth of paved area and two feet of landscaped depth in excess of the adjacent landscape requirement. Spaces may be eighteen (18) feet of paved depth with no additional landscape depth subject to approval by the planning official. (The two feet of additional landscape may not be included in the required landscape setback.) (See Figure 9.11.080-5.)

4. Trailer parking stalls shall have a minimum dimension of fourteen (14) feet wide by fifty (50) feet in depth.

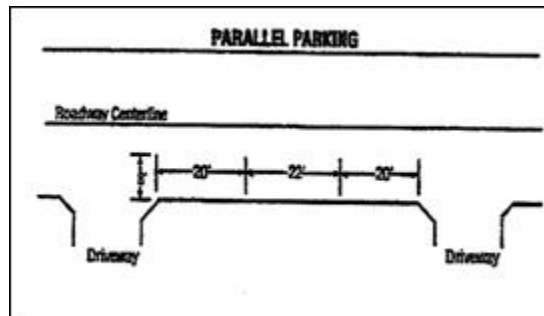


Figure 9.11.080-4

Dimensions of Parallel Parking Spaces

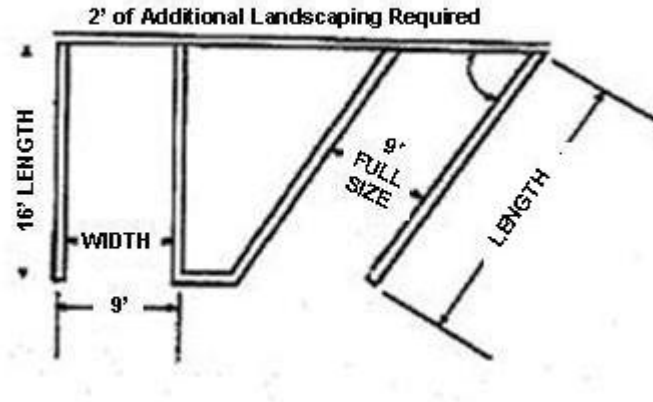


Figure 9.11.080-5
Nonparallel Parking Spaces

5. Tandem Space. Each tandem space shall be a minimum of nine feet in width and twenty-two (22) feet in depth.

C. Standard Improvements.

1. Drainage. Parking lots shall be designed to drain into landscape planters using openings in curbs and site grading. All parking facilities, except those serving two or fewer dwelling units, shall be graded and provided with drainage facilities so as to provide for the disposal of water without surface flow over sidewalks within public rights-of-way.

2. Safety Features.

a. Additional requirements and guidelines for parking facility safety, including design, internal layout, acceptable turning radii, pavement slope, vehicular and pedestrian circulation and other design features may be adopted by the city traffic engineer when determined to be appropriate.

b. Visibility of and between pedestrians, bicyclists, and motorists shall be assured when entering individual parking spaces, when circulating within a parking facility, and when entering and exiting a parking facility. To the extent possible, the parking facility shall be designed so that primary pedestrian access to and from building entrances is along, rather than across, parking aisles.

c. Parking lots shall be designed to minimize conflicts between vehicles and pedestrians and shall also endeavor to minimize speeding and through traffic.

d. Drive aisles and parking lot drives shall not exceed five percent slope.

e. Streets should intersect others on outside rather than inside horizontal curves.

f. Streets should intersect at as near to a right angle as possible. They should be no more than fifteen (15) degrees skew.

g. Intersections should be offset a minimum of six hundred (600) feet.

h. Deceleration right turn lanes should be a minimum of two hundred thirty five (235) feet long and ten (10) to twelve (12) feet wide, composed of a minimum sixty (60) foot transition and one hundred twenty five (125) foot turn lane. As approved by the City Traffic Engineer.

i. Internal streets and drive lanes should have a minimum radius of two hundred fifty (250) feet (twenty-five (25) mph design speed).

j. Where feasible, bus turnouts and bus stops shall be located on the far side of intersections to reduce conflicts between buses and through traffic.

3. Striping and Identification.

a. All automobile parking spaces shall be clearly outlined with white double lines on the surface of the parking facility as shown in Figure 9.11.080-6 (three-inch line – six-inch space – three-inch line for a total of twelve (12) inches) or as otherwise specified by the building official.

b. Fire lanes, if required, shall be installed to the specifications of the city of Moreno Valley fire chief, including red curbing and posting with signs.

c. Stop signs and painted stop bars shall be installed in parking areas where drive lanes intersect and at egress points to streets or alleys.

d. Within parking facilities, the city traffic engineer may require all aisles, approach lanes and maneuvering areas to be clearly marked with directional arrows on the pavement surface to facilitate vehicular movement. In addition to directional arrows, the city traffic engineer may require installation of signs to ensure safe and efficient vehicular movement.

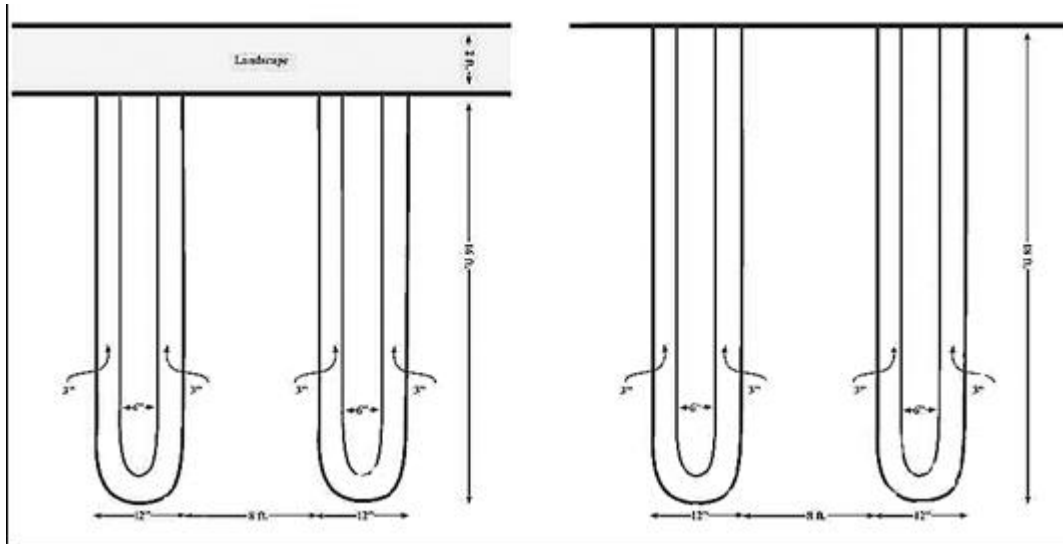


Figure 9.11.080-6A

Figure 9.11.080-6B

Parking Space Striping Requirements

* Ends of parking stall striping shall be curved or squared off.

D. Accessible Parking Design Standards. The following design standards for accessible parking are intended to be consistent with the state or federal requirements. Any conflicting provisions or future changes in state or federal requirements shall preempt the standards for provision of accessible parking spaces contained in this title:

1. All accessible parking spaces shall be striped and marked according to applicable state regulations.

2. Each parking space reserved for persons with disabilities shall be identified by a permanently affixed reflectorized sign, of a construction and material approved by the building official, displaying the international symbol of accessibility. The sign shall have a minimum size of seventy (70) square inches, and shall be centered at the interior end of the parking space at a maximum height of eighty (80) inches from the bottom of the sign to the finished grade of the parking space.

3. At each entrance to a parking facility containing one or more parking spaces for the handicapped, a sign with a minimum size of seventeen (17) inches by twenty-two (22) inches shall be posted, stating clearly and conspicuously in letters with a minimum height of one inch the following:

Unauthorized vehicles parked in designated accessible spaces not displaying distinguishing placards or license plates issued for physically handicapped persons may

be towed away at owner's expense. Towed vehicles may be reclaimed at _____ or by telephoning _____.

4. Parking spaces reserved for persons with disabilities shall have, in addition to the requirements of subsections (D)(1), (2) and (3) of this section, a surface identification in blue paint of at least three square feet in size, duplicating the international symbol of accessibility.

5. Each accessible parking space shall be fourteen (14) feet wide, striped to provide a nine-foot wide parking area and a five-foot wide loading area (access aisle) and shall be a minimum eighteen (18) feet in length. If two accessible spaces are located adjacent to each other, they may share the five-foot wide loading area, resulting in a width of twenty-three (23) feet for the two spaces. One in every eight handicapped spaces, but not less than one, shall be van accessible; served by a loading area not less than eight feet wide. If two van accessible parking spaces are located adjacent to each other, they may share a common eight-foot wide loading area.

6. When less than five parking spaces are provided, at least one shall be fourteen (14) feet wide, striped to provide a nine-foot parking area and a five-foot loading area. Said space shall not be required to be reserved or identified exclusively for use by persons with disabilities.

7. Accessible parking spaces serving a particular building shall be located on the shortest accessible route of travel from adjacent parking to an accessible entrance. In parking facilities that do not serve a particular building, accessible parking shall be located on the shortest accessible route of travel to an accessible pedestrian entrance of the parking facility. In buildings with multiple accessible entrances with adjacent parking, accessible parking spaces shall be dispersed and located closest to the accessible entrances.

8. In each parking area, a bumper or curb shall be provided and located to prevent encroachment of cars over the required width of walkways. The space shall be so located that persons with disabilities are not compelled to wheel or walk behind cars other than their own. Pedestrian ways that are accessible to people with disabilities shall be provided from each such parking space to the related facilities, including curb cuts or ramps as needed. Ramps shall not encroach into any parking space, with the exception that ramps located at the front of accessible parking spaces may encroach into the length of such spaces when such encroachment does not limit the capability of a person with a disability to leave or enter their vehicle, thus providing equivalent facilitation. Where the building official determines that compliance with any regulation of this paragraph would create an unreasonable hardship, a waiver may be granted when equivalent facilitation is provided.

9. The slope of an accessible parking stall shall be the minimum possible and shall not exceed one-quarter inch per foot (2.083 percent gradient) in any direction.

10. Notwithstanding the off-street parking requirements of Subsection 9.11.040(A) of this chapter, the number of parking spaces that are not accessible may

be reduced to the extent necessary for modification of an existing facility to comply with the requirements described in this subsection.

11. Where provided, one passenger drop-off and loading zone shall provide an access aisle at least five feet wide and twenty (20) feet long adjacent and parallel to the vehicle pull up space. Such zones shall be located on a surface with a slope not exceeding one vertical in fifty (50) horizontal and shall be located on an accessible route of travel to the entrance of the facility. If there are curbs between the access aisle and the vehicle pull-up space, then a curb ramp shall be provided. Valet parking facilities shall provide a passenger loading zone as described herein.

12. All disabled spaces shall be located as close as possible to the entrance(s) of the use they are intended to serve and oriented so that the user of the disabled parking space need not go past the rear of automotive parking spaces in order to reach the building's main entrance.

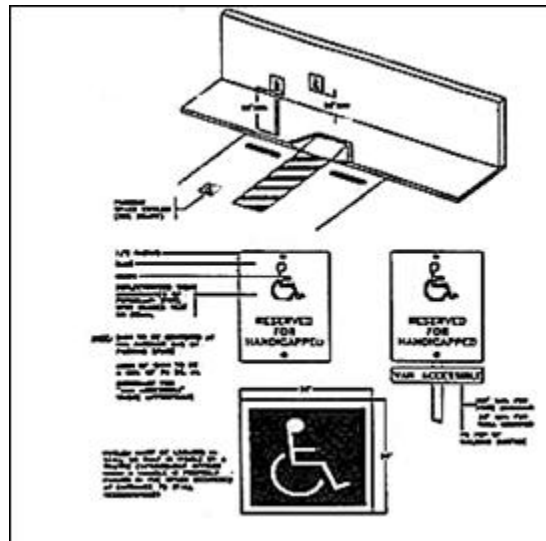


Figure 9.11.080-7

Accessible Parking Stall Requirement

- * Ramps shall include a curb-cut type design
- * Loading area width: van accessible = 8 feet; all other accessible spaces = 5 feet

E. Surfacing.

1. All permanent automobile and disabled parking spaces, loading and maneuvering areas shall be paved and permanently maintained with asphalt, concrete, or other all-weather surfacing, as approved by the city engineer. Every effort should be made to use pervious surfaces to reduce water run off. All parking areas in excess of the requirements of the Municipal Code shall use pervious pavement and/or increased landscape water retention and absorption areas.

2. Temporary parking facilities shall be provided with surfaces which prevent dust, as approved by the city engineer.

F. Location of Parking.

1. All parking spaces required by this chapter shall be provided on the same site as the use requiring the parking spaces, except as authorized in Section 9.11.070, Adjustments to off-street parking requirements of this chapter.

2. All automobile spaces required for residential uses shall be located a maximum of two hundred fifty (250) feet from the units they are serving. Distances shall be measured from the nearest point of the building to the parking space(s) serving that building.

3. All car pool parking spaces shall be located as close as possible to the entrance(s) of the use they are intended to serve.

G. Landscape and Screening Requirements. Parking lot screening and landscaping shall conform to the requirements of Chapter 9.17 of this title.

H. Access.

1. Parking Access from Streets.

a. Access to parking spaces, other than four or fewer spaces serving a residential use, shall not require backing onto a public or private street or onto a private drive other than a drive designed exclusively to provide access to parking spaces.

b. Commercial developments should orient traffic onto major arterials and not onto local streets or collectors.

c. Projects shall minimize impacts on adjacent streets by consolidating access points. Access points shall be consolidated to take advantage of planned or existing median breaks.

2. Driveway and Aisle Widths and Clearances. For purposes of this section, a driveway shall be defined as an access leading from a public street or right-of-way or a private street to a parking area, or from one parking area to another, but shall not be defined to include any ramp, aisle, or maneuvering area. A ramp is defined as an access driveway from one parking level to another. All driveways and ramps shall comply with the following standards:

a. Driveways and aisles for single-family detached structures shall not be less than sixteen (16) feet in width, and shall be maintained free and clear of all obstructions. Driveways which serve single-family development shall be defined as the paved area leading from a public street or right-of-way or a private street to the designated parking area, and shall not be wider than such designated parking area; and

b. Driveways for single-family attached, multiple-family, and nonresidential uses shall be as shown in Table 9.11.080-13 of this section, except when for health and safety purposes wider dimensions are required for emergency vehicle access.

**Table 9.11.080-13
Driveway and Aisle Dimensions for Single-Family Attached, Multiple-Family, and Nonresidential Uses**

Width, excluding flares or curb radius	
Required (one-way)*	20 feet
Required (two-way)*	24 feet
Right Turn Radius ¹	
Minimum	15 feet
Maximum	50 feet
Minimum Spacing ²	
From side property line	10 feet
From street corner	25 feet
Angle ³	75°

¹ On side of driveway exposed to entry or exit by right-turning vehicle to driveways with curb radius.

² Measured along the street side property line from throat to the side property line, or to a line passing through the intersection.

³ Minimum acute angle measured from the edge of pavement.

* Wider driveway aisles may be approved with the approval of the Community and Economic Development Director.

3. The following criteria and dimensions may be modified by the city engineer:

Table 9.11.080-14

Street Classification	Distance from a Driveway to an Intersection	Spacing Between Adjacent Driveways
Expressway 134' ROW	Restricted* **	1/2 mile
Divided Major/Modified Major	Limited access* **	Limited access
Divided Arterial	Minimum 450 feet	Minimum 450 feet
134' ROW/120' ROW		One driveway per parcel
Divided Arterial	Limited Access* **	Minimum 250 feet
110' ROW	Minimum 350 feet	
Arterial/Minor Arterial/ Industrial Collector		
100'/88'/78' ROW	Limited access* **	Minimum 150 feet
	Minimum 250 feet	
	Full Access 350 feet	
Collector/66' ROW	Minimum 200 feet* ***	Minimum 100 feet or one driveway per parcel
Local Street	Minimum 100 feet* ***	Minimum 100 feet or one driveway per parcel

* Access may be limited to the minimum movements necessary to safely expedite traffic.

** Access may be restricted by medians.

*** For residential development.

4. Ramps.

a. One-way ramps shall have a minimum width of fourteen (14) feet, unless a larger dimension is required for emergency vehicle access.

b. Two-way ramps shall have a minimum width of twenty (20) feet.

5. Gated Entries. Requests for gated entries shall be submitted to the city traffic engineer and shall be subject to review and approval by the city traffic engineer and planning official, based on an analysis of the following issues:

Ordinance No. 849
Date Adopted: July 10, 2012

- a. Type and operation of gate;
- b. Adequacy of vehicle stacking area;
- c. Effect of gated entry on parking usage and distribution on the site;
- d. Effect of gated entry on parking for surrounding or adjacent areas;
- e. Emergency vehicle access. (Ord. 826 § 3.4, 2011; Ord. 808 § 2.5.3, 2010; Ord. 694 § 1.1 (part), 2005; Ord. 643 § 2.6, 2003; Ord. 616 § 2.2.22, 2003; Ord. 604 §§ 2.15—2.18, 2002; Ord. 557 § 2.6, 2000; Ord. 475 § 1.4 (part), 1995; Ord. 406 § 1.4, 1993; Ord. 405 §§ 1.14, 1.15, 1993; Ord. 402 §§ 1.3, 1.4, 1993; Ord. 359 (part), 1992)

SECTION 3 EFFECT OF ENACTMENT:

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 4 NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 5 EFFECTIVE DATE:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 10th day of July, 2012.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Ordinance No. 849
Date Adopted: July 10, 2012

Item No. H.2.1

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. _____ had its first reading on June 26, 2012 and had its second reading on July 10, 2012, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Ordinance No. 849
Date Adopted: July 10, 2012

ORDINANCE NO. 850

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING SUBSECTION 9.12.050(F) OF TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE AND ADDING SUBSECTION 9.12.060(O) TO TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE RELATING TO SIGNS IN THE PUBLIC RIGHT-OF-WAY

The City Council of the City of Moreno Valley does hereby ordain as follows:

SECTION 1. AMENDMENT OF SUB-SECTION 9.12.050(F) OF SECTION 9.12.050 OF CHAPTER 9.12 OF THE MORENO VALLEY MUNICIPAL CODE:

- 1.1. Sub-Section 9.12.050(F) of Chapter 9.12 of Title 9 of the City of Moreno Valley Municipal Code is hereby amended to read, in its entirety, as follows:

“Signs within the public right-of-way, except those required by a governmental agency and temporary political signs and off-site directional signs subject to the provisions of Sections 9.12.040(H) and 9.12.060(L) of this chapter. Modified Monument Signs located in the public right-of-way subject to the provisions of Section 9.12.060(O) of this chapter may also be permitted.”

SECTION 2. ADDITION OF SUB-SECTION 9.12.060(O) OF SECTION 9.12.060 OF CHAPTER 9.12 OF THE MORENO VALLEY MUNICIPAL CODE:

- 2.1 Sub-Section 9.12.060(O) of Chapter 9.12 of Title 9 of the City of Moreno Valley Municipal Code is hereby added to read, in its entirety, as follows:

“O. Signs in the Public Right-Of-Way

1. A Modified Monument Sign that is otherwise permissible pursuant to Section 9.12.060(B)(1) of this chapter and located in the public-right-of-way may be permitted in the following circumstances:
- a. The sign is located within a public right-of-way controlled by the City of Moreno Valley;
 - b. The sign is located along Sunnymead Boulevard between Frederick Street and Perris Boulevard;
 - c. There is no practicable location on private property to locate the sign;
 - d. The sign design and location do not obstruct or impede any utility, utility access, pedestrian walkways or pedestrian or vehicle sight lines.
 - e. The sign design and location are not located over or upon any other easement without written authorization for such from the owner of the easement.

- f. An encroachment permit is obtained, all fees paid, and all required insurance and other requirements are kept current and valid;
 - g. A sign permit is obtained in accordance with this Chapter.
 2. In order to apply for a permit for a sign in the public right-of-way pursuant to this Section, an application must first be made for an encroachment permit and all criteria for such encroachment permit must be met.
 3. In the event that any of the requirements or terms of the encroachment permit are not met or are not continually maintained in accordance with the encroachment permit, any sign permit shall become void and such sign shall become a public nuisance and may be removed by the City at any time at the sign owner's expense.
 4. Any such sign in the public right-of-way shall be immediately removed from the public right-of-way upon request by the City for any public purpose and shall not be entitled to any compensation."

SECTION 3. EFFECT OF ENACTMENT:

3.1 Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 4. NOTICE OF ADOPTION:

4.1 Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be publicly posted in three places within the city.

SECTION 5. EFFECTIVE DATE:

5.1 This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 10th day of July, 2012.

Mayor

ATTEST:

City Clerk
APPROVED AS TO FORM:

City Attorney

Ordinance No. 850
Date Adopted: July 10, 2012

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 850 had its first reading on June 26, 2012 and had its second reading on July 10, 2012, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of July, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Ordinance No. 850
Date Adopted: July 10, 2012