

TELECONFERENCED MEETING

CITY COUNCIL REGULAR MEETING – 6:00 PM

APRIL 21, 2020

[Pursuant to Governor Executive Order N-29-20]

There Will Not Be a Physical Location for Attending the Meeting

The Public May Observe the Meeting and Offer Public Comment As Follows:

STEP 1

Install the Free Zoom App or Visit the Free Zoom Website at [<https://zoom.us/>](https://zoom.us/)

STEP 2

Get Meeting ID Number and Password by emailing zoom@moval.org or calling (951) 413-3001

STEP 3

Select Audio Source

*Computer Speakers/Microphone
or
Telephone*

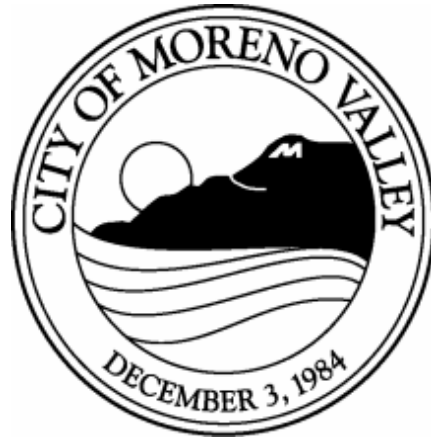
STEP 3

Public Comments May be Made Via Zoom

During the Meeting, the Mayor Will Explain the Process for Submitting Public Comments

ALTERNATIVE

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REVISED 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
MORENO VALLEY PUBLIC FINANCING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

April 21, 2020

REGULAR MEETING – 6:00 PM

City Council Study Sessions

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

City Council Meetings

Special Presentations – 5:30 P.M.

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

City Council Closed Sessions

Will be scheduled as needed at 4:30 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 Guy Pegan, ADA Coordinator, at 951.413.3120 at least 72 hours before the meeting. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Dr. Yxstian A. Gutierrez, Mayor

Victoria Baca, Mayor Pro Tem
Ulises Cabrera, Council Member

David Marquez, Council Member
Dr. Carla J. Thornton, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
April 21, 2020

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS - NONE

**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
MORENO VALLEY PUBLIC FINANCING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

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

**REGULAR MEETING – 6:00 PM
APRIL 21, 2020**

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.

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS PROCEDURE

Any person wishing to address the Mayor and City Council on any matter, either under the Public Comments section of the Agenda or scheduled items or public hearings, must follow the procedures set forth above and wait to be identified to speak by the Mayor. Members of the public may be limited to three minutes per person or the allowed time set by the Mayor, except for the applicant. The Mayor and City Council may establish an overall time limit for comments on a particular Agenda item. Members of the public must direct their questions to the Mayor and not to other members of the City Council, the applicant, the Staff, or the audience.

JOINT CONSENT CALENDARS (SECTIONS A-E)

All items listed under the Consent Calendars, Sections A, B, C, D, and E are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community 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 - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. MINUTES - CITY COUNCIL - CLOSED SESSION - APR 7, 2020 4:30 PM

Recommendation: Approve as submitted.

- A.3. MINUTES - CITY COUNCIL - REGULAR MEETING - APR 7, 2020 6:00 PM

Recommendation: Approve as submitted.

- A.4. LIST OF PERSONNEL CHANGES (Report of: Financial & Management Services)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.5. PAYMENT REGISTER - FEBRUARY 2020 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.

- A.6. ANNUAL STATEMENT OF INVESTMENT POLICY (Report of: Financial & Management Services)

Recommendation:

1. Adopt the Annual Statement of Investment Policy.

- A.7. ANNUAL REVIEW OF THE DEBT MANAGEMENT POLICY (Report of: Financial & Management Services)

Recommendation:

1. Review and approve the Debt Management Policy.

- A.8. ADOPT RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO THE LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND THE POLICE FACILITIES DEVELOPMENT IMPACT FUND (Report of: Financial & Management Services)

Recommendation:

1. Adopt a Resolution of the City Council of the City of Moreno Valley, California, authorizing Amendment No. 7 to the loan agreement between the City of Moreno Valley and the Police Facility Development Impact Fee fund.

- A.9. APPROVAL OF CONTRACT WITH AIRESRING, INC. FOR TELECOMMUNICATION SERVICES (Report of: Financial & Management Services)

Recommendations:

1. Approve an agreement with AireSpring, Inc. for telecommunication services for City facilities for an amount not to exceed \$123,268 over three (3), which will provide savings from the existing contracts, (\$93,385 for AireSpring, \$18,677 for Federal fees and taxes, and \$11,206 (10%) for contingency) and authorize the City Manager, or his designee, to execute the agreement, subject to approval by the City Attorney.
2. Authorize the City Manager, or his designee, to execute any subsequent related amendments or service extensions to the contract with AireSpring, Inc., during the life of the contract, subject to approval by the City Attorney.

- A.10. PETCO FOUNDATION GRANT (Report of: Community Development)

Recommendations:

1. Receive and accept a grant award in the amount of \$20,000 from the Petco Foundation for the purpose of enhancing the interior portion of the Cattery at the Moreno Valley Animal Shelter allowing our healthy and adoptable cats to be prominently displayed to our potential adopters.
2. Approve the revenue and expense budget adjustments in the amount of \$20,000 as set forth in the Fiscal Impact section of this report.

A.11. APPROVE MEASURE A LOCAL STREETS AND ROADS FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FY 2020/21-2024/25 (Report of: Public Works)

Recommendations:

1. Approve and authorize submittal of the City of Moreno Valley's Measure A Local Streets and Roads Five-Year Capital Improvement Plan for Fiscal Years 2020/21 – 2024/25 and Maintenance of Effort Certification for Fiscal Year 2020/21 to the Riverside County Transportation Commission.
2. Authorize the Director of Public Works/City Engineer to submit an amended five-year plan to the Riverside County Transportation Commission if changes are made to the listed Measure A projects.

A.12. AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO G. HURTADO CONSTRUCTION, INC. FOR MORENO-ALESSANDRO INTERIM FACILITY – PROJECT NO. 804 0016 (Report of: Public Works)

Recommendations:

1. Award a construction contract to G. Hurtado Construction, Inc., 16130 Reiner Circle, Riverside, CA 92504, for the Moreno - Alessandro Interim Facility Storm Drain Line H-2 project and authorize the City Manager to execute a contract with G. Hurtado Construction, Inc. in substantial conformance with the attached contract in the amount of \$261,100;
2. Authorize the issuance of a Purchase Order for G. Hurtado Construction, Inc. in the amount of \$300,265 (\$261,100 bid amount plus a 15% contingency) when the contract has been signed by all parties;
3. Authorize the Public Works Director/City Engineer to execute any subsequent change orders to the contract, but not exceeding the total contingency of \$39,165, subject to the approval of the City Attorney;
4. Authorize a full road closure of Oliver Street between Bay Avenue and Alessandro Boulevard for up to 30 continuous days during construction;
5. Authorize the Public Works Director/City Engineer to extend the full road closure for two additional 30 day periods as needed due to unforeseen construction issues.

- A.13. PURSUANT TO LANDOWNER PETITION, ANNEX TWO PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AMENDMENT NUMBER 45 (RESO. NO. 2020-__) (Report of: Public Works)

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2020-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District. (Amendment No. 45)

- A.14. EMERGENCY ORDER - LATE FEES ON RENTAL PROPERTY (Report of: City Attorney)

Recommendations: That the City Council:

1. Discuss and Consider Adoption of the Proposed Resolution

- A.15. MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE RATE ANNUAL ADJUSTMENT (RESO. NO. 2020-__) (Report of: Community Development)

RECOMMENDED ACTION

Recommendation:

1. Adopt Resolution No. 2020-__. A Resolution of the City Council of the City of Moreno Valley, California, approving an increase to the Multiple Species Habitat Conservation Plan (MSHCP) Local Development Mitigation Fee to reflect the 3.03% increase in the Consumer Price Index (CPI).

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - CITY COUNCIL - CLOSED SESSION - APR 7, 2020 4:30 PM (See A.2)

Recommendation: Approve as submitted.

- B.3. MINUTES - CITY COUNCIL - REGULAR MEETING - APR 7, 2020 6:00 PM
(See A.3)

Recommendation: Approve as submitted.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - CITY COUNCIL - CLOSED SESSION - APR 7, 2020 4:30 PM
(See A.2)

Recommendation: Approve as submitted.

- C.3. MINUTES - CITY COUNCIL - REGULAR MEETING - APR 7, 2020 6:00 PM
(See A.3)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - CITY COUNCIL - CLOSED SESSION - APR 7, 2020 4:30 PM
(See A.2)

Recommendation: Approve as submitted.

- D.3. MINUTES - CITY COUNCIL - REGULAR MEETING - APR 7, 2020 6:00 PM
(See A.3)

Recommendation: Approve as submitted.

E. CONSENT CALENDAR - PUBLIC FINANCING AUTHORITY

- E.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- E.2. MINUTES - CITY COUNCIL - CLOSED SESSION - APR 7, 2020 4:30 PM
(See A.2)

Recommendation: Approve as submitted.

- E.3. MINUTES - CITY COUNCIL - REGULAR MEETING - APR 7, 2020 6:00 PM
(See A.3)

Recommendation: Approve as submitted.

F. PUBLIC HEARINGS

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 follow the teleconference procedures.

- F.1. PUBLIC HEARING TO APPROVE CDBG, HOME & ESG PROJECT SELECTIONS FOR INCLUSION IN FY 2020-21 ANNUAL ACTION PLAN (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Conduct a Public Hearing for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grants Program (ESG) Programs to allow the public an opportunity to comment on the proposed project selections for Fiscal Year (FY) 2020/21 Annual Action Plan.
2. Approve the recommended projects for inclusion in the Annual Action Plan (FY 2020/21) as an application to the U.S. Department of Housing and Urban Development for funding under the federal CDBG, HOME and ESG programs.
3. Authorize the Chief Financial Officer to amend the City's Budget to include the allocations as approved in the FY2020/21 Action Plan.

- F.2. A MUNICIPAL CODE AMENDMENT TO ADD SECTION 9.03.065 TO THE CITY OF MORENO VALLEY MUNICIPAL CODE ESTABLISHING RESIDENTIAL DENSITY BONUS PROVISIONS TO ENSURE NO NET LOSS IN RESIDENTIAL CAPACITY PURSUANT TO THE PROVISIONS OF SENATE BILL 330. (Ord No. ___) (Report of: Community Development)

Recommendations: That the City Council:

1. Introduce and conduct the first reading of Ordinance ___ adding Section 9.03.065 of Title 9 of the City of Moreno Valley Municipal Code to ensure that there is no net loss of residential capacity within the City, as required by SB330.

2. Schedule the second reading and adoption of Ordinance ____ for the next regular Council meeting.

F.3. LGL19-0053 – PUBLIC HEARING FOR ADOPTION OF THE PROPOSED RESOLUTION FOR THE FULL VACATION FOR THAT PORTION OF STODDARD STREET LOCATED BETWEEN WILLIAMS AVENUE AND ALESSANDRO BOULEVARD. (Report of: Public Works)

Recommendations:

1. Conduct the Public Hearing and accept public testimony for the Full Vacation of Stoddard Street located between Williams Avenue and Alessandro Boulevard.
2. Adopt Resolution No. 2020-XX. A Resolution of the City Council of the City of Moreno Valley, California, Ordering the Full Vacation for that portion of Stoddard Street located between Williams Avenue and Alessandro Boulevard.
3. Direct the City Clerk to certify said resolution and transmit a copy of the resolution to the County Recorder's office for recording.

F.4. PUBLIC HEARING FOR THREE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDINGS (Report of: Public Works)

Recommend that the City Council:

1. Conduct the Public Hearing and accept public testimony for the mail ballot proceedings for the National Pollutant Discharge Elimination System (NPDES) Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to be applied to the property tax bill of the parcels identified herein;
2. Direct the City Clerk to open and count the returned NPDES ballots;
3. Verify and accept the results of the mail ballot proceedings as maintained by the City Clerk on the Official Tally Sheet and if approved, set the rate and impose the NPDES Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate, as applicable, on the Assessor's Parcel Numbers as mentioned;
4. Receive and file the Official Tally Sheet with the City Clerk's office.

G. GENERAL BUSINESS

G.1. DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE MORENO VALLEY HOUSING AUTHORITY, CITY OF MORENO VALLEY AND COURTYARDS AT COTTONWOOD, LP (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Approve the Disposition and Development/Affordable Housing Agreement by and between the Moreno Valley Housing Authority, City of Moreno Valley, and Courtyards at Cottonwoods, LP.
2. Authorize the City Attorney to prepare an Agreement based on the deal points as set forth within this report.
3. Authorize the City Manager to execute the Disposition and Development/Affordable Housing Agreement, subject to the approval of the City Attorney.
4. Adopt Resolution 2020-____. A resolution of the City Council of the City of Moreno Valley, California, supporting the Courtyards at Cottonwood Affordable Housing Development and affirming its intention to provide financial assistance.
5. Adopt Resolution 2020-____. A resolution of the Moreno Valley Housing Authority of the City of Moreno Valley, California, supporting the Courtyards at Cottonwood Affordable Housing Development and affirming its intention to provide financial assistance.
6. Approve budget adjustments to the adopted budget as set forth in the Fiscal Impact section of this report. This project will be funded through HOME and NSP Federal grants on Moreno Valley Housing Authority property.

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

I. REPORTS

I.1. CITY COUNCIL REPORTS

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Riverside County Habitat Conservation Agency (RCHCA)

Riverside County Transportation Commission (RCTC)

Riverside Transit Agency (RTA)

Western Riverside Council of Governments (WRCOG)

Western Riverside County Regional Conservation Authority (RCA)

School District/City Joint Task Force

I.2. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

I.3. CITY ATTORNEY'S REPORT

(Informational Oral Presentation - not for Council action)

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY, PUBLIC FINANCING AUTHORITY, AND THE BOARD OF LIBRARY TRUSTEES.

ADJOURNMENT

PUBLIC INSPECTION

The contents of the agenda packet are available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

Any written information related to an open session agenda item that is known by the City to have been distributed to all or a majority of the City Council less than 72 hours prior to this meeting will be made available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

CERTIFICATION

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, certify that 72 hours prior to this Regular Meeting, the City Council Agenda was posted on the City's website at: www.moval.org and in the following three public places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Pat Jacquez-Nares, CMC & CERA
City Clerk

Date Posted: April 17, 2020

TELECONFERENCED MEETING

[Pursuant to Governor Executive Order N-29-20]

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**MINUTES
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 PUBLIC FINANCING AUTHORITY
MORENO VALLEY HOUSING AUTHORITY**

**CLOSED SESSION – 4:30 PM
April 7, 2020**

CALL TO ORDER

The Closed Session 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, and Housing Authority was called to order at 4:32 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street, Moreno Valley, California.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Victoria Baca	Mayor Pro Tem
	David Marquez	Council Member
	Ulises Cabrera	Council Member
	Dr. Carla J. Thornton	Council Member

PUBLIC COMMENTS ON MATTERS ON THE AGENDA ONLY

Mayor Gutierrez opened the public comments portion of the meeting for items listed on the agenda only. There being no members of the public to come forward to speak, he closed the public comments.

CLOSED SESSION

Mayor Gutierrez announced that the City Council would recess to Closed Session to discuss the item as listed on the agenda.

Minutes Acceptance: Minutes of Apr 7, 2020 4:30 PM (CONSENT CALENDAR-CITY COUNCIL)

The Closed Session will be held pursuant to Government Code:

1 SECTION 54957(b) - PUBLIC EMPLOYMENT

APPOINTMENT:

INTERIM CITY ATTORNEY

Mayor Gutierrez recessed the City Council to the City Manager's Conference Room, second floor, City Hall, for their Closed Session at 4:33 p.m.

Mayor Gutierrez reconvened the City Council in the Council Chamber from their Closed Session at 5:58 p.m.

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

Interim City Attorney Quintanilla announced there was no reportable action taken in Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Gutierrez adjourned the meeting at 5:59 p.m.

Submitted by:

Pat Jacquez-Nares, CMC & CERA
 City Clerk
 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
 Secretary, Public Financing Authority

Approved by:

Dr. Yxstian A. Gutierrez
 Mayor
 City of Moreno Valley
 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
 Chairperson, Public Financing Authority

**MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
April 7, 2020**

TELECONFERENCED MEETING

[Pursuant to Governor Executive Order N-29-20]

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Minutes Acceptance: Minutes of Apr 7, 2020 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

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

**REGULAR MEETING – 6:00 PM
April 7, 2020**

CALL TO ORDER

SPECIAL PRESENTATIONS - NONE

Minutes Acceptance: Minutes of Apr 7, 2020 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
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CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
MORENO VALLEY PUBLIC FINANCING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:00 PM
April 7, 2020**

CALL TO ORDER

The Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority, Moreno Valley Public Financing Authority and the Board of Library Trustees was called to order at 6:01 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Victoria Baca	Mayor Pro Tem
	David Marquez	Council Member
	Ulises Cabrera	Council Member
	Dr. Carla J. Thornton	Council Member

INTRODUCTIONS

Staff:	Pat Jacquez-Nares	City Clerk
	Renee Bryant	Management Assistant
	Marshall Eyerman	Assistant City Manager/Chief Financial Officer
	Mike Lee	Interim City Manager
	Steve Quintanilla	Interim City Attorney
	Manuel Mancha	Community Development Director

Minutes Acceptance: Minutes of Apr 7, 2020 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Michael Wolfe	Interim Assistant City Manager/Public Works Director/City Engineer
Patti Solano	Parks & Community Services Director
John Salisbury	Police Chief
Abdul Ahmad	Fire Chief
Paul Early	Assistant City Attorney

Mayor Gutierrez announced that there would be no action taken on Item No. A.8.

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA ITEMS

Keri Then

1. Expressed concern that the City was previously considering raising the electric rates for Moreno Valley Utility when Assistant City Manager Eyerman reported at a Finance Subcommittee Meeting that it was solvent.
2. Urged the City to deploy its internal stockpile of protective gear to residents.
3. Requested that the City cease levying a temporary tax on utilities.

Robert Then

1. Advised everyone to heed Mayor Gutierrez's guidance regarding COVID-19 precautions.
2. Reminded residents that Earth Day was approaching, and expressed his opposition to the World Logistics Center.

Daryl Terrel

1. In light of the financial impacts resulting from COVID-19, he proposed an ordinance establishing a residential and commercial rental deferral program.

Council Member Cabrera

1. Asked residents to follow the County's order requiring that they wear masks when venturing outdoors.
2. Directed residents to visit www.moval.org/food should they require assistance from food pantries.
3. Discussed the added importance of the Census in light of COVID-19.
4. Encouraged small businesses to visit www.sba.gov to learn about assistance programs.
5. Explained the stimulus check disbursement process.
6. Pressed residents to file their tax returns so that those due a return may receive it.
7. Informed residents of the California Judicial Council's stay on eviction hearings until ninety days after Governor Newsom lifts the State of Emergency.
8. Reminded residents that the duration of the current crisis is determinate upon whether everyone follows the County's orders.

JOINT CONSENT CALENDARS (SECTIONS A-E)

RESULT: APPROVED [UNANIMOUS]
MOVER: David Marquez, Council Member
SECONDER: Ulises Cabrera, Council Member
AYES: Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez, Ulises Cabrera, Dr. Carla J. Thornton

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. City Council - Special Meeting (Closed Session) - Mar 17, 2020 4:30 PM

Recommendation: Approve as submitted.

- A.3. City Council - Special Meeting - Mar 17, 2020 5:55 PM

Recommendation: Approve as submitted.

- A.4. City Council - Regular Meeting - Mar 17, 2020 6:00 PM

Recommendation: Approve as submitted.

- A.5. COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2019/2020 FROM JULY 1, 2019 THROUGH FEBRUARY 29, 2020 (Report of: City Clerk)

Recommendation:

1. Receive and file the Fiscal Year 2019/2020 Council Discretionary Expenditure Report for July 1, 2019 through February 29, 2020.

- A.6. APPROVAL OF CONTRACTS WITH AGATI FURNITURE AND YAMADA ENTERPRISES FOR LIBRARY FURNITURE AT THE IRIS PLAZA BRANCH LIBRARY (AGMT. NOS. 2020-94 and 2020-95) (Report of: Financial & Management Services)

Council Member Thornton registered a no vote for this item.

Recommendations:

1. Approve an agreement with Agati Furniture for library furniture for an amount not to exceed \$109,482 and authorize the Assistant City Manager to execute the agreement.

2. Approve an agreement with Yamada Enterprises for library furniture for an amount not to exceed \$48,196 and authorize the Assistant City Manager to execute the agreement.
3. Authorize an amendment to the Fiscal Year 2019/20 budget from the Library Services Development Impact Fund (DIF) balance for \$157,678 for these expenses. The budget amendment is fully described in the Fiscal Impact section.

A.7. AWARD OF CONTRACT FOR TENANT IMPROVEMENTS FOR THE IRIS PLAZA BRANCH LIBRARY– RFP NO. 2020-0003 (AGMT. NO. 2020-96) (Report of: Financial & Management Services)

Council Member Thornton registered a no vote for this item.

Recommendations:

1. Award the Public Works Construction Agreement to iBuild Spectrum, Inc for \$1,028,500 (\$935,000 for tenant improvements plus \$93,500 (10% contingency)) at the leased space in Iris Plaza for a branch library.
2. Authorize the Assistant City Manager to execute the Public Works Construction Agreement in the amount of the low bid to provide construction services, subject to the approval of the City Attorney.
3. Authorize the issuance of a Purchase Order to the lowest responsible bidder in the amount of the low bid plus a 10% contingency to provide construction services.
4. Authorize an amendment to the Fiscal Year 2019/20 budget from the Library Services Development Impact Fee (DIF) fund balance for these expenses as set forth in the Fiscal Impact section.
5. Authorize the Assistant City Manager to execute any subsequent related change orders for tenant improvement construction up to the 10%, subject to the approval of the City Attorney.

Item No. A.8. was withdrawn.

A.8. APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY TO AMEND THE ELECTRIC RATES FOR MORENO VALLEY UTILITY (MVU) (Report of: Financial & Management Services)

Recommendation:

1. Approve Resolution No. 2020-XX. A Resolution of the City Council of the City of Moreno Valley, California, to Amend the Electric Rates for

Moreno Valley Utility (MVU).

- A.9. AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO NPG CORPORATION FOR PARKING LOT REPAIR SERVICES AT THE PUBLIC SAFETY BUILDING (AGMT. NO. 2020-97) (Report of: Public Works)

Recommendations:

1. Amend the FY 2019/20 and 2020/21 Capital Improvement Plan (CIP) by adding project 803 0047 - Public Safety Building Back Parking Lot Improvements.
 2. Award a construction contract to NPG Corporation, 1354 Jet Way, Perris, CA 92571, for Public Safety Building Parking Lot Repair Services and authorize the City Manager to execute said contract in substantial conformance with the attached in the amount of \$105,960.
 3. Authorize the Public Works Director/City Engineer to execute any subsequent related change orders to the contract, but not exceeding, the total contingency of \$10,596 subject to the approval of the City Attorney, for a total Purchase Order amount of \$116,556.
- A.10. AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALL AMERICAN ASPHALT FOR PAVEMENT REPAIR SERVICES (AGMT. NO. 2020-98) (Report of: Public Works)

Council Member Thornton commended Public Works for making street repairs a priority.

Recommendations:

1. Award a construction contract with a Not-to-Exceed amount of \$200,000 to All American Asphalt, PO Box 2229, Corona, CA 92878, for pavement repair services and authorize the City Manager to execute said contract in substantial conformance with the attached in the amount of \$200,000
2. Authorize the Public Works Director/City Engineer to execute any subsequent related change orders to the contract but not exceeding the total amount of \$200,000 subject to the approval of the City Attorney.

A.11. ACCEPTANCE OF SB821 FUNDING AND FUNDING APPROPRIATION FOR THE HEACOCK STREET PEDESTRIAN AND BICYCLE ENHANCEMENTS PROJECT (AGMT. NO. 2020-99) (Report of: Public Works)

Council Member Thornton explained that the item would further the City's mission to become more bicycle friendly.

Recommendations:

1. Accept \$520,000 of SB821 funding for construction of sidewalk and on-street bike lane on Heacock Street at Gregory Lane.
2. Authorize the City Manager to execute Riverside County Transportation Commission (RCTC) Agreement No. 20-62-056-00, and any subsequent amendments, subject to the City Attorney review and approval.
3. Authorize a budget adjustment as set forth in the Fiscal Impact section of this report.

A.12. SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH PARSONS TRANSPORTATION GROUP FOR THE STATE ROUTE 60/MORENO BEACH DRIVE PHASE 2 INTERCHANGE IMPROVEMENT PROJECT 801 0021 (AGMT. NO. 2018-402-02) (Report of: Public Works)

Recommendations:

1. Approve the Second Amendment to Agreement for Professional Consultant Services with Parsons Transportation Group, Inc. (Parsons) to provide supplemental engineering services in the amount of \$417,947 for the SR-60/Moreno Beach Drive Phase 2 Interchange project (Project), for a total contract amount of \$1,833,606;
2. Authorize the City Manager or his/her designee to execute the Second Amendment to Agreement for Professional Consultant Services with Parsons, subject to the approval of the City Attorney;
3. Authorize an increase to the Purchase Order with Parsons in the amount of \$417,947, when the Second Amendment has been signed by all parties;
4. Authorize a budget adjustment as set forth in the Fiscal Impact section of this report.

A.13. APPROVAL OF A CONTRACT WITH QUINTANILLA AND ASSOCIATES TO PROVIDE INTERIM CITY ATTORNEY SERVICES (AGMT. NO 2020-100) (Report of: City Manager)

Council Member Marquez notified the public that Interim City Attorney Quintanilla's salary is commensurate with the prior City Attorney's salary and welcomed him to the City.

Recommendations:

1. Approve agreement with The Law Firm of Quintanilla and Associates for Interim City Attorney Services.
2. Authorize the Mayor to sign the agreement.

A.14. Emergency Operations Resolutions (RESO. NOS 2020-14 - 2020-21 (Report of: City Manager)

Interim City Manager Lee summarized the proposed resolutions.

Recommendation: That the City Council:

1. Adopt all of the Resolutions set forth in this staff report.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

B.2. MINUTES of Mar 17, 2020 4:30 PM (See A.2)

Recommendation: Approve as submitted.

B.3. MINUTES of Mar 17, 2020 5:55 PM (See A.3)

Recommendation: Approve as submitted.

B.4. MINUTES of Mar 17, 2020 6:00 PM (See A.4)

Recommendation: Approve as submitted.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES of Mar 17, 2020 4:30 PM (See A.2)

Recommendation: Approve as submitted.

- C.3. MINUTES of Mar 17, 2020 5:55 PM (See A.3)

Recommendation: Approve as submitted.

- C.4. MINUTES of Mar 17, 2020 6:00 PM (See A.4)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES of Mar 17, 2020 4:30 PM (See A.2)

Recommendation: Approve as submitted.

- D.3. MINUTES of Mar 17, 2020 5:55 PM (See A.3)

Recommendation: Approve as submitted.

- D.4. MINUTES of Mar 17, 2020 6:00 PM (See A.4)

Recommendation: Approve as submitted.

E. CONSENT CALENDAR - PUBLIC FINANCING AUTHORITY

- E.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

E.2. MINUTES of Mar 17, 2020 4:30 PM (See A.2)

Recommendation: Approve as submitted.

E.3. MINUTES of Mar 17, 2020 5:55 PM (See A.3)

Recommendation: Approve as submitted.

E.4. MINUTES of Mar 17, 2020 6:00 PM (See A.4)

Recommendation: Approve as submitted.

F. PUBLIC HEARINGS

F.1. PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT #4 TO THE FY 2019-2020 ANNUAL ACTION PLAN (Report of: Financial & Management Services)

Assistant City Manager Eyerman provided the report.

Mayor Gutierrez opened the Public Hearing at 6:29 p.m.

There being no comments in support or opposition, Mayor Gutierrez closed the Public Hearing at 6:29 p.m.

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow public comment on the proposed Substantial Amendment #4 to the FY 2019-2020 Annual Action Plan.
2. Review and adopt the proposed Substantial Amendment #4 to the FY 2019-2020 Annual Action Plan.
3. Authorize a budget amendment as set forth in the fiscal impact section and authorize the Chief Financial Officer to allocate grant funds between HUD- approved grant activities.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dr. Carla J. Thornton, Council Member
SECONDER:	Victoria Baca, Mayor Pro Tem
AYES:	Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez, Ulises Cabrera, Dr. Carla J. Thornton

G. GENERAL BUSINESS - NONE

H. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION - NONE

I. REPORTS

I.1. CITY COUNCIL REPORTS

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC) - None

Riverside County Habitat Conservation Agency (RCHCA) - None

Riverside County Transportation Commission (RCTC) - None

Riverside Transit Agency (RTA) - Council Member Marquez

Council Member Marquez reported the following:

On April 5, Riverside Transit Agency (RTA) reduced bus service to Sunday service levels seven days a week throughout the network and several routes have ceased operations. These actions are in response to a more than a 70-percent drop in ridership due to the Coronavirus crisis. Please visit RTA's website for further details.

Western Riverside Council of Governments (WRCOG) - None

Western Riverside County Regional Conservation Authority (RCA) - None

School District/City Joint Task Force - None

I.2. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

Interim City Manager Lee reported that the Amphitheatre is under construction. Expressed his excitement with the approval of a third library in the City. Noted that the funding source are Library Development Impact Fees. Commended the leadership of the Mayor and City Council in the development of the MoVal Meals program.

I.3. CITY ATTORNEY'S REPORT

(Informational Oral Presentation - not for Council action)

Interim City Attorney Quintanilla thanked the City Council for his appointment. In an attempt to minimize confusion he listed, the various agencies issuing orders or

suggestions related to the COVID-19 crisis. He noted that the common theme among them is the shelter in place order and the social distancing requirement.

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY, PUBLIC FINANCING AUTHORITY, AND THE BOARD OF LIBRARY TRUSTEES.

Council Member Thornton

1. Recognized first responders, grocery store workers, delivery drivers, and health care workers for their efforts during the COVID-19 crisis.
2. Encouraged residents to follow the shelter in place order and to wear masks when going out.
3. Indicated her concern for the mental health of residents and encouraged those experiencing depression or suicidal ideation to call the State's mental health hot line at 1-800-854-7771.
4. Directed residents to visit the state website to obtain information regarding Governor Newsom's expanded childcare assistance.
5. Reiterated Riverside County's call for retired medical volunteers.
6. Expressed her concern for the economic health of the City and State.
7. Praised Mayor Gutierrez for sending a letter to government officials advocating for funding for City's with less than a population of 500,000.
8. Asked residents to lobby their state legislators for financing for the City.
9. Remarked on the limited supply of safety equipment for first responders.
10. Stated that Moreno Valley's response to the COVID-19 crisis is serving as a role model to other cities.

Council Member Marquez

1. Thanked Sherwin-Williams for their donation of N-95 masks to the Fire Department.
2. Applauded volunteers and Parks staff for their assistance during the COVID-19 crisis.
3. Encouraged those who are in financial position to do so, to pay their debts.
4. Mentioned a resident who made a face mask out of a diaper.
5. Lauded staff and the City Council for continuing to keep the City running amid the crisis.
6. Complimented Public Works for picking up discarded items. Persuaded residents to contact Waste Management for disposal.

Mayor Pro Tem Baca

1. Commended Mayor Gutierrez for his leadership.
2. Thanked Mayor Gutierrez for removing Item No. A.8.
3. Explained that staff placed Item No. A.8 on the Consent Calendar, as it was routine.
4. Praised the City Council and the City Manager for their direction during these unprecedented circumstances.
5. Expressed pleasure that the City's fiscal prudence resulted in a reserve fund, which it will have to tap into.

6. Thanked partners and nonprofit organizations for their donations.
7. Called on residents to unite and recommit to being a good neighbor.

Mayor Gutierrez

1. Explained the MoVal meals program.
2. Commended City Staff and Parks Director for organizing the program.
3. Expressed empathy for residents facing economic hardships.
4. Echoed Mayor Pro Tem Baca's call to love thy neighbor.
5. Indicated his excitement for the amphitheatre and the third library. Noted that funding was already allocated for those projects.
6. Remarked that recent legislation and the limits on travel will lead to decreased revenue.
7. Insisted that the City is working to save jobs.
8. Thanked the residents and, volunteers for their love and compassion.
9. Established a list of faith based food pantries.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Gutierrez adjourned the meeting at 6:54 p.m.

Submitted by:

Pat Jacquez-Nares, CMC & CERA
 City Clerk
 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
 Secretary, Public Financing Authority

Approved by:

Dr. Yxstian A. Gutierrez
 Mayor
 City of Moreno Valley
 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
 Chairperson, Public Financing Authority



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: LIST OF PERSONNEL CHANGES

RECOMMENDED ACTION

Recommendation:

1. Ratify the list of personnel changes as described.

DISCUSSION

The attached list of personnel changes scheduled since the last City Council meeting is presented for City Council ratification.

Staffing of City positions ensures assignment of highly qualified and trained personnel to achieve Momentum MoVal priorities, objectives and initiatives.

FISCAL IMPACT

All position changes are consistent with appropriations previously approved by the City Council.

PREPARATION OF STAFF REPORT

Prepared By:
Vanessa Leccese
Executive Assistant

Department Head Approval:
Marshall Eyerman
Assistant City Manager
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Personnel Changes

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/13/20 7:10 AM
City Attorney Approval	<u>✓ Approved</u>	4/13/20 11:56 AM
City Manager Approval	<u>✓ Approved</u>	4/13/20 11:58 AM

**City of Moreno Valley
Personnel Changes
April 21, 2020**

New Hires

None

Promotions

Jacqueline Melendez

From: Business and Workforce Development Program Manager, Economic Development Department

To: Deputy City Manager, City Manager Department

Dena Heald

From: Financial Operations Division Manager, Financial & Management Services Department/ Financial Operations Division

To: Deputy Finance Director, Financial & Management Services Department

Transfers

None

Separations

Kevin Teagarden, Management Analyst, Public Works Department/Maintenance & Operations Division

Vincent Tran, Associate Engineer, Public Works Department/Transportation Engineering Division



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: PAYMENT REGISTER - FEBRUARY 2020

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Payment Register.

SUMMARY

The Payment Register is an important report providing transparency of financial transactions and payments for City activity for review by the City Council, the residents and businesses in Moreno Valley. The report is posted to the City's website as soon as it is available. The report is included in the City Council agenda as an additional means of distributing the report.

The payment register lists in alphabetical order all checks and wires in the amount of \$25,000 or greater, followed by a listing in alphabetical order of all checks and wires less than \$25,000. The payment register also includes the fiscal year-to-date (FYTD) amount paid to each vendor

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Financial Operations Division Manager

Department Head Approval:
Marshall Eyerman
Assistant City Manager/Chief Financial Officer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. February 2020 Payment Register

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/24/20 8:27 AM
City Attorney Approval	<u>✓ Approved</u>	3/24/20 10:20 AM
City Manager Approval	<u>✓ Approved</u>	3/24/20 10:27 AM



**City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020**

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ALL AMERICAN ASPHALT, INC.	27191	02/20/2020	W200202	RETENTION PAYABLE DEPOSIT-ESCOW DEPOSIT NO. 2609	\$64,752.95
	238616	02/10/2020	187863	CITYWIDE PAVEMENT REHAB PROGRAM FY18/19	\$1,230,306.05
Remit to: CORONA, CA					FYTD: \$3,192,603.37
ALLIANT INSURANCE SERVICES, INC.	27194	02/24/2020	1289782	ANNUAL INSURANCE RENEWAL PREMIUMS-MV UTILITY SUBSTATIONS	\$61,844.88
Remit to: SAN DIEGO, CA					FYTD: \$83,914.88
BOB MURRAY & ASSOCIATES	238567	02/03/2020	8351	EXECUTIVE SEARCH-CODE & NEIGHBORHOOD SVCS DIVISION MGR	\$30,331.57
		02/03/2020	8392	EXECUTIVE SEARCH-CODE & NEIGHBORHOOD SVCS DIVISION MGR	
		02/03/2020	8436	EXECUTIVE SEARCH-ELECTRIC UTILITY ENGINEER	
		02/03/2020	8437	EXECUTIVE SEARCH-CODE & NEIGHBORHOOD SVCS DIVISION MGR	
Remit to: ROSEVILLE, CA					FYTD: \$57,631.21
CALPINE CORPORATION DBA CALPINE ENERGY SERVICES	238671	02/10/2020	PRELIMINARY	RESOURCE ADEQUACY-JAN 2020/MV UTILITY	\$105,400.00
Remit to: HOUSTON, TX					FYTD: \$105,400.00
CHARLES ABBOTT ASSOCIATES, INC	26951	02/03/2020	60567	PLAN CHECK CONSULTING SVCS-ENCROACHMENT PERMITS	\$26,165.00
		02/03/2020	60566	CONSULTING SVCS-NPDES/SWMP-DEC 2019	
Remit to: MISSION VIEJO, CA					FYTD: \$219,053.50
COUNTY OF RIVERSIDE FIRE DEPT	27129	02/18/2020	233521	FIRE SERVICES CONTRACT-2ND QTR (FPARC-MV, 233521,19/20, Q2)	\$5,352,823.25
Remit to: PERRIS, CA					FYTD: \$14,159,368.08

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
COUNTY OF RIVERSIDE SHERIFF	26953	02/03/2020	SH0000036734	CONTRACT LAW ENFORCEMENT BILLING #5 (10/10-11/06/19)	\$2,924,869.10
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$23,478,762.81
COUNTY OF RIVERSIDE, AUDITOR- CONTROLLER	238627	02/10/2020	NOV-2019	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	\$74,144.68
		02/10/2020	DEC-2019	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	
		02/10/2020	OCT-2019	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$325,754.81
DATA TICKET, INC.	27031	02/10/2020	108938	PARKING CITATION PROCESSING-CODE-DEC 2019	\$26,306.14
		02/10/2020	109082TPC	THIRD PARTY COLLECTIONS-CODE-DEC 2019	
		02/10/2020	109082	ADMIN CITATION PROCESSING-CODE-DEC 2019	
		02/10/2020	108939MS/LC	ANNUAL MAIN/SUPPORT-CODE	
		02/10/2020	108938HH	PARKING HANDHELD DEVICES LEASE-AIR TIME-CODE-DEC 2019	
Remit to: IRVINE, CA					<u>FYTD:</u> \$167,470.85
DUKE REALTY, LP	238718	02/18/2020	112288/89	REFUND-GRADING AND EROSION CONTROL SECURITY DEPOSIT	\$82,769.60
	238764	02/24/2020	115515	REFUND GRADING & EROSION CONTROL SECURITY DEPOSIT- PEN17-0001	\$97,840.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$180,609.60
DYETT & BHATIA URBAN AND REGIONAL PLANNERS	238614	02/03/2020	19-572-01REV	GENERAL PLAN UPDATE AND EIR CONSULTING 10/2/19-11/30/19	\$41,718.12
Remit to: OAKLAND, CA					<u>FYTD:</u> \$41,718.12

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
E. E. ELECTRIC, INC.	238632	02/10/2020	2020003	ALESSANDRO CROSSTOWN TIE-PROGRESS BILLING 8-FINAL	\$207,071.97
	238747	02/24/2020	2019020-RETENTN	ALESSANDRO CROSSTOWN TIE-PROGRESS BILLING 1-RETENTION	\$142,768.78
		02/24/2020	2020006	RETENTION RELEASE-ALESSANDRO CROSSTOWN TIE PROJECT	
		02/24/2020	2019020-R	ALESSANDRO CROSSTOWN TIE-PROGRESS BILLING 1-RETENTION	
Remit to: MIRA LOMA, CA					<u>FYTD:</u> \$2,389,908.12
EASTERN MUNICIPAL WATER DISTRICT	238574	02/03/2020	DEC-19 2/03/20	WATER CHARGES	\$38,994.60
		02/03/2020	JAN-20 2/03/20	WATER CHARGES	
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$1,425,357.37

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ENCO UTILITY SERVICES MORENO VALLEY LLC	26956	02/03/2020	C19-25B-01	LASSELLE ST-VEHICLE HIT PME-9	\$46,905.54
		02/03/2020	C19-27-1219	EDWIN 12KV, KITCHING SUBSTATION-CIRCUIT OUTAGE	
		02/03/2020	0402-MF-02351	SOLAR SYSTEM INSPECTION	
		02/03/2020	C19-17-1219	KITCHING ST-VEHICLE HIT STREETLIGHT	
		02/03/2020	C19-28-1219	JOHN F. KENNEDY-VEHICLE HIT STREETLIGHT	
		02/03/2020	0402-MF-02352	SOLAR SYSTEM INSPECTION	
	27041	02/10/2020	MVU-2020-43860	DISTRIBUTION CHARGES 12/20/19-1/20/20	\$348,736.51
		02/10/2020	MFP-2020-43868	METER FEES-REGULAR	
		02/10/2020	C19-25A-01	LASSELLE ST-VEHICLE HIT STREETLIGHT	
		02/10/2020	0402-MF-02355	SOLAR SYSTEM INSPECTION	
		02/10/2020	C19-24-1219	SWAN ST-VEHICLE HIT STREETLIGHT	
		02/10/2020	0402-MF-02353	SOLAR SYSTEM INSPECTION	
		02/10/2020	0402-MF-02327	SOLAR SYSTEM INSPECTION	
		02/10/2020	0402-MF-02325	SOLAR SYSTEM INSPECTION	
		02/10/2020	40-501-1219	40-501-ACQUIRED SCE STREETLIGHT MAINT	

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ENCO UTILITY SERVICES MORENO VALLEY LLC	27205	02/24/2020	40-436B-02	WA# 40-436B-BOULDER RIDGE SLS PHASE 2 AND 3	\$51,270.12
		02/24/2020	40-445-03	WA# 40-445-DISTRIBUTION SYSTEM PLANNING UPDATE	
		02/24/2020	40-446A-01	WA# 40-446A-ALERE PROPERTY GROUP	
		02/24/2020	40-501-2001	WA# 40-501-ACQUIRED SCE STREETLIGHTS MAINTENANCE	
		02/24/2020	40-444A-01	WA# 40-444A-AT&T CELL TOWER-IRIS PLAZA	
		02/24/2020	40-443A-04	WA# 40-443A-KIA DEALERSHIP	
		02/24/2020	40-442A-05	WA# 40-442A-BEAZER HOMES-PHASE 4-79 HOMES	
		02/24/2020	40-437-01	WA# 40-437-CONVERSION OF COMMERCIAL METERS TO AMI	
		02/24/2020	40-434A-05	WA# 40-434A-CENTERPOINTE COMMERCE CTR	
		02/24/2020	40-433A-06	WA# 40-433A-PAMA BUSINESS PARK	
		02/24/2020	40-422B-03	WA# 40-422B-MORENO BEACH DRIVE CONDUIT EXTENSION	
		02/24/2020	40-431B-01	WA# 40-431B-PHELAN DEVELOPMENT	
		02/24/2020	40-374B-13	WA# 40-374B-CONTINENTAL VILLAGE APTS	
		02/24/2020	C19-26	GATEWAY DR-VEHICLE HIT STREETLIGHT	
		02/24/2020	40-411-06	WA# 40-411-FIELD VERIFICATION OF STREET LIGHTS	
		02/24/2020	0402-MF-02365	808 0016 - SMART METER	
		02/24/2020	40-438A-06	WA# 40-438A-CENTURY COMMUNITIES	
		02/24/2020	40-405A-10	WA# 40-405A-MORENO BEACH DR BRIDGE CROSSING	
		02/24/2020	40-401B-04	WA# 40-401B-DAY STREET LINE EXTENSION	
		02/24/2020	0402-MF-02356	SOLAR SYSTEM INSPECTION	
		02/24/2020	0402-MF-02357	SOLAR SYSTEM INSPECTION	
		02/24/2020	C19-29	LASSELLE ST-VEHICLE HIT STREETLIGHT	
		02/24/2020	C19-30	SUNNYMEAD RANCH PKWY-VEHICLE HIT STREETLIGHT	
		02/24/2020	40-392B-08	WA# 40-392B-BEAZER HOMES-PHASE 3	
		02/24/2020	0402-MF-02358	SOLAR SYSTEM INSPECTION	

Remit to: ANAHEIM, CA

FYTD: \$3,875,142.19

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CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
EXELON GENERATION COMPANY, LLC	27045	02/10/2020	MVEU-00088A	ELECTRICITY POWER PURCHASE-MV UTILITY 1/1-1/31/20	\$344,914.56
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$4,955,862.64
FALCON ENGINEERING SERVICES, INC.	27206	02/24/2020	2019-01R	PAVEMENT REHAB PROJECTS-VARIOUS STREETS CDBG FY 19/20 & CITYWIDE PROGRAM-CONSULTANT SVCS	\$25,168.00
Remit to: CORONA, CA					<u>FYTD:</u> \$73,645.00
FERREIRA CONSTRUCTION CO. INC.	27046	02/10/2020	527005	DYNAMIC TRAVELER ALERT MESSAGE BOARDS-VRS LOCATIONS	\$391,334.92
	27207	02/24/2020	5277006	DYNAMIC TRAVELER ALERT MESSAGE BOARDS-VRS LOCATIONS	\$265,179.64
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$1,151,706.52
GREENTECH LANDSCAPE, INC.	26965	02/03/2020	46783-2	LANDSCAPE MAINT-ZONES 01, 01A & E7	\$73,829.64
		02/03/2020	46244-2	LANDSCAPE MAINT-ZONE 01	
		02/03/2020	47150	LANDSCAPE MAINT-ZONE E-7	
		02/03/2020	47104	LANDSCAPE MAINT-ZONES 01, 01A, 8 & E7	
		02/03/2020	46972-2	LANDSCAPE MAINT-ZONES 01, 01A & E7	
		02/03/2020	46963	LANDSCAPE MAINT-ZONE 08	
		02/03/2020	46809-2	LANDSCAPE MAINT-ZONE 01	
		02/03/2020	46808	LANDSCAPE MAINT-ZONE 01	
	02/03/2020	47155	LANDSCAPE MAINT-ZONE 08		
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$233,523.18
HITACHI VANTARA LLC	27142	02/18/2020	5147043	MAINTENANCE AND ENHANCEMENT-CITYWIDE CAMERA SYSTEM	\$178,971.39
Remit to: SANTA CLARA, CA					<u>FYTD:</u> \$178,971.39

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
INTERWEST CONSULTING GROUP	26971	02/03/2020	55608	CONSTRUCTION INSPECTION SVCS-NOV 2019	\$32,696.00
		02/03/2020	56246	CONSTRUCTION INSPECTION SVCS-DEC 2019	
		02/03/2020	55606	PLAN CHECK SVCS-VIA DEL LAGO	
Remit to: BOULDER, CO					<u>FYTD:</u> \$128,052.00
LIBRARY SYSTEMS & SERVICES, LLC	27069	02/10/2020	INV2708	LIBRARY CONTRACT SVCS & MATERIALS-MAIN & MALL-FEB 2020	\$157,897.90
Remit to: ROCKVILLE, MD					<u>FYTD:</u> \$1,263,183.20

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MARIPOSA LANDSCAPES, INC.	27151	02/18/2020	87837	LANDSCAPE MAINT.-TOWNGATE AQUEDUCT BIKEWAY-JAN20	\$62,571.29
		02/18/2020	87859	LANDSCAPE MAINT.-CITY YARD SANTIAGO OFFICE-JAN20	
		02/18/2020	87881	LANDSCAPE MAINT.-NPDES WQB-JAN. 2020	
		02/18/2020	87905	LANDSCAPE EXTRA WORK-JAN20-ZONE 02/VEGETATION REMOVAL	
		02/18/2020	87906	LANDSCAPE EXTRA WORK-JAN20-ZONE 02/REPLANTING & MULCH	
		02/18/2020	87852	LANDSCAPE MAINT.-PUBLIC SAFETY BUILDING-JAN20	
		02/18/2020	87857	LANDSCAPE MAINT.-ANNEX 1-JAN20	
		02/18/2020	87838	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/BAY AVE. TO GRAHAM-JAN20	
		02/18/2020	87858	LANDSCAPE MAINT.-VETERANS MEMORIAL-JAN20	
		02/18/2020	87836	LANDSCAPE MAINT.-TOWNGATE COMMUNITY CENTER-JAN20	
		02/18/2020	87846	LANDSCAPE MAINT.-ANIMAL SHELTER-JAN20	
		02/18/2020	87676	LANDSCAPE EXTRA WORK-OCT19-NPDES WQB/IRRIGATION REPAIRS	
		02/18/2020	86768	LANDSCAPE EXTRA WORK-OCT19/REPLACE PLANTS-CITY HALL PARKING LOT	
		02/18/2020	87840	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/VANDENBERG TO FAY-JAN20	
		02/18/2020	87839	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY-DELPHINIUM/PERHAM TO JFK-JAN20	
		02/18/2020	87216	LANDSCAPE EXTRA WORK-NOV19/REPLACE VANDALIZED IRRIGATION VALVE, ETC.	
		02/18/2020	87835	LANDSCAPE MAINT.-SD LMD ZONE 02-JAN. 2020	
		02/18/2020	87854	LANDSCAPE MAINT.-UTILITY FIELD OFFICE-JAN20	
		02/18/2020	87842	LANDSCAPE MAINT.-PAN AM SECTION AQUEDUCT-JAN20	
		02/18/2020	87860	LANDSCAPE MAINT.-KITCHING ELECTRIC SUBSTATION-JAN20	
		02/18/2020	87845	LANDSCAPE MAINT.-AQUEDUCT/SCE & OLD LAKE DRIVE-JAN20	

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CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MARIPOSA LANDSCAPES, INC.		02/18/2020	87856	LANDSCAPE MAINT.-CITY HALL-JAN20	
		02/18/2020	87847	LANDSCAPE MAINT.-MARCH ANNEX BUILDING-JAN20	
		02/18/2020	87848	LANDSCAPE MAINT.-CITY YARD-JAN20	
		02/18/2020	87849	LANDSCAPE MAINT.-CONFERENCE & REC. CENTER-JAN20	
		02/18/2020	87850	LANDSCAPE MAINT.-MORENO BEACH ELECTRIC SUBSTATION-JAN20	
		02/18/2020	87851	LANDSCAPE MAINT.-LIBRARY-JAN20	
		02/18/2020	87841	LANDSCAPE MAINT.-NORTH AQUEDUCT-JAN20	
		02/18/2020	87853	LANDSCAPE MAINT.-SENIOR CENTER-JAN20	
		02/18/2020	87844	LANDSCAPE MAINT.-SOUTH AQUEDUCT B-JAN20	
		02/18/2020	87855	LANDSCAPE MAINT.-FIRE STATIONS 2, 6, 48, 58, 65, 91, & 99-JAN20	
		02/18/2020	87843	LANDSCAPE MAINT.-SOUTH AQUEDUCT A-JAN20	
Remit to: IRWINDALE, CA					FYTD: \$354,438.74
MERCHANTS BUILDING MAINTENANCE, LLC.	27077	02/10/2020	563727	SPECIAL CLEANINGS FOR DEC 2019 EVENT RENTALS-CONF. & REC. CENTER	\$73,647.36
		02/10/2020	563728	SPECIAL CLEANINGS FOR DEC 2019 EVENT RENTALS-COTTONWOOD GOLF CTR	
		02/10/2020	562621	JANITORIAL SERVICES-DEC. 2019	
		02/10/2020	549207	JANITORIAL SERVICES-NOV. 2019	
		02/10/2020	563729	SPECIAL CLEANINGS FOR DEC 2019 EVENT RENTALS-TOWNGATE COMM. CTR.	
	27155	02/18/2020	564447	JANITORIAL SERVICES-JAN. 2020	\$35,166.18
Remit to: MONTEREY PARK, CA					FYTD: \$267,289.86

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MERCHANTS LANDSCAPE SERVICES INC	27224	02/24/2020	55487	LANDSCAPE MAINT.-ZONES E-8, LMD 03, 03A, 04, 05, 06, & 07- JAN20	\$29,986.94
Remit to: MONTEREY PARK, CA					FYTD: \$402,971.95
MORENO VALLEY UTILITY	238692	02/18/2020	FEB-20 2/18/20	ELECTRICITY CHARGES	\$63,287.35
Remit to: HEMET, CA					FYTD: \$742,575.58
ONESOURCE DISTRIBUTORS, INC.	27084	02/10/2020	S6257120.001	EMERGENCY STOCK/TRANSFORMERS-MV UTILITY	\$36,419.50
Remit to: OCEANSIDE, CA					FYTD: \$128,586.16
ONYX PAVING COMPANY, INC	238615	02/03/2020	19.434	PAVEMENT REHAB-VARIOUS STREETS CDBG FY19/20	\$761,541.83
Remit to: ANAHEIM, CA					FYTD: \$761,541.83
PARSONS TRANSPORTATION GROUP, INC.	27158	02/18/2020	2002A100	SR60/MORENO BEACH DR PHASE 2 INTERCHANGE-CONSULTANT SVCS	\$195,126.34
		02/18/2020	2001A055	SR60/MORENO BEACH DR PHASE 2 INTERCHANGE-CONSULTANT SVCS	
Remit to: IRVINE, CA					FYTD: \$997,276.89
PSOMAS	27230	02/24/2020	159788	SURVEYING SERVICES FOR DETENTION BASINS - PM 32326	\$43,585.85
		02/24/2020	158134	JUAN BAUTISTA DE ANZA MULTI-USE TRAIL ATP-2-CONSULTANT SVCS	
		02/24/2020	157864	JUAN BAUTISTA DE ANZA MULTIT-USE TRAIL ATP-2-CONSULTANT SVCS	
		02/24/2020	156026	JUAN BAUTISTA DE ANZA MULTI-USE TRAIL ATP-2-CONSULTANT SVCS	
Remit to: LOS ANGELES, CA					FYTD: \$180,835.23

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CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

Table with columns: Vendor Name, Check/EFT Number, Payment Date, Inv Number, Invoice Description, Payment Amount. Includes entries for SOUTHERN CALIFORNIA EDISON and TENASKA ENERGY, INC.

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CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
THE ADVANTAGE GROUP/ FLEX ADVANTAGE	27101	02/10/2020	202002	FEBRUARY 2020 RETIREE MEDICAL BENEFIT BILLING	\$56,291.07
		02/10/2020	117598	JANUARY 2020 RETIREE MEDICAL BENEFIT BILLING	
Remit to: TEMECULA, CA					<u>FYTD:</u> \$389,426.50
THINK TOGETHER, INC	27103	02/10/2020	111-19/20-7	ASES PROGRAM MANAGEMENT SERVICES-INSTALLMENT #7	\$596,579.24
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$4,295,686.08
U.S. BANK/CALCARDS	26993	02/03/2020	01-27-20	JAN. 2020 CALCARD ACTIVITY	\$217,649.43
Remit to: ST. LOUIS, MO					<u>FYTD:</u> \$1,976,770.43
WASTE MANAGEMENT	238645	02/10/2020	020520	SOLID WASTE DELINQUENCIES PASS THRU, LESS FRANCHISE FEES	\$966,446.03
Remit to: CORONA, CA					<u>FYTD:</u> \$1,061,486.77
WELLS FARGO CORPORATE TRUST	27120	02/13/2020	W200201	DEBT SERVICE-CFD NO. 87-1 2007, TOWNGATE, CFD NO. 5	\$994,599.12
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$6,325,680.32

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CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
WILLDAN ENGINEERING	27001	02/03/2020	002-22094	CONSULTANT SERVICES-INTERIM CODE/NEIGHBORHOOD SERVICES DIVISION MANAGER/DEC. 2019	\$45,710.00
		02/03/2020	002-21939	CONSULTANT SERVICES-INTERIM CODE/NEIGHBORHOOD SERVICES DIVISION MANAGER/NOV. 2019	
		02/03/2020	002-21701	CONSULTANT SERVICES-INTERIM CODE/NEIGHBORHOOD SERVICES DIVISION MANAGER/OCT. 2019	
	27002	02/03/2020	002-21938	PLAN CHECK & INSPECTION SERVICES FOR BLDG. & SAFETY DEPT.-NOV19	\$49,974.15
		02/03/2020	002-21700	PLAN CHECK & INSPECTION SERVICES FOR BLDG. & SAFETY DEPT.-OCT19	
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$344,736.81
WRCRA	238646	02/10/2020	JAN-2020 MSHCP	MSHCP FEES COLLECTED FOR JAN. 2020-RESIDENTIAL SINGLE FAMILY	\$39,024.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$829,492.98
TOTAL AMOUNTS OF \$25,000 OR GREATER					\$17,067,133.80

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
AARVIG AND ASSOCIATES, APC	238566	02/03/2020	34893	LEGAL SERVICES-CLAIM MV 1819 (A. WHITE)	\$2,444.45
		02/03/2020	34895	LEGAL SERVICES-CLAIM MV 1910 (V. GADBERRY)	
Remit to: REDLANDS, CA					<u>FYTD:</u> \$22,111.21
ADAMS INVESTIGATION SERVICES LLC	238741	02/24/2020	19-066	INVESTIGATIVE SERVICES FOR MAINT/OP'S DIVISION	\$11,625.00
Remit to: UPLAND, CA					<u>FYTD:</u> \$37,093.75
ADLERHORST INTERNATIONAL LLC	26947	02/03/2020	104260	MISC SUPPLIES FOR K-9 ARKAN	\$82.97
	27192	02/24/2020	104318	MONTHLY K-9 TRAINING (RICO/ARKAN/HERBIE) JAN 2020	\$525.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$9,602.55
ADMINSURE	27193	02/24/2020	13065	WORKERS' COMP CLAIM ADMIN-MARCH 2020	\$2,241.00
Remit to: ONTARIO, CA					<u>FYTD:</u> \$20,169.00
ADVANCE REFRIGERATION & ICE SYSTEMS, INC	27005	02/10/2020	47171	ICE MACHINE REPAIR-FIRE STATION 6	\$910.44
		02/10/2020	47290	ICE MACHINE REPAIR-FIRE STATION 6	
		02/10/2020	47515	ICE MACHINE REPAIR-FIRE STATION 58	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$10,029.12
ADVANCED ELECTRIC	27006	02/10/2020	12654	ELECTRICAL REPAIRS-CITY HALL	\$937.00
		02/10/2020	12633	ELECTRICAL REPAIRS-CITY YARD FLEET	
		02/10/2020	12634	ELECTRICAL REPAIRS-CITY YARD FLEET	
		02/10/2020	12651	ELECTRICAL REPAIR-CITY YARD FLEET	
	27121	02/18/2020	12648	ELECTRICAL REPAIRS-PARKS	\$654.00
		02/18/2020	12631	ELECTRICAL REPAIRS-EL POTRERO PARK	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$76,887.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
AEI-CASC ENGINEERING	27007	02/10/2020	0041665	PLAN CHECK SVCS-PWQMP	\$1,833.75
Remit to: COLTON, CA					<u>FYTD:</u> \$25,335.75
ALDI, INC.	238651	02/10/2020	MVU 7014047-01	SOLAR PBI INCENTIVE REBATE	\$11,829.72
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$118,683.54
ALEX ORELLANA	27008	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
ALLIED STORAGE CONTAINERS	238617	02/10/2020	R20023076	20' STORAGE BIN RENTAL 2/1-2/29/20	\$70.04
Remit to: COLTON, CA					<u>FYTD:</u> \$560.32
ALTERNATIVE ENERGY SYSTEMS CONSULTING, INC	27122	02/18/2020	21810-08	MVU ENGINEERING SVCS & SUPPORT-ENERGY EFFICIENT AUDIT	\$420.00
Remit to: CARLSBAD, CA					<u>FYTD:</u> \$41,875.82
AMERICAN ASPHALT SOUTH, INC	238618	02/10/2020	2019-162R	RETENTION PAYABLE-PAVEMENT REHAB PROJECT-VRS LOCATIONS	\$22,244.25
Remit to: FONTANA, CA					<u>FYTD:</u> \$444,884.95
AMERICAN CANCER SOCIETY	238600	02/03/2020	2001177.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$500.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$500.00
AMERICAN FORENSIC NURSES	26948	02/03/2020	72972	PHLEBOTOMY SVCS	\$1,820.00
		02/03/2020	72977	PHLEBOTOMY SVCS	
		02/03/2020	72989	PHLEBOTOMY SVCS	
		02/24/2020	73044	PHLEBOTOMY SVCS	
		02/24/2020	73031	PHLEBOTOMY SVCS	
Remit to: LA QUINTA, CA					<u>FYTD:</u> \$15,120.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
AMTECH ELEVATOR SERVICES	27196	02/24/2020	DVB05044120	ELEVATOR ROUTINE MAINT-CITY HALL-JAN 2020	\$435.00
		02/24/2020	DVB05044B19	ELEVATOR ROUTINE MAINT-CITY HALL- NOV 2019	
		02/24/2020	DVB05044C19	ELEVATOR ROUTINE MAINT-CITY HALL- DEC 2019	
Remit to: PASADENA, CA					<u>FYTD:</u> \$4,950.00
ANDERSON, SCOTT	238595	02/03/2020	2/11 - 2/13/20	TRAVEL PER DIEM-2020 CRIA TRAINING CONFERENCE	\$165.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$165.00
ANGEL BOBBITT	27009	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$1,250.00
ANGELA B. WILLIAMS	27010	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
ANIMAL EMERGENCY CLINIC, INC.	27123	02/18/2020	JAN 2020	AFTER HOURS EMERGENCY VET SVCS-MV ANIMAL SHELTER	\$515.00
Remit to: GRAND TERRACE, CA					<u>FYTD:</u> \$4,547.00

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ANNEALTA GROUP	238673	02/18/2020	1638	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	\$19,882.77
		02/18/2020	1632	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1635	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1634	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1633	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1643	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1636	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1639	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1640	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1642	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1644	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1645	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
		02/18/2020	1641	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	
Remit to: HUNTINGTON BEACH, CA					<u>FYTD:</u> \$101,661.14
ANTHONY ALFARO	27011	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
ANTI, SHEA	238763	02/24/2020	2001053.047	WITHDRAW REFUND-SOFTBALL LEAGUE	\$50.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$50.00
ARCHITERRA DESIGN GROUP	26949	02/03/2020	26646	CONCEPTUAL DESIGN OF AMPHITHEATER 11/25-12/24/19	\$19,356.46
		02/03/2020	26645	MV AMPHITHEATER-EXTRA SERVICE 10/16/19	
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$256,187.55
ARISTONDO, SORAYA	238601	02/03/2020	R19-143580	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$75.00

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ASSISTANCE LEAGUE OF RIVERSIDE	238674	02/18/2020	02-2019	OPERATION SCHOOL BELL PROGRAM 19/20	\$6,530.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$15,000.00
ATEL COMMUNICATIONS.COM	26950	02/03/2020	56774	NEC SOFTWARE SUPPORT	\$296.00
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$11,259.60
AUTOMATIC STOREFRONT SERVICE/E-Z AUTOMATED SYSTEMS	238619	02/10/2020	0030883	FRONT LOBBY DOOR REPAIR-EMERGENCY OP'S CTR	\$1,925.33
		02/10/2020	0030916	SLIDING GLASS DOOR REPAIR-EMERGENCY OP'S CTR.	
Remit to: CHINO, CA					<u>FYTD:</u> \$30,919.02
AVANT GARDE	27124	02/18/2020	5961	HOME HABITAT FOR HUMANITY-JAN 2020	\$341.25
		02/18/2020	5962	CDBG HABITAT FOR HUMANITY-JAN 2020	
Remit to: POMONA, CA					<u>FYTD:</u> \$10,627.50
B & H PHOTO - VIDEO, INC.	27012	02/10/2020	165655926	AUDIO SYSTEM-CONF. & REC. CTR	\$9,133.43
		02/10/2020	165968007	AUDIO SYSTEM-CONF. & REC. CTR	
Remit to: NEW YORK, NY					<u>FYTD:</u> \$15,892.32
BARBEE, REESE	238596	02/03/2020	2/11 - 2/13/20	TRAVEL PER DIEM-2020 CRIA TRAINING CONFERENCE	\$165.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$165.00
BARTHA, BRIGITTA	27197	02/24/2020	REIMB. 1/31/20	REIMBURSE HOTEL & PARKING CHARGES FOR CSMFO 2020 CONFERENCE	\$315.48
Remit to: SUN CITY, CA					<u>FYTD:</u> \$537.64

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BEEMAN, JASON	238597	02/03/2020	2/11 - 2/14/20	TRAVEL PER DIEM-LAPD POLICE MOTORCYCLE INSTRUCTOR TRAINING	\$528.00
		02/03/2020	2/17 - 2/21/20	TRAVEL PER DIEM-LAPD POLICE MOTORCYCLE INSTRUCTOR TRAINING	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$528.00
BIBBEE, SUMMER	238652	02/10/2020	2001181.047	TOWNGATE COMM. CTR. RENTAL REFUND	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
BIO-TOX LABORATORIES	238742	02/24/2020	39331	FORENSIC TOXICOLOGY TESTING SVCS FOR PD	\$4,942.00
		02/24/2020	39383	FORENSIC TOXICOLOGY TESTING SVCS FOR PD	
		02/24/2020	39399	FORENSIC TOXICOLOGY TESTING SVCS FOR PD	
		02/24/2020	39332	FORENSIC TOXICOLOGY TESTING SVCS FOR PD	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$43,961.00
BIRD, JAMIE	27013	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
BLUE OUTDOOR LLC	27198	02/24/2020	2020-4-4794	MALL ADVERTISEMENT	\$500.00
Remit to: NEW YORK, NY					<u>FYTD:</u> \$1,000.00
BMW MOTORCYCLES OF RIVERSIDE	27014	02/10/2020	6023562	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$1,522.48
		02/10/2020	6023565	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
	27199	02/24/2020	6023710	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$1,612.10
		02/24/2020	6023790	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$128,527.51

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BOB MURRAY & ASSOCIATES	238675	02/18/2020	8438	EXECUTIVE SEARCH-CDD DIRECTOR	\$15,516.90
		02/18/2020	8393	EXECUTIVE SEARCH-CDD DIRECTOR	
Remit to: ROSEVILLE, CA					<u>FYTD:</u> \$57,631.21
BOBERG ENGINEERING & CONTRACTING, INC	238713	02/18/2020	BL#15107-YR2020	REFUND OF OVER-PAYMENT FOR BL#15107	\$65.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$65.00
BOEHNKE, DAKODAH	238714	02/18/2020	R19-143277	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00
BONNIE L. GALLOWAY	27015	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
BOSCO LEGAL SERVICE, INC.	238737	02/18/2020	STMT115232	LEGAL COURIER SVCS 12/11-12/23/19	\$250.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$10,428.40
BOUTON, RUSSELL	238715	02/18/2020	BL#29172-YR2020	REFUND OF OVER-PAYMENT FOR BL#29172	\$123.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$123.00

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BOX SPRINGS MUTUAL WATER COMPANY	238620	02/10/2020	204-9 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	\$328.00
		02/10/2020	1088-1 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	1084-1 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	1085-1 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	1086-1 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	331-1 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	1087-1 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	189-13 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	36-1 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	45-4 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	80-4 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		02/10/2020	195-5 1/27/20	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		238676	02/18/2020	721-1 1/27/20	
02/18/2020	721-1 11/26/19		WATER USAGE-TOWNGATE-NOV 2019		
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$3,437.10
BOY SCOUTS OF AMERICA	238653	02/10/2020	2001180.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$500.00
Remit to: REDLANDS, CA					<u>FYTD:</u> \$2,000.00

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BRAUN BLAISING SMITH WYNNE, P.C.	238743	02/24/2020	18682	LEGAL SERVICES-MV UTILITY-JAN 2020	\$387.80
Remit to: SACRAMENTO, CA					FYTD: \$8,300.79
BRIDGEPAY NETWORK SOLUTIONS	27125	02/18/2020	5057	CREDIT CARD GATEWAY SVCS-JAN 2020	\$55.10
Remit to: ALTAMONTE SPRINGS, FL					FYTD: \$269.00
BRIGHTVIEW LANDSCAPE SERVICES, INC.	27126	02/18/2020	6648136	LANDSCAPE MAINT-ZONES D, M, S, 09, LM-01H & LM-02A	\$18,792.89
		02/18/2020	6674850	LANDSCAPE MAINT-ZONES D & M	
Remit to: PASADENA, CA					FYTD: \$191,852.77
BROOKS, GLENN W.	27127	02/18/2020	JAN-2020	INSTRUCTOR SERVICES-YOGA CLASS	\$93.60
Remit to: MORENO VALLEY, CA					FYTD: \$250.80
CALIFORNIA CUSTOM ENTRANCE SYSTEMS, INC	238716	02/18/2020	BL#20274-YR2020	REFUND OF OVER-PAYMENT FOR BL#20274	\$86.00
Remit to: ORANGE, CA					FYTD: \$86.00
CALIFORNIA MUNICIPAL UTILITIES ASSOC.	238621	02/10/2020	19-0509	HOSTING & REPORTING COSTS FOR DEMAND	\$1,059.00
Remit to: SACRAMENTO, CA					FYTD: \$24,083.92
CALIFORNIA VETERINARY SPECIALISTS	238744	02/24/2020	176005	VETERINARY CARE FOR K-9	\$642.60
Remit to: MURRIETA, CA					FYTD: \$642.60

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CAMERON-DANIEL, P.C.	27200	02/24/2020	1112	LEGAL SERVICES-MV UTILITY	\$1,320.00
Remit to: ROSEVILLE, CA					FYTD: \$37,155.00
CANON SOLUTIONS AMERICA, INC.	27201	02/24/2020	110303119113_1	COPIER SVC-ERC-AUGUST 2019	\$1,043.04
Remit to: CHICAGO, IL					FYTD: \$3,830.16
CARLA GABRIELA GONZALEZ	27016	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
CARRILLO, JUAN	238602	02/03/2020	R20-144562	ANIMAL SERVICES REFUND-TRAP RENTAL DEPOSIT	\$52.00
Remit to: MORENO VALLEY, CA					FYTD: \$152.00
CASSEL, CANDACE	238711	02/18/2020	REIMB. 1/29-1/30	REIMBURSE MEAL EXPENSES FOR MANAGEMENT AIDE ORAL PANEL (2 DAYS)	\$134.11
Remit to: YUCAIPA, CA					FYTD: \$134.11
CEMEX	238568	02/03/2020	9441164290	MIXED CONCRETE MATERIALS	\$570.29
	238622	02/10/2020	9441233639	MIXED CONCRETE MATERIALS	\$463.87
Remit to: PASADENA, CA					FYTD: \$12,664.04
CENTENO, JACQUELINE	27017	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$250.00
CHANCY, CHIZURU	238677	02/18/2020	JAN-2020	INSTRUCTOR SERVICES-HULA DANCE CLASS	\$97.20
		02/18/2020	DEC-2019	INSTRUCTOR SERVICES-HULA DANCE CLASS	
Remit to: MORENO VALLEY, CA					FYTD: \$563.40

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CHANDLER ASSET MANAGEMENT, INC	27018	02/10/2020	2001MORENOVA	INVESTMENT MANAGEMENT SVCS-JAN 2020	\$7,177.77
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$53,750.71
CHARLES ABBOTT ASSOCIATES, INC	27019	02/10/2020	60568-A	PLAN CHECK CONSULTING SVCS-HF CORPORATE PARK PHASE 2-DEC 2019	\$6,496.00
		02/10/2020	60570	PLAN CHECK CONSULTING SVCS-KIA DEALERSHIP-DEC 2019	
		02/10/2020	60571	PLAN CHECK CONSULTING SVCS-TOWNGATE STARBUCKS-DEC 2019	
	27202	02/24/2020	60568-B	PLAN CHECK CONSULTING SVCS-FH CORP PARK PHASE 2-DEC 2019	\$280.00
Remit to: MISSION VIEJO, CA					<u>FYTD:</u> \$219,053.50
CHAVIRA, TIMOTHY	238654	02/10/2020	MVA020030389	REFUND- PARKING CONTROL FEES-VIOLATION DISMISSED	\$57.50
Remit to: LITTLE ELM, TX					<u>FYTD:</u> \$57.50
CHEYENNE BURTON	27020	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
CHRIS BALASINSKI DBA REF UNION	27021	02/10/2020	INVOICE WJ1	REFEREES FOR MV YOUTH LEAGUE GAMES 1/18, 1/25, & 2/1/20	\$1,560.00
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$6,017.00
CHRISTINA RUIZ	27022	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00

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CINTAS FIRST AID & SAFETY	238569	02/03/2020	5015747587	FIRST AID KIT SUPPLIES-MARCH FIELD PK COMM CENTER	\$211.02
		02/03/2020	5015747547	FIRST AID KIT SUPPLIES-CITY HALL	
		02/03/2020	5015747548	FIRST AID KIT SUPPLIES-CONFERENCE AND RECREATION CENTER	
		02/03/2020	5015747550	FIRST AID KIT SUPPLIES-EMPLOYMENT RESOURCE CENTER	
		02/03/2020	5015747552	FIRST AID KIT SUPPLIES-SENIOR CENTER	
	238623	02/10/2020	5015747555	FIRST AID KIT SUPPLIES-TOWNGATE COMMUNITY CENTER	\$13.77
Remit to: CINCINNATI, OH					FYTD: \$1,869.91
CIVIC SOLUTIONS, INC	27023	02/10/2020	89151	PLANNING ENTITLEMENT AND PLAN CHECK SVCS-JANUARY 2020	\$14,125.00
Remit to: MISSION VIEJO, CA					FYTD: \$82,621.41
CLARISSA M RUIZ	27024	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
CODE 4 FIRE, INC.	238655	02/10/2020	121025	REFUND-DUPLICATE PERMIT PAYMENT	\$525.00
Remit to: PLACENTIA, CA					FYTD: \$525.00
COLONIAL SUPPLEMENTAL INSURANCE	238678	02/18/2020	7133069-0201313	EMPLOYEE SUPPLEMENTAL INSURANCE	\$7,934.32
Remit to: COLUMBIA, SC					FYTD: \$55,898.68
COMMONWEALTH LAND TITLE COMPANY	238570	02/03/2020	19044	PRELIMINARY REPORT W/PLOTTED EASEMENT APN 478-421-010	\$3,200.00
		02/03/2020	19043	PRELIMINARY REPORT W/PLOTTED EASEMENT APN 478-421-012	
		02/03/2020	18841	PRELIMINARY REPORT W/PLOTTED EASEMENT APN 478-120-007 & 008	
		02/03/2020	19045	PRELIMINARY REPORT W/PLOTTED EASEMENT APN 478-421-011	
		02/03/2020	19046	PRELIMINARY REPORT W/PLOTTED EASEMENT APN 478-421-001	
Remit to: NEWPORT BEACH, CA					FYTD: \$32,771.00

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COMMUNITY PARTNERS - DBA WELL	238624	02/10/2020	WELL CONF. 2020	WELL CONFERENCE-3/20 & 3/21/20-MAYOR PRO TEM BACA	\$650.00
		02/10/2020	WELL CONFERENCE	WELL CONFERENCE-3/20 & 3/21/20-COUNCIL MEMBER D. MARQUEZ	
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$650.00
CORODATA MEDIA STORAGE INC.	27128	02/18/2020	DS1291822	OFF-SITE MEDIA STORAGE-JAN 2020	\$513.10
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$3,649.60
CORTES, MELISSA	27025	02/10/2020	REIMB. 1/31/20	REIMBURSE HOTEL & PARKING CHARGES FOR CSMFO 2020 CONFERENCE	\$315.48
Remit to: HEMET, CA					<u>FYTD:</u> \$537.64
COSTAR REALTY INFORMATION, INC	238625	02/10/2020	110681475-1	COMMERCIAL REAL ESTATE DATABASE SVC-FEB 2020	\$1,500.62
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$12,004.96
COUNSELING TEAM, THE	238571	02/03/2020	75332	CONSULTING SVCS-TECH SVCS-1/7-1/8/20	\$1,690.00
		02/03/2020	75396	CONSULTING SVCS-TECH SVCS-1/17/20 & 1/22/20	
	238679	02/18/2020	75581	EMPLOYEE ASSISTANCE PROGRAM-JAN 2020	\$1,250.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$14,375.00
COUNTRY SQUIRE ESTATES	238626	02/10/2020	DEC-JAN 2020	UUT REFUND FOR DEC 2019 THRU JAN 20	\$35.40
Remit to: ONTARIO, CA					<u>FYTD:</u> \$215.65

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COUNTS UNLIMITED, INC.	26952	02/03/2020	19854	TRAFFIC DATA COLLECTION	\$300.00
		02/03/2020	19851	TRAFFIC DATA COLLECTION	
	27026	02/10/2020	20020	TRAFFIC DATA COLLECTION	\$670.00
		02/10/2020	19850	TRAFFIC DATA COLLECTION	
		02/10/2020	19852	TRAFFIC DATA COLLECTION	
Remit to: CORONA, CA					FYTD: \$3,520.00
COUNTY OF RIVERSIDE	27027	02/10/2020	IT0000003694	APX 7500M DUAL BAND, HPD MODEM MAINT	\$2,726.40
	238680	02/18/2020	20-34380	RECORDATION-DOCUMENT	\$42.50
Remit to: RIVERSIDE, CA					FYTD: \$306,633.48
COUNTY OF RIVERSIDE 1	238572	02/03/2020	PU0000004905	JANITORIAL SUPPLIES-POLICE STATION-DEC 2019	\$616.42
	238745	02/24/2020	PU0000004927	JANITORIAL SUPPLIES-POLICE STATION-FY19/20 DELIVERY CHARGES RFD	\$2,121.38
Remit to: MORENO VALLEY, CA					FYTD: \$5,975.00
COUNTY OF RIVERSIDE SHERIFF	27203	02/24/2020	SH0000036904	CDBG POP OVERTIME-MVPPD	\$4,779.06
Remit to: RIVERSIDE, CA					FYTD: \$23,478,762.81
CRIME SCENE STERI-CLEAN, LLC	26954	02/03/2020	40391	BIO HAZARD REMOVAL SERVICE	\$600.00
		02/03/2020	40384	BIO HAZARD REMOVAL SERVICE	
	27028	02/10/2020	40421	BIO HAZARD REMOVAL SERVICE	\$1,600.00
Remit to: RANCHO CUCAMONGA, CA					FYTD: \$9,200.00
CURDS CONSTRUCTION COMPANY, INC	238717	02/18/2020	BL#13116-YR2020	REFUND OF OVER-PAYMENT FOR BL#13116	\$65.00
Remit to: NORCO, CA					FYTD: \$65.00

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CUSHMAN & WAKEFIELD WESTERN, INC.	27119	02/11/2020	19-38015-9026	REAL ESTATE APPRAISAL	\$5,000.00
Remit to: IRVINE, CA					FYTD: \$13,400.00
D&D SERVICES DBA D&D DISPOSAL, INC.	238628	02/10/2020	107988	DECEASED ANIMAL REMOVAL SERVICES-JAN 2020	\$745.00
Remit to: VALENCIA, CA					FYTD: \$5,960.00
DALAYSIA JANELLE COLEMAN	27029	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
DANIET LENONE LYLES	27030	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
DATA TICKET, INC.	26955	02/03/2020	109080	ADMIN CITATION PROCESSING-ANIMAL SVCS-DEC 2019	\$917.49
		02/03/2020	109081	ADMIN CITATION PROCESSING-BLDG & SAFETY- DEC 2020	
	27204	02/24/2020	110304	ADMIN CITATION PROCESSING-PD-JAN 2020	\$456.25
		02/24/2020	110301	ADMIN CITATION PROCESSING-ANIMAL SVCS-JAN 2020	
Remit to: IRVINE, CA					FYTD: \$167,470.85
DAVIS, ANGELIC	27032	02/10/2020	2/16 - 2/21/20	TRAVEL PER DIEM & MILEAGE-CAPPO CONFERENCE 2020	\$381.18
Remit to: ROSENA RANCH, CA					FYTD: \$381.18
DE LA PENA, BRENDA	238656	02/10/2020	R19-142738	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT FOR 2 KITTENS	\$150.00
Remit to: BEAUMONT, CA					FYTD: \$150.00
DEBINAIRE COMPANY	238629	02/10/2020	M214619	BOILER MAINTENANCE-EMERGENCY OP'S CTR	\$140.00
Remit to: CORONA, CA					FYTD: \$5,200.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
DEJOHNETTE, ALVIN	238761	02/24/2020	3/4 - 3/6/20	TRAVEL PER DIEM & MILEAGE-2020 PLANNING COMMISSIONERS ACADEMY	\$193.29
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$193.29
DELTA DENTAL OF CALIFORNIA	27033	02/10/2020	BE003754245	EMPLOYEE DENTAL INSURANCE-PPO	\$15,396.27
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$109,126.96
DELTACARE USA	27034	02/10/2020	BE003755025	EMPLOYEE DENTAL INSURANCE-HMO	\$4,545.31
Remit to: DALLAS, TX					<u>FYTD:</u> \$48,533.31
DEPARTMENT OF ENVIRONMENTAL HEALTH	238630	02/10/2020	IN0372827	ENVIRONMENTAL HEALTH PERMIT-SUNNYMEAD PARK	\$3,159.22
		02/10/2020	OCT-DEC 2019	VECTOR CONTROL SVCS-CODE	
	238746	02/24/2020	IN0375725	ENVIRONMENTAL HEALTH PERMIT-BETHUNE PARK	\$146.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$23,770.50
DEVIN PARRISH	27035	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
DFM ASSOCIATES	238681	02/18/2020	45206	2020 CALIFORNIA ELECTION CODE	\$57.64
Remit to: IRVINE, CA					<u>FYTD:</u> \$57.64
DISH DBS CORPORATION	238631	02/10/2020	86557282/FEB20	SATELLITE TV-FIRE STATION 99-1/31-2/29/20	\$106.05
Remit to: PALATINE, IL					<u>FYTD:</u> \$874.50
DURAN, NICHOLAS	238573	02/03/2020	CK NO. 237219	REISSUE STALE-DATED CHECK/SUMMER 2019 LIBRARY INTERN	\$300.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$600.00

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E.R. BLOCK PLUMBING & HEATING, INC.	27036	02/10/2020	128563	BACKFLOW DEVICE TEST-SENIOR CENTER	\$250.00
		02/10/2020	131104	BACKFLOW DEVICE TEST-ANIMAL SHELTER	
		02/10/2020	131103	BACKFLOW DEVICE TEST-FIRE STATION 91	
	27130	02/18/2020	131105	BACKFLOW DEVICE TEST-ZONE 03	\$778.75
		02/18/2020	131102	BACKFLOW DEVICE TEST-PUBLIC SAFETY BUILDING	
		02/18/2020	130884	BACKFLOW DEVICE TEST-ZONES D, M, 01, 03 & NPDES WQB	
Remit to: RIVERSIDE, CA					FYTD: \$21,070.29
EASTERN MUNICIPAL WATER DISTRICT	238672	02/11/2020	JAN-20 2/10/20 R	WATER CHARGES	\$1,004.17
		02/11/2020	DEC-19 2/10/20	WATER CHARGES	
	238682	02/18/2020	JAN-20 2/18/20	WATER CHARGES	\$1,423.53
	238748	02/24/2020	JAN-20 2/24/20	WATER CHARGES	\$12,684.36
		02/24/2020	FEB-20 2/24/20	WATER CHARGES	
Remit to: LOS ANGELES, CA					FYTD: \$1,425,357.37
ELENO ZEPEDA JR	27037	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
ELIAS MARIN	27038	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
ELIGIO, HECTOR	27039	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
ELIZABETH BUENROSTRO	27040	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: ANAHEIM, CA					FYTD: \$1,250.00

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EMPLOYMENT DEVELOPMENT DEPARTMENT	27190	02/11/2020	4TH QTR 2019	UNEMPLOYMENT INSURANCE CLAIMS 10/1/19 - 12/31/19	\$7,884.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$20,807.00
ENGIE SERVICES U.S. INC.	238739	02/18/2020	90002299	MONTHLY MONITORING SERVICE FEE-OCT 19-SEPT 20	\$824.00
Remit to: PASADENA, CA					<u>FYTD:</u> \$824.00
ESTEVON ELIGIO	27043	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
EVANS ENGRAVING & AWARDS	26957	02/03/2020	12420-22	NAME PLATES/BADGES (C.WARD)-SENIOR ADVISORY BOARD	\$40.95
	27044	02/10/2020	2420-5	NAME PLATES/BADGES (L. WITHERS)-ARTS COMMISSION	\$96.98
Remit to: BANNING, CA					<u>FYTD:</u> \$418.09
EXCLUSIVE TOWING	238749	02/24/2020	19-06249	EVIDENCE VEHICLE TOWING	\$272.50
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$4,339.00
EYERMAN, MARSHALL	26958	02/03/2020	2/11 - 2/14/20	TRAVEL PER DIEM & MILEAGE-LASERFICHE EMPOWER 2020 CONFERENCE	\$256.65
Remit to: TEMECULA, CA					<u>FYTD:</u> \$1,035.51
FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY, INC.	26959	02/03/2020	NOV-19 (FH)	FAIR HOUSING DISCRIMINATION SVCS-CDBG	\$8,563.36
		02/03/2020	OCT-19 (FH)	FAIR HOUSING DISCRIMINATION SVCS-CDBG	
		02/03/2020	OCT-19 (LT)	LANDLORD/TENANT MEDIATION SVCS-CDBG	
		02/03/2020	NOV-19 (LT)	LANDLORD/TENANT MEDIATION SVCS-CDBG	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$34,587.87

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FARO TECHNOLOGIES	238575	02/03/2020	1166666	TRAFFIC EQUIPMENT-MAINT RENEWAL	\$2,264.00
Remit to: LAKE MARY, FL					<u>FYTD:</u> \$4,528.00
FERRELLGAS LP	238683	02/18/2020	1109421443	PROPANE FUEL BACK-UP GENERATOR-FIRE STATION 6	\$587.16
Remit to: DENVER, CO					<u>FYTD:</u> \$587.16
FIEDLER, KRISTINE	27047	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
FIRST AMERICAN DATA TREE, LLC	238634	02/10/2020	20027760120	ONLINE SOFTWARE SUBSCRIPTION-JAN 2020	\$99.00
Remit to: PASADENA, CA					<u>FYTD:</u> \$792.00

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FIRST CHOICE SERVICES	27208	02/24/2020	665261	WATER PURIF UNIT RENTAL-FIRE STATION 48	\$527.85
		02/24/2020	665269	WATER PURIF UNIT RENTAL-TRANS TRAILER	
		02/24/2020	665253	WATER PURIF UNIT RENTAL-ANNEX 1	
		02/24/2020	665268	WATER PURIF UNIT RENTAL-SENIOR CENTER	
		02/24/2020	665254	WATER PURIF UNIT RENTAL-CITY HALL 1ST FLOOR	
		02/24/2020	665255	WATER PURIF UNIT RENTAL-CITY HALL 2ND FLOOR	
		02/24/2020	665267	WATER PURIF UNIT RENTAL-PUBLIC SAFETY BUILDING	
		02/24/2020	665266	WATER PURIF UNIT RENTAL-LIBRARY	
		02/24/2020	665265	WATER PURIF UNIT RENTAL-FIRE STATION 99	
		02/24/2020	665252	WATER PURIF UNIT RENTAL-ANIMAL SHELTER	
		02/24/2020	665256	WATER PURIF UNIT RENTAL-CONF & REC CTR	
		02/24/2020	665264	WATER PURIF UNIT RENTAL-FIRE STATION 91	
		02/24/2020	665262	WATER PURIF UNIT RENTAL-FIRE STATION 58	
		02/24/2020	665260	WATER PURIF UNIT RENTAL-FIRE STATION 6	
		02/24/2020	665259	WATER PURIF UNIT RENTAL-FIRE STATION 2	
		02/24/2020	665258	WATER PURIF UNIT RENTAL-EMERGENCY OP'S CTR	
		02/24/2020	665257	WATER PURIF UNIT RENTAL-CITY YARD	
		02/24/2020	665263	WATER PURIF UNIT RENTAL-FIRE STATION 65	
Remit to: ONTARIO, CA					<u>FYTD:</u> \$4,750.65
FLORES, REGINA	26960	02/03/2020	2/11 - 2/14/20	TRAVEL PER DIEM & MILEAGE-LASERFICHE EMPOWER 2020 CONFERENCE	\$255.27
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$310.66
FOOTE, JESSICA	238657	02/10/2020	R19-141686	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: BEAUMONT, CA					<u>FYTD:</u> \$75.00

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FRANCE PUBLICATIONS, INC.	27131	02/18/2020	2019-31872	HOST SPONSORSHIP-COML REAL ESTATE CONFERENCE-JAN 2020	\$12,795.00
		02/18/2020	2019-31873	SPONSORSHIP-INTERFACE HEALTHCARE REAL ESTATE WEST-FEB 2020	
		02/18/2020	2019-20935	TABLOID AD-WESTERN REAL ESTATE BUSINESS-OCT 2019 ISSUE	
		02/18/2020	2019-20946	TABLOID AD-WESTERN REAL ESTATE BUSINESS-DEC 2019 ISSUE	
Remit to: ATLANTA, GA					<u>FYTD:</u> \$36,345.00
FRANKLIN ENERGY SERVICES, LLC	238778	02/24/2020	I0000953	EDUCATIONAL SERVICES-LIVINGWISE PROGRAM KIT-MV UTILITY	\$1,340.90
Remit to: PORT WASHINGTON, WI					<u>FYTD:</u> \$1,340.90
FRANKLIN, L. C.	27132	02/18/2020	JAN-2020	MILEAGE REIMBURSEMENT	\$120.18
Remit to: PERRIS, CA					<u>FYTD:</u> \$1,224.50
FRED'S GLASS & MIRROR, INC.	238684	02/18/2020	16946	WINDOW REPAIR-TOWNGATE COMM CTR	\$449.29
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$4,187.98
FRIENDS OF THE MORENO VALLEY SENIOR CENTER	27133	02/18/2020	12-2019	SENIOR MOVAN PROGRAM-CDBG REIMBURSEMENT	\$1,984.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$55,000.00
FRONTIER COMMUNICATIONS/FORMERLY VERIZON	27134	02/18/2020	7002Z183-S-20036	BACKBONE COMMUNICATIONS SERVICE 2/5/20-3/4/20	\$3,683.91
Remit to: ROCHESTER, NY					<u>FYTD:</u> \$26,902.88

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FRONTIER COMMUNICATIONS/FORMERLY VERIZON CALIF.	238685	02/18/2020	082109-5/FEB20	PHONE SVC FOR ERC 2/04-3/03/20	\$623.60
	238750	02/24/2020	081095-5/FEB20	FOREIGN EXCHANGE BUSINESS LISTING-MV UTILITY	\$7.60
Remit to: CINCINNATI, OH					FYTD: \$4,989.76
FUEL PROS, INC	27048	02/10/2020	0000047029	FUEL TANK REPAIR-FIRE STATION 2	\$495.89
	27135	02/18/2020	0000047694	FUEL TANK REPAIR-FIRE STATION 48	\$1,000.51
		02/18/2020	0000047296	FUEL TANK REPAIR-FIRE STATION 2	
Remit to: CHINO, CA					FYTD: \$11,536.80
G/M BUSINESS INTERIORS, INC.	26961	02/03/2020	0256162-IN	OFFICE CHAIRS-CITY HALL	\$577.54
	27136	02/18/2020	0258189-IN	OFFICE CHAIR-CITY HALL	\$398.68
	27209	02/24/2020	0254042-IN	RECEPTION DESK WORKSTATION-ERC	\$5,509.67
Remit to: RIVERSIDE, CA					FYTD: \$83,648.89
GALLEGOS, SONIA	238658	02/10/2020	R19-143276	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
GARCIA HERNANDEZ SAWHNEY, LLP	27137	02/18/2020	13540	LEGAL SERVICES	\$1,282.50
	238669	02/10/2020	13529	LEGAL SERVICES	\$1,339.50
Remit to: SAN DIEGO, CA					FYTD: \$13,575.00
GARCIA, CHANTEL	26962	02/03/2020	JAN-2020	INSTRUCTOR SERVICES-ART EXPRESSION/SKETCH CLASSES	\$185.40
	27210	02/24/2020	FEB-2020	INSTRUCTOR SERVICES-ART EXPRESSION/SKETCH CLASSES	\$271.80
Remit to: MORENO VALLEY, CA					FYTD: \$1,795.05

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GARCIA, RUBY ANDIE NAVARRO	27049	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
GEO PLASTICS, INC.	238576	02/03/2020	72542	11-QUART SEALED OIL DRAINER CONTAINERS (1,000 UNITS)	\$8,884.38
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$8,884.38
GEOCON WEST, INC	238577	02/03/2020	7913430	ALESSANDRO BLVD TRAFFIC SIGNAL & STREET IMPROVEMENT AT GRANT ST., CONSULTING SERVICES	\$4,662.00
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$9,168.00
GEYSSELL PENATE-ESTRADA	27050	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
GIS PLANNING, INC	238777	02/24/2020	2120673461	GIS WEBSITE CONSULTANT-1/19/20-1/18/21	\$12,000.00
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$12,000.00
GLADWELL GOVERNMENTAL SVCS, INC.	238686	02/18/2020	4283	SUBSCRIPTION-RECORDS RETENTION LEGAL REVIEW, UPDATE & ADVICE	\$500.00
Remit to: LAKE ARROWHEAD, CA					<u>FYTD:</u> \$500.00
GLOBAL AUTOMATION SERVICES, INC.	238687	02/18/2020	36234	AC REPAIR-PUBLIC SAFETY BUILDING	\$1,916.40
		02/18/2020	36185	AC REPAIR-CITY YARD	
Remit to: YUCAIPA, CA					<u>FYTD:</u> \$20,313.40
GONZALES, ASHLEE	238719	02/18/2020	R19-143903	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$75.00

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GONZALEZ, RICARDO	238738	02/18/2020	2/23 - 2/28/20	TRAVEL PER DIEM & MILEAGE-TE350 BICSI ICT TECHNICIAN TRAINING	\$481.81
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$481.81
GOVERNMENTJOBS.COM, INC. / NEOGOV	26963	02/03/2020	INV-11983	INSIGHT SOFTWARE SUBSCRIPTION FEE FOR TERM 12/21/19-12/20/2020	\$7,166.25
Remit to: EL SEGUNDO, CA					<u>FYTD:</u> \$7,166.25
GOVINVEST, INC.	27138	02/18/2020	2020-2783	PENSION LICENSE 2/9/19-2/8/20	\$5,000.00
Remit to: TORRANCE, CA					<u>FYTD:</u> \$16,333.00
GRAFFITI TRACKER, INC.	27211	02/24/2020	3409	GRAFFITI TRACKING SERVICES JAN -DEC 2020	\$15,000.00
Remit to: OMAHA, NE					<u>FYTD:</u> \$15,000.00
GRAVES & KING, LLP	26964	02/03/2020	1912-0010107-03	LEGAL SERVICES-CLAIM MV 1833 (P. MIDDLEBROOKS)	\$361.68
	27139	02/18/2020	1912-0010166-03	LEGAL SERVICES-CLAIM MV 0010166 (INRI TOWING)	\$7,999.90
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$119,668.78
GREENTECH LANDSCAPE, INC	238720	02/18/2020	BL#36224-YR2020	REFUND OF OVER-PAYMENT FOR BL#36244	\$76.09
Remit to: WHITTIER, CA					<u>FYTD:</u> \$76.09
GREENTECH LANDSCAPE, INC.	27051	02/10/2020	47263	LANDSCAPE MAINT-PARKS	\$11,593.00
	27140	02/18/2020	47262	LANDSCAPE MAINT-ZONES 01, 01A, 8 & E7	\$9,205.65
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$233,523.18
GRID ALTERNATIVES	27212	02/24/2020	ARI0006491	CDBG 19/20 SOLAR ENERGY ASSISTANCE PROGRAM-NOV 2019	\$4,792.09
Remit to: OAKLAND, CA					<u>FYTD:</u> \$42,071.64

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GUTIERREZ, ANGEL	27141	02/18/2020	8/13 - 11/6/19	MILEAGE REIMBURSEMENT FOR BUSINESS MEETINGS, TRAINING, & EVENTS	\$218.78
		02/18/2020	11/6 - 12/31/19	MILEAGE REIMBURSEMENT FOR BUSINESS MEETINGS, TRAINING, & EVENTS	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$391.10
GUTIERREZ, YXSTIAN	238647	02/10/2020	1/22 - 1/25/20	TRAVEL REIMBURSEMENT-MEALS, TRANSPORTATION, PARKING, ETC-MAYOR'S WINTER CONFERENCE	\$290.34
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,143.91
HABITAT RESTORATION SCIENCES, INC	27052	02/10/2020	10638	DETENTION BASIN MAINT SVC-DEC 2019	\$1,874.00
Remit to: VISTA, CA					<u>FYTD:</u> \$18,767.00
HARBOR FREIGHT TOOLS	238598	02/03/2020	JANUARY 2020	HIRE A MOVAL GRAD INCENTIVE PROGRAM	\$4,000.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,000.00
HARGO, LOREY	238765	02/24/2020	R20-145450	ANIMAL SERVICES REFUND-TRAP RENTAL DEPOSIT	\$52.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$52.00
HARPER, BETHANY	238603	02/03/2020	R19-142858	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT FOR 2 CATS	\$150.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$150.00
HARRIS, ROBERT	238762	02/24/2020	3/4 - 3/6/20	TRAVEL PER DIEM & MILEAGE-2020 PLANNING COMMISSIONERS ACADEMY	\$193.29
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$193.29

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HASCO HEATING & A/C SERVICE CO, INC	238721	02/18/2020	BL#03006-YR2020	REFUND OF OVER-PAYMENT FOR BL#03006	\$80.50
Remit to: RIVERSIDE, CA					FYTD: \$80.50
HDL COREN & CONE	238688	02/18/2020	0027558-IN	CONTRACT SVCS-PROPERTY TAX SOFTWARE MAINT (JAN-MAR 2020)	\$5,871.94
Remit to: BREAA, CA					FYTD: \$18,260.82
HEALD, DENA	27053	02/10/2020	REIMB. 1/31/20	REIMBURSE HOTEL & PARKING CHARGES FOR CSMFO 2020 CONFERENCE	\$315.48
Remit to: HESPERIA, CA					FYTD: \$480.48
HERNANDEZ, KARINA LISBETH	238659	02/10/2020	CK NO. 236759	REISSUE STALE-DATED CHECK/REFUND DISMISSED PARKING VIOLATION	\$57.50
Remit to: CHULA VISTA, CA					FYTD: \$57.50
HILLTOP GEOTECHNICAL, INC.	26966	02/03/2020	17165	CITYWIDE PAVEMENT REHAB PROGRAM (FY18-19), CONSULTING SERVICES	\$9,613.00
Remit to: SAN BERNARDINO, CA					FYTD: \$43,328.00
HLP, INC.	26967	02/03/2020	17444	WEB LICENSE MONTHLY SVC FEE	\$61.25
	27213	02/24/2020	17579	WEB LICENSE MONTHLY SVC FEE	\$78.05
Remit to: LITTLETON, CO					FYTD: \$32,305.95
HMP PROPERTIES, LLC	238766	02/24/2020	BL#30609-YR2020	REFUND OF OVER-PAYMENT FOR BL#30609	\$68.98
Remit to: LAKE FOREST, CA					FYTD: \$68.98

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
HR GREEN PACIFIC INC.	26968	02/03/2020	132185	PLAN CHECK SVCS-ENCROACHMENT PERMITS	\$3,375.00
	27054	02/10/2020	132188	PLAN CHECK SVCS-PEN19-0007/PEN16-0123	\$6,970.00
		02/10/2020	132189	PLAN CHECK SVCS-PEN-0076	
		02/10/2020	132194	PLAN CHECK SVCS-PWQMP-THRU 12/27/19	
Remit to: DES MOINES, IA					<u>FYTD:</u> \$174,094.00
HUDDLESTUN, IVAN	238722	02/18/2020	R20-145197	ANIMAL SERVICES REFUND-TRAP RENTAL DEPOSIT	\$52.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$52.00
HUGHES NETWORK SYSTEMS, LLC	238751	02/24/2020	B1-354698098	INTERNET SVCS 1/30-2/29/20	\$92.34
Remit to: CHICAGO, IL					<u>FYTD:</u> \$738.72
HYLAND SOFTWARE, INC./ FORMERLY SIRE TECHNOLOGIES	27143	02/18/2020	LE01-139555	SIRE SOFTWARE QTRLY MAINT 5/1/20-7/31/20	\$6,270.25
Remit to: WESTLAKE, OH					<u>FYTD:</u> \$24,715.72

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
INLAND EMPIRE PROPERTY SERVICE, INC	27055	02/10/2020	191171	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 478-060-040 FALL	\$14,338.50
		02/10/2020	191168	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 478-060-023 FALL	
		02/10/2020	191169	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 264-100-021 FALL	
		02/10/2020	191182	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 486-270-001 FALL	
		02/10/2020	191181	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 486-270-002 FALL	
		02/10/2020	191153	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 312-020-025 FALL	
		02/10/2020	191159	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 486-310-038 FALL	
		02/10/2020	191180	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 486-270-003 FALL	
		02/10/2020	191179	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 486-270-004 FALL	
		02/10/2020	191170	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 478-040-025 FALL	
		02/10/2020	191172	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 259-371-007 FALL	
		02/10/2020	191175	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 478-080-005 FALL	
		02/10/2020	191176	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 484-020-018 FALL	
		02/10/2020	191164	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 488-250-014 FALL	
		02/10/2020	191167	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 484-020-006 FALL	
	02/10/2020	191128	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 479-230-012		

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
INLAND EMPIRE PROPERTY SERVICE, INC		02/10/2020	20102	NUISANCE ABATEMENT SVCS-11854 DAVIS	
		02/10/2020	191177	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 486-270-008 FALL	
		02/10/2020	191178	WEED ABATEMENT SVCS-FIRE PREVENTION-APN 486-240-002 FALL	
	27144	02/18/2020	19141	NUISANCE ABATEMENT SVCS-24850 IRIS	\$6,131.65
		02/18/2020	20101	NUISANCE ABATEMENT SVCS-24175 SUNNYMEAD	
		02/18/2020	20100	NUISANCE ABATEMENT SVCS-481-130-022, 023	
		02/18/2020	19140	NUISANCE ABATEMENT SVCS-24941 DRACAEA	
		02/18/2020	19125	NUISANCE ABATEMENT SVCS-24675 SINGER	
		02/18/2020	19124	NUISANCE ABATEMENT SVCS-13120 PAVILLION CT.	
	27214	02/24/2020	20104	NUISANCE ABATEMENT SVCS-15872 CAMINO REAL	\$6,252.00
	02/24/2020	20103	NUISANCE ABATEMENT SVCS-POSTAL		

Remit to: MORENO VALLEY, CA

FYTD: \$201,044.89

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INLAND OVERHEAD DOOR COMPANY	26969	02/03/2020	44528	ROLL UP DOOR REPAIR-FIRE STATION 91	\$5,483.13
		02/03/2020	44438	GATE REPAIR-FIRE STATION 6	
		02/03/2020	44426	GATE REPAIR-FIRE STATION 6	
		02/03/2020	44425	GATE REPAIR- SENIOR CENTER	
		02/03/2020	44421	ROLL UP DOOR REPAIR-FIRE STATION 91	
		02/03/2020	44389	GATE REPAIR-FIRE STATION 91	
		02/03/2020	44087	GATE REPAIR-CITY YARD	
		02/03/2020	44586	GATE REPAIR-FIRE STATION 58	
		02/03/2020	44467	ROLL UP DOOR REPAIR-FIRE STATION 58	
		02/03/2020	42927	GATE REPAIR-FIRE STATION 91	
		02/03/2020	43712	ROLL UP DOOR REPAIR-FIRE STATION 48	
		02/03/2020	44089	GATE REPAIR-CITY YARD	
		02/03/2020	44742	GATE REPAIR-CITY HALL	
		02/03/2020	44661	GATE REPAIR-PUBLIC SAFETY BUILDING	
		02/03/2020	44005	ROLL UP DOOR REPAIR-FIRE STATION 2	
	27145	02/18/2020	44919	ROLL UP DOOR REPAIR-FIRE STATION 6	\$2,366.00
		02/18/2020	44539	PREVENTATIVE MAINTENANCE DOORS & GATES-ANIMAL SHELTER	
Remit to: COLTON, CA					FYTD: \$31,217.13
INSIDE PLANTS, INC.	26970	02/03/2020	77992	INSIDE PLANT MAINT SVC-JAN 2020	\$137.00
	27056	02/10/2020	78394	INSIDE PLANT MAINT SVC-FEB 2020	\$137.00
Remit to: CORONA, CA					FYTD: \$1,096.00
INTERIOR LOGIC GROUP PROPERTY SERVICES	238723	02/18/2020	BL#31073-YR2020	REFUND OF OVER-PAYMENT FOR BL#31073	\$64.76
Remit to: MILWAUKIE, OR					FYTD: \$64.76

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INTERNATIONAL CODE COUNCIL, INC.	238689	02/18/2020	1001126141	2019 CA FIRE CODE BOOKS	\$3,948.55
Remit to: CHICAGO, IL					FYTD: \$9,193.73
INTERPRETERS UNLIMITED	27057	02/10/2020	M19M12-13197	LANGUAGE INTERPRETATION SERVICES	\$160.00
	27215	02/24/2020	M20M1-13197	LANGUAGE INTERPRETATION SERVICES	\$72.00
Remit to: SAN DIEGO, CA					FYTD: \$1,002.00
INTERWEST CONSULTING GROUP	27058	02/10/2020	55607	PLAN CHECK SVCS-FIRST NANDINA 11 LOGISTICS	\$420.00
Remit to: BOULDER, CO					FYTD: \$128,052.00
ISLAM, ASHIK	26972	02/03/2020	JAN-2020	INSTRUCTOR SERVICES-HOMEWORK/SUBJECT MATTER TUTORING	\$144.00
Remit to: MORENO VALLEY, CA					FYTD: \$192.00
ISMAEL OROZCO	27059	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
JENNIFER PEREZ	27060	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
JOHANNA DEL ROSARIO RAMOS ANGULO	27061	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
JOHNSON , TRACY	27216	02/24/2020	FEB-2020	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASSES	\$302.40
Remit to: MORENO VALLEY, CA					FYTD: \$2,149.20

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JOSEPH O'NEIL MCDANIEL	27062	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
JOSIAH NELSON	27063	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
JTB SUPPLY CO., INC.	27146	02/18/2020	106897	TRAFFIC SIGNAL MAINT SUPPLIES	\$156.37
Remit to: ORANGE, CA					FYTD: \$57,428.95
JUDITH ALEJANDRA PEREZ	27064	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
KAISER FOUNDATION HEALTH PLAN, INC.	238635	02/10/2020	2409	FLU SHOT CLINIC	\$1,080.00
Remit to: LOS ANGELES, CA					FYTD: \$1,080.00
KARLA NOEMI GOMEZ	27065	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
KATIE VAZQUEZ	27066	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
KELLEHER, SEAN	27217	02/24/2020	3/3 - 3/6/20	TRAVEL PER DIEM & MILEAGE-2020 PLANNING COMMISSIONERS ACADEMY	\$234.54
Remit to: BEAUMONT, CA					FYTD: \$234.54

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KONICA MINOLTA BUSINESS SOLUTIONS, USA	26973	02/03/2020	34706372	COPIER LEASE-CITY WIDE	\$9,665.10
	27147	02/18/2020	34867834	COPIER LEASE-CITY CLERK	\$1,399.02
	27148	02/18/2020	9006477867	COPIER USAGE-JANUARY 2020	\$73.60
	27218	02/24/2020	34900652	COPIER LEASE-CITY WIDE	\$9,665.10
Remit to: PASADENA, CA					FYTD: \$78,805.91
KYLE CHRISTOPHER MOSLEY	27067	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
LATITUDE GEOGRAPHICS	238690	02/18/2020	INV0013495	GEOCORTEX ANNUAL MAINT 2/22/20-2/21/21	\$5,150.00
Remit to: VICTORIA, BC					FYTD: \$15,317.50
LAVIERA, JULIA	238767	02/24/2020	R19-142172	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					FYTD: \$75.00
LEAL, ESMERALDA	238660	02/10/2020	R19-142591	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
LEE, JERI	238752	02/24/2020	FEB-2020	INSTRUCTOR SERVICES-ADAPTIVE ZUMBA CLASS	\$132.00
Remit to: MORENO VALLEY, CA					FYTD: \$832.80
LEE-MCDUFFIE, PRECIOUS	27149	02/18/2020	FEB-2020	INSTRUCTOR SERVICES-ACTING, SPEECH, & SINGING CLASSES FOR KIDS	\$444.60
Remit to: MORENO VALLEY, CA					FYTD: \$3,767.40
LESLIE, JEREMY	238648	02/10/2020	2/18 - 2/21/20	TRAVEL PER DIEM & MILEAGE-CAPPO CONFERENCE 2020	\$225.68
Remit to: RIVERSIDE, CA					FYTD: \$225.68

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LEVEL 3 COMMUNICATIONS/FORMERLY TW TELCOM	27219	02/24/2020	89487237a	INTERNET & DATA SVCS 2/17-3/16/20	\$5,443.02
		02/24/2020	89487237	LOCAL/LONG DISTANCE CALLS 2/17-3/16/20	
Remit to: BROOMFIELD, CO					FYTD: \$48,964.58
LEXISNEXIS PRACTICE MANAGEMENT	27068	02/10/2020	3092446578	LEGAL RESEARCH TOOLS-JAN 2020	\$2,208.00
		02/10/2020	3092408993	LEGAL RESEARCH TOOLS-DEC 2019	
Remit to: CHICAGO, IL					FYTD: \$9,750.00
LIENHARD, DORI A.	27070	02/10/2020	2/11 - 2/14/20	TRAVEL PER DIEM, MILEAGE & PARKING-LASERFICHE EMPOWER CONFERENCE	\$376.88
Remit to: RANCHO MIRAGE, CA					FYTD: \$376.88
LILLY, ANA	26974	02/03/2020	00066	GRAPHIC/WEB DESIGN 1/12-1/25/20	\$2,096.93
		02/03/2020	00065	GRAPHIC/WEB DESIGN 12/29/19-1/11/20	
Remit to: RIVERSIDE, CA					FYTD: \$14,743.66
LILY MUYAMBO	27071	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
LIU, JIMMY AND JENNY	238724	02/18/2020	BL#34296-YR2020	REFUND OF OVER-PAYMENT FOR BL#34296	\$68.60
Remit to: IRVINE, CA					FYTD: \$68.60
LONG, WILLIE	238725	02/18/2020	R19-143863	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00

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LOPEZ, NATALIA	27220	02/24/2020	3/3 - 3/4/20	TRAVEL PER DIEM & MILEAGE-FINANCIAL MANAGEMENT COURSE	\$175.48
Remit to: SAN BERNARDINO, CA					FYTD: \$175.48
LOPEZ, SAMANTHA YAMILETH	27072	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
LUMESIS, INC.	27221	02/24/2020	15538	CONTINUING BOND DISCLOSURE AUDITS	\$2,750.00
Remit to: STAMFORD, CT					FYTD: \$2,750.00
LYONS SECURITY SERVICE, INC.	27073	02/10/2020	27721	SECURITY GUARD SVCS-TOWNGATE COMM CTR-JAN 2020	\$302.55
	27222	02/24/2020	27616	SECURITY GUARD SVCS-CITY HALL-DEC 2019	\$13,503.89
		02/24/2020	27620	SECURITY GUARD SVCS-LIBRARY-DEC 2019	
		02/24/2020	27716	SECURITY GUARD SVCS-CITY HALL-JAN 2020	
		02/24/2020	27719	SECURITY GUARD SVCS-LIBRARY-JAN 2020	
Remit to: ANAHEIM, CA					FYTD: \$117,214.86
MAILFINANCE, INC. DBA NEOPOST	27150	02/18/2020	N8125781	MAIL MACHINE LEASE 2/27-5/26/20	\$864.55
Remit to: DALLAS, TX					FYTD: \$3,458.20
MARCH JOINT POWERS AUTHORITY	238578	02/03/2020	49344	GAS CHARGES-M.A.R.B. BUILDING 938-DEC19	\$85.67
		02/03/2020	49341	GAS CHARGES-M.A.R.B. BUILDING 823-DEC19	
Remit to: RIVERSIDE, CA					FYTD: \$635.66
MARCUSE, RYAN	238649	02/10/2020	2/18 - 2/19/20	TRAVEL PER DIEM-CDAA BASIC ASSET FORFEITURE SOUTH TRAINING	\$106.50
Remit to: MORENO VALLEY, CA					FYTD: \$106.50

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MARIA R. JONES	27074	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
MARIPOSA LANDSCAPES, INC.	26975	02/03/2020	87294	LANDSCAPE MAINT.-SD LMD ZONE 02-DEC. 2019	\$16,986.39
		02/03/2020	87441	LANDSCAPE MAINT.-NPDES WQB-DEC. 2019	
Remit to: IRWINDALE, CA					<u>FYTD:</u> \$354,438.74
MASON, BRENT	238661	02/10/2020	R19-143002	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: WESTMINSTER, CA					<u>FYTD:</u> \$75.00
MATA, JESUS A.	27152	02/18/2020	2/24 - 2/25/20	TRAVEL PER DIEM & MILEAGE FOR AQUATIC FACILITY OPERATOR TRAINING	\$138.91
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$138.91
MAUREEN KANE & ASSOCIATES, INC.	238753	02/24/2020	K. VIGIL 3/10-13	REGISTRATION FOR TTC SERIES 300-UCR EXTENSION 3/10-3/13/20	\$1,550.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,100.00
MC CANN, PAUL	238604	02/03/2020	2001178.047	RENTAL REFUND BALANCE	\$35.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$35.00
MCCAIN TRAFFIC SUPPLY	238579	02/03/2020	INV0246814	TRAFFIC SIGNAL EQUIPMENT	\$2,273.26
Remit to: VISTA, CA					<u>FYTD:</u> \$450,177.33
MCCLAIN, MELISSA	27075	02/10/2020	2/11 - 2/12/20	TRAVEL PER DIEM & MILEAGE-ENTERTAINMENT EXPERIENCE EVOLUTION EVENT	\$149.83
Remit to: APPLE VALLEY, CA					<u>FYTD:</u> \$3,682.54

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MCKINNEY, BROOKE	27153	02/18/2020	REIMB. 1/31/20	REIMBURSE HOTEL & PARKING CHARGES FOR CSMFO 2020 CONFERENCE	\$615.96
	27223	02/24/2020	REIMB. 1/22/20	REIMBURSE AIRFARE PAID FOR 2020 CMTA ANNUAL CONFERENCE	\$188.96
Remit to: RIVERSIDE, CA					FYTD: \$1,723.89
MELISSA PEREZ	27076	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
MENDENHALL, DALE W.	27115	02/10/2020	2/11 - 2/14/20	TRAVEL PER DIEM, MILEAGE & PARKING-LASERFICHE EMPOWER CONFERENCE	\$376.88
Remit to: SAN JACINTO, CA					FYTD: \$671.30
MENDOZA, BRYAN	238768	02/24/2020	R19-142370	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
MENGISTU, YESHIALEM	27154	02/18/2020	JAN-2020	MILEAGE REIMBURSEMENT	\$139.73
Remit to: MORENO VALLEY, CA					FYTD: \$937.23

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MERCHANTS LANDSCAPE SERVICES INC	27078	02/10/2020	55241	IRRIGATION REPAIRS-ZONE 06-NOV. 2019	\$2,090.38
		02/10/2020	55239	IRRIGATION REPAIRS-ZONE 03-NOV. 2019	
		02/10/2020	55082	LANDSCAPE EXTRA WORK-OCT19-ZONE 03/FENCE REPAIR DUE TO VANDALISM	
	27156	02/18/2020	55362	IRRIGATION REPAIRS-ZONE 03-DEC. 2019	\$24,251.29
		02/18/2020	55363	IRRIGATION REPAIRS-ZONE 05-DEC. 2019	
		02/18/2020	55367	LANDSCAPE EXTRA WORK-DEC19-ZONE 04/TRAFFIC COLLISION REPAIRS	
		02/18/2020	55364	IRRIGATION REPAIRS-ZONE 06-DEC. 2019	
		02/18/2020	55242	IRRIGATION REPAIRS-ZONE 03A-NOV. 2019	
		02/18/2020	55240	IRRIGATION REPAIRS-ZONE 04-NOV. 2019	
		02/18/2020	55365	IRRIGATION REPAIRS-ZONE 07-SEP. 2019	
02/18/2020	55366	LANDSCAPE EXTRA WORK-DEC19-ZONE 05/INSTALL PLANT MATERIAL			
Remit to: MONTEREY PARK, CA					FYTD: \$402,971.95
MEYER, JORDAN	238605	02/03/2020	R19-143579	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: FALLBROOK, CA					FYTD: \$95.00
MICHELLE MADELINE BUSTAMANTE	27079	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
MIRACLE RECREATION EQUIPMENT	238691	02/18/2020	816329	PLAYGROUND EQUIPMENT PARTS	\$1,123.81
Remit to: DALLAS, TX					FYTD: \$6,555.42

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MOHAN, BRIAN	27080	02/10/2020	REIMB. 1/31/20	REIMBURSE HOTEL & PARKING CHARGES FOR CSMFO 2020 CONFERENCE	\$615.96
Remit to: REDLANDS, CA					<u>FYTD:</u> \$846.96
MOMENI, KARIM	238726	02/18/2020	BL#29770-YR2020	REFUND OF OVER-PAYMENT FOR BL#29770	\$79.20
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$79.20
MONICA CABALLERO	27081	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
MORENO BEACH INVESTMENTS	238769	02/24/2020	BL#17802-YR2020	REFUND OF OVER-PAYMENT FOR BL#17802	\$71.71
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$71.71
MORENO VALLEY CHAMBER OF COMMERCE	238580	02/03/2020	6802	ANNUAL PLATINUM CHAIRMAN'S CIRCLE SPONSORSHIP 1/1-12/31/20	\$15,000.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$18,053.50
MORENO VALLEY HIGH SCHOOL	238662	02/10/2020	2001179.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$500.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$500.00
MORENO VALLEY MALL HOLDING, LLC	27225	02/24/2020	MAR. 2020 RENT	MARCH 2020 RENT PAYMENT FOR SP. 2078-M.V. MALL LIBRARY BRANCH	\$6,874.54
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$54,996.32
MORENO VALLEY TOW & RADIATOR	238636	02/10/2020	20-09445	EVIDENCE TOWING FOR PD	\$337.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,390.50

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MORFIN, HUMBERTO	238606	02/03/2020	R19-142652	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
MOST DEPENDABLE FOUNTAINS, INC	238693	02/18/2020	INV58715	DRINKING FOUNTAINS (2) FOR PARKS	\$7,132.75
Remit to: ARLINGTON, TN					FYTD: \$7,132.75
MOTA, MARIA	238607	02/03/2020	R19-143131	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: PERRIS, CA					FYTD: \$75.00
MYRICK, RONALD	238608	02/03/2020	R20-144202	ANIMAL SERVICES REFUND-TRAP RENTAL DEPOSIT	\$52.00
Remit to: MORENO VALLEY, CA					FYTD: \$52.00
NAMEKATA, JAMES	27226	02/24/2020	FEB-2020	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASSES	\$302.40
Remit to: RIVERSIDE, CA					FYTD: \$2,073.60
NATIONAL COATING & LINING COMPANY	238727	02/18/2020	BL#35824-YR2020	REFUND OF OVER-PAYMENT FOR BL#35824	\$72.74
Remit to: MURRIETA, CA					FYTD: \$72.74
NAVARRO, CLAUDIA	238770	02/24/2020	R20-145937	ANIMAL SERVICES REFUND-OVERPAYMENT ON WEB LICENSE RENEWAL	\$13.00
Remit to: MORENO VALLEY, CA					FYTD: \$13.00
NBS GOVERNMENT FINANCE GROUP	27082	02/10/2020	1219000490	CONSULTING SERVICES-ICRP FOR FY 2018/19	\$6,650.00
Remit to: TEMECULA, CA					FYTD: \$21,785.00

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NCM ENGINEERING CORPORATION	238581	02/03/2020	MVAL 1901-01	BRIDGE ENGINEERING ANALYSIS SERVICES FOR OLIVER ST. BRIDGE	\$15,012.00
Remit to: RANCHO SANTA MARGARITA, CA					<u>FYTD:</u> \$15,012.00
NEXTERA ENERGY	238694	02/18/2020	549720	RENEWABLE ENERGY-MV UTILITY-JAN 2020	\$20,766.15
Remit to: JUNO BEACH, FL					<u>FYTD:</u> \$264,884.94
NGUYEN, LIVIA	238663	02/10/2020	R20-144588,5431	ANIMAL SERVICES REFUND-PAID LICENSE ONLINE 3 TIMES FOR SAME DOG	\$30.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$30.00
NICOLE DENISE MUCKELROY	27083	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
OCEAN BLUE ENVIRONMENTAL SERVICES, INC	238771	02/24/2020	BL#32327-YR2020	REFUND OF OVER-PAYMENT FOR BL#32327	\$65.00
Remit to: LONG BEACH, CA					<u>FYTD:</u> \$65.00
OJEDA, JOSE	238664	02/10/2020	R19-143908	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00
ORR PROTECTION SYSTEMS	238728	02/18/2020	BL#32321 -YR2020	REFUND OF OVER-PAYMENT FOR BL#32321	\$67.18
Remit to: BREA, CA					<u>FYTD:</u> \$67.18
OVERLAND PACIFIC & CUTLER, LLC	26976	02/03/2020	1912045	RIGHT OF WAY CONSULTING SERVICES	\$3,445.00
	27157	02/18/2020	2001136	RIGHT OF WAY CONSULTING SERVICES	\$3,835.00
Remit to: LONG BEACH, CA					<u>FYTD:</u> \$13,360.00

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PACIFIC PRODUCTS & SERVICES, INC	238582	02/03/2020	26077	SIGN POST ACCESSORIES	\$2,241.20
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$23,203.96
PACIFIC TELEMAGEMENT SERVICES	26977	02/03/2020	2035927	PAY PHONE SERVICES-FEB 2020	\$125.28
Remit to: SAN RAMON, CA					<u>FYTD:</u> \$1,315.44
PARSONS TRANSPORTATION GROUP, INC.	27227	02/24/2020	2001A089	STATE ROUTE 60/NASON ST OVERCROSSING IMPROVEMENTS-CONSULTANT SERVICES	\$438.02
Remit to: IRVINE, CA					<u>FYTD:</u> \$997,276.89
PATRICK SAADE	27085	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
PATTERSON, JOSHUA	238650	02/10/2020	2/18 - 2/19/20	TRAVEL PER DIEM-CDAA BASIC ASSET FORFEITURE SOUTH TRAINING	\$106.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$106.50
PAWS 4 LAW	238668	02/10/2020	2-14-2020	3RD ANNUAL K9 TRIALS	\$85.00
Remit to: MURRIETA, CA					<u>FYTD:</u> \$85.00
PEDLEY SQUARE VETERINARY CLINIC	26978	02/03/2020	DEC-2019	VETERINARY SERVICES-MV ANIMAL SHELTER	\$9,760.00
	27228	02/24/2020	JAN-2020	VETERINARY SERVICES-MV ANIMAL SHELTER	\$11,213.58
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$112,029.43
PEPE'S TOWING	238637	02/10/2020	87959	EVIDENCE TOWING FOR PD	\$218.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,136.00

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PERCEPTIVE ENTERPRISES, INC.	27086	02/10/2020	3589	PROFESSIONAL DBE CONSULTING SERVICES	\$2,520.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$15,900.00
PEREZ AND SONS	238729	02/18/2020	BL#22493-YR2020	REFUND OF OVER-PAYMENT FOR BL#22493	\$100.00
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$100.00
PERMA	27087	02/10/2020	MV2015-SETTLEMNT	LIABILITY CLAIM SETTLEMENT-MV2015 (J. RUVALCABA)	\$2,346.38
Remit to: PALM DESERT, CA					<u>FYTD:</u> \$818,264.70
PETTY CASH - FINANCE	238712	02/18/2020	JAN 2020	PETTY CASH FUND REPLENISHMENT	\$847.26
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$6,314.76
PEW, DEBORAH	238609	02/03/2020	R19-143008	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIALTO, CA					<u>FYTD:</u> \$75.00
PICKETT, ROLANDA	238670	02/10/2020	2/16 - 2/19/20	TRAVEL PER DIEM & MILEAGE-CAPPO CONFERENCE 2020	\$252.31
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$252.31
PINS & NEEDLES	238638	02/10/2020	13143	LONG SLEEVE SHIRTS WITH EMBROIDERY FOR PUBLIC WORKS/MAINT. OP'S	\$605.82
Remit to: HEMET, CA					<u>FYTD:</u> \$1,629.98
PIP PRINTING	238695	02/18/2020	380219	FOLDING/INSERTING LABOR FOR BUSINESS LICENSE 2ND NOTICE MAILING	\$1,725.95
		02/18/2020	380302	ENVELOPES FOR BUSINESS LICENSE 2ND NOTICE MAILING	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$7,508.62
PRENDERGAST, MARTINA	238610	02/03/2020	R19-143375	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: NORTH HILLS, CA					<u>FYTD:</u> \$75.00

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PROFESSIONAL COMMUNICATIONS NETWORK PCN	238639	02/10/2020	156710189	LIVE ANSWERING SERVICE FOR ROTATIONAL TOW PROGRAM	\$561.56
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$4,821.79

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PRUDENTIAL OVERALL SUPPLY	26979	02/03/2020	22928646	UNIFORM RENTAL & LAUNDERING SVC.-CITY YARD SECURITY GUARD STAFF	\$297.19
		02/03/2020	22925020	UNIFORM RENTAL & LAUNDERING SVC.-CITY YARD SECURITY GUARD STAFF	
		02/03/2020	22925021	UNIFORM RENTAL & LAUNDERING SVC.-PURCHASING STAFF STOREKEEPER	
		02/03/2020	22925026	UNIFORM RENTAL & LAUNDERING SVC.-CFD #1 STAFF	
		02/03/2020	22932743	UNIFORM RENTAL & LAUNDERING SVC.-LIBRARY SECURITY GUARD STAFF	
		02/03/2020	22928647	UNIFORM RENTAL & LAUNDERING SVC.-PURCHASING STAFF STOREKEEPER	
		02/03/2020	22928652	UNIFORM RENTAL & LAUNDERING SVC.-CFD #1 STAFF	
		02/03/2020	22925018	UNIFORM RENTAL & LAUNDERING SVC.-LIBRARY SECURITY GUARD STAFF	
		02/03/2020	22928656	UNIFORM RENTAL & LAUNDERING SVC.-PARKS MAINT. STAFF	
		02/03/2020	22932749	UNIFORM RENTAL & LAUNDERING SVC.-SIGNS & STRIPING STAFF	
		02/03/2020	22928644	UNIFORM RENTAL & LAUNDERING SVC.-LIBRARY SECURITY GUARD STAFF	
		02/03/2020	22925030	UNIFORM RENTAL & LAUNDERING SVC.-PARKS MAINT. STAFF	
		02/03/2020	22932755	UNIFORM RENTAL & LAUNDERING SVC.-PARKS MAINT. STAFF	
		02/03/2020	22932750	UNIFORM RENTAL & LAUNDERING SVC.-TRAFFIC SIGNAL MAINT. STAFF	
		02/03/2020	22932751	UNIFORM RENTAL & LAUNDERING SVC.-CFD #1 STAFF	
		02/03/2020	22932746	UNIFORM RENTAL & LAUNDERING SVC.-PURCHASING STAFF STOREKEEPER	

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PRUDENTIAL OVERALL SUPPLY	27159	02/18/2020	22932756	UNIFORM RENTAL & LAUNDERING SVC.-TREE MAINT. STAFF	\$898.85
		02/18/2020	22855884	UNIFORM RENTAL & LAUNDERING SVC.-STREET SWEEPING STAFF	
		02/18/2020	22855885	UNIFORM RENTAL & LAUNDERING SVC.-CONCRETE MAINT. STAFF	
		02/18/2020	22932745	UNIFORM RENTAL & LAUNDERING SVC.-CITY YARD SECURITY GUARD STAFF	
		02/18/2020	22932752	UNIFORM RENTAL & LAUNDERING SVC.-STREET SWEEPING STAFF	
		02/18/2020	22932747	UNIFORM RENTAL & LAUNDERING SVC.-VEHICLE/EQUIPMENT MAINT. STAFF	
		02/18/2020	22932748	UNIFORM RENTAL & LAUNDERING SVC.-STREET MAINT. STAFF	
		02/18/2020	22855888	UNIFORM RENTAL & LAUNDERING SVC.-TREE MAINT. STAFF	
		02/18/2020	22855880	UNIFORM RENTAL & LAUNDERING SVC.-STREET MAINT. STAFF	
		02/18/2020	22940349	UNIFORM RENTAL & LAUNDERING SVC.-LIBRARY SECURITY GUARD STAFF	
		02/18/2020	22936370	UNIFORM RENTAL & LAUNDERING SVC.-TRAFFIC SIGNAL MAINT. STAFF	
		02/18/2020	22936376	UNIFORM RENTAL & LAUNDERING SVC.-TREE MAINT. STAFF	
		02/18/2020	22936375	UNIFORM RENTAL & LAUNDERING SVC.-PARKS MAINT. STAFF	
		02/18/2020	22936368	UNIFORM RENTAL & LAUNDERING SVC.-STREET MAINT. STAFF	
		02/18/2020	22940355	UNIFORM RENTAL & LAUNDERING SVC.-SIGNS & STRIPING STAFF	
		02/18/2020	22940352	UNIFORM RENTAL & LAUNDERING SVC.-PURCHASING STAFF STOREKEEPER	
		02/18/2020	22940356	UNIFORM RENTAL & LAUNDERING SVC.-TRAFFIC SIGNAL MAINT. STAFF	
		02/18/2020	22940350	UNIFORM RENTAL & LAUNDERING SVC.-FACILITIES MAINT. STAFF	
		02/18/2020	22855879	UNIFORM RENTAL & LAUNDERING SVC.-VEHICLE/EQUIPMENT MAINT. STAFF	
		02/18/2020	22855886	UNIFORM RENTAL & LAUNDERING SVC.-GRAFFITI REMOVAL STAFF	
		02/18/2020	22936364	UNIFORM RENTAL & LAUNDERING SVC.-FACILITIES MAINT. STAFF	

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PRUDENTIAL OVERALL SUPPLY		02/18/2020	22936374	UNIFORM RENTAL & LAUNDERING SVC.-GRAFFITI REMOVAL STAFF	
		02/18/2020	22940361	UNIFORM RENTAL & LAUNDERING SVC.-PARKS MAINT. STAFF	
		02/18/2020	22936373	UNIFORM RENTAL & LAUNDERING SVC.-CONCRETE MAINT. STAFF	
		02/18/2020	22936372	UNIFORM RENTAL & LAUNDERING SVC.-STREET SWEEPING STAFF	
		02/18/2020	22936371	UNIFORM RENTAL & LAUNDERING SVC.-CFD #1 STAFF	
		02/18/2020	22940351	UNIFORM RENTAL & LAUNDERING SVC.-CITY YARD SECURITY GUARD STAFF	
		02/18/2020	22936369	UNIFORM RENTAL & LAUNDERING SVC.-SIGNS & STRIPING STAFF	
		02/18/2020	22932744	UNIFORM RENTAL & LAUNDERING SVC.-FACILITIES MAINT. STAFF	
		02/18/2020	22936367	UNIFORM RENTAL & LAUNDERING SVC.-VEHICLE/EQUIPMENT MAINT. STAFF	
		02/18/2020	22936366	UNIFORM RENTAL & LAUNDERING SVC.-PURCHASING STAFF STOREKEEPER	
		02/18/2020	22936365	UNIFORM RENTAL & LAUNDERING SVC.-CITY YARD SECURITY GUARD STAFF	
		02/18/2020	22940357	UNIFORM RENTAL & LAUNDERING SVC.-CFD #1 STAFF	
		02/18/2020	22932753	UNIFORM RENTAL & LAUNDERING SVC.-CONCRETE MAINT. STAFF	
		02/18/2020	22932754	UNIFORM RENTAL & LAUNDERING SVC.-GRAFFITI REMOVAL STAFF	

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PRUDENTIAL OVERALL SUPPLY	27229	02/24/2020	22943980	UNIFORM RENTAL & LAUNDERING SVC.-STREET SWEEPING STAFF	\$417.73
		02/24/2020	22940358	UNIFORM RENTAL & LAUNDERING SVC.-STREET SWEEPING STAFF	
		02/24/2020	22943981	UNIFORM RENTAL & LAUNDERING SVC.-CONCRETE MAINT. STAFF	
		02/24/2020	22940359	UNIFORM RENTAL & LAUNDERING SVC.-CONCRETE MAINT. STAFF	
		02/24/2020	22943983	UNIFORM RENTAL & LAUNDERING SVC.-PARKS MAINT. STAFF	
		02/24/2020	22943979	UNIFORM RENTAL & LAUNDERING SVC.-CFD #1 STAFF	
		02/24/2020	22943976	UNIFORM RENTAL & LAUNDERING SVC.-STREET MAINT. STAFF	
		02/24/2020	22943982	UNIFORM RENTAL & LAUNDERING SVC.-GRAFFITI REMOVAL STAFF	
		02/24/2020	22943984	UNIFORM RENTAL & LAUNDERING SVC.-TREE MAINT. STAFF	
		02/24/2020	22940354	UNIFORM RENTAL & LAUNDERING SVC.-STREET MAINT. STAFF	
		02/24/2020	22940360	UNIFORM RENTAL & LAUNDERING SVC.-GRAFFITI REMOVAL STAFF	
		02/24/2020	22940362	UNIFORM RENTAL & LAUNDERING SVC.-TREE MAINT. STAFF	
		02/24/2020	22943975	UNIFORM RENTAL & LAUNDERING SVC.-VEHICLE/EQUIPMENT MAINT. STAFF	
		02/24/2020	22940353	UNIFORM RENTAL & LAUNDERING SVC.-VEHICLE/EQUIPMENT MAINT. STAFF	
	Remit to: RIVERSIDE, CA				
RAMIREZ, SANDRA	27088	02/10/2020	CK NO. 237010	REISSUE STALE-DATED CHECK/TUITION REIMBURSEMENT-NOTARY TRAINING/MAY 2019	\$758.01
Remit to: HEMET, CA					<u>FYTD:</u> \$1,953.01
RAMOS, ROBERTO	27160	02/18/2020	FEB-2020	INSTRUCTOR SERVICES-TAE KWON DO, AMAZING MARTIAL ARTS, ETC.	\$1,377.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$13,406.40

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RANCHO VERDE HIGH SCHOOL	238730	02/18/2020	2001187.047	REFUND - CONFERENCE & REC CTR BALLROOM	\$500.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$500.00
RAPID RECOVERY	238696	02/18/2020	IN000003219	REFRIGERANT RECOVERY SERVICE-CITY YARD	\$372.50
Remit to: PEORIA, AZ					<u>FYTD:</u> \$372.50
RE ASTORIA 2 LLC	27231	02/24/2020	00041	RENEWABLE ENERGY-MV UTILITY-JAN. 2020	\$20,815.08
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$318,252.83
READY REFRESH BY NESTLE	26980	02/03/2020	00A0035449420	BOTTLED WATER/COOLER RENTAL-RAINBOW RIDGE ELEMENTARY/CHILD CARE	\$2.14
Remit to: LOUISVILLE, KY					<u>FYTD:</u> \$478.53
REGALADO, BLANCA E	26981	02/03/2020	JAN-2020	INSTRUCTOR SERVICES-FOLKLORIC DANCE ADULT & YOUTH CLASSES	\$392.40
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$3,204.60
REPUBLIC MASTER CHEFS TEXTILE RENTAL SERVICE	26982	02/03/2020	70030375	LINENS RENTAL FOR CRC BALLROOM	\$162.83
		02/03/2020	S70028319	LINENS RENTAL FOR SPECIAL EVENTS AT CRC	
		02/03/2020	70024562	LINENS RENTAL FOR CRC BALLROOM	
		02/03/2020	70027474	LINENS RENTAL FOR CRC BALLROOM	
	27161	02/18/2020	S70033373	LINENS RENTAL FOR SPECIAL EVENTS AT CRC	\$225.54
		02/18/2020	70033252	LINENS RENTAL FOR CRC BALLROOM	
	27232	02/24/2020	70036110	LINENS RENTAL FOR CRC BALLROOM	\$24.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$3,050.68

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
RIGHTWAY SITE SERVICES, INC.	238583	02/03/2020	258899	PORTABLE RESTROOMS RENTAL-MAINT. & OPS. DIVISION	\$320.85
		02/03/2020	258151	PORTABLE RESTROOM RENTAL-PSB CAR WASH AREA	
	238697	02/18/2020	257981	PORTABLE RESTROOMS RENTAL-MARCH MIDDLE SCHOOL	\$304.90
		02/18/2020	256909	PORTABLE RESTROOMS RENTAL-MARCH MIDDLE SCHOOL	
	238754	02/24/2020	259667	PORTABLE RESTROOM RENTAL-PSB CAR WASH AREA	\$267.00
		02/24/2020	259495	PORTABLE RESTROOMS RENTAL-MARCH MIDDLE SCHOOL	
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$14,754.14
RITE-WAY ROOF CORPORATION	27089	02/10/2020	17436	ROOF REPAIRS-FIRE STATION 2	\$14,681.00
Remit to: FONTANA, CA					<u>FYTD:</u> \$14,681.00
RIVERSIDE COMMUNITY COLLEGE DISTRICT	238584	02/03/2020	191100	7TH ANNUAL DR. MARTIN LUTHER KING JR SCHOLARSHIP BREAKFAST	\$60.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$60.00
RIVERSIDE COUNTY DEPARTMENT OF HEALTH	238585	02/03/2020	HS0000006341	FRA RABIES TESTING @ PUBLIC HEALTH LAB	\$100.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$850.00
RIVERSIDE MEDICAL CLINIC	26983	02/03/2020	700000183	01/22 EMPLOYMENT PHYSICALS/DRUG SCREENINGS	\$103.00
	27162	02/18/2020	ACCT 415831	2/5 PRE-EMPLOYMENT PHYSICAL ASSESSMENTS	\$945.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$12,077.00
RIVERSIDE UNIVERSITY HEALTH SYSTEMS - MEDICAL CTR	27163	02/18/2020	1148	SART EXAMS BILLING FOR PD - JAN. 2020	\$6,400.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$19,600.00
ROUSSIN, CHRISTINA	238772	02/24/2020	R19-142581	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00

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SAFEWAY SIGN CO.	26984	02/03/2020	16119	TRAFFIC SIGNS/HARDWARE	\$1,030.52
	27164	02/18/2020	16238	ADOPT-A-ROAD SIGNS	\$621.07
Remit to: ADELANTO, CA					FYTD: \$41,579.72
SALLEE, DAVID	238773	02/24/2020	R20-144511	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: PAHRUMP, NV					FYTD: \$75.00
SALVATION ARMY	26985	02/03/2020	14 / DEC-19	CDBG SUBGRANTEE PAYMENT-HOMELESS TO WORK PROGRAM	\$4,174.01
		02/03/2020	12 / OCT-19	CDBG SUBGRANTEE PAYMENT-HOMELESS TO WORK PROGRAM	
		02/03/2020	13 / NOV-19	CDBG SUBGRANTEE PAYMENT-HOMELESS TO WORK PROGRAM	
	27165	02/18/2020	MARCH 12, 2020	RED SHIELD SPONSOR-APPRECIATION LUNCHEON 3/12/20	\$2,634.69
		02/18/2020	15 / JAN-20	CDBG SUBGRANTEE PAYMENT-HOMELESS TO WORK PROGRAM	
Remit to: MORENO VALLEY, CA					FYTD: \$54,790.63
SAMET, CECELIA	238731	02/18/2020	R20-145249	ANIMAL SERVICES REFUND-TRAP RENTAL DEPOSIT	\$52.00
Remit to: MORENO VALLEY, CA					FYTD: \$52.00
SAN BERNARDINO & RIVERSIDE CO FIRE EQUIP	27166	02/18/2020	107232	FIRE EXTINGUISHER SERVICE/PURCHASE FOR PARKS MAINT.	\$147.26
Remit to: SAN BERNARDINO, CA					FYTD: \$4,250.12
SANDOVAL, SOCORRO	27090	02/10/2020	2/16 - 2/21/20	TRAVEL PER DIEM & MILEAGE-CAPPO CONFERENCE 2020	\$438.68
Remit to: ROMOLAND, CA					FYTD: \$438.68
SARES-REGIS GROUP	238665	02/10/2020	1080	REFUND-UNDESIGNATED BALANCE IN T & M ACCOUNT	\$15,115.89
Remit to: NEWPORT BEACH, CA					FYTD: \$15,115.89

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SCMAF - INLAND VALLEY	238586	02/03/2020	8065	INSURANCE FOR CONTRACT INSTRUCTORS-DEC 2019 CLASSES	\$334.40
	238698	02/18/2020	8175	INSURANCE FOR CONTRACT INSTRUCTORS-JAN 2020 CLASSES	\$309.70
Remit to: EL MONTE, CA					FYTD: \$3,703.10
SCREENVISION DIRECT INC. DBA SCREENVISION MEDIA	238699	02/18/2020	LOC_000223648	ON SCREEN ADVERTISING 11/8-12/5/19 - SHOP MOVAL HOLIDAY CAMPAIGN	\$7,000.00
		02/18/2020	LOC_000226524	ON SCREEN ADVERTISING 12/6/19-1/2/20-SHOP MOVAL HOLIDAY CAMPAIGN	
Remit to: NEW YORK, NY					FYTD: \$7,000.00
SECTRAN SECURITY, INC	238587	02/03/2020	20011026	ARMORED CAR DEPOSIT TRANSPORTATION SERVICES-JAN20	\$562.87
Remit to: LOS ANGELES, CA					FYTD: \$3,826.03
SECURITY LOCK & KEY	27167	02/18/2020	30043	LOCK REPAIR/SERVICES-JFK PARK MENS RESTROOM	\$450.64
		02/18/2020	30042	LOCK REPAIR/SERVICES-WOODLANDS PARK MENS RESTROOM	
		02/18/2020	30017	LOCK REPAIR/SERVICES-SKATE PARK RESTROOM	
Remit to: RIVERSIDE, CA					FYTD: \$2,052.96
SHAYNESKGUA COLEN	27091	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
SHUKERRAH PALMER	27092	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
SOM, LYDA	238732	02/18/2020	2001188.047	REFUND - PICNIC SHELTER - LASSELLE PARK	\$205.00
Remit to: MORENO VALLEY, CA					FYTD: \$205.00

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT	238700	02/18/2020	3561475	ANNUAL RENEWAL FEES-FIRE STATION 91	\$1,090.96
		02/18/2020	3561605	ANNUAL RENEWAL FEES -FIRE STATION 2	
Remit to: DIAMOND BAR, CA					FYTD: \$3,291.76
SOUTHERN CALIFORNIA EDISON	238588	02/03/2020	JAN-20 2/3/20	ELECTRICITY CHARGES	\$4,666.60
	238640	02/10/2020	JAN-20 2/10/20	ELECTRICITY CHARGES	\$9,332.69
	238641	02/10/2020	7501087529	RELIABILITY SERVICE-DLAP_SCE-TS10-OCT19	\$520.19
	238755	02/24/2020	JAN-20 2/24/20	ELECTRICITY CHARGES	\$17,897.73
Remit to: ROSEMEAD, CA					FYTD: \$1,709,112.75
SOUTHERN CALIFORNIA GAS CO.	238702	02/18/2020	JAN-2020	GAS CHARGES	\$12,427.59
Remit to: MONTEREY PARK, CA					FYTD: \$49,449.92
SOUTHERN CALIFORNIA LIGHTING/THE CHRISTMAS KINGS	238642	02/10/2020	19-4591-2	FINAL PAYMENT FOR HOLIDAY TREE LIGHTING & DECORATING SERVICES	\$6,025.00
Remit to: LAKE ELSINORE, CA					FYTD: \$13,150.00
SOUTHERN PET SUPPLIES	27168	02/18/2020	9847	PET SUPPLIES-ASSORTED COLLARS & NYLON LEADS	\$440.35
Remit to: SAN DIEGO, CA					FYTD: \$2,170.55
SSD ALARM/FORMERLY PACIFIC ALARM SERVICE, INC	238703	02/18/2020	R 153818	ALARM SYSTEM RENT/SVC./MONITORING-KITCHING SUBSTATION-FEB 2020	\$516.50
		02/18/2020	R 153819	ALARM SYSTEM RENT/SVC./MONITORING-MOVAL SUBSTATION-FEB 2020	
Remit to: BEAUMONT, CA					FYTD: \$5,165.00
STANDARD INSURANCE CO	238643	02/10/2020	200201	EMPLOYEE SUPPLEMENTAL INSURANCE	\$1,263.16
Remit to: PORTLAND, OR					FYTD: \$8,706.52

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STANLEY CONVERGENT SECURITY SOLUTIONS, INC	26987	02/03/2020	17135276	ALARM SYSTEM MONITORING-LASSELLE SPORTS PARK/FEB-APR 2020	\$482.16
		02/03/2020	17150940	ALARM SYSTEM MONITORING-MORRISON PARK SNACK BAR/FEB-APR 2020	
	27094	02/10/2020	17154778	SECURITY SYSTEM REPAIRS-ANIMAL SHELTER	\$140.00
	27169	02/18/2020	17130363	ALARM SYSTEM MONITORING-ANNEX 1 FIRE ALARM/FEB-APR 2020	\$2,147.02
		02/18/2020	17150847	ALARM SYSTEM MONITORING-EOC/FEB 2020	
		02/18/2020	17139131	ALARM SYSTEM MONITORING-COTTONWOOD GOLF CENTER/FEB-APR 2020	
		02/18/2020	17136077	ALARM SYSTEM MONITORING-LIBRARY/FEB-APR 2020	
		02/18/2020	17129714	ALARM SYSTEM MONITORING-CITY HALL/FEB-APR 2020	
		02/18/2020	16954679	ALARM SYSTEM MONITORING-MARCH ANNEX BLDG 823/DEC 2019-FEB 2020	
		02/18/2020	16957971	ALARM SYSTEM MONITORING-EOC/DEC 2019	
		02/18/2020	17124044	ALARM SYSTEM MONITORING-FIRE STATION 99/FEB 2020	
		02/18/2020	17137894	ALARM SYSTEM MONITORING-EMPL. RESOURCE CENTER/FEB 2020	
		02/18/2020	17146651	ALARM SYSTEM MONITORING-RED MAPLE CHILD CARE/FEB-APR 2020	
	Remit to: PALATINE, IL				
STARLITE RECLAMATION ENVIRONMENTAL SERVICES, INC.	238704	02/18/2020	117132	HAZARDOUS WASTE REMOVAL AT CITY YARD	\$1,218.71
	238756	02/24/2020	117376	HAZARDOUS WASTE REMOVAL AT CITY YARD	\$9,563.62
Remit to: FONTANA, CA					FYTD: \$23,277.84
STATE BOARD OF EQUALIZATION 1	27394	02/25/2020	013120	SALES & USE TAX REPORT FOR 1/1-1/31/20	\$16,454.00
Remit to: SACRAMENTO, CA					FYTD: \$68,315.00

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STATE OF CALIFORNIA DEPT. OF JUSTICE	238705	02/18/2020	435882	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-JAN. 2020	\$735.00
	238706	02/18/2020	431403	LIVE SCAN FINGERPRINTING APPS FOR PD-JAN. 2020	\$2,430.00
Remit to: SACRAMENTO, CA					FYTD: \$33,419.00
STATEWIDE TOWING & RECOVERY	238707	02/18/2020	95HON011420	TOWING SERVICES FOR PD	\$598.00
Remit to: RIVERSIDE, CA					FYTD: \$598.00
STENO SOLUTIONS TRANSCRIPTION SERVICES, INC.	27095	02/10/2020	43324	TRANSCRIPTION SERVICES FOR PD-JAN. 2020	\$1,778.85
Remit to: CORONA, CA					FYTD: \$11,719.08
STEPHEN H BADGETT CONSULTING LLC	27096	02/10/2020	MVU-012	CONSULTING SERVICES-REVIEW SCOPE OF WORK ON RFI'S/JAN 2020	\$831.25
Remit to: MURRIETA, CA					FYTD: \$16,275.00
STEWART, DIANE	238733	02/18/2020	R20-145513	ANIMAL SERVICES REFUND-TRAP RENTAL DEPOSIT	\$52.00
Remit to: MORENO VALLEY, CA					FYTD: \$52.00
STILES ANIMAL REMOVAL, INC.	238708	02/18/2020	109837	DECEASED LARGE ANIMAL REMOVAL SERVICES-JAN. 2020	\$420.00
Remit to: GUAISTI, CA					FYTD: \$4,600.00
STRADLING, YOCCA, CARLSON & RAUTH	27233	02/24/2020	361706-0031	LEGAL SERVICES-GENERAL-JAN. 2020	\$540.00
Remit to: NEWPORT BEACH, CA					FYTD: \$41,905.50

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SUNNYMEAD ACE HARDWARE	238590	02/03/2020	85860	MISC. SUPPLIES FOR PD	\$91.53
		02/03/2020	85802	MISC. SUPPLIES FOR PD	
	238644	02/10/2020	82709	MISC SUPPLIES FOR FIRE STATION	\$757.45
		02/10/2020	82243	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	82524	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	76602	MISC. SUPPLIES FOR PD	
		02/10/2020	77652	MISC. SUPPLIES FOR PD	
		02/10/2020	77969	MISC. SUPPLIES FOR PD	
		02/10/2020	79476	MISC. SUPPLIES FOR PD	
		02/10/2020	81315	MISC SUPPLIES FOR FIRE STATION 2	
		02/10/2020	81365	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	82161	MISC SUPPLIES FOR FIRE STATION 58	
		02/10/2020	82182	MISC SUPPLIES FOR FIRE STATION 58	
		02/10/2020	82235	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	82281	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	84344	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	84153	MISC SUPPLIES FOR FIRE STATION 58	
		02/10/2020	82511	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	82777	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	82971	MISC SUPPLIES FOR FIRE STATION 58	
		02/10/2020	83269	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	83350	MISC SUPPLIES FOR FIRE STATION 58	
		02/10/2020	83853	MISC SUPPLIES FOR FIRE STATION 58	
		02/10/2020	84278	MISC. SUPPLIES FOR PD	
		02/10/2020	84530	MISC SUPPLIES FOR FIRE STATION	
		02/10/2020	82255	MISC SUPPLIES FOR FIRE STATION 58	
	238757	02/24/2020	86066	MISC. SUPPLIES FOR PD	\$32.16

Remit to: MORENO VALLEY, CA

FYTD: \$2,342.92

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SUNNYMEAD VETERINARY CLINIC	238774	02/24/2020	BL#06420-YR2020	REFUND OF OVER-PAYMENT FOR BL#06420	\$293.84
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$293.84
SYNERGY COMPANIES	238709	02/18/2020	MVU RES DI 0120	ENERGY AUDITS & INSTALLATION OF ENERGY EFFICIENCY MEASURES	\$19,100.48
Remit to: HAYWARD, CA					<u>FYTD:</u> \$426,347.11
TAHREEM KHAN	27097	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
TAITYANA L. BENSON	27098	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
TALAMANTE, JACINTO	238734	02/18/2020	R19-143898	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00
TELEPHONE TOWN HALL MEETING, INC.	238740	02/18/2020	7959	LIVE TELEPHONE TOWNHALL EVENT CHARGES	\$7,875.00
Remit to: GOLDEN, CO					<u>FYTD:</u> \$15,006.30
THE LEW EDWARDS GROUP	27102	02/10/2020	213	FISCAL SUSTAINABILITY & BALLOT MEASURE CONSULTING SERVICES-DEC	\$5,750.00
Remit to: OAKLAND, CA					<u>FYTD:</u> \$42,000.00

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THE SOCO GROUP INC.	26988	02/03/2020	0750343-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	\$13,643.04
		02/03/2020	0748531-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/03/2020	749472R-DM	FUEL FOR CITY VEHICLES & EQUIPMENT-REBILL OF INVOICE 0749472-IN	
		02/03/2020	0751544-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/03/2020	749472C-CM	CREDIT MEMO TO REVERSE/CORRECT PAID INV 0749472-IN DATED 1/14/19	
	27234	02/03/2020	0752716-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	\$16,280.75
		02/03/2020	0753628-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/24/2020	0758326-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/24/2020	0756019-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/24/2020	0755052-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/24/2020	0754908-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/24/2020	0759574-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		02/24/2020	0757389-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
Remit to: ORANGE, CA					FYTD: \$240,281.33
THOMAS, AMBER	238775	02/24/2020	R19-142800	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
THOMPSON COBURN LLP	26989	02/03/2020	3402347	LEGAL SERVICES-MVU/RELIABILITY STANDARD COMPLIANCE-DEC19	\$7.84
Remit to: WASHINGTON, DC					FYTD: \$152.83
THOMSON REUTERS-WEST PUBLISHING CORP.	26990	02/03/2020	841661419	CA GOVERNMENT CODE 2020	\$105.60
	27104	02/10/2020	841486153	CA CODE OF CIVIL PROCEDURE 2020	\$60.34
Remit to: CAROL STREAM, IL					FYTD: \$8,858.78

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TILFORD, ASHLEY	27105	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00
TIME WARNER CABLE	238758	02/24/2020	091922301020120	FIBER INTERNET ACCESS SERVICES - FEB. 2020	\$844.00
Remit to: PITTSBURGH, PA					FYTD: \$6,752.00
TKE ENGINEERING INC	238591	02/03/2020	2019-1080	ALESSANDRO BLVD TRAFFIC SIGNAL & STREET IMPROVEMENT AT GRANT ST-CONSULTANT SERVICES	\$6,505.00
		02/03/2020	2019-1083	CONSULTANT PLAN CHECK SERVICES-HORIZONS AT MORENO VALLEY PROJECT/PEN18-0205	
Remit to: RIVERSIDE, CA					FYTD: \$34,137.50
TOWNSEND PUBLIC AFFAIRS, INC.	27106	02/10/2020	15606	CONSULTING SERVICES-LOBBYIST/ADVOCATE & GRANT WRITING-FEB. 2020	\$8,000.00
		02/10/2020	15504	CONSULTING SERVICES-LOBBYIST/ADVOCATE & GRANT WRITING-JAN. 2020	
Remit to: NEWPORT BEACH, CA					FYTD: \$21,000.00
TR DESIGN GROUP, INC.	26991	02/03/2020	4324	ARCHITECTURAL DESIGN SERVICES FOR IRIS LIBRARY BRANCH PROJECT	\$4,440.00
Remit to: RIVERSIDE, CA					FYTD: \$4,440.00
TRICHE, TARA	27172	02/18/2020	FEB-2020	INSTRUCTOR SERVICES-DANCE CLASSES	\$1,254.60
Remit to: MORENO VALLEY, CA					FYTD: \$11,119.20
TUKES, JOSHUA	27173	02/18/2020	FEB-2020	INSTRUCTOR SERVICES-WATERCOLOR TECHNIQUE CLASSES	\$172.80
Remit to: MORENO VALLEY, CA					FYTD: \$1,468.80

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TUMON BAY RESORT & SPA	27235	02/24/2020	MAR. 2020 RENT	MARCH 2020 RENT (INCL. CAM, ETC.) FOR EMPLOYMENT RESOURCE CTR.	\$8,014.73
Remit to: TAMUNING, GU					<u>FYTD:</u> \$72,132.57
TWINING, INC.	26992	02/03/2020	79737	PAVEMENT REHAB FOR VARIOUS STREETS CDBG (FY19-20), CONSULTANT SERVICES	\$6,297.34
Remit to: LONG BEACH, CA					<u>FYTD:</u> \$7,167.34
TYRA COLEMAN	27107	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00
ULTRASERV AUTOMATED SERVICES, LLC	26994	02/03/2020	172705	COFFEE SERVICE SUPPLIES-ANIMAL SHELTER	\$612.34
		02/03/2020	172706	COFFEE SERVICE SUPPLIES-CITY HALL/BREAK ROOM LOCATION	
		02/03/2020	175673	COFFEE SERVICE SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	
		02/03/2020	169869	COFFEE SERVICE SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	
		02/03/2020	167590	COFFEE SERVICE SUPPLIES-ANNEX 1	
	27174	02/18/2020	179012	COFFEE SERVICE SUPPLIES-CONFERENCE & REC. CENTER	\$506.97
		02/18/2020	179008	COFFEE SERVICE SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	
		02/18/2020	182186	COFFEE SERVICE SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	
		02/18/2020	179010	COFFEE SERVICE SUPPLIES-ANNEX 1	
Remit to: COSTA MESA, CA					<u>FYTD:</u> \$9,324.65
ULTRASYSTEMS ENVIRONMENTAL, INC.	27108	02/10/2020	11876	MDP LINE K-1 AND K-4, CONSULTING SERVICES	\$3,922.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$34,168.00

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
UNITED POWER GENERATION, INC.	27175	02/18/2020	4977	GENERATOR REPAIRS-FIRE STATION 99	\$713.25
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$15,737.60
UNITED ROTARY BRUSH CORP	26995	02/03/2020	312936	STREET SWEEPER BRUSHES & ACCESSORIES (2 1/2% DISCOUNT APPLIED)	\$413.98
	27176	02/18/2020	310786	STREET SWEEPER BRUSHES & ACCESSORIES	\$3,109.67
		02/18/2020	313031	STREET SWEEPER BRUSHES & ACCESSORIES	
		02/18/2020	312390	STREET SWEEPER BRUSHES & ACCESSORIES	
	27236	02/24/2020	313126	STREET SWEEPER BRUSHES & ACCESSORIES	\$1,703.96
		02/24/2020	313195	STREET SWEEPER BRUSHES & ACCESSORIES (2 1/2% DISCOUNT APPLIED)	
Remit to: KANSAS CITY, MO					<u>FYTD:</u> \$29,037.26
UNITED SITE SERVICES OF CA, INC.	26996	02/03/2020	114-9640513	FENCE RENTAL AT ANIMAL SHELTER 12/19/19-1/15/20	\$106.40
	27177	02/18/2020	114-9771905	FENCE RENTAL AT ANIMAL SHELTER 1/16-2/12/20	\$106.40
Remit to: PHOENIX, AZ					<u>FYTD:</u> \$957.60

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
VACATE TERMITE & PEST ELIMINATION COMPANY	27178	02/18/2020	91563	RODENT CONTROL SERVICES-AUG19-CONFERENCE & REC. CENTER	\$3,164.00
		02/18/2020	92411	RODENT CONTROL SERVICES-SEP19-MORRISON PARK	
		02/18/2020	92410	RODENT CONTROL SERVICES-SEP19-JFK PARK	
		02/18/2020	91567	RODENT CONTROL SERVICES-AUG19-SHADOW MTN. PARK	
		02/18/2020	92858	PEST CONTROL SERVICE-SEP19-CELEBRATION PARK RESTROOMS	
		02/18/2020	92412	RODENT CONTROL SERVICES-SEP19-SHADOW MTN. PARK	
		02/18/2020	92415	RODENT CONTROL SERVICES-SEP19-CELEBRATION PARK	
		02/18/2020	92409	RODENT CONTROL SERVICES-SEP19-EQUESTRIAN CENTER	
		02/18/2020	92425	RODENT CONTROL SERVICES-SEP19-MOVAL ELECTRIC SUBSTATION	
		02/18/2020	91574	RODENT CONTROL SERVICES-AUG19-SKATE PARK	
		02/18/2020	91570	RODENT CONTROL SERVICES-AUG19-CELEBRATION PARK	
		02/18/2020	91562	RODENT CONTROL SERVICES-AUG19-COTTONWOOD GOLF COURSE	
		02/18/2020	91564	RODENT CONTROL SERVICES-AUG19-EQUESTRIAN CENTER	
		02/18/2020	91565	RODENT CONTROL SERVICES-AUG19-JFK PARK	
		02/18/2020	91571	RODENT CONTROL SERVICES-AUG19-EL POTRERO PARK	
		02/18/2020	91952	PEST CONTROL SERVICE-AUG19-SKATE PARK RESTROOM/SNACK BAR	
		02/18/2020	91569	RODENT CONTROL SERVICES-AUG19-FAIRWAY PARK	
		02/18/2020	92413	RODENT CONTROL SERVICES-SEP19-SUNNYMEAD PARK	
		02/18/2020	91566	RODENT CONTROL SERVICES-AUG19-MORRISON PARK	
		02/18/2020	92416	RODENT CONTROL SERVICES-SEP19-EL POTRERO PARK	
		02/18/2020	91945	PEST CONTROL SERVICE-AUG19-MORRISON PARK RESTROOM/SNACK BAR	
		02/18/2020	91953	PEST CONTROL SERVICE-AUG19-CELEBRATION PARK RESTROOMS	
		02/18/2020	91950	PEST CONTROL SERVICE-AUG19-SUNNYMEAD PARK RESTROOM/SNACK BAR	

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



**City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020**

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
VACATE TERMITES & PEST ELIMINATION COMPANY		02/18/2020	91583	RODENT CONTROL SERVICES-AUG19-MOVAL ELECTRIC SUBSTATION	
		02/18/2020	91582	RODENT CONTROL SERVICES-AUG19-KITCHING ELECTRIC SUBSTATION	
		02/18/2020	92857	PEST CONTROL SERVICE-SEP19-SKATE PARK RESTROOM/SNACK BAR	
		02/18/2020	92855	PEST CONTROL SERVICE-SEP19-SUNNYMEAD PARK RESTROOM/SNACK BAR	
		02/18/2020	92419	RODENT CONTROL SERVICES-SEP19-SKATE PARK	
		02/18/2020	92420	RODENT CONTROL SERVICES-SEP19-EDISON EASEMENT	
		02/18/2020	92414	RODENT CONTROL SERVICES-SEP19-FAIRWAY PARK	
		02/18/2020	91568	RODENT CONTROL SERVICES-AUG19-SUNNYMEAD PARK	
		02/18/2020	92421	RODENT CONTROL SERVICES-SEP19-VISTA LOMAS PARK	
		02/18/2020	91575	RODENT CONTROL SERVICES-AUG19-EDISON EASEMENT	
		02/18/2020	92424	RODENT CONTROL SERVICES-SEP19-KITCHING ELECTRIC SUBSTATION	
		02/18/2020	92408	RODENT CONTROL SERVICES-SEP19-CONFERENCE & REC. CENTER	
		02/18/2020	92850	PEST CONTROL SERVICE-SEP19-MORRISON PARK RESTROOM/SNACK BAR	
		02/18/2020	92407	RODENT CONTROL SERVICES-SEP19-COTTONWOOD GOLF COURSE	
		02/18/2020	91576	RODENT CONTROL SERVICES-AUG19-VISTA LOMAS PARK	
Remit to: MORENO VALLEY, CA					FYTD: \$15,209.00
VALLEY WIDE TOWING, LLC	27179	02/18/2020	20-08470	EVIDENCE TOWING FOR PD	\$225.00
Remit to: MORENO VALLEY, CA					FYTD: \$3,673.75
VANESSA CARRASCO	27109	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,250.00

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**City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020**

CHECKS UNDER \$25,000

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VEGA, VANESSA	238776	02/24/2020	R19-142205	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00
VERIZON WIRELESS	238592	02/03/2020	9846026758	DATA CHARGES FOR CELLULAR SERVICE FOR PD DEVICES	\$362.31
	238710	02/18/2020	200003742-402532	CELLULAR TECHNOLOGY EXTRACTION /LOCATOR SERVICES FOR PD	\$60.00
	238759	02/24/2020	9848096927	DATA CHARGES FOR CELLULAR SERVICE FOR PD DEVICES	\$362.31
Remit to: DALLAS, TX					<u>FYTD:</u> \$3,512.69
VETERANS SUPPLEMENTAL SUPPORT NETWORK	238593	02/03/2020	042520-SPONSOR	SPONSORSHIP-3RD ANNUAL DAISY WALK EVENT-VETERAN SUICIDE AWARENESS	\$500.00
Remit to: TEMECULA, CA					<u>FYTD:</u> \$500.00
VICTOR MEDICAL CO	26997	02/03/2020	4991099	ANIMAL MEDICAL SUPPLIES/VACCINES	\$3,353.72
Remit to: LAKE FOREST, CA					<u>FYTD:</u> \$20,071.69
VILLA, CONCEPCION	238735	02/18/2020	R19-142905	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$95.00
VILLA, TED	238611	02/03/2020	R20-144201	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$75.00
VISION SERVICE PLAN	27110	02/10/2020	808497356	EMPLOYEE VISION INSURANCE	\$3,866.15
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$31,110.26
VOYAGER FLEET SYSTEM, INC.	26998	02/03/2020	869336602952-CM	FUEL CARD CHARGES-CITY VEHICLE 17-001	\$233.69
	27180	02/18/2020	869211615004	CNG FUEL PURCHASES	\$5,058.07
	27181	02/18/2020	869336602004	FUEL CARD CHARGES-PD TRAFFIC MOTORS	\$1,742.17
Remit to: HOUSTON, TX					<u>FYTD:</u> \$72,863.78

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>	
VULCAN MATERIALS CO, INC.	26999	02/03/2020	72470912	ASPHALTIC MATERIALS	\$4,477.53	
		02/03/2020	72461586	ASPHALTIC MATERIALS		
		02/03/2020	72459248	ASPHALTIC MATERIALS		
		02/03/2020	72456581	ASPHALTIC MATERIALS		
		02/03/2020	72473496	ASPHALTIC MATERIALS		
		02/03/2020	72456580	ASPHALTIC MATERIALS		
		02/03/2020	72473497	ASPHALTIC MATERIALS		
		02/03/2020	72469117	ASPHALTIC MATERIALS		
		02/03/2020	72466797	ASPHALTIC MATERIALS		
		02/03/2020	72463693	ASPHALTIC MATERIALS		
		02/03/2020	72463692	ASPHALTIC MATERIALS		
		02/03/2020	72459247	ASPHALTIC MATERIALS		
		02/03/2020	72454699	ASPHALTIC MATERIALS		
		02/03/2020	72466796	ASPHALTIC MATERIALS		
		27182	02/18/2020	72478281	ASPHALTIC MATERIALS	\$12,497.38
	02/18/2020		72481553	ASPHALTIC MATERIALS		
	02/18/2020		72173526-CREDIT	CREDIT ON ACCOUNT-FOR ASPHALTIC MATERIALS INVOICE #72173526		
	02/18/2020		72484895	ASPHALTIC MATERIALS		
	02/18/2020		72484893	ASPHALTIC MATERIALS		
	02/18/2020		72478282	ASPHALTIC MATERIALS		
	02/18/2020		72481554	ASPHALTIC MATERIALS		
	02/18/2020		72481555	ASPHALTIC MATERIALS		
	02/18/2020		72481556	ASPHALTIC MATERIALS		
	02/18/2020		72484894	ASPHALTIC MATERIALS		
	02/18/2020		72487168	ASPHALTIC MATERIALS		
	02/18/2020		72489593	ASPHALTIC MATERIALS		
02/18/2020	72489594	ASPHALTIC MATERIALS				
02/18/2020	72475899	ASPHALTIC MATERIALS				

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**City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020**

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
WELLS FARGO CORPORATE TRUST	27000	02/03/2020	1770440	TRUSTEE SERVICES FEE - 2015 TAXABLE LEASE REVENUE BONDS	\$5,000.00
Remit to: MINNEAPOLIS, MN					FYTD: \$6,325,680.32
WEST COAST ARBORISTS, INC.	27111	02/10/2020	154176-A	TREE TRIMMING/REMOVAL SERVICES - ZONE D	\$2,817.40
	27183	02/18/2020	155599	TREE TRIMMING SERVICES - ZONE S	\$8,487.80
Remit to: ANAHEIM, CA					FYTD: \$173,103.44
WESTERN MUNICIPAL WATER DISTRICT	238760	02/24/2020	24753-018620/JA0	WATER CHARGES-M.A.R.B. BALLFIELDS	\$2,462.00
		02/24/2020	23866-018292/JA0	WATER CHARGES-SKATE PARK	
		02/24/2020	23821-018258/JA0	WATER CHARGES-MARCH FIELD PARK COMMUNITY CTR.-BLDG. 938	
		02/24/2020	23821-018257/JA0	WATER CHARGES-MARCH FIELD PARK COMMUNITY CTR. LANDSCAPE	
Remit to: ARTESIA, CA					FYTD: \$33,581.47
WILEY, MARK	238612	02/03/2020	R19-142242	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
WILEY, VANCE	238736	02/18/2020	R19-142354	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					FYTD: \$75.00

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



**City of Moreno Valley
Payment Register
For Period 2/1/2020 through 2/29/2020**

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
WILLDAN FINANCIAL SERVICES	27112	02/10/2020	010-43105	PREPARATION OF DEVELOPMENT IMPACT FEE UPDATE SERVICES-OCT19	\$13,822.50
		02/10/2020	010-42878	PREPARATION OF DEVELOPMENT IMPACT FEE UPDATE SERVICES-SEP19	
	27184	02/18/2020	010-43732	GRANT ADMINISTRATION SERVICES-JAN. 2020	\$24,502.55
	27237	02/24/2020	010-43783	PREPARATION OF DEVELOPMENT IMPACT FEE UPDATE-JAN 2020 SERVICES	\$4,312.00
Remit to: TEMECULA, CA					<u>FYTD:</u> \$212,888.24
WILLIAMS , PAMELA	238666	02/10/2020	R19-143836	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$95.00
WINCHESTER ASSOCIATES, INC.	238594	02/03/2020	6365-Final	CIVIL ENGINEERING SERVICES-COTTONWOOD & INDIAN PROJECT/FINAL INVOICE	\$3,523.04
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$47,700.00
XEROX CAPITAL SERVICES, LLC	27185	02/18/2020	099418091	COLOR COPIER EQUIPMENT LEASE-JAN 2020-PARKS DEPT.	\$2,239.44
		02/18/2020	099418089	COLOR COPIER EQUIPMENT LEASE-JAN 2020-GRAPHICS DEPT.	
		02/18/2020	099418090	COLOR COPIER LEASE/BILLABLE PRINTS-JAN 2020-PARKS DEPT.	
		02/18/2020	099418088	COLOR COPIER LEASE/BILLABLE PRINTS-JAN 2020-GRAPHICS DEPT.	
Remit to: PASADENA, CA					<u>FYTD:</u> \$19,845.42
YHUIT, PATRICIA	27113	02/10/2020	REIMB. 1/31/20	REIMBURSE HOTEL & PARKING CHARGES FOR CSMFO 2020 CONFERENCE	\$315.48
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$537.64
YOLANDA NEAL - YAKUBU	27114	02/10/2020	FEBRUARY 2020	MOVAL LEARNS-FEBRUARY 2020	\$250.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,250.00

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City of Moreno Valley
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For Period 2/1/2020 through 2/29/2020

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ZAMORA, KATHY	238613	02/03/2020	2001174.047	COTTONWOOD GOLF CTR. RENTAL REFUND	\$296.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$296.00
ZOBEL, AARON	238667	02/10/2020	R19-141723	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$75.00
TOTAL CHECKS UNDER \$25,000					\$1,123,295.01
GRAND TOTAL					\$18,190,428.81

Attachment: February 2020 Payment Register (3870 : PAYMENT REGISTER - FEBRUARY 2020)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: ANNUAL STATEMENT OF INVESTMENT POLICY

RECOMMENDED ACTION

Recommendation:

1. Adopt the Annual Statement of Investment Policy.

SUMMARY

California Government Code Sections 53601 and 53646, respectively, delineate the types of investments allowed, define various restrictions governing these investments and suggest a periodic review of the investment report and investment policy by the governing body of the local agency. The City's Investment Policy has established a review process whereby the Council reviews and adopts the policy annually. The policy identifies allowable investments, the reporting process related to the investments, safekeeping measures in maintaining assets and the roles of staff in the management of the investment program.

Staff recommends that the City Council review and adopt the Annual Statement of Investment Policy. The only modification to the policy is the addition of paragraph X, Review of Investment Portfolio. This revision was added based on comments that arose from the certification process.

DISCUSSION

The City's Investment Policy calls for the policy to be reviewed and adopted annually by the City Council. The policy was last revised in June 2016. The policy in its revised form has incorporated all of the most recent changes made to the California Government Code as well as the best practices which have been identified by the California Debt and Investment Advisory commission (CDIAC). The policy has been reviewed and certified by both the Association of Public Treasurers of the United States

and Canada (APT US&C) and the California Municipal Treasurer's Association (CMTA) in February 2020 and comments from that review process have been incorporated into the current version of the policy.

The Investment Policy has been reviewed by both staff and our investment management firm, Chandler Asset Management. Based on this review and the comments received from the certification process the only change is the addition of paragraph X Review of Investment Portfolio which has been added in order to deal with security changes which impact the compliance with the established portfolio standards.

The Investment Policy was reviewed by the Finance Subcommittee at its meeting on March 24, 2020.

ALTERNATIVES

1. Adopt Annual Statement of Investment Policy. *Staff recommends this alternative since this will allow for the timely review and adoption of the policy for the coming fiscal year.*
2. Do not adopt Annual Statement of Investment Policy and provide staff with additional direction. *Staff does not recommend this alternative since it will not allow for a timely review and adoption process prior to the start of the new fiscal year.*

FISCAL IMPACT

No fiscal impact.

NOTIFICATION

Posting of Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

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.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. 2020-05 Investment Policy FINAL redline

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/24/20 5:50 PM
City Attorney Approval	<u>✓ Approved</u>	4/13/20 11:53 AM
City Manager Approval	<u>✓ Approved</u>	4/13/20 11:59 AM

INVESTMENT POLICY

PURPOSE: The City Council of the City of Moreno Valley (City) and its related authorities and agencies recognizes its responsibility to properly direct the investments of funds under its care. It is the purpose of this policy to provide guidelines for the prudent investment of unexpended funds in a manner which allows for maximum security, while at the same time providing the best investment return to meet the daily cash flow demands of the City, and conform to all applicable statutes pertaining to the investment of public funds. In instances in which the Policy is more restrictive than Federal or State law, the Policy supersedes.

I. Scope

- A.** Investments for the City and its related authorities and agencies will be made on a pooled basis including the City of Moreno Valley, the City of Moreno Valley Housing Authority, the Moreno Valley Community Services District, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Public Financing Authority, and the Moreno Valley Industrial Development Authority. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:
1. General Fund
 2. Special Revenue Funds
 3. Debt Service Funds
 4. Capital Project Funds
 5. Internal Service Funds
 6. Agency Funds
 7. Enterprise Funds
- B.** The City Council has the authority to allow investments that do not follow this policy as long as such investments are recommended by the City Manager and City Treasurer, and expressly authorized by the City Council.
- C.** At the time this policy is adopted, the portfolio may hold investments which were made in the past and in accordance with previous policies and existing State law, but do not meet the provisions of this policy. These past investments are grandfathered as permissible investments. The City may choose to hold these investments until maturity; however, their maturity cannot be extended without the expressed authorization of the City Council.
- D.** Funds excluded from this policy
1. **Bond Proceeds.** Proceeds of debt issuance shall be invested in accordance with the City's general investment philosophy as set forth in this policy. The overriding policy for the investment of bond proceeds will be dictated by the bond documents governing such funds as long as the documents are approved by the City Council or related governing board.
 2. **Deferred Compensation Plans.** Investments related to the City's deferred compensation plans are not subject to this policy since third-party administrators manage them and the individual plan participant's direct investment and mutual fund selection. Deferred compensation plans must be approved by the City Council.
 3. **Voluntary Employees' Beneficiary Association (VEBA) plan:** Funds deposited into VEBA plans on behalf of employees are managed under a separate investment policy and are held and managed by a third party fund manager.

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11; 4/24/12, 6/9/15,
/6/9/16, 5/7/2019

INVESTMENT POLICY

II. Prudence (Reference CA Govt. Code 53600 and 53646)

- A.** Prudent Investor Standard: Management of the City’s investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

- B.** Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

III. Objectives (Reference CA Govt. Code 53600.5)

- A.** The City’s investment philosophy sets the tone for its policies, practices, procedures and objectives that control the investment function. The investment of funds will be guided by the primary objectives of safety, liquidity and a reasonable market rate of return.
- 1. Safety** – Safety of principal is the foremost objective of the investment program. The City will undertake investments in a manner that ensures the preservation of capital in the portfolio taken as a whole.
 - 2. Liquidity** – The City will maintain sufficient cash and short-term investment instruments which, together with projected revenues, will provide sufficient liquidity so that the City will be able to meet all operating requirements which might be reasonably anticipated including an amount to cover reasonably estimated contingencies.
 - 3. Reasonable market rate of return (Yield)** – The City’s investment portfolio will be designed with the objective to attain a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City’s investment risk constraints and the cash flow characteristics of the portfolio.
- B.** The investment function will have the ongoing objectives of: assuring compliance with Federal, State and local laws governing the investment of public funds, maintaining reserves for long-term projects and contingencies, and establishing quality standards and limits related to the type of investments made and with which institutions investments are placed.

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IV. Delegation of Authority (Reference CA Govt. Code 41006 and 53607)

- A. The City of Moreno Valley Municipal Code specifies that the City Council will appoint the City Treasurer. By resolution, the City Council has appointed the Chief Financial Officer to serve as the City Treasurer. The Treasurer serves as the chief investment officer for the City and is authorized to invest or deposit the City's funds in accordance with this policy, California Government Code Sections 53600 and 53630 et seq., and all other related Federal and State laws. The City Treasurer also serves as the Treasurer for the City of Moreno Valley Housing Authority, the Moreno Valley Public Financing Authority, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Community Services District and other related City entities. In the absence of the City Treasurer, and unless otherwise delegated, the Treasury Operations Division Manager/Assistant City Treasurer will serve as the Acting Treasurer. The City Treasurer may appoint deputy treasurers to act on behalf of the City. The City Treasurer will provide written authorization when delegating any of his/her authority.
- B. The City Manager will provide periodic oversight to the investment function which includes but is not limited to reviewing monthly investment reports issued by the City Treasurer.
- C. The City Council's primary responsibilities over the investment function include approving the Investment Policy, annually reviewing such policy, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and other unique financing transactions, and authorizing any deviations from the City's investment policies.
- D. The Finance Sub-Committee of the City Council will provide oversight to the investment function through the periodic review of the investment report at their committee meetings.
- E. The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

V. Investment Procedures

- A. The City Treasurer shall establish internal procedures for the operation of the investment program consistent with this policy. These procedures shall include, but are not limited to, the following items:
 - 1. Safekeeping
 - 2. Master repurchase agreements
 - 3. Wire transfer agreements
 - 4. Collateral/Depository agreements
 - 5. Broker/Dealer relationships
- B. Cash handling and cash management are integral components of an effective investment management program. In keeping with the Administrative Policy on Cash Control, the aforementioned procedure manual shall include references to the following:
 - 1. Cash collection practices
 - 2. Depository practices
 - 3. Cash flow issues
 - 4. Cash flow projections
 - 5. Anti-theft/Anti-fraud practices

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- 6. Banking agreements
 - 7. Accounting practices
- C. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.
- D. Allocation of Pool Interest
- 1. All interest earnings related to the investment pool will be allocated to the General Fund unless specifically directed by Federal or State statute, City Council directive or contractual agreement.
 - 2. The allocation methodology will be maintained by the City Treasurer.

VI. Ethics and Conflict of Interest

- A. All officials, staff members and consultants, involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which may impair their ability to make impartial investment decisions. Officials, staff members, and consultants, will disclose to the City Manager any financial interests with a financial institution, provider, dealer or broker that conducts business with the City.
- B. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the City's cash and investment portfolio.
- C. All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers and dealers will disclose any fee sharing arrangements or fee splitting to the City Manager prior to the execution of any transactions. The providers must disclose the percentage share and approximate dollar amount share to the City prior to the execution of any transactions.

VII. Investment Controls

- A. The City Manager shall oversee and ensure that the City Treasurer implements and maintains a system of internal investment controls and segregated responsibilities of the investment function in order to prevent the following:
 - 1. Fraud
 - 2. Theft
 - 3. Loss of principal
 - 4. Loss of control over funds
 - 5. Inaccurate reporting
 - 6. Negligence
 - 7. Over-reliance on a single employee for investment decisions
- B. Internal controls should include but are not limited to (for a more specific list of internal controls see the investment management plan):
 - 1. Segregation of duties (e.g., the purchaser of investments is different than the person recording the transaction)
 - 2. Reconciliation of investment report and cash balances
 - 3. Dual authorization of transactions

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- C. An external auditor will review the investment program annually in order to provide reasonable assurance that policy and procedures are complied with.

VIII. Authorized Financial Dealers and Institutions (Reference CA Govt. Code 53601)

- A. The City Treasurer will obtain financial information from qualified institutions to determine if the institution markets in securities appropriate to the City's needs, can assign qualified sales representatives, and can provide written agreement to abide by the conditions set forth in the City of Moreno Valley Investment Policy.
1. The City may engage the services of investment advisory firms to assist in the management of the portfolio (discretionary portfolio management) and investment advisors may utilize their own list of approved broker/dealers. The list of approved firms maintained by the investment advisor shall be provided to the City on an annual basis or upon request. The investment advisor will certify that they have read and are willing to comply with the City's investment policy.
 2. In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's portfolio, any authorized broker/dealer from whom a competitive bid is obtained for the transaction will meet the following criteria and provide the required information to the City Treasurer.
- B. The City Treasurer will maintain a list of financial institutions and broker/dealers authorized to provide investment services to the City who are authorized to provide investment services in the State of California. An eligible designation does not guarantee that the City will do business with the firm or institution.
- C. The following criteria will be used in determining investment providers
1. Broker/Dealers: The purchase by the City of any investment other than those purchased directly from the issuer shall be purchased from a broker/dealer firm designated as a "Primary Government Dealer" by the Federal Reserve Bank of New York or a regional dealer that qualifies under SEC Rule 15C3-1 (uniform net capital rule).
 2. Banks: The City shall only purchase securities from banks which meet all of the following criteria:
 - a. Nationally or State chartered banks
 - b. Registered as investment securities dealers with the Securities and Exchange Commission
 - c. Independently **rated in the "A" rating category** or higher by two nationally recognized statistical ranking organizations
 3. Investment Bankers, Underwriters and Financial Advisors: The purchase by the City of any investments from these providers in the course of completing a bond transaction must be expressly authorized by the City Council after such a provider discloses their commission, spread or fee in approximate dollar amount. Otherwise, the acquisition of such investments must be procured from the broker/dealers customarily used by the City.
 4. The Federal Reserve Bank: Direct purchases of Treasury bills, notes and bonds from the U.S. Federal Reserve Banks branches are allowed and are exempt from quality requirements.

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- D.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must provide the following information to the City Treasurer:
1. A completed City of Moreno Valley Broker/Dealer Questionnaire
 2. Audited financial statements
 3. Proof of Financial Industry Regulatory Authority (FINRA) certification
 4. Trading resolution
 5. Proof of state registration
 6. Certification of having read and willingness to comply with City's investment policy
- E.** In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's portfolio, any authorized broker/dealer from whom a competitive bid is obtained for the transaction will provide the following information to the City Treasurer.
- F.** The City Treasurer will conduct an annual review of the financial condition and registrations of brokers/dealers on the City's approved list.
- G.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which or with which the City invests.
- H.** Certificates of deposit will not be placed with an institution once it has received a Cease and Desist order from any bank regulatory agency.

IX. **Authorized and Suitable Investments (with quality and limitation guidelines)** (Reference CA Govt. Code 53601)

- A.** The California Government Code sections 53600 et seq. governs the allowable investments into which a local government agency can enter. These Government Code sections also stipulate as to the portfolio percentage limits and investment quality standards for some but not all permitted investments. The Government Code sections provide a starting point for establishing the City quality standards, percentage limits and maturity levels. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.
- B.** Whenever a maximum allowable percentage of the portfolio is stipulated for any type of security as detailed below, the limit or maximum allowable is determined by the portfolio size or composition at the close of the date on which the security is purchased.
- C.** Following is a table summarizing allowable investments for the City. This table summarizes and is consistent with California Government Code Sections 53600 and 53630 et seq.

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INVESTMENT TYPE	MAXIMUM REMAINING MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS	GOVT. CODE SECTION
Local Agency Bonds	5 years	— none —	— none —	53601(a)
U.S. Treasury Obligations	5 years	— none —	— none —	53601(b)
State Obligations: CA and Others	5 years	— none —	— none —	53601(d)
CA Local Agency Obligations	5 years	— none —	— none —	53601(e)
U.S Agency Obligations	5 years	— none —	— none —	53601(f)
Bankers' Acceptances	180 days	40%	— none —	53601(g)
Commercial Paper: Non-pooled Funds	270 days	25% of the agency's invested funds	"A-1/P-1/F-1"; if the issuer has issued long-term debt it must be rated at least in the "A" ratings category	53601(h)(2)(C)
Negotiable Certificates of Deposit	5 years	30%	— none —	53601(i)
Placement Service Deposits	5 years	30% (3)	— none —	53061.8 & 53635.8
Placement Service Certificates of Deposit	5 years	30% (3)	— none —	53061.8 & 53635.8
Repurchase Agreements	1 year	— none —	— none —	53601(j)
Medium-Term Notes	5 years	30%	"A" rating category by a NRSRO(1)	53601(k)
Supranational Securities (Only International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank are approved issuers)	5 years	30%	"AA" rating category by a NRSRO(1)	53601(q)
Mutual Funds and Money Market Mutual Funds	n/a	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	— none —	— none —	53630 et seq. and 53601(n)
Mortgage Pass-Through Securities/Asset Backed Securities/Collateralized Mortgage Backed Securities	5 years	20% (2)	"AA" rating category by a NRSRO(1)	53601(o)
County Pooled Investment Funds	n/a	— none —	— none —	27133
Joint Powers Authority Pool	n/a	— none —	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	n/a	— none —	— none —	16429.1
NRSRO = Nationally Recognized Statistical Rating Organization				
(1) The combination of Mortgage Pass-Through, Asset Backed and Collateralized Mortgage Backed securities may not exceed 20% of the portfolio.				
(2) No more than 30% of the agency's money can be invested in deposits, including certificates of deposit through a placement service.				
(3) No more than 30% of the agency's money may be invested in deposits, including certificates of deposit, through a placement service.				

D. Investment Pools: A thorough investigation of an Investment Pool account is required prior to investing, and on a continual basis. The investigation must include information, if available, on the following items before investing:

1. A description of eligible investment securities, and a written statement of investment policy.
2. A description of interest calculations and distribution and how gains and losses will be treated.
3. A description of how the securities are safeguarded (including the settlement process), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often and what is the allowable size of deposits and withdrawals, and any limitations as to number of transactions.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool?
7. Is the pool eligible for bond proceeds and/or will it accept such proceeds?

E. Repurchase Agreements are legal and authorized by policy. In order to invest in repurchase agreements the City must obtain a signed Master Repurchase Agreement from the participating bank or broker/dealer.

F. Prohibited Investment Transactions and Derivatives:

Attachment: 2020-05 Investment Policy FINAL redline (3938 : ANNUAL STATEMENT OF INVESTMENT POLICY)

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1. The Government Code specifically prohibits certain types of investment instruments for municipalities. In addition to those prohibitions, the following investments are not permitted:
 - a. Reverse Repurchase Agreements
 - b. Financial futures or financial option contracts
 - c. Security lending
2. Additionally, the City shall not invest in any security that could result in zero interest accrual if held to maturity.
3. Due to the complexity of the securities market and ever-changing market conditions, it is difficult to define derivatives and specifically prohibit their acquisition. Therefore, the City desires to limit the potential risk of derivatives by specifically prohibiting the most common types of derivatives with certain market exposures. These prohibited derivatives include but are not limited to: inverse floaters, interest only securities derived from mortgages, residual securities, structured notes, forward based derivatives, forward contracts, forward rate agreements, futures contracts, interest rate futures contracts, foreign currency futures contracts, option based derivatives, option contracts, interest rate caps, interest rate floors, swap contracts, interest rate swaps, interest rate collars, foreign currency swaps, cross currency exchange agreements, fixed rate currency swaps, basis swaps, equity swaps, fixed rate equity swaps, floating rate equity swaps and commodity swaps.
4. Leveraging
 - a. The City may not purchase investments on a margin or through a margin account.
 - b. The General Portfolio may not be leveraged by more than 30% through the issuance of tax and revenue anticipation notes (TRANS). The proceeds of any TRANS issue are to be invested in accordance with the guidelines in this policy, with investment maturities not to exceed the life of the TRANS.
 - c. The City may not leverage its investments through the use of reverse repurchase agreements.

X. Review of Investment Portfolio

- A. The securities held by the City must be in compliance with paragraph IX Authorized and Suitable Investments and paragraph XIV Maximum Maturities at the time of purchase. At least quarterly the City Treasurer shall review the portfolio to identify any securities that do not comply with this policy. The City Treasurer shall establish procedures to report to the City Council major and critical incidences of noncompliance identified as a result of the portfolio review. (Also see paragraph XIII.E.)

XI. Collateralization (Reference CA Govt. Code 53601)

- A. Bank Deposits: Under provisions of the Government Code, California banks and savings and loan associations are required to secure the City's deposits by pledging government securities with a value of 110% of principal and accrued interest. State law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.
- B. Certificates of Deposit:

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1. The market value of securities that underlay certificates of deposit shall be valued at 110% of the market value of principal and accrued interest.
 2. The City Treasurer, at his/her discretion may waive the collateral requirement for deposits up to the maximum dollar amount which are covered by the Federal Deposit Insurance Corporation.
- C. Repurchase Agreements
1. The market value of securities that underlay certificates of deposit shall be valued at 102% of the market value of principal and accrued interest.
 2. The value shall be adjusted no less than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back to 102% no later than the next business day.
- D. A clearly marked evidence of ownership, safekeeping receipt, must be supplied to the City and retained.
- E. The City chooses to limit collateral to US Treasuries.
- F. Collateral will always be held by an independent third-party with whom the entity has a current written custodial agreement.
- G. The right of collateral substitution is granted based on the approval of the City Treasurer and City Manager.

XII. Safekeeping, Custody and Competitive Bids (Reference CA Govt. Code 53608)

- A. Third-party safekeeping is required for all investments. Securities may be maintained by a banking institution or a broker/dealer firm for safekeeping as long as the securities are held in the City's name.
- B. Third-party safekeeping arrangements will be approved by the City Treasurer and will be corroborated by a written custodial agreement.
- C. All investment transactions of the City will be conducted using standard delivery vs. payment (DVP) procedures.
- D. All securities held by the safekeeping custodian on behalf of the City shall have the City of Moreno Valley as the registered owner, and all interest and principal payments and withdrawals shall indicate the City of Moreno Valley as the payee.
- E. All bank deposits will be FDIC insured or deposited with institutions that comply with the State collateral requirements for public funds.
- F. Securities used as collateral for repurchase agreements with a maturity from one to seven days can be held in safekeeping by a third party bank trust department or by the broker/dealer's safekeeping institution, acting as the agent for the City, under the terms of a custody agreement executed by the selling institution and by the City specifying the City's "perfected" ownership of the collateral.
- G. All investment transactions shall be conducted on a competitive basis with quotes from a minimum of three brokers or financial institutions when possible.

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XIII. Diversification and Credit Risk Management

- A. Investments contained within the portfolio will be diversified by security type, institution and maturity.
- B. The diversification requirements included in Section IX are designed to mitigate credit risk in the portfolio.
- C. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities, Supranational issuers, investment pools and money funds or money market mutual funds.
- D. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences; and,
- E. If securities owned by City are downgraded by any nationally recognized statistical ratings organization to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - 1. If a security is downgraded, the City Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - 2. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

XIV. Maximum Maturities

- A. The City Treasurer will maintain sufficient liquidity in cash and short-term investments, which together with projected revenue receipts will meet the cash flow requirements of the City for the upcoming six months.
- B. The City will not directly invest in securities maturing more than five years away from the settlement date. In any case, where a cash flow is matched with an investment which exceeds the five year limit, the investment must be approved by the City Council **at least 90 days** prior to the purchase of the security(ies).
- C. The average weighted maturity of the general portfolio shall not exceed 3 years. The general portfolio does not include bond proceeds or deferred compensation funds.
- D. To the extent possible, longer-term investment maturities will be spaced so that a portion of such investments mature each year to cover unanticipated emergencies.

XV. Performance Standards

- A. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints.

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- B.** The investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to the return on a market benchmark Index of similar securities, as determined by the City Treasurer.
- C.** Market Return (Benchmark): The City's investment strategy is active. Given this strategy, the basis used by the Treasurer to determine whether market return is being achieved shall be to identify a benchmark which reflects a portfolio structure that is comparable to the City's portfolio. *An example as it pertains to the long term portion of the portfolio would be the ICE Bank of America Merrill Lynch Index of 1 to 5 Year Government securities.*

XVI. Reporting (Reference CA Govt. Code 53607 and 53646(b))

- A.** The City Treasurer will provide a monthly report to the City Manager and City Council which will include the following information by security held at the end of the reporting period:
1. Investment Type
 2. Issuer
 3. Maturity Date
 4. Par Value
 5. Market Value
 6. Book Value
 7. Weighted Average Maturity
 8. Source of Market Valuation
 9. Monies maintained within the treasury
 10. Funds, investments and loans that are under the management of contracted parties
- B.** Quarterly, and within 30 days of the completion of the quarter, the City Treasurer will submit a report to the City Council in open public meeting with the same investment information provided to the City Manager and City Council on a monthly basis with the addition of the following data:
1. A description of the compliance with the statement of investment policy, or manner in which the portfolio is not in compliance.
 2. A statement denoting the ability of the City to meet cash flow requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

XVII. Investment Policy Adoption (Reference CA Govt. Code 53646(a)(2))

- A.** Annually, the City Treasurer will render to the City Council a Statement of Investment Policy, including any changes or revisions, to be reviewed and approved at a public meeting.

XVIII. Record Retention

- A.** The following investment or cash management documents will be maintained in accordance with Chapter 2.60 of Title 2 of the City of Moreno Valley Municipal Code:
1. Investment Reports and supporting documentation
 2. Third-party statements of assets held
 3. Investment permanent files
 4. Market pricing documentation

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INVESTMENT POLICY GLOSSARY

AGENCIES: See U.S. Agency Obligations

ASSET BACKED SECURITIES: An asset-backed security (ABS) is a financial security collateralized by a pool of assets such as loans, leases, credit card debt, royalties or receivables. For investors, asset-backed securities are an alternative to investing in corporate debt. An ABS is similar to a mortgage-backed security, except that the underlying securities are not mortgage-based.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill and the issuer.

BANK/TIME DEPOSITS: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). The deposited funds must remain in the account for the fixed term to receive the stated interest rate. Time deposits are an alternative to the standard savings account, and will usually pay a higher rate of interest.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When selling securities, you ask for a bid.).

BROKER/DEALER: An individual or firm that brings buyers and sellers together in a securities transaction.

CALIFORNIA LOCAL AGENCY OBLIGATIONS: Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable. (See negotiable Certificates of Deposit)

CERTIFICATE OF DEPOSIT PLACEMENT AGENCIES: Companies that allow an agency to combine the security of access to FDIC insurance above \$250,000 with the convenience of working directly with just one financial institution by parceling out investments to participant banks in keeping with the FDIC requirements.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLLATERALIZED BANK DEPOSITS:

COLLLATERALIZED MORTGAGE OBLIGATIONS (CMO): Collateralized mortgage obligation (CMO) refers to a type of mortgage-backed security that contains a pool of mortgages bundled together and sold as an investment. Organized by maturity and level of risk, CMOs receive cash flows as borrowers repay the mortgages that act as collateral on these securities. In turn, CMOs distribute principal and interest payments to their investors based on predetermined rules and agreements.

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COMMERCIAL PAPER: An unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts payable and inventories and meeting short-term liabilities. Maturities on commercial paper rarely range longer than 270 days. Commercial paper is usually issued at a discount from face value and reflects prevailing market interest rates

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the city. It includes five combined statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with GAAP, finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

CORPORATE MEDIUM-TERM NOTE - Corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money.

DERIVATIVES: Financial products dependent for their value on (or derived from) an underlying financial instrument, a commodity, or an index.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is at a discount.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits up to \$250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank. (Also see Agencies)

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is

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December 17, 1996

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INVESTMENT POLICY

called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages, second loans and fixed- rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest. (Also see Agencies)

FINANCIAL FUTURES/FINANCIAL OPTIONS CONTRACTS: A futures contract is a legal agreement to buy or sell a particular commodity or asset at a predetermined price at a specified time in the future. Futures contracts are standardized for quality and quantity to facilitate trading on a futures exchange. The buyer of a futures contract is taking on the obligation to buy the underlying asset when the futures contract expires. The seller of the futures contract is taking on the obligation to provide the underlying asset at the expiration date.

GOVERNMENT CODE - The Government Code of the State of California.

LEVERAGING: the use of borrowed capital as a funding source when investing to expand the firm's asset base and generate returns on risk capital. Leverage is an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Leverage can also refer to the amount of debt a firm uses to finance assets. When one refers to a company, property or investment as "highly leveraged," it means that item has more debt than equity.

INVESTMENT POOLS: A government investment pool (GIP), or local government investment pool (LGIP), is a **state or local government pool offered to public entities for the investment of public funds.**

LIQUIDITY: A liquid asset can be converted easily and rapidly into cash without a substantial loss.

LOCAL AGENCY BONDS: Bonds issued by the City of Moreno Valley, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MARKET RATE OF RETURN: A rate of return commensurate with the market for similar securities (maturity, credit rating, duration and liquidity) would be considered a market rate of return.

MATURITY: The date upon which the principal or stated value of an investment becomes due.

MEDIUM TERM NOTES (MTN): A note that usually matures in five to 10 years. A corporate MTN can be continuously offered by a company to investors through a dealer with investors being able to choose from differing maturities, ranging from nine months to 30 years, though most MTNs range in maturity from one to 10 years.

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MONEY MARKET MUTUAL FUNDS: Open-ended mutual fund that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities and pays money market rates of interest.

MORTGAGE PASS-THROUGH SECURITIES: Also called a pass-through, a security created when one or more mortgage holders form a collection (pool) of mortgages and sells shares or participation certificates in the pool. The cash flow from the collateral pool is "passed through" to the security holder as monthly payments of principal, interest, and prepayments. This is the predominant type of MBS traded in the secondary market

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION(NRSRO): *Firms* that review the creditworthiness of the issuers of debt securities and express their opinions in the form of letter rating categories (e.g. AAA, AA, A, BBB, etc). The primary rating agencies are the following; Standard & Poor's Corporation, Moody's Investor Services, Inc.; Fitch, Inc. and Dominion Bond Rating Service, Ltd.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that serve as trading counterparties of the New York Federal Bank in implementing monetary policy. This role includes the obligations to (i) participate consistently in open market operations to carry out U.S. monetary policy under the direction of the Federal Open Market Committee (FOMC) and (ii) provide the New York Federal Bank's trading desk with market information and analysis helpful in the formation and implementation of monetary policy. Primary dealers are also required to participate in all auctions of U.S. government debt and to make reasonable markets for the New York Federal Bank when it transacts for its foreign official account-holders.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond. The city calculates the rate of return based on the purchase price and the interest rate paid by the security when the Investment Report was prepared.

REPURCHASE AGREEMENT: A repurchase agreement (repo) is a form of short-term borrowing for dealers in government securities. In the case of a repo, a dealer sells government securities to investors, usually on an overnight basis, and buys them back the following day. (See Reverse Repurchase Agreement)

REVERSE REPURCHASE AGREEMENTS: For the party selling the security and agreeing to repurchase it in the future, it is a repo; for the party on the other end of the transaction, buying the security and agreeing to sell in the future, it is a reverse repurchase agreement.

SAFEKEEPING: A service provided by banks and trust companies when the bank or trust company stores the securities, receives interest payments and redeems issues at maturity.

SECONDARY MARKET: A market made for the purchase and sale of outstanding following the initial distribution.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

SECURITIES LENDING: The act of loaning a stock, derivative or other security to an investor or firm. Securities lending requires the borrower to put up collateral, whether cash, security or a letter of credit. When a security is loaned, the title and the ownership are also transferred to the borrower.

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SETTLEMENT DATE: The date that city cash has been exchanged for an investment. This will be considered the date that the investment is owned by the City.

STATE OBLIGATIONS: Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

SUPRANATIONALS: Development banks that share the same goal of providing an improved standard of living in their member countries, but each having different mandates. There are three banks (supranationals) in which California local agencies can invest in their debt obligations: the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Inter-American Development Bank (IADB).

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income returns on an investment, expressed as a percentage. There are nine methods of calculating yield identified by the California Debt and Investment Advisory Commission. The Treasurer shall select the method he or she thinks would be most informative to the reader of the report.

U.S. AGENCY OBLIGATIONS: A low-risk debt obligation that is issued by a U.S. government-sponsored enterprise (GSE) or other federally related entity. Agency securities are issued by GSEs which include the Federal National Mortgage Association (FNMA), Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (FHLMC), the Student Loan Marketing Association (SLMA).

U.S. TREASURY OBLIGATIONS: Debt obligations issued and backed by the full faith and credit of the US government. Because they are considered to have low credit or default risk, they generally offer lower yields relative to other bonds.

U.S. TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

U.S. TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of over 10 years.

U.S. TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of one to 10 years.

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Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: ANNUAL REVIEW OF THE DEBT MANAGEMENT POLICY

RECOMMENDED ACTION

Recommendation:

1. Review and approve the Debt Management Policy.

SUMMARY

This report recommends the review and approval of the Debt Management policy. On September 12, 2016 Governor Brown signed Senate Bill 1029, Hertzberg, amending the Government Code to require issuers of public debt in California to have an adopted debt management policy. The City of Moreno Valley has recognized that having a Debt Policy in place is a best practice and first adopted a policy in 2006. The last major revision to the policy occurred in January 2014 to include additional sections regarding the City's responsibility for continuing disclosure. In February 2017 and March 2019 minor modifications were made to the policy to address new disclosure rules. There are currently no revisions proposed to the policy as part of this annual review.

DISCUSSION

Debt management policies are considered a "best practice" by many professional municipal finance organizations including the Government Finance Officers Association, the California Society of Municipal Finance Officers and the Association of Public Treasurers of the United States and Canada. Issuers of public debt within California are now required to have an adopted Debt Policy to participate in the financial markets.

The Debt Management Policy was originally developed in 2006 and revised in 2014, 2017 and 2019. In recent years additional requirements have been placed on the issuers of municipal securities based on the input from oversight agencies such as the Securities & Exchange Commission (SEC), the Municipal Securities Rulemaking Board

(MSRB), the California Debt and Investment Advisory Commission, rating agencies and investors.

There are no revisions being recommended to the current policy at this time. Should any new developments occur in the regulatory environment, the policy will be adapted to meet these changes and will be brought back for review by the City Council at that time.

The Debt Management Policy was reviewed with the Finance Subcommittee at their meeting on March 24, 2020.

ALTERNATIVES

1. Approve Debt Management Policy. *This alternative is recommended so that the City's policies and practices conform to the current debt management standards as established by municipal market oversight agencies.*
2. Not approve Debt Management Policy and provide staff with additional direction. *This alternative is not recommended since it will result the delay of the review and adoption of the policy and could result in the City being out of compliance with state laws.*

FISCAL IMPACT

No current fiscal impact.

NOTIFICATION

Public Notice

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety

- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Debt Policy

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/24/20 5:51 PM
City Attorney Approval	<u>✓ Approved</u>	4/16/20 3:53 PM
City Manager Approval	<u>✓ Approved</u>	4/16/20 4:01 PM

DEBT MANAGEMENT POLICY

Purpose: The following debt policies were developed in an effort to standardize and rationalize the issuance and management of debt by the City of Moreno Valley and its component units. The policies apply to all direct debt issued by the City of Moreno Valley, including leases, debt guaranteed by the City, and revenue bonds issued by the City. The policies also apply, along with certain other previously adopted policies, to so-called no-commitment debt and to conduit debt of the City.

I. Scope

- A.** This policy will apply to the following funds and entities:
- 1.** The City of Moreno Valley
 - a.** General Fund
 - b.** Moreno Valley Utilities
 - 2.** Moreno Valley Community Facility Districts (CFD)
 - 3.** Moreno Valley Community Services District (CSD)
 - 4.** Moreno Valley Public Financing Authority (MVPFA)

II. Introduction

- A.** The City’s budget practices generally have been that operating revenues fully cover operating expenses, including debt service; established reserves meet minimum policy levels; “one-time” revenues are used to fund nonrecurring expenditures; and the prioritization of capital projects eligible for debt financing is accomplished through a “needs assessment” undertaken in the formulation and development of the City’s Capital Improvement Budget.
- B.** The policies are divided into discrete sections relating to: the purposes and uses of debt by the City; the City’s creditworthiness objectives; the standards and structure to be used in City debt issues; debt administration and process; criteria for selection of the debt consulting team; and, appendices which summarize the City’s current debt portfolio and which provide the reader with a glossary of common terms used in the municipal debt sector.
- C.** Debt will only be undertaken when the City believes that the project revenues or specific resources will be available and sufficient to service the debt over its life. City debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed. The policies establish criteria for internal, inter-fund borrowing.
- D.** Before issuing lease revenue debt or financing leases, the City will determine that the proposed facility is both necessary and desirable, and that no other financing method is practical to finance it. The City shall only use lease revenue debt or financing leases if the tests set forth in the policies are met.
- E.** The City seeks to maintain the highest possible credit ratings for all categories of short- and long-term direct debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives.
- F.** The City will seek to structure debt with level principal and interest costs over the life of the debt.

DEBT MANAGEMENT POLICY

- G.** As a matter of policy, no City department, agency, or sub-unit shall incur long-term debt in excess of \$100,000 without the approval of the City Council. All requests to incur debt in excess of \$100,000 will be presented by memorandum to the Chief Financial Officer/City Treasurer.
- H.** The City may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's General Plan and with the City's overall service and policy objectives, as determined by the City Council. It shall be the City's policy to approve for conduit financing only those projects that demonstrate a "significant public benefit." The City will require a deposit of its anticipated fees and expenses for any entity seeking financing through the City as a conduit.
- I.** The policies establish a Debt Management Team, comprised "ex officio" of the City Manager, the Chief Financial Officer/City Treasurer, and the City Attorney, or their respective designee(s). The Debt Management Team is authorized to provide advice to the City Council, the City Manager, the Chief Financial Officer/City Treasurer, and the various Departments of the City in all matters pertaining to the creation of debt. All direct or indirect debt of the City will be presented to the City Council's Finance committee for deliberation and recommendation prior to submittal to the full City Council. For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a regular business item, and at a regular or special City Council meeting, consistent with state law.
- J.** The City may engage an underwriter for a negotiated sale of debt through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team.
- K.** All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all statutory requirements necessary for issuance, and determining the federal income tax status of such debt. Bond counsel will be selected by the City Attorney based on the prior recommendation of the City's Debt Management Team.
- L.** While engagement of a financial advisor on each City debt issue is not required, it is strongly encouraged by the policies. The City may engage an external financial advisor through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team.
- M.** Any unsolicited financing proposal to a City department, agency, or employee involving pledge or other extension of the City's credit through sale of securities, execution of loans or leases, marketing guarantees, or otherwise involving directly or indirectly the lending or pledging of the City's credit, shall be referred to the Financial & Management Services Department for review by the City's Debt Management Team prior to submittal to the City Council for approval.
- N.** "No commitment" debt is defined differently from conduit debt by the Governmental Accounting Standards Board ("GASB"). The City's no commitment debt is described in the exhibits to these Policies and in the notes to the City's financial statements. It consists generally of so-called "land secured debt" such as Mello-Roos or assessment district debt that

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indirectly benefits the City but for which the City has no financial commitment. Thus, this is “off balance sheet” debt which is afforded the same treatment as “conduit debt,” but which bears different risks in the event of non-compliance with the borrowing agreements.

- O. Conduit debt is debt issued by a government for the express purpose of providing capital financing for a third party that is not part of the issuing government’s financial reporting entity. These obligations may bear the name of the City but are not legal obligations of the City.
- P. Regular, updated debt policies can be an important tool to insure the use of the City's resources to meet its commitments to provide needed services to the citizens of Moreno Valley and to maintain sound financial management practices. These Policies are therefore guidelines for general use, and allow for exceptions in extraordinary conditions. The Policies will have served their intended purpose if they stimulate an open debate about the City’s existing and/or proposed debt position, and they lead to informed decision making by the City Council.

III. Purposes and Uses of Debt

A. Capital Financing – In General

1. The City normally will rely first on internally generated funds and/or grants and contributions from other governments to finance its capital needs. Debt will be issued for a capital project only in the case of emergency or when it is an appropriate means to achieve an equitable allocation of costs between current and future beneficiaries as determined by the City Council. Debt shall not, in general, be used for projects solely because insufficient funds are budgeted at the time of acquisition or construction. Debt will only be undertaken when the City believes that the project revenues or specific resources will be available and sufficient to service the debt over its life. Debt financing will not be considered appropriate for any recurring purpose such as operating or maintenance costs.
2. Capital improvements should be financed primarily through user fees, service charges, assessments, special taxes or developer exactions so long as the benefits the City will derive from such improvements can be attributed to the users of the improvements. Moreover, the City will specifically consider the costs associated with any borrowing in order to determine that the above funding sources are adequate to service the proposed debt. Accordingly, the Policies assume that development fees will be set at a level that is sufficient at all times to insure that new development pays its fair share of the cost of constructing new facilities in the community.
3. The City will evaluate the use of debt in-lieu of “pay-as-you-go” financing on the basis of the following criteria:
 - a. Factors favoring “Pay-as-You-Go” financing
 - i. Current fund balances or project revenues are sufficient to fund the project
 - ii. Existing or proposed debt levels would have a deleterious effect on the City’s credit position or rating

DEBT MANAGEMENT POLICY

- iii. Credit market conditions are unstable or present extraordinary difficulty in marketing the proposed debt
- b.** Factors favoring use of debt
 - i. Revenues are deemed to be stable and reliable enough to support the proposed debt at investment grade rating levels
 - ii. The nature of the financed project will support investment grade ratings
 - iii. Credit market conditions present favorable interest rates and demand for financings such as the City's
 - iv. The project being financed is mandated by the state or federal government and resources are insufficient or unavailable
 - v. The project being financed is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable
 - vi. The estimated useful life of the asset to be financed is greater than 5 years
- B.** Asset Life: The City will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least five years. City debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.
- C.** General Obligation Debt
1. General obligation bonds provide the lowest borrowing costs for major public assets. The use of a general obligation pledge usually eliminates the need for a bond reserve and due to its high credit quality and the ability to levy a tax to repay it, produces borrowing terms and costs unavailable through other methods. Moreover, since the source of repayment of a general obligation bond is from proceeds of specific taxes, the City's operating funds and its operating position are not impacted by the issuance of general obligation bonds. Though the use of the term "general obligation bond" implies that the City's "full faith and credit" would be pledged to the repayment of the bond, the bond is actually repaid from an *ad valorem* tax on real property. Accordingly, the general obligation bond is more properly described as an "unlimited tax" bond.
 2. Because of the absence of a limitation on the rate and amount of the tax that might be levied to pay a general obligation bond, state law and prudent finance practice require the submission of such a proposed debt to the electorate. Article XIII of the California Constitution requires that general obligation bonds be submitted to the voters for approval and that the issuance of such bonds be approved by a two-thirds vote.
 3. *Ad valorem* property taxes affect various classes of taxpayers differently. Since the enactment of Proposition 13 in 1978, the increases in assessed value of real property have been limited for established property owners. This has the effect of disproportionately burdening newer property owners, who may have less wealth or

DEBT MANAGEMENT POLICY

taxpaying capacity than older, more established property owners. Moreover, business property owners, whose property turns over less frequently than residential property often benefit as a result of this phenomenon.

4. Cities in California may issue general obligation bonds only for the purpose of acquiring, improving or constructing real property. Accordingly, it shall be the City's policy to issue general obligation bonds only for such purposes and then only when the acquisition, improvement, or construction of the proposed real property will provide benefits to the community, in significant amounts, to both users and non-users of the facility.
- D. Use of Lease Debt, Certificates of Participation or Financing Leases:** Before issuing lease revenue debt or financing leases, the City will determine that the proposed facility is both necessary and desirable, and that no other financing method is practical to finance it. The City may use lease revenue debt or financing leases for those projects which are not sufficiently popular to obtain a two-thirds vote for the issuance of general obligation bonds or which must be financed at a time, or in a manner which do not permit the use of general obligation bonds. The City shall only use lease revenue debt or financing leases: if the project to be financed will generate positive net revenues after debt service; or if the project will significantly reduce City operating costs; or if an equal or greater amount of non-City matching funds will be lost if City's lease revenue or financing lease funds are not applied in a timely manner; or if the project to be financed is less than \$1,000,000; or if the project to be financed provides essential City services or would so advance core City policy objectives that its value overrides the value of obtaining voter approval.

IV. "No Commitment" and Conduit Debt

A. City as Issuer of "No-Commitment Debt" or Conduit Debt

1. The City may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the City Council and with the City's General Plan. All conduit financings shall insulate the City completely from any credit risk or exposure and must first be approved by the Chief Financial Officer/City Treasurer and the City Manager before being submitted to City Council for authorization and implementation.
2. Each applicant for a conduit financing by the City will be required to provide an indemnity to the City, or its constituent agencies, for all costs, expenses, attorney fees, settlement or judgment costs arising out of the financing or any of the documentation relating to the financing.

B. Significant Public Benefit Test for Conduit Debt

1. It shall be the City's policy to approve for conduit financing only those projects that demonstrate a "significant public benefit." In general, "significant public benefit" means that the proposed project will enhance the economic, social or cultural quality of life for the residents of the City; or, that the proposed project will stimulate

DEBT MANAGEMENT POLICY

employment within the City; and, that such enhancement or employment gain can be measured in a manner which permits the City to evaluate the risks and rewards of acting as the conduit issuer. Significant public benefit will be based on the City's evaluation of the availability of public access to the widest possible number of residents of the City, depending on the context.

2. Acceleration or addition of public infrastructure in excess of that required by law or the City's land use polices could also produce significant public benefit. Such benefits arise either from the installation or completion of public infrastructure assets prior to the time they might otherwise be installed or from the additional assets which might be realized as a result of being able to finance the project more efficiently.
3. Finally, the finding of significant public benefit can arise from the installation or acquisition of a community asset which produces additional employment opportunities or which produces environmental benefits either as a direct or secondary result of its completion. In circumstances where the financed improvements generate regional benefits, the finding of significant public benefit will be easier than in those where the financed facilities serve only a small number of residents. The process for approval of a conduit financing will generally require a two-step process. First, the Chief Financial Officer/City Treasurer and the City Manager will seek City Council direction and will establish the ground rules for evaluating the request. Requests for conduit financing which do not originate within the Financial & Management Services Department shall be forwarded to the Chief Financial Officer/City Treasurer or City Manager for transmittal to the City's Debt Management Team, which is described in Paragraph VI-A-2. Upon an evaluation by the Chief Financial Officer/City Treasurer and the City Manager, the matter will be referred back to the City Council for approval of the financing documents.
4. The City will require a financial pro forma and business plan for any project to be financed with the proceeds of a conduit issue. The City will impose a fee for acting as a conduit issuer of securities as shown in Appendix B hereto. The City will require an initial deposit of \$20,000 for any entity seeking financing through the City as a conduit, which will be held by the City, and which the City may require additional deposits to, from time to time. The City's fees and costs will be charged against the initial or subsequent deposits, and any excess remaining at the time of issuance of the debt, or the abandonment of the project, whichever is applicable, will be refunded to the applicant.

C. Credit Quality of Conduit Debt

1. The City will consider conduit financing only for those applicants which are credit-enhanced or guaranteed so as to attain a rating of at least "A" from any one of the three major credit rating agencies. The City may consider a waiver of this requirement in special circumstances and upon the written recommendation of the City's Chief Financial Officer/City Treasurer. In cases where the City elects to waive this requirement, it specifically reserves the right to require the sponsor of such a conduit financing to use a private placement of the securities and to impose a "sophisticated investor" requirement acceptable to the City. In this context the

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concept of a “sophisticated investor” will be the standard imposed by federal securities law for private placements of corporate securities. In addition, the City will seek to limit the resale of the securities in one of the following ways: (1) the investor must agree to hold the securities to their respective maturity dates; or, (2) the investor must agree to secure a rating on the bonds of at least “A” before reselling them; or, (3) the investor must agree to resell the securities only (a) to another sophisticated investor who will also agree to sign a sophisticated investor letter, and (b) obtain the City’s approval for such a resale. Selection of an individual criterion depends on the facts and circumstances of the particular sale, but restrictions 1 and 3 above are most suitable where the credit characteristics of the individual issue are expected to remain static. Issues that are expected to improve over time in credit characteristics are more appropriate for the application of rule number 2.

V. Creditworthiness Objectives
A. Credit Ratings

1. The City of Moreno Valley seeks to maintain the highest possible credit ratings for all categories of short- and long-term direct debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives. The City recognizes that there is a direct correlation between the credit rating it achieves and the cost of borrowing. Therefore, as a general rule, the City will seek to acquire and maintain an investment grade rating on all of its direct debt.
2. The City recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Nevertheless, the City is committed to ensuring that actions within its control are prudent and consistent with these Policies.

B. Financial Disclosure, Initial and Continuing

1. The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements as set forth in Securities and Exchange Commission Rule 15c2-12, and its amendments, on a timely and comprehensive basis. (See Section VIII– Continuing Disclosure for additional discussion.)
2. Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum), the standards articulated by the Municipal Standards Rulemaking Board (MSRB), the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The Financial & Management Services Department is designated as the responsible party for ongoing disclosure to established national information repositories and for maintaining compliance with

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disclosure standards promulgated by state and national regulatory bodies and for compliance with continuing disclosure requirements required by contractual arrangements necessary to comply with Rule 15c2-12.

- C. **Capital Planning:** To enhance creditworthiness and prudent financial management, the City of Moreno Valley is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to systematic capital planning will be demonstrated through adoption of an annual review of the City's capital improvement budget and its ten-year capital improvement plan budget.
- D. **Debt Limits:** The City will keep outstanding debt within the limits prescribed by State statute and at levels consistent with its creditworthiness objectives. In the case of debt serviced from the City's General Fund, the City will observe a guideline of 7% of the amounts budgeted for expenditures and transfers out as the "ideal" level for General Fund resources committed to the repayment of debt.

VI. Debt Standards and Structure

- A. **Term of Debt:** Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users. The implication of this policy will generally require that debt be issued only for a time period that is consistent with the life span of the project for which the debt was issued.
- B. **Debt Structure**
 - 1. Debt will be structured to achieve the lowest possible net cost to the City given market conditions, the urgency of the capital project, and the nature and type of security provided. Moreover, to the extent possible, the City will design the repayment of its overall debt so as to recapture rapidly its credit capacity for future use. The City shall strive to repay at least 20 percent of the principal amount of its general fund supported debt within five years and at least 40 percent within ten years as these measures are used by the major national credit rating agencies to determine the creditworthiness of the City. In applying the 20% and 40% tests, the debt repayment amounts are non-cumulative, that is, the goal is to have all of the City's general fund debt structured so as to achieve a reduction in principal of 20% at the five year mark and 40% at the ten year mark. Individual issues will be structured so that the new debt is retired using a level debt service (sometimes called "mortgage amortization") retirement schedule.
 - 2. Individual issues may be structured using either serial bonds or term bonds. In the case of issues structured with term bonds, the City will use a sinking fund to retire the term bonds. A sinking fund is the mechanism whereby money is accumulated on a regular basis in a separate account for the purpose of redeeming the term bonds when due. The sinking fund monies are typically applied to redeem bonds on an annual basis in amounts that would result in approximately level debt service requirements.

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3. The City will not issue debt that commences principal payment beyond the fiscal year in which the financed asset is completed or is substantially available to the City. Capitalized interest may be used in the debt structure, but only to the extent necessary to accommodate the deferral of principal to the point of substantial availability to the City.

C. Amortization

1. The City will seek to structure debt with level principal and interest costs-over the life of the debt. So-called "back-loading" of debt service will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of the debt prohibitive, when the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present, when such structuring is beneficial to the City's overall amortization schedule, or when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.
2. In the case of an issue structured with term bonds and a sinking fund, the City's policy will be to retire the term bonds in substantially level fashion over each year of the life of the sinking fund unless the factors described above apply.

- D. Variable Rate Debt:** The City may choose to issue securities that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions. The City may elect to control its interest rate exposure on variable rate debt through the use of financial products designed to offset such risks, but only upon the expressed approval of the Chief Financial Officer/City Treasurer.
- E. Subordinate Debt:** The City shall issue subordinate lien debt only if it is financially beneficial to the City and is consistent with the City's creditworthiness objectives as set forth in Paragraph IV-A, "Credit Ratings." Generally, subordinated debt is that debt which has a lien position on an asset or revenue stream that is junior in position to another debt issues. Examples could include leases that are junior in payment obligation to senior leases.
- F. Non-Traditional Financial Products:** The City will consider the use of non-traditional financial products on a case by case basis and consistent with state law and financial prudence. Examples of such non-traditional products include: interest rate swaps, interest rate caps and collars, "synthetic" refunding transactions and float contracts. Use of non-traditional financial products will only be undertaken upon written recommendation of the Chief Financial Officer/City Treasurer and concurrence by the City Council.
- G. Tax-Exempt vs. Taxable Bonds:** The City generally seeks to issue debt at the lowest total cost. Generally this objective is achieved through the issuance of tax-exempt debt which can be offered at lower interest rates since investors get the additional benefit of the tax break. The Internal Revenue has established guidelines which must be met for municipal bond issuances to qualify for the tax-exempt status. (For a more detailed discussion of this issue please see IRS Publication 4079 – Tax-Exempt Government Bonds). One of the relationships that can interfere with the City's ability to issue under the tax-exempt status is the area of Management

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and Service Contracts. When entering into these types of contracts it is recommended that the City involve bond counsel to ensure that the language does not impact the ability of the City to issue tax-exempt debt related to the impacted facilities or improvements.

H. Refunding

1. Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants essential to the City's financial or operating position.
2. In general, advance refundings for economic savings will be undertaken when net present value savings of at least five percent (5%) of the refunded debt can be achieved. Current refundings that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt. Refundings with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective. The measurement of the 3% or 5% savings may, but is not required, to consider benefits to the City from sources other than the proposed bond transaction, if deemed appropriate by the City's Debt Management Team.

- I. **Short-Term Borrowings:** Use of short-term borrowing, such as bond anticipation notes (BANs), tax and revenue anticipation notes (TRANs), tax-exempt commercial paper and other similar short-term borrowing vehicles will be undertaken only if the transaction costs plus interest of the debt are less than the cost of internal financing, or available cash is insufficient to meet working capital requirements. The City will not employ the use of such borrowings solely for the purpose of earning arbitrage profits.
- J. **Credit Enhancements:** Credit enhancement (letters of credit, bond insurance, etc.) will be used to the extent that net debt service on the bonds is reduced by more than the costs of the enhancement, measured in present value terms. In order to calculate the economic effectiveness of a credit enhancement, the City will compare the present worth of the debt service required on the proposed transaction on both an enhanced and unenhanced basis to determine the economic benefits of the enhancement offered. Credit enhancement which does not produce economic benefits, in present value terms, will be considered only if acceptance of the enhancement directly furthers other City goals and objectives.

VII. Debt Administration and Process

A. All Debt to be Reviewed by City's Debt Management Team

1. No City Department, agency, or sub-unit shall incur long term debt of more than \$100,000 without the approval of the City Council. Indebtedness is generally any obligation of the City to pay money in the future with a stated maturity of longer than nine months. All requests to incur long term debt of more than \$100,000 and with a stated maturity of longer than nine months will be presented by memo from the

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requesting Department, through the Chief Financial Officer/City Treasurer, to the City's Debt Management Team. The memo shall specify the purpose of the borrowing, any options for financing the project without borrowing, and specific sources of payment of debt service. This policy is not intended to be an impediment to the purchase of goods or services, or the contracting for such goods or services by the City in the normal course of business.

2. The Debt Management Team will be comprised "ex officio" of the City Manager, the Chief Financial Officer/City Treasurer and the City Attorney, or their respective designee(s). The City Manager may appoint additional members to the Debt Management Team on an ad hoc basis as individual circumstances warrant. The Debt Management Team is authorized to provide advice to the City Council, the City Manager, the Chief Financial Officer/City Treasurer, and the various Departments of the City in all matters pertaining to the creation of debt. The Chief Financial Officer/City Treasurer has responsibility for the oversight and periodic review of these Policies, and will recommend amendments from time to time to the City Council. All direct and indirect debt of the City and its component units will be presented to the City Council's Finance Committee for deliberation and recommendation prior to submittal to the full City Council.

B. Investment of Bond Proceeds

1. All general fund supported and revenue bond proceeds shall be invested as part of the City's consolidated pool, using appropriate trust fund accounting procedures, unless otherwise specified by law or the controlling bond documents and approved in advance by the Chief Financial Officer/City Treasurer. Investments will be consistent with those authorized by existing state law and by the City's investment policy
2. It will also be the City's policy to select investment advisors, if appropriate to the facts and circumstances of an individual borrowing or borrowing program, on a basis similar to that which it uses to engage investment advisors for its investment portfolio. The City will execute the investment directives for bond proceeds through the applicable trustee for such proceeds.

C. Costs and Fees

1. All costs and fees related to issuance of bonds will be paid out of bond proceeds. In the case of conduit financings, the City may require prepayment for certain costs and fees from the project applicant(s). Under certain extraordinary circumstances, the City may authorize the expenditure of City funds for the engagement of outside counsel or consultants for the purpose of assisting the City with the feasibility analysis of the contemplated debt. It is intended that any expenditure for such purposes would be in anticipation of, or reliance upon, reimbursement by a project applicant for such expenses.

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2. Should the proposed debt issue be abandoned prior to its completion, the City will retain any deposits or prepayments in amounts necessary to insure that its costs, both direct and indirect, are fully recovered.

D. Method of Sale

1. In general, City debt will be issued through a competitive bidding process. Bids will be awarded on a true interest cost basis (TIC), providing other bidding requirements are satisfied. In such instances where the City in a competitive bidding deems the bids received unsatisfactory, it may, at the election of the Chief Financial Officer/City Treasurer, enter into negotiation for sale of the securities.
2. Negotiated sales of debt will be considered in circumstances when the complexity of the issue requires specialized expertise, when a change of underwriter may result in losses (for example, changing the remarketing agent in mid-program for variable rate debt), when the negotiated sale would result in substantial savings in time or money, or when market conditions or City credit are unusually volatile or uncertain. Only the Chief Financial Officer/City Treasurer shall make such a determination.

- E. Council Action to be Regular Business Item, Not Consent Calendar: For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a regular business item, and at a regular or special City Council meeting, consistent with state law. Generally, it shall be the City's policy to submit the proposed debt issuance to the City Council in a study session wherever possible prior to submittal to the full City Council as an action item.

VIII. Underwriters, Consultants and Counsel**A. Underwriters**

1. For all competitive and negotiated sales, underwriters will be required to demonstrate sufficient capitalization and experience related to the debt. The City may engage an underwriter for a negotiated sale of debt through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team. The utilization of the underwriter for a particular bond sale will be at the discretion of the Financial & Management Services Department and pursuant to a written underwriting agreement.
2. The selection process for underwriters will require that the selected underwriter have comprehensive municipal debt experience, experience with diverse financial structuring requirements and strong distribution capabilities for municipal securities. Upon completion of the underwriter's engagement, the City has the option of making a new arrangement with any existing underwriter.

- B. Payment of Underwriter's Counsel Fees: City payments for underwriter's counsel in negotiated sales will be authorized by the Financial & Management Services Department on a case by case basis depending on the nature and complexity of the transaction and the needs expressed by the underwriters.

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- C. Bond Counsel:** The City will retain external bond counsel for all debt issues and such retainer will be evidenced by a contract with the selected firm(s). All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all statutory requirements necessary for issuance, and determining the federal income tax status of such debt. Bond counsel will be selected by the City Attorney based on the prior recommendation of the City's Debt Management Team. The selection process will require comprehensive municipal debt experience and clearly demonstrated skill and capabilities in the municipal bond sector and with the type of financing proposed. Upon expiration of a specific contract, the City has the option of signing a new contract with its existing bond counsel.
- D. Disclosure Counsel:** In certain instances, the City may choose to engage the services of a disclosure counsel for the purposes of assisting in the various aspects of the preparation of an official statement, private placement memorandum or other form of offering, disclosure or continuing disclosure document to be disseminated in connection with the sale of the City's debt or conduit debt. In performing these services, the disclosure counsel is clearly representing the City, as the issuer of the debt, and not the underwriter as well, as is the case where underwriter's counsel prepares such documents. Because disclosure counsel is engaged by the City, the cost of disclosure counsel's services is typically paid from the proceeds of the debt issue, and may be structured as either hourly charges or fixed fees, depending on the circumstances.
- E. Financial Advisor**
1. The utilization of the financial advisor for particular bond sales will be at the discretion of the Financial & Management Services Department on a case by case basis and pursuant to a written financial advisory service contract. While engagement of a financial advisor on each City debt issue is not required, it is strongly encouraged. In particular, the services of a financial advisor will be used on all competitive sales of City debt as well as those negotiated issues that present unique structuring, marketing or credit circumstances.
 2. The City may engage an external financial advisor through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team. The selection process for financial advisors will require that the selected financial advisor have comprehensive municipal debt experience, experience with diverse financial structuring requirements and strong pricing capabilities for determining the fairness of the prices received by the City for its debt issues. Upon completion of the financial advisor's engagement, the City has the option of making a new arrangement with any existing financial advisor.
 3. For each engagement the financial advisor will provide services to the Chief Financial Officer/City Treasurer and such other departments of the City as may be designated by the Chief Financial Officer/City Treasurer pursuant to an agreed upon scope of services to be negotiated with the Chief Financial Officer/City Treasurer.

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- F.** Fiscal Agents, Paying Agents and Trustees: The Financial & Management Services Department will utilize a fiscal agent, paying agent or trustee on all City indebtedness, as may be required by the type of debt instrument being used. Fees for such services on outstanding bonds will be paid from the resources of the department or program supporting the debt service on the instrument, unless specified otherwise by the Chief Financial Officer/City Treasurer. The City's Financial & Management Services Department will administer the review and journalizing of transactions from monthly statements furnished by the fiscal agent, paying agent or trustee, as the case may be.
- G.** Compensation for Services: Compensation for bond counsel, underwriter's counsel, financial advisors, and other financial service providers will be consistent with industry standards.
- H.** Selection Process: The Chief Financial Officer/City Treasurer shall make all final determinations of selection for underwriters, and financial advisors based on the recommendation of the City's Debt Management Team. The determination will be made following an independent review of competitive bids or responses to requests for proposals (RFPs) or requests for statements of qualifications (RFQs). The City's Debt Management Team will review the proposals or statements of qualifications. The City's financial advisors at the direction of the Chief Financial Officer/City Treasurer may also review underwriter proposals.
- I.** Other Service Providers: The Chief Financial Officer/City Treasurer shall have the authority to periodically select other service providers (e.g., escrow agents, verification agents, trustees, arbitrage consultants, assessment engineers, special tax consultants, investment advisors etc.) as necessary to meet legal requirements and minimize net City debt costs. The Chief Financial Officer/City Treasurer may select firm(s) to provide such financial services related to debt without a RFP or RFQ, consistent with City requirements. A firm so selected must receive Chief Financial Officer/City Treasurer approval before undertaking any transaction or providing any service.

IX. Continuing Disclosure**A. Background**

Pursuant to SEC Rule 15c2-12 (the "Rule"), issuers of obligations are required under most circumstances to provide financial and operating information on an annual basis with the Municipal Securities Rulemaking Board (MSRB) using the Electronic Municipal Market Access system (EMMA). The City of Moreno Valley, California (the "City"), the Moreno Valley Public Financing Authority (MVPFA), the Successor Agency to the Moreno Valley Redevelopment Agency and certain community facility districts and assessment districts (collectively, the "Moreno Valley Issuers") have issued or may issue obligations which are covered by the Rule (the "Obligations") and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. The Moreno Valley Issuers have covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Obligations.

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The Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with a covered offering, determine that the issuer, and any other “Obligated Person” (as defined in the Rule) for whom financial or operating data is presented in the official statement, has undertaken in writing to provide the following information to the MSRB using EMMA and to the appropriate state information depository (“SID”), if any:

Note: There is no SID currently in the State of California. If the State of California should establish a SID, the Moreno Valley Issuers may also be required to file all required information with the SID depending on the contractual requirements of their previous Continuing Disclosure Undertakings.

1. By a specified date, annual financial and operating information for each Obligated Person for whom financial information or operating data is presented in the official statement (an “Annual Information Filing”).
2. By a specified date, if available, audited annual financial statements for each Obligated Person (“Audited Financial Statements”) and, if not available by the date required, unaudited financial statements followed by with Audited Financial Statements once they are available.
3. In a timely manner within 10 business days of occurrence, notice of the occurrence of one or more of the listed events described in the Rule (a “Rule 15c2-12 Event Notice”).
4. Not less than 30 days before the submission date, the Responsible Party shall prepare a draft submission of required financial and operating information, highlighting any information still unavailable.
5. In a timely manner, notice of a failure of any Obligated Person required to make the Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking (“Notice of Failure”).

A. Listed Events

“The Rule” requires filing of a Rule 15c2-12 Event Notice upon the occurrence of certain listed events described in the Continuing Disclosure Undertakings. The Responsible Party shall provide a Rule 15c2-12 Event Notice to the MSRB using EMMA within 10 business days of occurrence of any such listed event. The list is as follows:

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Adverse tax opinions, IRS notices or material events affecting the tax status of the security
6. Modifications of rights of security holders (**if material**)
7. Bond calls (**if material**)
8. Defeasances
9. Release, substitution or sale of property securing repayment of the securities (**if material**)

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10. Rating changes
11. Tender offers
12. Bankruptcy, insolvency, receivership or similar event of the obligated person
13. Merger, consolidation, or acquisition of the obligated person **(if material)**
14. Appointment of a successor or additional trustee, or the change of name of a trustee **(if material)**
15. Incurrence of financial obligation (if material)
16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the obligated party, any of which reflect financial difficulties.
17. Other voluntary disclosure as listed in the Rule

B. Familiarity with EMMA Submission Process

1. The Responsible Party shall register with EMMA and review the on-line process of filing with EMMA located at www.emma.msrb.org in order to submit the required information. The MSRB market Information Department can also be contacted at (703) 797-6668. A tutorial is available at the website and a practice submission is available as well.
2. The Responsible Party also shall enroll the Moreno Valley Issuers in EMMA's reminder system to ensure timely performance of their responsibilities and obligations.

C. California Debt and Investment Advisory Commission (CDIAC)

1. With the passage of Senate Bill 1029 (Hertzberg) which became effective January 1, 2017, the Responsible Party will prepare and submit an annual report by January 31 of each year for the previously completed fiscal year.
2. CDIAC has developed the Annual Debt Transparency Report (ADTR) and an online reporting portal to assist issuers in meeting this requirement.
3. The ADTR will include the following data elements (these requirements can be found in section 8855(k) of the California Government Code):
 - a. Debt authorized during the reporting period, which shall include the following:
 - i. Debt authorized at the beginning of the period
 - ii. Debt authorized and issued during the reporting period
 - iii. Debt authorized but not issued at the end of the reporting period
 - iv. Debt authority that has lapsed during the reporting period
 - b. Debt outstanding during the reporting period which will include:
 - i. Principal balance at the beginning of the reporting period
 - ii. Principal paid during the reporting period
 - iii. Principal outstanding at the end of the reporting period

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- c. The use of proceeds of issued debt during the reporting period which shall include:
- i. Debt proceeds available at the beginning of the reporting period.
 - ii. Proceeds spent during the reporting period and the purpose for which it was spent.
 - iii. Debt proceeds remaining at the end of the period.

D. Training Efforts

To ensure adequate resources to comply with the Rule, the Responsible Party shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the EMMA submission process and an understanding of the timing requirements necessary for full compliance.

E. Coordination Effort

The Responsible Party shall coordinate the preparation and submission of the required information with the Financial Advisor, Special Tax Consultant and corporate trustees and paying agents to ensure full compliance with the requirements of the Rule and the Continuing Disclosure Undertakings.

F. Records Retention

The Responsible Party shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations of any Moreno Valley Issuer outstanding during each fiscal year.

G. Investor Communication

While the City shall post its annual financial report as well as other financial reports on the City's website, this information is intended for the citizens of the City of Moreno Valley. Information with the intention of reaching the investing public, including bondholders, rating analysts, investment advisors, or any other member of the investment community will be filed on the EMMA system. Information similar to that posted on EMMA will be included on the City's website under the Investor Relations tab.

H. Responsible Party; Maintenance of List and Files

The Responsible Party for the Moreno Valley Issuers shall be the Chief Financial Officer/City Treasurer for the City and any alternate or assistant as the Chief Financial Officer/City Treasurer shall appoint. The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of any Moreno Valley Issuer outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP

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numbers for each such issue, the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA and the current contact information for the dissemination agent (if any) with respect to such Continuing Disclosure Undertaking, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

I. Annual Information Filing Requirements

The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof. The submission dates for the Continuing Disclosure Undertakings vary and in some cases require the filing of annual reports as early as the last day of December in each year following (or, in some cases, within 180 days following) the close of the Moreno Valley Issuers' fiscal year which is currently June 30.

J. Audited Financial Statements

Audited Annual Financial Statements of the Moreno Valley Issuers are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Party shall be knowledgeable and familiar with the specific timing requirements for the filing of Audited Financial Statements and, if not available by the date(s) required, the provisions regarding the filing of unaudited financial statements under the terms of each Continuing Disclosure Undertaking.

K. Notices of Failures to File

The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.

L. Preparation

Approximately 90 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

1. Not less than 30 days before the submission date, the Responsible Party shall prepare a draft submission of required financial and operating information, highlighting any information still unavailable.
2. On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party shall make the Annual Information Filing

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together with the Audited Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

3. The Responsible Party shall set calendar reminders in the City Finance Department's recordkeeping systems.

II. Other Policies

- A. **Arbitrage Compliance:** The Financial & Management Services Department shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal Tax Code.
- B. **Unsolicited Financing Proposals:** Any unsolicited financing proposal to a City department, agency, or employee involving pledge or other extension of the City's credit through sale of securities, execution of loans or leases, marketing guarantees, or otherwise involving directly or indirectly the lending or pledging of the City's credit, shall be referred to the Financial & Management Services Department for review by the City's Debt Management Team prior to submittal to the City Council for approval.
- C. **Internal Borrowings**
 1. Provided that sufficient resources are available, liquidity will not be impaired, and a defined source of repayment is available, the City will generally favor internal borrowings over external borrowings for short-term liquidity purposes. The Financial & Management Services Department may undertake inter-fund borrowings and such borrowings will be evidenced by a written memorandum or agreement specifying the tenor and terms of the borrowing, including repayment terms, interest rates and calculations and procedures for amendment and must have the approval of the City Council, except for fiscal year end accounting entries that create temporary loans for financial statement presentation purposes. Any internal borrowing must be first coordinated with the responsible managing department. For example, the internal borrowings affecting the City's successor agency or Community Development Block Grant funds should be coordinated with the Community and Economic Development Department. All such inter-fund borrowings will be reflected in the City's accounting records as "due to" and "due from" items respecting the funds and accounts borrowed from and loaned to, respectively.
 2. Inter-fund borrowing will typically bear interest at the rate being borne by the Local Agency Investment Fund ("LAIF") administered by the California State Treasurer's Office, unless specifically recommended otherwise by the Chief Financial Officer/City Treasurer.
- D. **Post Issuance Tax Compliance**
 1. The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds or obligations (whether in the form of bonds, certificates of participation, installment sale contracts, leases

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or other financing structures) and other tax-advantaged bonds or obligations, if any (e.g. “build America bonds” or direct pay subsidy bonds) (collectively, the “Bonds”) issued for the benefit of the City of Moreno Valley (the “City”) so as to ensure that the City complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt or special tax status of the Bonds.

2. General

- a.** Ultimate responsibility for all matters relating to City financings and re-financings rests with the City’s Chief Financial Officer/City Treasurer (the “Responsible Officer”) or such other person or persons as the Responsible Officer shall designate.

3. Tax Compliance Requirements

a. External Advisors / Documentation

- i.** The Responsible Officer and other appropriate City personnel shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in a City resolution(s), Tax Certificate(s) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate and yield restriction requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.
- ii.** The Responsible Officer and other appropriate City personnel also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements, in fact, are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use or management of Bond-financed assets.
- iii.** Whenever necessary or appropriate, the City shall engage expert advisors (such as a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate which may be payable in respect of the investment of Bond proceeds.

b. Role of the City

- i.** Unless otherwise provided by City resolutions, unexpended Bond proceeds shall be held by the City, and the investment of Bond proceeds shall be managed by the Responsible Officer. The

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Responsible Officer shall maintain records and shall prepare regular, periodic statements to the City regarding the investments and transactions involving Bond proceeds.

- ii. If a City resolution provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.
- c. Arbitrage Rebate and Yield**
- i. Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:
 - a.) the City shall engage the services of a Rebate Service Provider, and the City or the Bond trustee shall deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider on a prompt basis;
 - b.) upon request, the Responsible Officer and other appropriate City personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
 - c.) the Responsible Officer and other appropriate City personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
 - d.) during the construction period of each capital project financed in whole or in part by Bonds, the Responsible Officer and other appropriate City personnel shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.
 - e.) The City shall retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements”.
- d. Use of Bond Proceeds**
- i. The Responsible Officer and other appropriate City personnel shall:
-

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DEBT MANAGEMENT POLICY

- a.) monitor the use of Bond proceeds and the use of Bond-financed assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
- b.) maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- c.) consult with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
- d.) maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates; and
- e.) meet at least annually with personnel responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets and to ensure that those uses are consistent with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates.
- f.) All relevant records and contracts shall be maintained as described below.

1. Record Keeping Requirements

- a. Unless otherwise specified in applicable City resolutions or Tax Certificates, the City shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:
- b. a copy of the Bond closing transcript(s) and other relevant documentation delivered to the City at or in connection with closing of the issue of Bonds;
- c. a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and

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DEBT MANAGEMENT POLICY

APPENDIX A: GLOSSARY

AD VALOREM TAX

A tax calculated "according to the value" of property. Such a tax is based on the assessed valuation of real property and, in certain cases, on a valuation of tangible personal property. In most jurisdictions, the tax is a lien on the property enforceable by seizure and sale of the property. General restrictions, such as overall restrictions on rates, or the percent of charge allowed, sometimes apply. As a result, *ad valorem* taxes often function as the balancing element in local budgets.

ADVANCE REFUNDING

A procedure whereby outstanding bonds are refinanced by the proceeds of a new bond issue more than 90 days prior to the date on which outstanding bonds become due or are callable. Generally, either the entire outstanding issue is refunded (full refunding) or only the callable bonds are refunded (partial refunding). Typically, an advance refunding is performed to take advantage of interest rates that are significantly lower than those associated with the original bond issue. At time, however, an advance refunding is performed to remove restrictive language or debt service reserve requirements required by the original issue. (See also "CURRENT REFUNDING")

AMORTIZATION

The planned reduction of a debt obligation according to a stated maturity or redemption schedule.

ARBITRAGE

The gain that may be obtained by borrowing funds at a lower (often tax- exempt) rate and investing the proceeds at higher (often taxable) rates. The ability to earn arbitrage by issuing tax-exempt securities has been severely curtailed by the Tax Reform Act of 1986, as amended.

ASSESSED VALUATION

The appraised worth of property as set by a taxing authority through assessments for purposes of *ad valorem* taxation. The method of establishing assessed valuation varies from state to state, with the method generally specified by state law. For example, in certain jurisdictions the assessed evaluation is equal to the full or market value of the property; in other jurisdictions the assessed valuation is equal to a percentage of the full market value.

ASSESSMENT BONDS

Bonds issued to develop facilities and basic infrastructure for the benefit of specific properties within the assessment district which directly benefit from the facilities. The key consideration here is the "direct and special benefit" to be received by the property subject to the assessment. Voter approval is not required. Instead, a majority vote of the property owners with a majority of assessments is needed to authorize the issue. The issuer's recourse for nonpayment is foreclosure. This type of bond is normally not rated. The bonds may be issued under the provisions of the various assessment bond acts of the State, whichever is most appropriate. (See also "Special Tax Bond" for a description of bonds issued pursuant to the Mello-Roos Act.)

BALLOON MATURITY

A maturity within a serial issue of securities which contains a disproportionately large percentage of the principal amount of the original issue. A balloon maturity is generally distinguished from a term bond by the fact that a term bond generally has the benefit of a sinking fund to smooth out the amount of principal paid from any single year's operations. A balloon maturity increases the likelihood that the jurisdiction will need to refinance the securities for an extended period of time upon their initial maturity.

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DEBT MANAGEMENT POLICY

BASIS POINT

One one-hundredth of one percent (0.0001).

BEARER BOND

A security that does not identify its owner on its face or by registration. The security is presumed to be owned by the person possessing it. The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) curtailed the issuance of tax-exempt bearer bonds.

BOND

A security that represents an obligation to pay a specified amount of money on a specific date in the future, typically with periodic interest payments.

BOND ANTICIPATION NOTES

Notes issued to provide temporary financing, to be repaid from the proceeds of a subsequent long-term financing.

BOND COUNSEL

An attorney (or firm of attorneys) retained by the issuer to give a legal opinion concerning the validity of the securities. The bond counsel's opinion usually addresses the subject of tax exemption. Bond counsel may prepare, or review and advise the issuer regarding authorizing resolutions or ordinances, trust indentures, official statements, validation proceedings and litigation.

BOND INSURANCE

Bond insurance is a type of credit enhancement whereby a monoline insurance company indemnifies an investor against default by the issuer. In the event of a failure by the issuer to pay principal and interest in full and on time, investors may call upon the insurance company to do so. Once assigned, the municipal bond insurance policy generally is irrevocable. The insurance company receives an up-front fee, or premium, when the policy is issued.

BOOK-ENTRY-ONLY

Bonds that are issued in fully registered form but without certificates of ownership. The ownership interest of each actual purchaser is recorded on computer.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC)

The right to redeem a bond prior to its stated maturity, either on a given date or continuously. The call option is also referred to as the optional redemption provision. Often a "call premium" is added to the call option as compensation to the holders of the earliest bonds called. Generally, the earliest callable bonds called carry a 102% premium, the next earliest, a 101 % premium, and the balance of the bonds are called at par value.

CALL OPTION

The right to redeem a bond prior to its stated maturity, either on a given date or continuously. The call option is also referred to as the optional redemption provision. Often a "call premium" is added to the call option as compensation to the holders of the earliest bonds called. Generally, the earliest callable bonds called carry a 102% premium, the next earliest, a 101 % premium, and the balance of the bonds are called at par value.

CAPITAL APPRECIATION BOND

A bond without current interest coupons that is sold at a substantial discount from par. Investors are provided with a return based upon the accretion of value in the bond through maturity. (see zero coupon bond)

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DEBT MANAGEMENT POLICY

CAPITAL LEASE

The acquisition of a capital asset over time rather than merely paying a rental fee for temporary use. A lease-purchase agreement, in which provision is made for transfer of ownership of the property for a nominal price at the scheduled termination of the lease, is referred to as a capital lease.

CERTIFICATES OF PARTICIPATION

A lease agreement with another party (a lessor, such as a joint powers authority) to lease an asset over a defined period of time at a prearranged annual payment. Voter approval is generally not required. Lease payments are made primarily from general fund revenues. Current law requires the lessee to make lease payments only if the City has beneficial use of the facility to be leased. The legislative body has to appropriate annual debt service payments. For the security of the bondholders, a reserve fund is normally established and held by a trustee until all bonds are paid. Interest during project construction must be capitalized. An "asset transfer" structure, whereby an existing facility is used as security to finance construction or acquisition of another project, may be used for flexibility. Sometimes this structure is styled as a "lease revenue bond," which is functionally the same as Certificates of Participation.

COMMERCIAL PAPER (TAX-EXEMPT)

By convention, short-term, unsecured promissory notes issued in either registered or bearer form with a stated maturity of 270 days or less.

COMPETITIVE SALE

Sales of securities in which the securities are awarded to the bidder who offers to purchase the issue at the best price or lowest cost.

CONDUIT FINANCING

The issuance of securities by a governmental entity to finance a project that will primarily benefit a third party, typically a private corporation. The security for this type of financing is usually the credit of the private entity, rather than the governmental unit. Usually such securities do not constitute general obligations of the issuer since the private entity is liable for generating the pledged revenues for repayment. Industrial development bonds are a common type of conduit financing.

CONTINUING DISCLOSURE

The requirement by the Securities and Exchange Commission for most issuers of municipal debt to provide current financial information to the informational repositories for access by the general marketplace. Generally, SEC Rule 15c2-12 requires issuers of municipal securities and certain other "obligated persons" to make contractual promises to provide continuing information to the marketplace during the life of securities issues. Under the rule, an underwriter is not permitted to purchase or sell municipal securities in connection with a primary offering of \$1.0 million or more unless it has entered into such a contractual arrangement with the issuer of the securities for the benefit of the holders of the securities.

In conduit issues, the obligation to maintain continuing disclosure efforts should be imposed on the project sponsors.

COUPON RATE

The interest rate on specific maturities of a bond issue. While the term "coupon" derives from the days when virtually all municipal bonds were in bearer form with coupons attached, the term is still frequently used to refer to the interest rate on different maturities of bonds in registered form.

DEBT MANAGEMENT POLICY

CURRENT REFUNDING

A procedure whereby outstanding bonds are refinanced by the proceeds of a new bond issue within 90 days of the date on which outstanding bonds become due or are callable. Generally, either the entire outstanding issue is refunded (full refunding) or only the callable bonds are refunded (partial refunding). Typically a current refunding is performed to take advantage of interest rates that are significantly lower than those associated with the original bond issue. At times, however, a current refunding is performed to remove restrictive language or debt service reserve requirements required by the original issue. (See also "ADVANCE REFUNDING")

CUSIP NUMBER

The term CUSIP is an acronym for the Committee on Uniform Securities Identification Procedures. An identification number is assigned to each maturity of an issue, and is usually printed on the face of each individual certificate of the issue. The CUSIP numbers are intended to help facilitate the identification and clearance of municipal securities. As the municipal market has evolved, and new derivative products are devised, the importance of the CUSIP system for identification purposes has increased.

DEBT BURDEN

The ratio of outstanding tax-supported debt to the market value of property within a jurisdiction. The overall debt burden includes a jurisdiction's proportionate share of overlapping debt as well as the municipality's direct net debt.

DEBT LIMITATION

The maximum amount of debt that is legally permitted by a jurisdiction's charter, constitution, or statutory requirements.

DEBT SERVICE

The amount necessary to pay principal and interest requirements on outstanding bonds for a given year or series of years.

DEBT SERVICE RESERVE FUND

The fund into which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. The debt service reserve fund may be entirely funded with bond proceeds, or it may only be partly funded at the time of the issuance and allowed to reach its full funding requirement over time, due to the accumulation of pledged revenues. If the debt service reserve fund is used in whole or part to pay debt service, the issuer usually is required to replenish the funds from the first available funds or revenues. A typical reserve requirement might be the maximum aggregate annual debt service for any year remaining until the bonds reach maturity. The size of the reserve fund, and the manner in which it is invested, may be subject to arbitrage regulations.

DEFAULT

The failure to pay principal or interest in full or on time. An actual default should be distinguished from technical default. The latter refers to a failure by an issuer to abide by certain covenants but does not necessarily result in a failure to pay principal or interest when due.

DEFEASANCE

Providing for payment of principal of premium, if any, and interest on debt through the first call date or scheduled principal maturity in accordance with the terms and requirements of the instrument pursuant to which the debt was issued. A legal defeasance usually involves establishing an irrevocable escrow funded with only cash and US. government obligations.

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DEBT MANAGEMENT POLICY

DEPOSITORY TRUST COMPANY (DTC)

A limited purpose trust company organized under the New York Banking Law. DTC facilitates the settlement of transactions in municipal securities.

DERIVATIVES

Financial products whose value is derived from the value of an underlying asset, reference rate, or index. Typically these agreements are contracts between a lender/investor and a borrower and include interest rate swaps, caps, floors, collars, and forward purchase agreements.

DISCOUNT

The difference between a bond's par value and the price for which it is sold when the latter is less than par.

DOUBLE-BARRELED BOND

A bond secured by a defined source of revenue (other than general property taxes) and the full faith and credit of an issuer.

ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM (EMMA)

Managed by the MSRB the EMMA website was established to increase the transparency of the municipal securities market by providing free public access to municipal securities disclosures and data. EMMA provides investors, state and local governments and other market participants with key information and tools to put that information into context. EMMA is the location where all municipal issuers are to post or publish continuing disclosure information.

ENTERPRISE ACTIVITY

A revenue-generating project or business. The project often provides funds necessary to pay debt service on securities issued to finance the facility. The debts of such projects are self-liquidating when the projects earn sufficient monies to cover all debt service and other requirements imposed under the bond contract. Common examples include water and sewer treatment facilities and utility facilities.

FINANCIAL ADVISOR

A consultant who advises an issuer on matters pertinent to a debt issue, such as structure, sizing, timing, marketing, pricing, terms, and bond ratings.

FITCH INVESTORS SERVICE

A financial services company, founded in 1913, which provides investors with an independent assessment of the credit worthiness of debt obligations.

FINAL OFFICIAL STATEMENT (FOS)

A document published by the issuer that generally discloses material information on a new issue of municipal securities including the purposes of the issue, how the securities will be repaid, and the financial, economic and social characteristics of the issuing government. Investors may use this information to evaluate the credit quality of the securities. (See also Official Statement)

FLOW OF FUNDS

The order in which pledged revenues must be disbursed, as set forth in the trust indenture or bond resolution. In most instances, the pledged revenues are deposited into a general collection account or revenue fund as they are received and subsequently transferred into the other accounts established by the bond resolution or trust indenture. The other accounts provide for payment of the costs of debt service, debt service reserve deposits, operation and maintenance costs, renewal and replacement, and other requirements.

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DEBT MANAGEMENT POLICY

GENERAL OBLIGATION BONDS

Bonds backed by the full faith and credit of the City. The taxing power is an unlimited *ad valorem* tax, usually on real estate and personal property. A special rate is incorporated in the property tax bill annually to pay for debt service. A two-thirds voter approval is required for authorization. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.

GENERAL OBLIGATION DEBT

Debt that is secured by a pledge of the *ad valorem* taxing power of the issuer. Also known as a full faith and credit obligation.

INDENTURE

A contract between the issuer and a trustee stipulating the characteristics of the financial instrument, the issuer's obligation to pay debt service, and the remedies available to the trustee in the event of a default.

INVESTMENT GRADE

The broad designation given bonds which have a high probability of being paid, and minor, if any, speculative features. Bonds rated "BBB" or higher by Standard & Poor's Corporation, "Baa" or higher by Moody's Investor's Service, and "BBB" or higher by Fitch IBCA Rating Service are deemed by those agencies to be "investment grade."

ISSUANCE COSTS

The costs incurred by the bond issuer during the planning and sale of securities. These costs include but are not limited to financial advisory and bond counsel fees, printing and advertising costs, rating agency fees, and other expenses incurred in the marketing of an issue.

ISSUER COUNSEL

An attorney engaged by the issuer to represent its best interest in a debt transaction. Often this role is performed by bond counsel, however, at times separate counsel is engaged that does not have responsibility to issue the bond opinion as well as represent the issuer's best interests.

JUNIOR LIEN BONDS

Bonds that have a subordinate claim against pledged revenues.

LEASE

An obligation wherein a lessee agrees to make payments to a lessor in exchange for the use of certain property. The term may refer to a capital lease or to an operating lease.

LEASE REVENUE BONDS

Bonds that are secured by an obligation of one party to make annual lease payments to another.

LESSEE

The party to a lease agreement that obtains use of a facility or piece of equipment on exchange for rental payments.

LESSOR

The owner of the property being leased.

LETTER OF CREDIT

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DEBT MANAGEMENT POLICY

Bank credit facility whereby a bank will honor the payment of an issuer's debt, in the event that an issuer is unable to do so, thereby providing an additional source of security for bondholders for a predetermined period of time. A letter of credit often is referred to as an L/C or an LOC. Letter of Credit can be issued on a "stand-by" or "direct pay" basis.

LINE OF CREDIT

Bank credit facility wherein the bank agrees to lend up to a maximum amount of funds at some date in the future in return for a commitment fee.

MANAGER

The member (or members) of an underwriting syndicate -charged with the primary responsibility for conducting the affairs of the syndicate. The managers take the largest underwriting commitment.

UNDERWRITER

The underwriter serving as head of the syndicate. The lead Manager generally handles negotiations in a negotiated underwriting of a new issue of municipal securities or directs the process by which a bid is determined for a competitive underwriting. The lead Manager also is charged with allocating securities among the members of the syndicate in accordance with the terms of the syndicate agreement or agreement among underwriters.

UNDERWRITING GROUP

Any member of the management group.

MASTER LEASE AGREEMENTS

A lease agreement with a provider to lease equipment or facilities whose useful life is too short, or whose cost is too small to finance with conventional long-term debt. Various pieces and types of real and personal property from different vendors over a period of time can be acquired under one master lease agreement. Interest can be fixed or tied to an index. Financing costs are normally minimal, but the interest cost may be higher than with other instruments.

MARKS-ROOS BONDS

Bonds issued by a joint powers authority to buy other bond issues. By pooling bond issues, marketability can be improved and administration costs are reduced. Often used in the case of a negotiated sale of successor agency debt in order to avoid the competitive sale requirements for such debt.

MOODY'S INVESTORS SERVICE, INC.

A financial service company, a subsidiary of Dun & Bradstreet Corp. has provided ratings for municipal securities and other financial information to investors since 1918.

MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB)

A self-regulating organization established on September 5, 1975 whose mission is to protect investors, state and local governments and other municipal entities, and the public interest by promoting a fair and efficient municipal securities market. The MSRB fulfills this mission by regulating the municipal securities firms, banks and municipal advisors that engage in municipal securities and advisory activities. To further protect market participants, the MSRB provides market transparency through its the EMMA website.

NEGOTIATED SALE

A sale of securities in which the terms of sale are determined through negotiation between the issuer and the purchaser, typically an underwriter, without competitive bidding

DEBT MANAGEMENT POLICY

NET INTEREST COST (NIC)

The average interest cost of a bond issue calculated on the basis of simple interest. This calculation involves a fraction in which the numerator is the gross amount of interest to be paid over the bonds' life (adjusted for the amount of discount or premium granted at the time of sale), and the denominator is the average life of the bond issue multiplied by the issue's par value.

NOTE

A written promise to pay a certain amount of money on a specific date, with interest. By convention, the maturity of a note is one year or less, making it short-term debt. However, financial instruments with a longer stated maturity sometimes are called Notes. For example, a bond anticipation note can have maturities of two years or longer.

OFFICIAL STATEMENT (OS)

A document published by the issuer that generally discloses material information on a new issue of municipal securities including the purposes of the issue, how the securities will be repaid, and the financial, economic and social characteristics of the issuing government. Investors may use this information to evaluate the credit quality of the securities. (See also Final Official Statement)

OPERATING LEASE

A lease that enables the lessee to acquire the use of an asset only, not its ownership as in a capital lease. The lease term typically runs for only a portion of the asset's useful life.

ORIGINAL ISSUE DISCOUNT BONDS

Bonds which are sold at a substantial discount from their par value at the time of the original sale.

OVERLAPPING DEBT

The legal jurisdictions of local governments often overlap one another. In some cases, one unit of government is located entirely within the boundaries of another. Overlapping debt represents the proportionate share of debt that must be borne by one unit of government because another government with overlapping or underlying taxing authority issued its own bonds.

PAR VALUE

The face value or principal amount of a security.

PAYING AGENT

An agent of the issuer with responsibility for timely payment of principal and interest to bond holders.

PRELIMINARY OFFICIAL STATEMENT (POS)

The POS is a preliminary version of the official statement that is used by an issuer or underwriters to describe the proposed issue of municipal securities prior to the determination of the interest rate(s) and offering price(s). The preliminary official statement, also called a "red herring," often is examined upon by potential purchasers prior to making an investment decision.

PREMIUM

The excess of the price at which a bond is sold over its face value.

PRESENT VALUE

The value of a future amount or stream of revenues or expenditures in current dollars.

PRIVATE ACTIVITY BONDS

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DEBT MANAGEMENT POLICY

A bond where the use of bond proceeds is used for private purposes. If deemed a private activity bond, the interest is not tax exempt unless the use of the proceeds meets certain requirements of the Internal Revenue Code.

PUT OPTION

The right to demand repayment of principal prior to a bond's maturity. In the case of short-term variable rate debt, this right often is referred to as a variable-rate demand option.

REFUNDING

A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds.

REGISTERED BOND

A security on which the ownership is recorded by the issuer or its agent.

RESERVE FUND

A fund established by the indenture of a bond issue into which money is deposited for payment of debt service in case of a shortfall in current revenues.

REVENUE BONDS

Bonds secured by revenues generated by the facility that is financed or by dedicated user fees. Voter approval may or may not be required. Planning is more complex because costs and revenues affect each other. Credit enhancement (e.g., insurance, or letter of credit) may be needed because of the limited source of debt service payment.

SECONDARY MARKET

The market in which bonds are sold after their initial sale in the new issue market.

SENIOR LIEN BONDS

Bonds having a prior, or first claim on pledged revenues.

SERIAL BONDS

A bond issue in which the principal is repaid in periodic installments over the issue's life.

SOPHISTICATED INVESTOR

A purchaser of bonds, who is considered knowledgeable about the pricing and risk factors associated with the repayment of bonds. This type of investor usually purchases bonds in large dollar amounts, typically \$100,000 or more.

SPECIAL ASSESSMENTS

A charge imposed against property or parcel of land that receives a special benefit by virtue of some public improvement that is not, or cannot be enjoyed by the public at large. Special assessment debt issues are those that finance such improvements and are repaid by the assessments charged to the benefiting property owners.

STANDARD & POOR'S CORPORATION (S&P)

A financial service company, a subsidiary of McGraw-Hill -Company. S&P provides ratings for municipal securities and other financial information to investors.

TAX ALLOCATION BONDS

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DEBT MANAGEMENT POLICY

Bonds secured by property tax increment (property taxes generated on assessed value in excess of the frozen property tax base) in a redevelopment project area. These bonds are issued to promote economic development. Voter approval is not required.

TAX INCREMENT

Property tax revenues derived from the incremental assessed value increases from the redevelopment project area's frozen tax base.

TERM BONDS

A bond issue in which the entire principal matures on one date. Term bonds also refer to a particularly large maturity of a bond issue that is created by aggregating a series of maturities. In the latter instance, provision is made for mandatory structuring fund installments in advance of the term bond's maturity to reduce the burden of a particular large debt service payment in any one fiscal year.

TRUE INTEREST COST (TIC)

An expression of the average interest cost in present value terms. The true interest cost is a more accurate measurement of the bond issue's effective interest cost and should be used to ascertain the best bid in a competitive sale.

UNDERWRITER'S COUNSEL

An attorney engaged by the underwriter(s) to represent its interests in a debt transaction. Generally underwriter's counsel prepares the bond purchase agreement between the issuer and the underwriter and, when more than one underwriter is involved, the agreement among underwriters.

VARIABLE RATE BOND

A bond on which the interest rate is reset periodically, usually no less often than semi-annually. The interest rate is reset either by means of an auction or through an index.

VENDOR LEASES

A vendor of equipment acts as the lessor and investor, and holds the lease for its full term or may assign the lease. The motivating factor to the vendor is usually to encourage future sales of its product.

YIELD CURVE

A graph that plots the market yields on securities with different maturities, at a given point in time. The vertical axis represents the yields, while the horizontal axis depicts the time to maturity. The term structure of interest rates, as reflected by the yield curve, will vary according to market conditions, resulting in a wide variety of yield curve configurations.

YIELD-TO-MATURITY

The rate of return that an investor will receive if the bond remains outstanding and the investor holds the bond to maturity. The investor must take into account the price paid for the bonds, the dates of purchase and maturity, and the coupon rate on the bonds. The "yield to maturity" assumes that interest payments will be re-invested at the same coupon rate borne by the bond.

ZERO COUPON

A bond which does not pay interest periodically. Investors receive interest on the scheduled principal maturity date of the obligation.

DEBT MANAGEMENT POLICY

APPENDIX B: FORM OF FINANCING ASSISTANCE APPLICATION FOR CONDUIT DEBT

I. PROPOSED OWNER OF THE PROJECT

A. Official Company Name: _____

DBAs (if applicable): _____

Official Mailing Address: _____

Telephone: _____ Fax: _____

Company Headquarters and address of primary operating location in

California: _____

B. Form of Ownership: Corporation _____

Partnership: _____ Sole Proprietorship _____

Other (describe) _____

Is the proposed owner a subsidiary or affiliated directly or indirectly with any other organization? ____

If so, indicate relationship and name of related organization:

If corporation, indicate state of incorporation: _____ and date qualified to do
business in California (if incorporated elsewhere): _____

C. Officers Names & Home Address Other Business Affiliations

President _____ _____

Vice President _____ _____

(Finance)

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DEBT MANAGEMENT POLICY

Secretary _____

Directors _____

D. List name and home address of equity owners of 10% or more. If publicly held, indicate stock exchange traded on. If partnership, list General and Limited Partners and interest owned by each. If trust, list beneficiaries.

<u>Name</u>	<u>Home Address</u>	<u>% of Equity Interest Owned</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

E. Name, business address, and phone number of officer to whom all notices and communications concerning the project should be sent:

F. Principal Bank(s) of Account with name and phone number of contact person:

Name: _____ Contact: _____

Address: _____

Telephone: _____

Name: _____ Contact: _____

Address: _____

DEBT MANAGEMENT POLICY

Telephone: _____

G. Counsel to Applicant:

Name: _____

Address: _____

Telephone: _____ Fax: _____

H. Bond Counsel on proposed project:

Name: _____

Address: _____

Telephone: _____ Fax: _____

I. Investment Banker for proposed project:

Name: _____

Address: _____

Telephone: _____ Fax: _____

J. Company History

List past tax-exempt financing transactions:

Have any of these projects ever been in default? _____Yes _____No

If yes, please provide particulars:

DEBT MANAGEMENT POLICY

K. Is the firm or any of its principals currently or in the past 10 years been engaged in any litigation involving financing of the type and nature of that being proposed to the City. ____Yes ____No.

If yes, please provide the names of the principals and details of the litigation. Use additional pages if necessary.

II. PROPOSED PROJECT

- A. Give brief narrative explanation why project is being undertaken.
- B. Narrative Description, including renderings if available of proposed project.
- C. Proposed facilities to be constructed with bond proceeds (describe).
- D. Does applicant now own the site of the proposed facility?_____ If not, has applicant entered into an option or commitment or other agreement to purchase it?
- E. Estimated useful life of buildings, equipment, or off-site improvements.
- F. Does the proposed project involve, in whole or in part, any of the following: residential real property; sports facilities; commercial property; health care facilities; manufacturing facilities; entertainment facilities; or industrial land development activities? Yes_____ No_____ If yes, please explain.

G. Estimated date on which facilities will:

Approved by: City Council & MVPFA
January 28, 2014
Revised: 2/7/17, 3/19/19

Attachment: Debt Policy (3939 : ANNUAL REVIEW OF THE DEBT MANAGEMENT POLICY)

DEBT MANAGEMENT POLICY

Start construction: _____ Complete construction: _____

III. COST OF THE PROJECT

State the costs reasonably necessary to the acquisition or construction of the proposed project together with any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or apportionment facilities;

- A. Land and Facilities \$ _____
 - B. Architectural and Engineering \$ _____
 - C. Construction Costs: \$ _____
 - D. Interest during construction: \$ _____
 - E. Financing, legal, miscellaneous
(from _____ to _____)
(please specify) \$ _____
 - F. Contingency (if appropriate) \$ _____
- TOTAL \$ _____

IV. SIGNIFICANT PUBLIC BENEFITS

Please furnish a description of the significant public benefits that will arise from the issuance of bonds in the maximum amount proposed in the application.

- A. Employment creation/displacement – will the completion of the project contribute to job creation? Explain.
- B. Energy, mineral or natural or cultivated resource conservation – will the completion of the project lead to increased utilization of resources:
 - 1. Estimate of increased utilization of resources.
 - 2. Estimate of increases in cost to the public due to increased utilization.
- C. Does construction of the project, or completion of the project, have any adverse environmental impacts, including additional waste disposal?
 - 1. Estimate of the environmental impacts.
 - 2. Include copies of any required Environmental Impact Reports.

Approved by: City Council & MVPFA
January 28, 2014
Revised: 2/7/17, 3/19/19

Attachment: Debt Policy (3939 : ANNUAL REVIEW OF THE DEBT MANAGEMENT POLICY)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: ADOPT RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO THE LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND THE POLICE FACILITIES DEVELOPMENT IMPACT FUND

RECOMMENDED ACTION

Recommendation:

1. Adopt a Resolution of the City Council of the City of Moreno Valley, California, authorizing Amendment No. 7 to the loan agreement between the City of Moreno Valley and the Police Facility Development Impact Fee fund.

SUMMARY

Staff recommends that the City Council adopt the proposed resolution approving Amendment No. 7 to the interfund loan agreement between the General Fund and the Police Facilities Development Impact Fee Fund (Police DIF) for \$4,700,000.

Due to the timing of development impact revenues, the Police Facility DIF is currently reporting a cash balance which will require a loan from the General Fund to comply with Generally Accepted Accounting Principles. These loans will be updated annually until such time as the revenues received by the Development Impact Fee funds are sufficient to extinguish the loan balances.

DISCUSSION

The City Council has approved the levy of a fee to mitigate the impacts of new development on various public facilities pursuant to the California Mitigation Fee Act. These fees are collected and recorded in separate funds pending the allocation of available funds for capital projects or to pay debt service on public facilities or improvements that were constructed from bond proceeds.

The following paragraphs discuss the use of funds or commitment of funds for debt service in order to construct facilities or purchase land for future expansion through either the selling of bonds or short-term loans from the General Fund. At the time of the authorization of the transactions, it was anticipated that the development impact fee program would provide the levels of revenue required to repay the loans or meet the annual debt service payments. In 2008 with the beginning of the recent recession, the City experienced a significant decline in new development which resulted in the decline in development impact fee revenues. The development impact fee accounts have been forced to utilize available cash balance to continue to meet the annual debt service requirements or loan repayment. In the case with this fund, the debt service or repayment requirements have depleted their cash balance to zero and will require a loan from the General Fund until they have enough revenues to repay the loans or are able to meet the annual debt service requirements. Generally Accepted Accounting Principles (GAAP) require that cash balances cannot be in a negative position at year-end and in the past, a short-term loan from the General Fund was utilized to meet this requirement. The original loan was adopted in 2013 and amendments to that loan have been made in the subsequent years. The table below provides a brief recap of the history of this load agreement and the related amendments.

Development Impact Fee Fund Loan Agreement and Amendment History				
	PD DIF	Rec Center DIF	Shelter DIF	Arterial Streets DIF
Original Loan Agreement (Resolution 2013-59)	\$3,000,000	\$145,000	\$175,000	\$0
Amendment # 1 (Resolution 2014-45)	\$500,000	-\$35,000	-\$13,000	\$360,000
Amendment # 2 (Resolution 2015-38)	\$0	-\$50,000	-\$15,000	-\$360,000
Amendment # 3 (Resolution 2016-33)	\$585,000	-\$60,000	-\$10,000	\$0
Amendment # 4 (Resolution 2017-28)	\$205,500	\$0	-\$37,000	\$0
Amendment # 5 (Resolution 2018-21)	\$465,500	0	-\$47,000	
Amendment 6 (resolution 2019-16)	-\$356,000	0	-\$53,000	0
Amendment 7	\$300,000	0	0	0
Current Loan Amount	\$4,700,000	\$0	\$0	\$0

The following table shows the activity for the current fiscal year and the ending loan balances to be recorded. If approved, these entries will be recorded for June 30, 2020 and then the funds will be re-evaluated in June 2021.

Fund	Loan Balance 6/30/19	Repayment	Loan Increase	Loan Balance 6/30/20
Police Facilities DIF	\$4,400,000	\$0	\$300,000	\$4,700,000

• *Police Facility Development Impact Fees: From \$4,400,000 to \$4,700,000*

In June 2005, the City issued the 2005 Lease Revenue Bonds in the amount of \$48.2 million. Included in the approved projects for the bonds were various projects which were to be repaid through the utilization of Development Impact Fees that were to be collected from developers in future years. These projects included the expansion of the Public Safety Building, the construction of the Emergency Operations Center (EOC) building, Fire Station 58 and various arterial street projects. The bond documents called for the repayment of this bond over the following 30 years with the final payment occurring in November 2035. In 2013 and 2014 these initial bonds were refinanced to reduce the overall debt service payment. Although the bonds are secured by the General Fund, the revenue stream from development impact fees for Arterial Streets, Police Facility and Fire Facilities was pledged to meet these annual debt service requirements associated to each of the funds. The payment of existing debt service has been identified as the first priority from the development fee funds. The annual debt service requirement attributable to the Police Facility DIF is approximately \$639,000 annually until 2022 and then steps down to \$580,000 per year until FY 2036. Based on balances in the fund at the close of FY 2018/19 and the projected activities during FY 2019/20 the Police Facilities DIF fund is expected to require an increase in the loan amount by \$300,000.

The loan amendment was reviewed by the Finance Sub-Committee at their meeting on March 24, 2020

ALTERNATIVES

1. Adopt proposed resolution approving the Amendment No. 7 to the Loan Agreement approved in the resolution approving a loan from the General Fund to the Police Facility Development Impact Fee fund (\$4,700,000). *Staff recommends this alternative because this authorizes the recordation of the revised loan amounts to address current cash balances in these funds and allows the City to remain in compliance with Generally Accepted Accounting Principles.*
2. Do not adopt proposed resolution approving the Amendment No. 7 to the Loan Agreement and provide staff with other direction. *Staff does not recommend this alternative because it will not address the current cash balances in these funds and the City's financial statements may not comply with Generally Accepted Accounting Principles.*

FISCAL IMPACT

The total loan balance amount of \$4,700,000 from the General Fund will continue to be designated as non-spendable until repaid. As Development Impact Fee revenues related to the Police Facility Development Impact Fee accounts are received, they will be applied to continue to reduce the outstanding loan amounts for these funds.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Resolution 2020-XXXX_City Council
- 2. Exhibit A_to_Reso 2020-XX

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/02/20 2:35 PM
City Attorney Approval	<u>✓ Approved</u>	4/07/20 12:57 PM
City Manager Approval	<u>✓ Approved</u>	4/14/20 4:09 PM

RESOLUTION NO. 2019-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING AN AMENDMENT NO. 7 TO THE LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND THE POLICE FACILITY DEVELOPMENT IMPACT FEE FUND.

WHEREAS, the City Council levies a fee for the mitigation of the impacts of new development on the City's Police Facilities and related facilities pursuant to the California Mitigation Fee Act (California Government Code Section 6600 et seq.); and

WHEREAS, the City has made disbursement from these funds that have resulted in negative cash balances in the Police Facility Development Impact Fee Fund (approximately \$4,700,000); and

WHEREAS, the City has a need to resolve the negative cash balances in these accounts; and

WHEREAS, on June 25, 2013 the City Council approved Resolution 2013-59 authorizing the original Loan Agreement between the General Fund and the Recreation Center DIF (\$145,000) and the Police Facility DIF (\$3,000,000) and the Animal Shelter DIF (\$175,000); and

WHEREAS, on June 10, 2014 the City Council approved Resolution 2014-45 authorizing Amendment No. 1 to the original Loan Agreement between the General Fund and the Recreation Center DIF (decreased to \$110,000) the Police Facility DIF (increased to \$3,500,000) and the Animal Shelter DIF (decreased to \$162,000); and

WHEREAS, on June 9, 2015 the City Council approved Resolution 2015-38 authorizing Amendment No. 2 to the original Loan Agreement between the General Fund and the Recreation Center DIF (decreased to \$60,000) the Police Facility DIF (remained at \$3,500,000) and the Animal Shelter DIF (decreased to \$147,000); and

WHEREAS, on June 7, 2016 the City Council approved Resolution 2016-33 authorizing Amendment No. 3 to the original Loan Agreement between the General Fund and the Recreation Center DIF (decreased to \$0) the Police Facility DIF (increased to \$4,085,000) and the Animal Shelter DIF (decreased to \$137,000); and

WHEREAS, on May 16, 2017 the City Council approved Resolution 2017-28 authorizing Amendment No. 4 to the original Loan Agreement between the General Fund and the Police Facility DIF (increased to \$4,290,500) and the Animal Shelter DIF (decreased to \$100,000); and

WHEREAS, on April 17, 2018 the City Council approved Resolution 2018-21 authorizing Amendment No. 5 to the original Loan Agreement between the General Fund and the Police Facility DIF (increased to \$4,756,000) and the Animal Shelter DIF (decreased to \$53,000); and

WHEREAS, on April 16, 2019 the City Council approved Resolution 2019-16 authorizing Amendment No. 6 to the original Loan Agreement between the General Fund and the Police Facility DIF (decreased to \$4,400,000) and the Animal Shelter DIF (decreased to \$0); and

WHEREAS, the City desires to loan funds from the General Fund to the Police Facilities Development Impact Fee Fund (\$4,700,000) in amounts sufficient to cover the negative cash balances; and

WHEREAS, the City anticipates receiving future Police Facilities Development Impact Fees to repay these loans to the General Fund

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

BE IT RESOLVED that the Loan Agreement-Amendment No. 7 included as Exhibit A is hereby approved, authorizing the Loan Agreement from the General Fund and continuing the funding of the loans to the Police Facility DIF (\$4,700,000).

APPROVED AND ADOPTED this 21st day of April, 2020.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

2
Resolution No. 2020-
Date Adopted: April 21, 2020

Attachment: Resolution 2020-XXXX_City Council [Revision 1] (3940 : ADOPT RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO THE LOAN

City Attorney

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2020- was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2020-
Date Adopted: April 21, 2020

Attachment: Resolution 2020-XXXX_City Council [Revision 1] (3940 : ADOPT RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO THE LOAN

LOAN AGREEMENT
AMENDMENT NO. 7

The City of Moreno Valley is authorizing this AMENDMENT TO THE LOAN AGREEMENT (“Amendment 7”) as an interfund loan entered into as of the twenty-first day of April 2020, authorizing the transfer of funds by and between the CITY OF MORENO VALLEY GENERAL FUND (herein the “General Fund”) and the CITY OF MORENO VALLEY POLICE FACILITY DEVELOPMENT IMPACT FEE FUND (herein the “Police Facility DIF”).

RECITALS

- A. Pursuant to the provision of the California Mitigation Fee Act (California Government Code Section 66000 et seq.), the City Council of the City of Moreno Valley has approved the levy of a Police Facility Development Impact Fee to collect fees to mitigate the impact of new development on the City’s Police facilities.
- B. The City has negative cash balances in the Police Facility DIF.
- C. These cash balances are the result of the construction of facilities.
- D. The Police Facility DIF continues to receive revenues related to new development projects within the City.
- E. The City desires to loan the Police Facility DIF funds in an amount sufficient to offset the negative cash balances related to these funds.

AGREEMENT

- 1. The City has applied cash collected during Fiscal Year 2019/20 by the Police Facilities DIF (\$313,835) towards the repayment of the outstanding loans.

Fund	Loan Balance 6/30/2019	Loan Repayment	Increase to Loan Amount	Loan Balance 6/30/2020
Police Facility DIF	\$4,400,000	\$0	\$300,000	\$4,700,000

- 2. City staff is directed to make necessary appropriation adjustments to effectuate this loan.

4
Resolution No. 2020-
Date Adopted: April 21, 2020

Attachment: Exhibit A_to_Reso 2020-XX (3940 : ADOPT RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO THE LOAN AGREEMENT)

- 3. City staff is directed to appropriately record this loan in the City's General Ledger system and subsequent financial reports, as necessary.
- 4. This loan is considered to be non-interest bearing.
- 5. The funds will be repaid by June 30, 2021.
- 6. If the funds are not repaid on or before June 30, 2021 in full, the City Council will reconsider this matter.

IN WITNESS WHEREOF, the parties have executed the Amendment 7 as of the date first above written.

CITY OF MORENO VALLEY

By:

 Mike Lee
 Interim City Manager

ATTEST:

 Pat Jacquez-Nares
 City Clerk

APPROVED AS TO FORM:

 City Attorney,



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: APPROVAL OF CONTRACT WITH AIRESRING, INC.
FOR TELECOMMUNICATION SERVICES

RECOMMENDED ACTION

Recommendations:

1. Approve an agreement with AireSpring, Inc. for telecommunication services for City facilities for an amount not to exceed \$123,268 over three (3), which will provide savings from the existing contracts, (\$93,385 for AireSpring, \$18,677 for Federal fees and taxes, and \$11,206 (10%) for contingency) and authorize the City Manager, or his designee, to execute the agreement, subject to approval by the City Attorney.
2. Authorize the City Manager, or his designee, to execute any subsequent related amendments or service extensions to the contract with AireSpring, Inc., during the life of the contract, subject to approval by the City Attorney.

SUMMARY

It is recommended that the City Council approve an agreement with AireSpring for redundant telecommunication services to various City facilities. Several of the City's current telecommunication services contracts have expired and are on a month-to-month basis. The City obtained multiple quotes for replacement telecommunication services, and has chosen services from AireSpring. AireSpring will provide their services at lower prices than the previous providers and will provide General Fund savings. Additionally, the new service will allow the City to combine separate services to various locations to provide more efficient services.

DISCUSSION

On December 3, 2019, the City Council approved a telecommunications agreement with

AireSpring where AT&T provided the “last mile” of the physical connection to City facilities (Agreement No. 2019-483). In March 2020, AT&T said that they could not provide the last mile connection without a fee of over \$50,000. Instead, the City chose to requote the project. This agreement is the result of re quoting the project. AireSpring continues to have the lowest prices; however, the last mile carrier is Frontier. Frontier has existing physical connections to City buildings so they can fulfill the contract.

The City provides telecommunication services to each of its facilities. Several of these contracts have expired and are on month-to-month billings. Soliciting quotes for new services has revealed an opportunity to combine several facility connections and realize additional cost savings. Current services include phone and Internet connections to City Hall and the Employment Resource Center (ERC). This agreement will allow the City to save money on the phone and Internet connections to the Civic Center Complex (City Hall, Public Safety Building, Conference and Recreation Center, Emergency Operations Center, Annex) well as eliminate two connections to the ERC. The eliminated connections to the ERC will be replaced by extending a connection from the Civic Center Complex to the ERC using city-owned fiber and radios. Using City assets instead of outside connections to supply telecommunication services to the ERC will result in monthly savings and increased service levels.

The monthly cost savings will be approximately \$1,856 and are detailed in the table below. Over the life of the three (3) year agreement, the savings will be approximately \$66,816.

EXISTING CONNECTIONS	MONTHLY COST
Century Link Internet	\$1,843
Century Link Phone	\$1,554
Frontier Internet	\$958
Frontier interconnect	\$614
SUBTOTAL	\$4,969
PROPOSED CONNECTION	
AireSpring SD-WAN	\$3,113
TOTAL MONTHLY SAVINGS	
	\$1,856

ALTERNATIVES

1. Approve and authorize the Assistant City Manager to execute an agreement and associated amendments or service extensions with AireSpring, Inc. for the provision of telecommunication services to City facilities for an amount not to exceed \$123,268 over three (3) years. *Staff recommends these actions to continue telecommunication services to City facilities in a fiscally responsible manner.*

2. Do not approve the lease agreement with AireSpring, Inc. *Staff does not recommend this action because telecommunication service enhancements and cost savings would not be realized.*

FISCAL IMPACT

Funding for telecommunication expenses are fully supported by the FYs 2019/20 - 2020/21 Budget as adopted by the City Council in the General Fund Technology Services accounts.

NOTIFICATION

N/A

PREPARATION OF STAFF REPORT

Prepared by:
Steve Hargis
Strategic Initiatives Manager

Department Head Approval by:
Marshall Eyerman
Assistant City Manager/Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

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.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. AireSpring Proposals
2. AireSpring Contracts

APPROVALS

Budget Officer Approval ✓ Approved 4/07/20 10:53 AM

City Attorney Approval
City Manager Approval

✓ Approved
✓ Approved

4/07/20 12:33 PM
4/09/20 6:42 PM



Requested Cloud Telecommunications Services Proposal

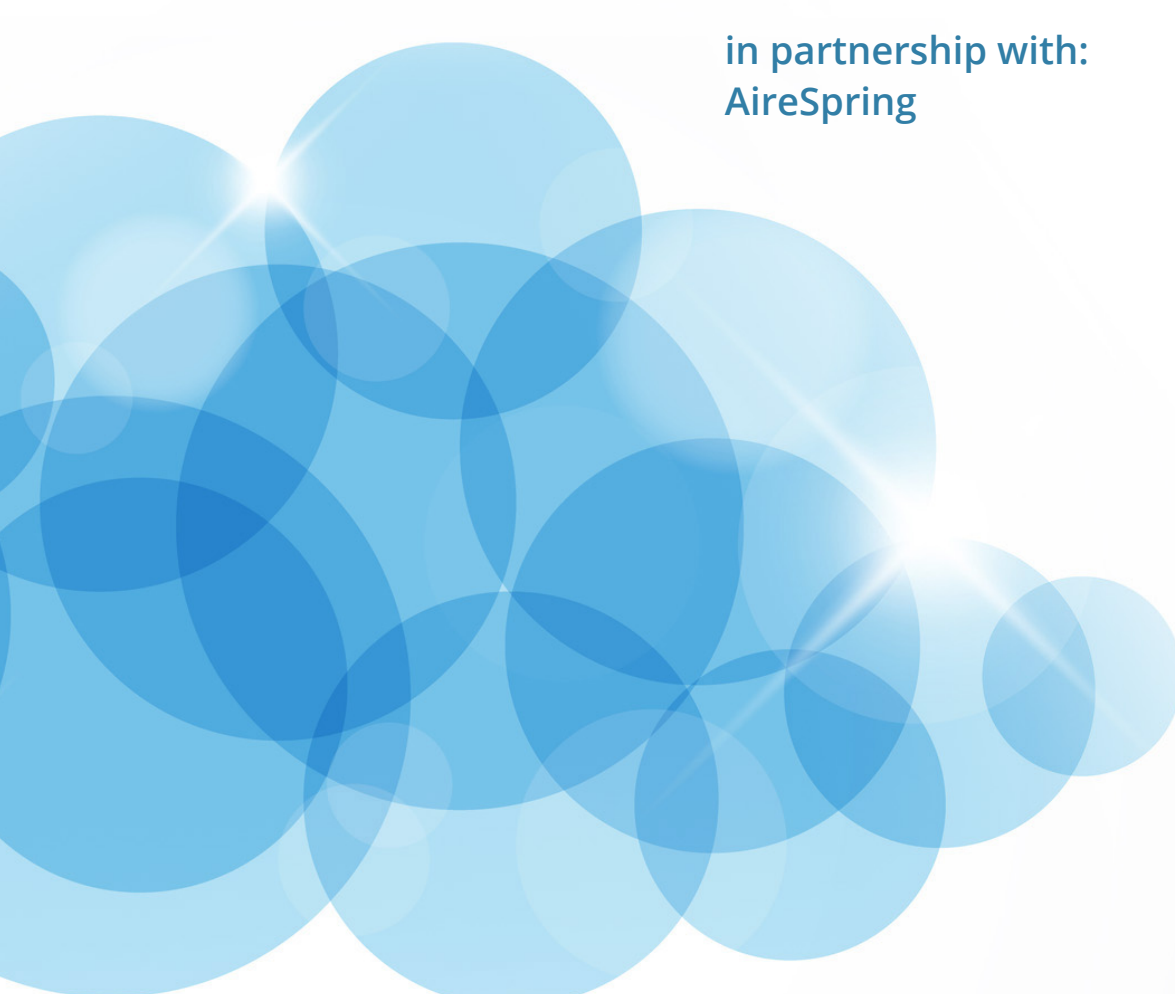
Specifically Prepared For:

City of Moreno Valley

Presented By:

Chris Butcher
Sandler Partners

in partnership with:
AireSpring





Airespring Local PRI/T1

Moreno Valley - 22870 CALLE SAN JUAN DE LOS LAGOS MORENO VALLEY, CA 92553-9045 951-21
 (003)

Qty	Description	Unit MRC	Unit NRC	Total MRC	Total NRC
24	Trunks	\$4.50	\$0.00	\$108.00	\$0.00
500	DID Numbers	\$0.30	\$0.30	\$150.00	\$150.00
1	Usage Bundle - Unlimited Outbound & 12,000 Toll Free Minutes	\$120.00	\$0.00	\$120.00	\$0.00
1	AireNMS Network Monitoring Service 24/7 network monitoring and alerting for Airespring provided routers and gateways.	FREE	\$0.00	FREE	\$0.00
1	AireCare Customer Portal Airespring's 24/7 online billing, reporting, and service admin portal.	FREE	\$0.00	FREE	\$0.00
Subtotal				\$378.00	\$150.00

Qty	Connectivity 3-Year Term	Total MRC	Total NRC
1	T1 - 1.5 Mb/s - Loop	\$299.80	\$0.00
1	T1 - 1.5 Mb/s - Port	\$145.00	\$0.00
1	Fully Managed Router/Gateway - ADTRAN 908e	FREE	\$0.00
Location Total		\$822.80	\$150.00

Usage Rates

Domestic Rates: 2.500¢ (usage bundles will be applied first)
 Free local calling and interoffice on-net calling.
 Offshore rates: [Click Here](#)
 Airespring International rates: [Click Here](#)

Total For All Locations

Monthly Fee: \$822.80

One-Time Fee: \$150.00

All orders are subject to engineering, pricing and facilities verification.

The Contract Term for Trunks, Lines, Routers and Switches ordered for a specific location is coterminous with the circuit/connectivity term listed for that location.

Attachment: Airespring Proposals (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)



SD-WAN (with Voice) - Digital PRI/T1 Handoff

Attachment: Airespring Proposals (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

Moreno Valley - 14177 FREDERICK ST MORENO VALLEY, CA 92553-9014 951-208 (002)

Qty	Description	Unit MRC	Unit NRC	Total MRC	Total NRC
1	[High Availability*] VeloCloud SD-WAN - Up to 200 Mb/s of In-Tunnel Bandwidth (Up and Down Combined) - 3-Year <small>"Up and Down Combined" is the sum of the upload and download speeds of all In-Tunnel Traffic.</small>	\$430.00	\$0.00	\$430.00	\$0.00
1	AireSpring Gateway Access - 200 Mb/s - Maximum Licensed In-Tunnel Bandwidth (Up and Down Combined) - 3-Year <small>Promotional Offer. Required for Access to AireSpring Gateways</small>	FREE	\$0.00	FREE	\$0.00
1	Additional Equipment Required for Voice Services - 3-Year	\$15.00	\$0.00	\$15.00	\$0.00
2	VeloCloud Edge 540 - 3-Year <small>Supports up to 500 Mb/s of Maximum Throughput (defined as the aggregate of all traffic flows to and from a device – Up and Down Combined).</small>	FREE	\$0.00	FREE	\$0.00
24	Trunks	\$4.50	\$0.00	\$108.00	\$0.00
500	DID Numbers	\$0.30	\$0.30	\$150.00	\$150.00
1	Usage Bundle - Unlimited Outbound & 12,000 Toll Free Minutes	\$120.00	\$0.00	\$120.00	\$0.00
1	DTO / RCF - Monthly <small>Direct Trunk Overflow (DTO) / Disaster Recovery provides automatic routing of Airespring DIDs (or Toll Free Numbers) associated with AireSpring Long Distance and Local Services Only to a POTS Number (DID, Toll Free Number, Standard Phone Line, or Airespring Trunk) on the PSTN in the event customer's primary telecommunications connectivity fails or becomes unavailable. Customer must list each DID needed for DTO / Disaster Recovery. Remote Call Forwarding (RCF) provides the ability to manually forward Airespring DIDs (or Toll Free Numbers) associated with Airespring Long Distance and Local Service to a POTS Number (DID, Toll Free Number, Standard Phone Line, or Airespring Trunk) on the PSTN.</small>	\$20.00	\$20.00	\$20.00	\$20.00
2	10-Port Gigabit Managed Switch - Rental	\$13.00	\$0.00	\$26.00	\$0.00
1	AireCare Customer Portal <small>AireSpring's 24/7 online billing, reporting, and service admin portal.</small>	FREE	\$0.00	FREE	\$0.00
1	Orchestrator Access	FREE	\$0.00	FREE	\$0.00
Subtotal				\$869.00	\$170.00

Qty	Circuit 3-Year Term	Total MRC	Total NRC
1	Fast Ethernet - 100 Mb/s - Loop	\$362.22	\$0.00
1	Fast Ethernet - 100 Mb/s - Port	\$540.00	\$0.00
Location Total		\$1,771.22	\$170.00

Usage Rates

Domestic Rates: 2.500¢ (usage bundles will be applied first)
Free local calling and interoffice on-net calling.

Total For All Locations

Monthly Fee: \$1,771.22

One-Time Fee: \$170.00

All orders are subject to engineering, pricing and facilities verification.

*High Availability Edge devices include both the primary edge and a hot stand-by edge (2 devices).

The Contract Term for Trunks, Lines, Routers and Switches ordered for a specific location is coterminous with the circuit/connectivity term listed for that location.

Attachment: AireSpring Proposals (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)



ORDER FORM AND TERM PLAN
Customer Provided Connectivity
Digital PRI/T1 Handoff

A.9.b

*Quote ID#: 1122494752

*Carrier: AireSpring

*Quote Expiration: 04/23/2020

*IP Provider: AireSpring

*Proposal ID#: 198120

Channel Mgr: Gabriel Valderrama

OMR#:

Sales Support: 844-832-8514
Email to orders@airespring.com or Fax to 888-899-2928

*Agent: Chris Butcher

*Agent ID: ASP0990

*Sales Engineer:

*Submitted By: Gabriel Valderrama

IMPORTANT -- ALL BOLDED FIELDS WITH AN ASTERISK (*) MUST BE COMPLETED

PHYSICAL LOCATION

*Order Type: New: Move: Upgrade:

*Company Name: City of Moreno Valley	*Location Name: Moreno Valley	Existing Customer Number:	<input type="checkbox"/> Separate bill for this location?
---	----------------------------------	---------------------------	---

*Physical Address: 22870 CALLE SAN JUAN DE LOS LAGOS	*Suite:	*Bldg./Fl./Rm:	*Billing Address: (if different) 14177 Frederick St, PO Box 88005
---	---------	----------------	--

*City: MORENO VALLEY	*State: CA	*Zip: 92553-9045	*City: Moreno Valley
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MPOE: (Location in building where telephone company installs circuit. Eg. basement, telco closet) EOC first floor West side of building	*State: CA	Zip: 92552
--	---------------	---------------

CONTACT INFORMATION

	*Name	Title	*Phone	Mobile Phone	E-mail
*Customer Contact:	Joe Lara	Telecom Engineer	951-413-3420	9516913399	joel@moval.org
*Technical/Vendor Contact:	Bryan Godinez	Network Administrator	951-413-3415		bryang@moval.org
*On-Site Contact:	Ricardo Gonzalez	Sr. Telecom Tech	951-413-3405		ricg@moval.org

THE FOLLOWING INITIALS & SIGNATURES ARE REQUIRED

- | | |
|---|---|
| 1.) Initials on all Pages at the Bottom Left. | 2.) Signature on the bottom of "Term and Usage Agreement." |
| 3.) If Porting Numbers, signature required on "Letter of Agency," and current phone bill copies are strongly recommended. | 4.) New Customers – Complete and Sign "Credit Application." |

CPC SERVICE INFORMATION (\$250 per Account Minimum)

*Site NPA/NXX:	*Term:
951-214	3-Year
*Managed Router MRC:	*Managed Router NRC:
\$35.00	\$0.00

DEMARC EXTENSION CHARGES

\$300.00 per T1 -- includes up to 2 hours of labor and 100 feet of Cat5e cable.
 Additional labor: \$125.00 per hour, billed in 15 minute increments. Additional Cat5e cable: \$.25 per foot.
 Fiber and EOC demarc extensions – ICB pricing

INSTALL TIMEFRAMES AND EXPEDITES

Customer understands and accepts the following estimated installation timeframes:
 90 days for services which utilize a Fast-E circuit, 120 days for services which utilize a Gig-E circuit, 60 days for services which utilize all other circuit types. Actual installation timelines vary by underlying carrier and loop provider and are dependent on multiple factors, including construction requirements, availability of facilities and other variables.

Paid Expedites: Customer may request an expedite for an additional fee. All expedites must be approved by Airespring.

NOTE: Airespring cannot ever guarantee any installation timeframes including paid expedites.

NOTES

In the event customer changes a scheduled due date less than six business days from the due date, customer will be assessed a rescheduling fee. Please be advised that changes to a scheduled due date can impact service delivery timelines.

Faxing, Alarm Lines, Modem Lines, DSL Lines, Credit Card Processing and Elevator Lines are not supported on AireSpring's Long Distance Network. Customer should utilize alternative network options for non-voice lines and for completion of inbound and outbound fax calls. Customer is required to identify in advance all non-voice lines (fax, alarm, modem, etc.) that are intended to utilize AireSpring service.

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

CLOUD COMMUNICATION SERVICES: DIGITAL PRI/T1

AIRESPRING DIGITAL PRI/T1 VOICE SERVICES

Zone	Service	Quantity	MRC	NRC
1	Digital PRI/T1 Trunks	24	\$108.00	\$0.00
	Analog Lines	0	\$0.00	\$0.00

DOMESTIC USAGE RATES & PLANS

USAGE PLANS <i>US 48 States incl. Local Toll, Intrastate, Interstate</i> Unlimited Outbound plans require a subscription of all seats/lines/trunks ordered.	Cost	Quantity	Total
Unlimited Outbound & 12,000 Toll Free Minutes	\$120.00	1	\$120.00

LONG DISTANCE & TOLL FREE RATE IF NO PLAN SELECTED OR FOR EXCESS MINUTES: \$0.025

FREE LOCAL CALLING (Excludes Local Toll)

INTER-OFFICE ON-NET CALLING – Free between locations utilizing Airespring Local Network Services and Airespring assigned Local Service DIDs

INTERNATIONAL AND OFFSHORE RATES

INTERNATIONAL (011 Calls Only) <i>(Customer is responsible for all International traffic, including fraud.)</i>	*INT'L RATE PLAN #3 Rates are provided here: International Rates	<input type="checkbox"/> Block International (See Terms of Service for limitation of liability)	OFFSHORE: Rates are provided at Offshore Rates
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DID NUMBERS

Block of 20 DIDs (minimum)		Block of 20 DIDs (If ordering more than one)		Quantity	MRC	NRC
MRC	NRC	MRC	NRC	500	\$150.00	\$150.00
\$10	\$10	\$6	\$6			
Are you transferring existing DID Numbers?				<input checked="" type="checkbox"/> YES	Quantity: 500	<input type="checkbox"/> NO
Are you requesting New DID Numbers?				<input type="checkbox"/> YES	Quantity:	<input type="checkbox"/> NO
# of Rate Centers:		Quantity:		All orders over 500 DIDs or more than 3 Rate Centers per Customer are Special Projects and will be priced on an ICB basis if approved.		

TOLL FREE NUMBERS

Toll Free Numbers (1-50 Numbers)	MRC per Number	NRC per Number	Quantity: 0	MRC: \$0.00	NRC: \$0.00
	\$1.00	\$5.00			
Toll Free Numbers (above 50)	MRC per Number	NRC per Number	Quantity:	MRC:	NRC:
	\$0.50	\$1.00			
Are you transferring existing Toll Free Numbers? <i>(If Yes, Toll Free Service RespOrg Form will be required.)</i>			<input type="checkbox"/> YES	Quantity:	<input type="checkbox"/> NO

ADDITIONAL SERVICES

Description	Term	Quantity	MRC	NRC

Firewall service reconfiguration and/or upgrade fee: \$400. Applies if SD-WAN added to firewall service after the initial start of service.

For more information on firewall throughput and user guidelines, [click here](#).

Attachment: Airespring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

AIRETXT SMS SERVICES

Text to/from Landline or Toll Free	Quantity	MRC	NRC	Inbound Outbound	Overage Rate per SMS
Initial Line + Message Bundle	Select from Dropdown	\$10.00	\$10.00	1000 Messages included	\$0.025
Additional Lines		\$1.00	\$1.00	N/A	N/A
Additional Message Bundles (Messages are shared across all lines ordered)		\$5.00	\$5.00	500 Messages included	\$0.025

OTHER SERVICES / FEATURES / FEES	CHARGES	
	MRC	NRC
Local Directory Assistance and Long Distance Directory Assistance	\$1.99 per call	
Initial Directory Listing (Simple)	No Charge	
Additional Directory Listing	\$5.00 per Listing	\$5.00 per Listing
Outbound Caller Name (CNAM)	\$3.00 per Number	\$3.00 per Number
Inbound Caller ID Name Note: All trunks must be subscribed	\$1.00 per Trunk	\$1.00 per Trunk
Account Codes - Non-verified – Must be used on all calls	\$25.00 per Location	\$75.00 per Location
Account Codes - Verified – Must be used on all calls (up to 50; greater than 50 is subject to project fee)	\$50.00 per Location	\$150.00 per Location
Software, Trunk Group or Routing Change Order Fee (Off hours and weekend work ICB)	(Applicable MRC)	\$75 per Change Order
Additional Trunk or Hunt Group(s) (Initial Trunk or Hunt Group – No Charge)	\$5.00 per Group	\$5.00 per Group
Replacement Routers / Hardware	Shipment of replacement routers or hardware to be paid by customer	
Do you need Account Codes?	<input type="checkbox"/> Verified or <input type="checkbox"/> Non-verified <input type="checkbox"/> NO	

LOCAL NUMBER PORTING (LNP)		
Local Number Porting (LNP) of Phone Numbers	Verizon provided – \$0.00 NRC per Number	Other Providers -- \$3.00 NRC per Number
LNP Change or Cancellation – Greater than 48 Hours	\$6.00 NRC per Number	
LNP Change or Cancellation – Less than 48 Hours	\$75.00 NRC per Number	
Snapback to Prior Carrier (after completed porting)	\$300.00 NRC per Number	
Local Number Porting (LNP) of Virtual Private Numbers (If VPN is in a different Rate Center as Location)	\$25 NRC per Number	

IP ADDRESS INFORMATION																
All IP addresses are subject to approval from the underlying provider based on an IP Address Justification Form completed by customer. All prices MRC unless otherwise noted.																
CIDR	Public IPs	Usable IPs	AireSpring IP	Altice (Fiber)	AT&T (ABF/DSL)	Comcast (Fiber)	Comcast (Cable)	Cox (Cable)	GCAP/ Megapath	Lighttower	Spectrum (Fiber)	Spectrum (Cable)	TPAC	Verizon (FTTI)	Windstream	Zayo
/31	2	1	Free	Free	Free	\$20	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
/29	8	5	\$20	\$35	Free	\$25	\$15	Free	\$5	\$24	\$35	\$25	Free	\$14	\$20	Free
/28	16	13	\$35	\$50	\$20	\$30	\$35	\$25	\$10	\$48	\$50	\$40	\$10	\$35	\$32	\$48
/27	32	29	\$55	\$65	ICB	\$50	ICB	\$50	\$15	\$96	\$80	\$60	\$15	\$56	\$56	\$96
/26	64	61	N/A	\$75	ICB	\$75	ICB	\$75	\$20	\$192	\$100	N/A	\$25	\$84	\$96	\$192
/25	128	125	N/A	\$150	ICB	\$100	ICB	ICB	\$25	\$384	\$150	N/A	\$50	\$133	\$160	\$389
/24	256	253	N/A	\$300	ICB	\$200	ICB	ICB	\$50	\$768	\$200	N/A	\$100	ICB	ICB	\$769
ICB	> 256	ICB	N/A	ICB	ICB	ICB	ICB	ICB	ICB	ICB	ICB	N/A	ICB	ICB	ICB	ICB
Orders of up to 256 IP Addresses from AT&T Fiber/DS1, CenturyLink Fiber/DS1, FairPoint, Verizon Fiber/DS1, Cox Fiber, Frontier Fiber, and XO are free. Orders of more than 256 IP Addresses are ICB.																
*If Customer is using Airespring CPE one usable IP address must be assigned to this CPE.																

SUMMARY TOTALS	
Total MRC *: \$413.00 *Total does not include any services or equipment not ordered, as well as AireTXT, Domestic / International / Offshore Usage (excluding bundles), Other Services / Features / Fees, LNP, Configuration and Training, Shipping, Expedite Fees, Demarc Extension Charges, or IP Addresses.	Total NRC*: \$150.00 *Total does not include any services or equipment not ordered, as well as AireTXT, Domestic / International / Offshore Usage (excluding bundles), Other Services / Features / Fees, LNP, Configuration and Training, Shipping, Expedite Fees, Demarc Extension Charges, or IP Addresses.
Charges do not include additional surcharges and government mandated taxes. A full list of current Airespring surcharges may be found at: https://airespring.com/regulatory-charges-and-surcharges/	

Attachment: Airespring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

DIRECTORY LISTING / DIRECTORY ASSISTANCE

Street Address: 22870 CALLE SAN JUAN DE LOS LAGOS		Type of Business/Organization:	
City: MORENO VALLEY		State: CA	Zip: 92553-9045

TRANSACTION TYPE

No Directory Listing Requested
 New

CLASS OF SERVICE

Business
 County
 State
 US Government
 Military
 School

Community/Book: Include in Yellow Pages -- Heading(s):

Type of Listing *	Listing Request **			Indent Levels (0-6) <i>(Captions only)</i>	Listed Name <i>(or Caption)</i>	Listed Address	Listed Phone Number
	Listed	Non-Listed	Non-Published				
Main <i>(included)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	City of Moreno Valley	14177 Frederick St. Moreno Valley Ca	951-413-3000
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* Indicate: Main, Additional, Caption, or Foreign.

** Indicate: Listed, Non-listed (excluded from printed Directory only), Non-published (excluded from printed Directory and Directory Assistance)

LOCAL SERVICE 911/E-911 INFORMATION

IMPORTANT: AIRESPRING WILL IDENTIFY ALL NUMBERS ASSOCIATED WITH THIS ACCOUNT AS BEING LOCATED AT THE PHYSICAL ADDRESS LISTED ON PAGE 1 OF THE ORDER FORM FOR PURPOSES OF PROVIDING 911 LOCATION INFORMATION.

*Are there any remote/offsite users or extensions so that additional 911 addresses are needed? NO YES -- a supplementary 911 form is required

911 NOTICE – USE OF CUSTOMER INFORMATION

CUSTOMER ACKNOWLEDGES AND AGREES THAT AIRESPRING'S SERVICE IS INTERNET BASED AND THAT 911 SERVICES ARE DIFFERENT THAN THAT OF TRADITIONAL WIRELINE SERVICE. FOR BASIC 911 OR E911 TO BE ACCURATELY ROUTED TO THE APPROPRIATE EMERGENCY RESPONDER, THE CUSTOMER MUST PROVIDE THE TELEPHONE NUMBER ASSOCIATED WITH SERVICE FOR THE REGISTERED ADDRESS, IN THE PHYSICAL LOCATION SECTION OF THE LOCAL SERVICE 911/911E INFORMATION SHEET. CUSTOMER ACKNOWLEDGES THAT THE SIP TRUNK SERVICE MAY NOT SUPPORT BASIC 911 OR E911 DIALING IN THE SAME MANNER AS TRADITIONAL WIRELINE PHONE SERVICE. CUSTOMER AGREES TO INFORM OF THE POTENTIAL COMPLICATIONS ARISING FROM BASIC 911 OR E911 DIALING. SPECIFICALLY, CUSTOMER ACKNOWLEDGES AND AGREES TO INFORM ALL EMPLOYEES, GUESTS, AND OTHER THIRD PERSONS WHO MAY USE THE SERVICE THAT BASIC 911 AND E911 SERVICES WILL NOT FUNCTION IN THE CASE OF A SERVICE FAILURE FOR ANY OF THE FOLLOWING REASONS: (A) POWER FAILURES, (B) NETWORK CONGESTION OR SIGNIFICANT DEGRADATION OF CUSTOMER'S INTERNET ACCESS OR OTHER TYPES OF ACCESS SERVICE; (C) SUSPENDED OR TERMINATED BROADBAND SERVICE, (D) SUSPENSION OF SERVICES DUE TO BILLING ISSUES, AND/OR (E) ANY OTHER SERVICE OUTAGES NOT DESCRIBED HEREIN. AIRESPRING STRONGLY RECOMMENDS CUSTOMER AT ALL TIMES MAINTAINS AN ALTERNATIVE METHOD FOR PLACING EMERGENCY CALLS. CUSTOMER FURTHER ACKNOWLEDGES THAT FAILURE TO PROVIDE A CORRECT PHYSICAL ADDRESS IN THE REQUISITE FORMAT MAY CAUSE ALL BASIC 911 OR E911 CALLS TO BE ROUTED TO THE INCORRECT LOCAL EMERGENCY SERVICE PROVIDER. FURTHERMORE, CUSTOMER RECOGNIZES THAT USE OF THE SERVICE FROM A LOCATION OTHER THAN THE LOCATION TO WHICH THE SERVICE WAS ORDERED, I.E., THE "REGISTERED ADDRESS," MAY RESULT IN BASIC 911 OR E911 CALLS BEING ROUTED TO THE INCORRECT LOCAL EMERGENCY SERVICE PROVIDER. FOR THE EMERGENCY CENTER, KNOWN AS THE PUBLIC SERVICE ANSWERING POINT ("PSAP"), TO RECEIVE THE CUSTOMER'S CORRECT 911 ADDRESS INFORMATION, CUSTOMER MUST ROUTE THEIR 911 CALLS TO AIRESPRING USING DIDS WHICH ARE ASSIGNED BY AIRESPRING OR PORTED TO AIRESPRING AND SET UP BY AIRESPRING AS 911-ENABLED. IF CUSTOMER ROUTES 911 CALLS USING AIRESPRING 911-ENABLED DIDS TO ANOTHER PHONE COMPANY, THEN I) THE PSAP MAY NOT RECEIVE THE PROPER ADDRESS, AND II) THAT OTHER PHONE COMPANY MAY CHARGE CUSTOMER FOR SUCH CALL. ADDITIONALLY, 911 CALLS MUST BE ROUTED OVER A LOCAL TRUNK GROUP, NOT A LONG DISTANCE TRUNK GROUP TO AVOID CALL FAILURE. CUSTOMER MUST HAVE AT LEAST ONE 911-ENABLED AIRESPRING DID FOR EACH LOCATION, WITH THAT LOCATION'S CORRECT ADDRESS POPULATED IN AIRESPRING'S 911 DATABASE, FOR 911 DATABASE SERVICES TO OPERATE PROPERLY FOR DIDS UTILIZED AT THAT LOCATION. CUSTOMER ACKNOWLEDGES AND AGREES THAT AIRESPRING, ITS UNDERLYING CARRIERS, OR ANY OTHER THIRD PARTIES INVOLVED IN THE ROUTING, HANDLING, DELIVERY, OR ANSWERING OF EMERGENCY SERVICES OR IN RESPONDING TO EMERGENCY CALLS, NOR THEIR OFFICERS OR EMPLOYEES, MAY BE HELD LIABLE FOR ANY CLAIM, DAMAGE, LOSS, FINE, PENALTY OR COST (INCLUDING, WITHOUT LIMITATION, ATTORNEYS FEES) AND CUSTOMER HEREBY WAIVES ANY AND ALL SUCH CLAIMS OR CAUSES OF ACTION, ARISING FROM OR RELATING TO THE PROVISION OF ALL TYPES OF EMERGENCY SERVICES TO CUSTOMER. CUSTOMER FURTHER AGREES AND ACKNOWLEDGES THAT IT IS INDEMNIFYING AND HOLDING HARMLESS AIRESPRING FROM ANY CLAIM OR ACTION FOR ANY CALLER PLACING SUCH A CALL WITHOUT REGARD TO WHETHER THE CALLER IS AN EMPLOYEE OF THE CUSTOMER. CUSTOMER ACKNOWLEDGES AND AGREES TO HOLD HARMLESS AND INDEMNIFY AIRESPRING FROM ANY CLAIM OR ACTION ARISING OUT OF MISROUTES OF ANY 911 CALLS, OR WHETHER LOCAL EMERGENCY RESPONSE CENTERS OR NATIONAL EMERGENCY CALLING CENTERS ANSWER A 911 CALL OR HOW THE 911 CALLS ARE HANDLED BY ANY EMERGENCY OPERATOR INCLUDING OPERATORS OF THE NATIONAL CALL CENTER. THE LIMITATIONS APPLY TO ALL CLAIMS REGARDLESS OF WHETHER THEY ARE BASED ON BREACH OF CONTRACT, BREACH OF WARRANT, PRODUCT LIABILITY, TORT AND ANY OTHER THEORIES OF LIABILITY. END USERS WHO SUBSCRIBE TO 911 OR E911 SERVICE WILL BE REQUIRED TO REGISTER THE PHYSICAL LOCATION OF THEIR EQUIPMENT (IP PHONE, SOFTPHONE, DIGITAL TELEPHONE ADAPTER OR VIDEOPHONE) WITH AIRESPRING AND AGREE TO CALL AIRESPRING CUSTOMER SERVICE TO UPDATE THE LOCATION WHENEVER THE PHYSICAL LOCATION OF SERVICE FOR A PARTICULAR TELEPHONE NUMBER CHANGES. SOME CUSTOMERS WILL HAVE THE ABILITY TO DIRECTLY UPDATE THEIR OWN E911 LOCATION VIA AN ONLINE PORTAL. CUSTOMER IS SOLELY RESPONSIBLE FOR SETTING THE E911 LOCATION ACCURATELY TO THE CORRECT PHYSICAL LOCATION OF CUSTOMER'S EQUIPMENT (DESK PHONE, SOFTPHONE, VIDEOPHONE OR MOBILE PHONE) WITH AIRESPRING. FOR USERS OF THE AIRESPRING KEY SYSTEM TELEPHONES: TO PRESERVE THE ABILITY OF 911 OR E911 PUBLIC SAFETY PSAP PERSONNEL TO RESPOND PROPERLY, CUSTOMER / END USERS OF THE KEY SYSTEM CANNOT MOVE THEIR KEY SYSTEM PHONE TO ANOTHER STREET ADDRESS DIFFERENT FROM THE STREET ADDRESS ASSOCIATED WITH THE REGISTERED ADDRESS FOR SUCH CUSTOMER / END USER. AVAILABILITY OF 911 AND E911 SERVICES IS LIMITED TO THE FIFTY UNITED STATES OF AMERICA.

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

TERM AND USAGE AGREEMENT

The term of this Agreement will be for a period of *3-Year from the Start of Service Date. The Start of Service Date shall be the earlier of i) the Customer's first use of the service, ii) five (5) business days after Circuit Ready Date, regardless of whether all Services (including voice) have been turned up and regardless of Customer readiness, or iii) five (5) business days after the start of a "Customer Delay of Circuit Installation". "Circuit Ready Date" is the date the Customer's circuit is active, as notified by the underlying provider. "Customer Delay of Circuit Installation" is defined as an occurrence of Customer directly or indirectly delaying or impeding AireSpring's underlying provider from installing and/or testing Customer's access circuit/loop. Customer indirectly delays the underlying provider if the Customer site is not ready to accept Services, or if the Customer's employees, contractors, suppliers, vendors, agents, assigns, property owner, property manager, or landlord does not allow, blocks or delays AireSpring's underlying provider from installing or testing the access circuit/loop. The Customer is required to coordinate with AireSpring to install the hub site first, with each remote site to follow. Customer networking issues, whether the result of improper network design, equipment issues, or incorrect information supplied to AireSpring by or on behalf of the Customer, shall not relieve the Customer of the obligation to pay for the Service, including circuit charges, beginning on the Start of Service Date. In the event Customer places an order on hold or delays or impedes AireSpring from expeditiously submitting Customer's order to underlying carrier, Customer pricing may change as notified by AireSpring. Orders placed on hold may require customer approval to proceed with implementation. Upon completion of any initial or any renewal term commitment, or if no term is specified above, this Agreement shall automatically renew for successive one-year terms. Customer contracts to pay the Monthly Recurring Charges as listed above for the term of this Agreement, or \$250 per account, whichever is greater, for the term of this Agreement. By signing this Agreement, Customer agrees to pay all applicable circuit port, loop and Equipment MRC charges in advance, and any usage/overage charges in arrears. Customer's first bill shall include pro-ration of first month's service, as well as any NRC's. In the event Customer terminates this Agreement after the Start of Service Date but prior to the end of the applicable term, Customer shall pay to AireSpring on demand, as liquidated damages and not as a penalty, an Early Termination Liability charge ("ETL") equal to the sum of i) one hundred percent (100%) of the Monthly Recurring Charges ("MRCs") for loop/circuit charges for all of the months remaining in any applicable term, ii) one hundred percent (100%) of MRCs for all other charges for the remaining months in the initial twelve months of the term, iii) eighty percent (80%) of the MRCs for all other charges for the remaining months in months 13 - 24 of the term, and iv) seventy percent (70%) of the remaining MRCs for all other charges for the remaining months in the term, namely month 25 and after. With respect to Customer terminating the Agreement after the submission of paperwork to the underlying carrier but prior to the Start of Service Date, the ETL will be equivalent to Customer terminating during the initial twelve (12) months as described above. In the event Customer terminates this Agreement prior to the submission of paperwork to the underlying carrier Customer shall be subject to the following fees: \$1000 per DS-1/EOC/Broadband circuit or \$3000 per Fast-E or similar circuit. For Customer Provided Connectivity orders, Customer shall pay a cancellation fee of \$750 per location if Customer cancels the order prior to Start of Service. Additionally, a 20% restocking fee of the undiscounted, retail price of AireSpring provided devices shall apply and be paid by Customer for all equipment returned unopened to AireSpring and in original packaging within 30 days of shipment to Customer and prior to Start of Service. Equipment that has been opened or used may not be returned, and will be billed at the full undiscounted, retail price in the event Customer cancels service prior to Start of Service. AireSpring managed routers are pre-configured and sent to Customer to be self-installed, if Customer requests a professional installation AireSpring will charge Customer an installation fee of \$1000. All local loop circuit install charges are quoted with install to the Local Exchange Carrier assigned building demarcation point (Demarc). AireSpring will pass through any costs associated with extending wiring beyond the Demarc. In conjunction with the services ordered, AireSpring may provide Customer with Customer Premises Equipment (CPE) on a rental or included basis. If service is terminated for any reason, Customer must return all AireSpring and underlying carrier provided equipment within 30 days of termination, or Customer will be billed for the full new cost of the equipment. It is not necessary to return Equipment purchased by Customer. AireSpring will provide all long distance and local services. No other long distance and local providers may be used with this service. Rating of outbound calls as Local applies only to calls that utilize telephone numbers (DIDs) assigned by AireSpring or that have been ported to AireSpring's service as the originating ANI, and are displayed accordingly in the Caller ID field. The International Rate Plan Number above refers to a set of country specific rates defining costs to each international dialed location. Customer requests to block international calling does not relieve Customer from liability for all completed calls made utilizing Customer's equipment, whether authorized or unauthorized. AireSpring's fair use policy ("Fair Use Policy") as set forth below and in the Master Service Agreement is designed to prevent abuse, fraud or unreasonable exploitation of AireSpring's unlimited local and long distance service plans and unreasonable overutilization of AireSpring's facilities. AireSpring's unlimited calling plans, both long distance and local, are intended solely for normal commercial use. AireSpring's unlimited calling plans are designed only for continuous live dialog between two individuals. Unusual calling patterns, excessive called numbers and/or consistent excessive usage will each be considered an indicator that usage is exceeding normal standards. AireSpring's unlimited calling plans may not be used for auto-dialing, continuous, or extensive call forwarding, excessive conferencing, inbound/outbound centralized or distributed call center activity, inbound/outbound customer service, telemarketing (including charitable or political solicitation or polling), fax or voicemail blasting, or for continuous or extensive chat line access, or as an open telephone line as a monitor, intercom or transcription service. See AireSpring's Master Service Agreement for a complete list of prohibited uses. AireSpring has other plans applicable for such applications and businesses. It will be considered outside of AireSpring's Fair Use Policy on an unlimited calling plan for a Customer to exceed more than one-thousand (1,000) inbound, outbound or toll free local or long distance minutes per month per subscriber line, SIP trunk, hosted seat, PRI/T-1 trunk/DS0 or analog line, etc., in aggregate ("Normal Usage"). For unlimited calling plans, AireSpring shall apply a surcharge of up to \$0.04 per minute of use to the number of minutes by which Customer's usage exceeds this normal usage. All services provided to Customer by AireSpring are governed by the terms of a Master Service Agreement, which may be found at <https://airespring.com/service-terms/> and AireSpring's Acceptable Use Policy, which may be found at <https://airespring.com/service-terms/acceptable-use-policy-aup/>, both of which are incorporated into this Agreement by this reference. This Agreement represents the entire agreement between the Parties and supersedes and merges all prior offers, agreements, promises, understandings, statements, representations, warranties, indemnities and inducements to the making of this Agreement relied upon by either Party, whether written or oral, between or among Customer and AireSpring as well as AireSpring's agents, employees, and/or sales persons. This Agreement is voidable by AireSpring if the text is modified without the written or initialed consent of an AireSpring Officer. Except as may otherwise be provided herein, any amendments or modifications to this Agreement must be in writing and signed by an AireSpring Officer. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Customer hereby irrevocably submits to the personal jurisdiction of and consents to venue exclusively in any state or federal court sitting in the State of California, County of Los Angeles, in any suit, action, or proceeding arising out of or relating to this Agreement. Customer hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which such party may raise now, or hereafter have, to the laying of the venue of any such suit, action or proceeding brought in such court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. Customer hereby expressly waives the right to a trial by jury in any action or proceeding brought against customer relating to this agreement. Upon completion of any initial or renewal term commitment, (or in the event of a move, upgrade, downgrade, or change of underlying carrier,) any disconnection request by customer must be provided in writing 45 days prior to the requested disconnection date and customer will continue to be billed until after the disconnection is completed, or 45 days after disconnection notice, whichever is greater. Customer agrees that AireSpring may request credit information from third parties and authorizes the release of such information from the customer's financial institution as part of this application for credit.

Additional Terms and Conditions are incorporated herein by reference: <http://additionalterms.airespring.com/AdditionalTerms.aspx?L=36,1,82,85>

Company Name: City of Moreno Valley

*Authorized Signature

*Print Name

*Title

*Date

*Email

*Contact Number

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

AIRESRING CREDIT APPLICATION

Required if Customer does not have an existing Airespring account

CONTACT & ACCOUNT INFORMATION

*CUSTOMER NAME: City of Moreno Valley			BILLING ACCOUNT NAME (IF DIFFERENT):		
*SERVICE ADDRESS: 22870 CALLE SAN JUAN DE LOS LAGOS			BILLING ADDRESS (IF DIFFERENT): 14177 FREDERICK ST, PO BOX 88005		
*CITY: MORENO VALLEY	*STATE: CA	*ZIP: 92553-9045	CITY: MORENO VALLEY	STATE: CA	ZIP: 92552-0805
*SERVICE CONTACT/TITLE: JOE LARA/TELECOMMUNICATIONS ENGINEER			BILLING ADDRESS CONTACT: ACCOUNTS PAYABLE		
*PHONE: 9514133420	FAX:		PHONE: 951-413-3073	FAX:	
*CONTACT E-MAIL – IMPORTANT (FOR CONTACT PURPOSES ONLY): JOEL@MOVAL.ORG			CONTACT E-MAIL – IMPORTANT (FOR CONTACT PURPOSES ONLY): ACCOUNTSPAYABLE@MOVAL.ORG		
*FULL LEGAL NAME (PER CORPORATE CHARTER OR DBA):					
<input type="checkbox"/> CORPORATION		<input type="checkbox"/> GENERAL PARTNERSHIP		<input type="checkbox"/> LIMITED PARTNERSHIP	
<input type="checkbox"/> SOLE PROPRIETORSHIP		<input type="checkbox"/> NONPROFIT ORGANIZATION		<input type="checkbox"/> LIMITED LIABILITY COMPANY	
		<input type="checkbox"/> HOME BUSINESS		<input checked="" type="checkbox"/> OTHER: MUNICIPAL CORPORATION	
*INCORPORATION DATE: 12 / 1984 - STATE: CA		*CURRENT SVC PROVIDER: CENTURY L		REQUIRED: INCLUDE COPIES OF PAYMENT SUMMARY PAGE FROM 3 RECENT BILLS FROM YOUR CURRENT SERVICE PROVIDER	
*WILL THE SERVICE PROVIDED BY AIRESRING BE USED FOR WHOLESALE OR RESALE PURPOSES?				<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
IS YOUR COMPANY/ORGANIZATION TAX EXEMPT? IF YES, ATTACH AIRESRING TAX EXEMPTION FORM (OBTAIN FROM YOUR AIRESRING AGENT)				<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
*ESTIMATED MONTHLY USAGE:				\$	
*TYPE OF BUSINESS: City Government			*YEARS IN BUSINESS: 35		
Please note: \$5 monthly fee per invoice will be charged unless paperless billing is requested. If requested, paperless billing will apply to all customer accounts.		*PAPERLESS BILLING <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		*EMAIL ADDRESS: accounts payable@moval.org (Must be provided for paperless billing)	

INTERNATIONAL USAGE

*OPEN INTERNATIONAL TRAFFIC TO 011 DESTINATIONS? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	*ESTIMATED % OF INTERNATIONAL TRAFFIC: 1 %
MAIN COUNTRIES CALLED: MEXICO, CANADA	

CREDIT INFORMATION

*1. OWNER/PARTNER NAME:	SOCIAL SECURITY # (NOT FEIN): - -
2. OWNER/PARTNER NAME:	SOCIAL SECURITY # (NOT FEIN): - -
Dun & Bradstreet Number:	

BANK INFORMATION

*Bank Name:	*Bank Phone Number:
*Bank Account Number:	*Bank Contact Name:

ALL ITEMS BOLD AND MARKED WITH AN ASTERISK (*) ARE MANDATORY. ORDERS MISSING MANDATORY INFORMATION MAY BE RETURNED FOR COMPLETION WITHOUT PROCESSING.

CERTIFICATION & AUTHORIZATION

I certify that all the information contained in this application and any attachments are true and correct. Service is provided under Airespring General Terms and conditions. (Please visit <https://airespring.com/service-terms/> for a complete and updated description of the terms of service.)

I AGREE THAT AIRESRING MAY REQUEST CREDIT INFORMATION FROM THIRD PARTIES AND I AUTHORIZE THE RELEASE OF SUCH INFORMATION FROM THE CUSTOMER'S FINANCIAL INSTITUTION AS PART OF THIS APPLICATION FOR AIRESRING CREDIT.

*Signature of Applicant:	*Printed Name of Applicant:
*Date: / /	*Title of Applicant:

*Customer Initial: _____



LETTER OF AGENCY

Required if Porting Local Numbers

*Agent Name: Chris Butcher

A.9.b

*Agent ID: ASP0990

Please note – LOA should be submitted with a copy of a recent phone bill from your local provider

PHYSICAL LOCATION

*Company:
City of Moreno Valley

Billing Telephone Number:
9514133000 thru 3999

Designated Contact:
Joe Lara

Contact Phone Number:
9514133420

*Service Address:
22870 CALLE SAN JUAN DE LOS LAGOS

*Building:
Emergency Operations Center

*Suite:

*Floor / Room:
1

*City:
MORENO VALLEY

*State:
CA

*Zip:
92553-9045

*Current Local Service Provider:
Century Link

ADDITIONAL BILLING TELEPHONE NUMBERS

BTN #2:

BTN #4:

BTN #3:

BTN #5:

NOTICE – USE OF CUSTOMER INFORMATION

Attached page(s) provide a complete listing of Telephone Lines to be switched to Airespring.

By signing this application contract, I am authorizing Airespring to become my new provider of network/communications service, long-distance service and/or local service (if available and selected by me). I authorize Airespring to act as my agent to make this change happen, and direct my local company to work with Airespring to affect the change.

I further certify that I am at least eighteen years of age, and that I am authorized to change telephone companies for services to the telephone numbers listed above. I am responsible for all valid Airespring charges for all usage.

*By: Name (Please print or type)

*Authorized Signature

*Date

Signing this document will result in a service provider change

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____



ORDER FORM AND TERM PLAN
SD-WAN (with Voice)
Digital PRI/T1 Handoff

A.9.b

*Quote ID#: 1122494752

*Carrier:

*Quote Expiration: 04/23/2020

*IP Provider:

*Proposal ID#: 198089

Channel Mgr: Gabriel Valderrama

OMR#:

Sales Support: 844-832-8514
Email to orders@airespring.com or Fax to 888-899-2928

*Agent: Chris Butcher

*Agent ID: ASP0990

*Sales Engineer:

*Submitted By: Gabriel Valderrama

IMPORTANT -- ALL BOLDED FIELDS WITH AN ASTERISK (*) MUST BE COMPLETED

PHYSICAL LOCATION

*Order Type: New: Move: Upgrade:

*Company Name: City of Moreno Valley	*Location Name: Moreno Valley	Existing Customer Number:	<input type="checkbox"/> Separate bill for this location?
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*Physical Address: 14177 FREDERICK ST	*Suite:	*Bldg./Fl./Rm:	*Billing Address: (if different) 14177 Frederick St, PO Box 88005
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*City: MORENO VALLEY	*State: CA	*Zip: 92553-9014	*City: Moreno Valley
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MPOE: (Location in building where telephone company installs circuit. Eg. basement, telco closet) City Hall first floor electrical closet	*State: CA	Zip: 92552
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CONTACT INFORMATION

	*Name	Title	*Phone	Mobile Phone	E-mail
*Customer Contact:	Joe Lara	Telecom Engineer	951-413-3420	951-691-3399	joel@moval.org
*Technical/Vendor Contact:	Bryan Godinez	Network Administrator	951-413-3415		bryang@moval.org
*On-Site Contact:	Ricardo Gonzalez	Sr. Telecom Tech	951-413-3405		ricg@moval.org

THE FOLLOWING INITIALS & SIGNATURES ARE REQUIRED

1.) Initials on all Pages at the Bottom Left.	2.) Signature on the bottom of "Term and Usage Agreement."
3.) If Porting Numbers, signature required on "Letter of Agency," and current phone bill copies are strongly recommended.	4.) New Customers – Complete and Sign "Credit Application."

SD-WAN INFORMATION AND PRICING

Description	Term	Quantity	MRC
[High Availability] VeloCloud SD-WAN - Up to 200 Mb/s of In-Tunnel Bandwidth (Up and Down Combined) "Up and Down Combined" is the sum of the upload and download speeds of all In-Tunnel Traffic.	3-Year	1	\$430.00
AireSpring Gateway Access - 200 Mb/s - Maximum Licensed In-Tunnel Bandwidth (Up and Down Combined) Promotional Offer. Required for Access to AireSpring Gateways	3-Year	1	\$0.00
VeloCloud Edge 540 Supports up to 500 Mb/s of Maximum Throughput (defined as the aggregate of all traffic flows to and from a device – Up and Down Combined).	3-Year	2	\$0.00
Additional Equipment Required for Voice Services	3-Year	1	\$15.00

High Availability Edge devices include both the primary edge and a hot stand-by edge (2 devices).

SD-WAN service reconfiguration and/or upgrade fee: \$400. Applies if firewall added to SD-WAN service after the initial start of service.

For Cisco Meraki, at the end of the initial or any renewal term if Customer does not renew the service prior to the end of the term, the service will cease to operate.

If Licensed bandwidth is exceeded, AireSpring may upgrade the License to match actual usage.

*Ground Shipping & Handling: ICB - (Expedited Shipping Additional)

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

CIRCUIT INFORMATION AND PRICING

*Site NPA/NXX: 951-208			*Term: 3-Year		
*Capacity	IP Provider	*Loop MRC	*Loop NRC	*Port MRC	*Port NRC
F-E 100	Frontier	\$362.22	\$0.00	\$540.00	\$0.00

*Managed Router MRC:			*Managed Router NRC:		
Broadband connectivity speeds are listed as BB in the Capacity Field.			Satellite connectivity speeds are listed as SAT in the Capacity Field		

EXISTING CONNECTIONS

Carrier (e.g. ACME Telecom)	Circuit Type (e.g Fast-E, Broadband, etc.)	Download Speed (Mbps)	Upload Speed (Mbps)

OPTIONAL ROUTER UPGRADES

Device	WAN/LAN Ports	AC Power	1 Year MRC	2 Year MRC	3 Year MRC
(Default)* Router: ADTRAN 908e	1 RJ45 Gig-E, 2 RJ45 Fast-E	110 VAC	\$0.00	\$0.00	\$0.00
Upgrade to: NetVanta 6250	1 Combo** SFP/RJ45 Gig-E, 3 RJ45 Fast-E	110 VAC	\$120.00	\$65.00	\$45.00
Upgrade to: NetVanta 6360	1 SFP Gig-E, 1 Combo** SFP/RJ45 Gig-E, 3 RJ45 Gig-E	110-240 VAC	\$180.00	\$95.00	\$65.00

*Default router model may change at Airespring's discretion

**Use of the SFP port disables the corresponding RJ45 port

ADDITIONAL OPTIONAL ROUTERS

Device	WAN/LAN Ports	AC Power	1 Year MRC		2 Year MRC		3 Year MRC	
			MRC	NRC	MRC	NRC	MRC	NRC
ADTRAN 908e	1 RJ45 Gig-E, 2 RJ45 Fast-E	110 VAC	\$100.00	\$50.00	\$50.00	\$50.00	\$35.00	\$0.00
NetVanta 6250	1 Combo* SFP/RJ45 Gig-E, 3 RJ45 Fast-E	110 VAC	\$210.00	\$100.00	\$105.00	\$100.00	\$75.00	\$0.00
NetVanta 6360	1 SFP Gig-E, 1 Combo* SFP/RJ45 Gig-E, 3 RJ45 Gig-E	110-240 VAC	\$260.00	\$170.00	\$135.00	\$100.00	\$95.00	\$0.00
ADTRAN 1544p	24 fixed Gig-E ports and four 2.5 Gbps SFP ports	110-240 VAC	\$270.00	\$180.00	\$145.00	\$180.00	\$110.00	\$0.00

*Use of the SFP port disables the corresponding RJ45 port

DEMARC EXTENSION CHARGES

\$300.00 per T1 -- includes up to 2 hours of labor and 100 feet of Cat5e cable.
 Additional labor: \$125.00 per hour, billed in 15 minute increments. Additional Cat5e cable: \$.25 per foot.
 Fiber and EOC demarc extensions – ICB pricing

INSTALL TIMEFRAMES AND EXPEDITES

Customer understands and accepts the following estimated installation timeframes:
 90 days for services which utilize a Fast-E circuit, 120 days for services which utilize a Gig-E circuit, 60 days for services which utilize all other circuit types. Actual installation timelines vary by underlying carrier and loop provider and are dependent on multiple factors, including construction requirements, availability of facilities and other variables.

Paid Expedites: Customer may request an expedite for an additional fee. All expedites must be approved by Airespring.

NOTE: Airespring cannot ever guarantee any installation timeframes including paid expedites.

NOTES

In the event customer changes a scheduled due date less than six business days from the due date, customer will be assessed a rescheduling fee. Please be advised that changes to a scheduled due date can impact service delivery timelines.

Faxing, Alarm Lines, Modem Lines, DSL Lines, Credit Card Processing and Elevator Lines are not supported on Airespring's Long Distance Network. Customer should utilize alternative network options for non-voice lines and for completion of inbound and outbound fax calls. Customer is required to identify in advance all non-voice lines (fax, alarm, modem, etc.) that are intended to utilize Airespring service.

Attachment: Airespring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

CLOUD COMMUNICATION SERVICES: DIGITAL PRI/T1

AIRESPRING DIGITAL PRI/T1 VOICE SERVICES

Zone	Service	Quantity	MRC	NRC
	Digital PRI/T1 Trunks	24	\$108.00	\$0.00
	Analog Lines	0	\$0.00	\$0.00

DOMESTIC USAGE RATES & PLANS

USAGE PLANS <i>US 48 States incl. Local Toll, Intrastate, Interstate</i> Unlimited Outbound plans require a subscription of all seats/lines/trunks ordered.	Cost	Quantity	Total
Unlimited Outbound & 12,000 Toll Free Minutes	\$120.00	1	\$120.00

LONG DISTANCE & TOLL FREE RATE IF NO PLAN SELECTED OR FOR EXCESS MINUTES: \$0.025

FREE LOCAL CALLING (Excludes Local Toll)

INTER-OFFICE ON-NET CALLING – Free between locations utilizing Airespring Local Network Services and Airespring assigned Local Service DIDs

INTERNATIONAL AND OFFSHORE RATES

INTERNATIONAL (011 Calls Only) <i>(Customer is responsible for all International traffic, including fraud.)</i>	*INT'L RATE PLAN #3 Rates are provided here: International Rates	<input type="checkbox"/> Block International (See Terms of Service for limitation of liability)	OFFSHORE: Rates are provided at Offshore Rates
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AIRESPRING DEVICES

Model	Description	Term	Quantity	MRC	NRC
10-Port Gigabit Managed Switch		Rental	2	\$26.00	\$0.00

*Minimum one (1) year management fee MRC required if purchasing BEC or CradlePoint.

*Shipping & Handling per BEC / CradlePoint: (Ground Shipping) \$24.73 NRC

Shipping & Handling per Switch: (Ground Shipping) \$20.00 NRC

Additional Charges for Expedited Shipping

*Airespring Warranty (Applicable to all rentals) – Device warranty is extended for the period of the customer's contract and is subject to AireSpring's terms and conditions.
*Manufacturer Warranty (Applicable to all purchases) – Device warranty is covered under the manufacturer's warranty period and is subject to AireSpring's terms and conditions.
*PURCHASE with 3 YEAR CONTRACT – Special offer only available for new service. Add-on service requires extension of all services under contract for 3 years from date of add-on.
*Sales Tax based on the Full Retail Purchase Price will apply.

DID NUMBERS

Block of 20 DIDs (minimum)		Block of 20 DIDs (If ordering more than one)		Quantity	MRC	NRC
MRC	NRC	MRC	NRC	500	\$150.00	\$150.00
\$10	\$10	\$6	\$6			
Are you transferring existing DID Numbers?				<input checked="" type="checkbox"/> YES	Quantity: 500	<input type="checkbox"/> NO
Are you requesting New DID Numbers?				<input type="checkbox"/> YES	Quantity:	<input type="checkbox"/> NO
# of Rate Centers:		Quantity:		All orders over 500 DIDs or more than 3 Rate Centers per Customer are Special Projects and will be priced on an ICB basis if approved.		

TOLL FREE NUMBERS

Toll Free Numbers (1-50 Numbers)	MRC per Number	NRC per Number	Quantity: 0	MRC: \$0.00	NRC: \$0.00
	\$1.00	\$5.00			
Toll Free Numbers (above 50)	MRC per Number	NRC per Number	Quantity:	MRC:	NRC:
	\$0.50	\$1.00			
Are you transferring existing Toll Free Numbers? <i>(If Yes, Toll Free Service RespOrg Form will be required.)</i>			<input type="checkbox"/> YES	Quantity:	<input type="checkbox"/> NO

Attachment: Airespring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

ADDITIONAL SERVICES

Description	Term	Quantity	MRC	NRC
DTO/RCF (For each unique POTS terminating number) Direct Trunk Overflow (DTO) / Disaster Recovery provides automatic routing of Airespring DIDs (or Toll Free Numbers) associated with Airespring Long Distance and Local Services Only to a POTS Number (DID, Toll Free Number, Standard Phone Line, or Airespring Trunk) on the PSTN in the event customer's primary telecommunications connectivity fails or becomes unavailable. Customer must list each DID needed for DTO / Disaster Recovery. Remote Call Forwarding (RCF) provides the ability to manually forward Airespring DIDs (or Toll Free Numbers) associated with Airespring Long Distance and Local Service to a POTS Number (DID, Toll Free Number, Standard Phone Line, or Airespring Trunk) on the PSTN.	Monthly	1	\$20.00	\$20.00
Additional Airespring IP Addresses: 32 (Usable: 29)	3-Year Term	1	\$55.00	\$0.00

Firewall service reconfiguration and/or upgrade fee: \$400. Applies if SD-WAN added to firewall service after the initial start of service.

For more information on firewall throughput and user guidelines, [click here](#).

AIRETXT SMS SERVICES

Text to/from Landline or Toll Free	Quantity	MRC	NRC	Inbound Outbound	Overage Rate per SMS
Initial Line + Message Bundle	Select from Dropdown	\$10.00	\$10.00	1000 Messages included	\$0.025
Additional Lines		\$1.00	\$1.00	N/A	N/A
Additional Message Bundles (Messages are shared across all lines ordered)		\$5.00	\$5.00	500 Messages included	\$0.025

OTHER SERVICES / FEATURES / FEES

CHARGES

	CHARGES	
	MRC	NRC
Local Directory Assistance and Long Distance Directory Assistance	\$1.99 per call	
Initial Directory Listing (Simple)	No Charge	
Additional Directory Listing	\$5.00 per Listing	\$5.00 per Listing
Outbound Caller Name (CNAM)	\$3.00 per Number	\$3.00 per Number
Inbound Caller ID Name Note: All trunks must be subscribed	\$1.00 per Trunk	\$1.00 per Trunk
Account Codes - Non-verified – Must be used on all calls	\$25.00 per Location	\$75.00 per Location
Account Codes - Verified – Must be used on all calls (up to 50; greater than 50 is subject to project fee)	\$50.00 per Location	\$150.00 per Location
Software, Trunk Group or Routing Change Order Fee (Off hours and weekend work ICB)	(Applicable MRC)	\$75 per Change Order
Additional Trunk or Hunt Group(s) (Initial Trunk or Hunt Group – No Charge)	\$5.00 per Group	\$5.00 per Group
Replacement Routers / Hardware	Shipment of replacement routers or hardware to be paid by customer	
Do you need Account Codes?	<input type="checkbox"/> Verified or <input type="checkbox"/> Non-verified	<input type="checkbox"/> NO

Attachment: Airespring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

LOCAL NUMBER PORTING (LNP)

Local Number Porting (LNP) of Phone Numbers	Verizon provided – \$0.00 NRC per Number	Other Providers -- \$3.00 NRC per Number
LNP Change or Cancellation – Greater than 48 Hours	\$6.00 NRC per Number	
LNP Change or Cancellation – Less than 48 Hours	\$75.00 NRC per Number	
Snapback to Prior Carrier (after completed porting)	\$300.00 NRC per Number	
Local Number Porting (LNP) of Virtual Private Numbers (If VPN is in a different Rate Center as Location)	\$25 NRC per Number	

IP ADDRESS INFORMATION

All IP addresses are subject to approval from the underlying provider based on an IP Address Justification Form completed by customer. All prices MRC unless otherwise noted.

CIDR	Public IPs	Usable IPs	AireSpring IP	Altice (Fiber)	AT&T (ABF/DSL)	Comcast (Fiber)	Comcast (Cable)	Cox (Cable)	GCAP/ Megapath	Lighttower	Spectrum (Fiber)	Spectrum (Cable)	TPAC	Verizon (FTTI)	Windstream	Zayo
/31	2	1	Free	Free	Free	\$20	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
/29	8	5	\$20	\$35	Free	\$25	\$15	Free	\$5	\$24	\$35	\$25	Free	\$14	\$20	Free
/28	16	13	\$35	\$50	\$20	\$30	\$35	\$25	\$10	\$48	\$50	\$40	\$10	\$35	\$32	\$48
/27	32	29	\$55	\$65	ICB	\$50	ICB	\$50	\$15	\$96	\$80	\$60	\$15	\$56	\$56	\$96
/26	64	61	N/A	\$75	ICB	\$75	ICB	\$75	\$20	\$192	\$100	N/A	\$25	\$84	\$96	\$192
/25	128	125	N/A	\$150	ICB	\$100	ICB	ICB	\$25	\$384	\$150	N/A	\$50	\$133	\$160	\$389
/24	256	253	N/A	\$300	ICB	\$200	ICB	ICB	\$50	\$768	\$200	N/A	\$100	ICB	ICB	\$769
ICB	> 256	ICB	N/A	ICB	ICB	ICB	ICB	ICB	ICB	ICB	ICB	N/A	ICB	ICB	ICB	ICB

Orders of up to 256 IP Addresses from AT&T Fiber/DS1, CenturyLink Fiber/DS1, FairPoint, Verizon Fiber/DS1, Cox Fiber, Frontier Fiber, and XO are free. Orders of more than 256 IP Addresses are ICB.

*If Customer is using Airespring CPE one usable IP address must be assigned to this CPE.

SUMMARY TOTALS

Total MRC *: \$1,826.22	Total NRC*: \$170.00
<small>*Total does not include any services or equipment not ordered, as well as AireTXT, Domestic / International / Offshore Usage (excluding bundles), Other Services / Features / Fees, LNP, Configuration and Training, Shipping, Expedite Fees, Demarc Extension Charges, or IP Addresses.</small>	<small>*Total does not include any services or equipment not ordered, as well as AireTXT, Domestic / International / Offshore Usage (excluding bundles), Other Services / Features / Fees, LNP, Configuration and Training, Shipping, Expedite Fees, Demarc Extension Charges, or IP Addresses.</small>
<small>Charges do not include additional surcharges and government mandated taxes. A full list of current Airespring surcharges may be found at: https://airespring.com/regulatory-charges-and-surcharges/</small>	

Attachment: Airespring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

DIRECTORY LISTING / DIRECTORY ASSISTANCE

Street Address: 14177 FREDERICK ST	Type of Business/Organization:	
City: MORENO VALLEY	State: CA	Zip: 92553-9014

TRANSACTION TYPE

No Directory Listing Requested
 New

CLASS OF SERVICE

Business
 County
 State
 US Government
 Military
 School

Community/Book: Include in Yellow Pages -- Heading(s):

Type of Listing *	Listing Request **			Indent Levels (0-6) (Captions only)	Listed Name (or Caption)	Listed Address	Listed Phone Number
	Listed	Non-Listed	Non-Published				
Main (included)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	City of Moreno Valley	14177 Frederick St, Moreno Valley CA	951-413-3000
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* Indicate: Main, Additional, Caption, or Foreign.

** Indicate: Listed, Non-listed (excluded from printed Directory only), Non-published (excluded from printed Directory and Directory Assistance)

LOCAL SERVICE 911/E-911 INFORMATION

IMPORTANT: AIRESPRING WILL IDENTIFY ALL NUMBERS ASSOCIATED WITH THIS ACCOUNT AS BEING LOCATED AT THE PHYSICAL ADDRESS LISTED ON PAGE 1 OF THE ORDER FORM FOR PURPOSES OF PROVIDING 911 LOCATION INFORMATION.

*Are there any remote/offsite users or extensions so that additional 911 addresses are needed? NO YES -- a supplementary 911 form is required

911 NOTICE – USE OF CUSTOMER INFORMATION

CUSTOMER ACKNOWLEDGES AND AGREES THAT AIRESPRING'S SERVICE IS INTERNET BASED AND THAT 911 SERVICES ARE DIFFERENT THAN THAT OF TRADITIONAL WIRELINE SERVICE. FOR BASIC 911 OR E911 TO BE ACCURATELY ROUTED TO THE APPROPRIATE EMERGENCY RESPONDER, THE CUSTOMER MUST PROVIDE THE TELEPHONE NUMBER ASSOCIATED WITH SERVICE FOR THE REGISTERED ADDRESS, IN THE PHYSICAL LOCATION SECTION OF THE LOCAL SERVICE 911/911E INFORMATION SHEET. CUSTOMER ACKNOWLEDGES THAT THE SIP TRUNK SERVICE MAY NOT SUPPORT BASIC 911 OR E911 DIALING IN THE SAME MANNER AS TRADITIONAL WIRELINE PHONE SERVICE. CUSTOMER AGREES TO INFORM OF THE POTENTIAL COMPLICATIONS ARISING FROM BASIC 911 OR E911 DIALING. SPECIFICALLY, CUSTOMER ACKNOWLEDGES AND AGREES TO INFORM ALL EMPLOYEES, GUESTS, AND OTHER THIRD PERSONS WHO MAY USE THE SERVICE THAT BASIC 911 AND E911 SERVICES WILL NOT FUNCTION IN THE CASE OF A SERVICE FAILURE FOR ANY OF THE FOLLOWING REASONS: (A) POWER FAILURES, (B) NETWORK CONGESTION OR SIGNIFICANT DEGRADATION OF CUSTOMER'S INTERNET ACCESS OR OTHER TYPES OF ACCESS SERVICE; (C) SUSPENDED OR TERMINATED BROADBAND SERVICE, (D) SUSPENSION OF SERVICES DUE TO BILLING ISSUES, AND/OR (E) ANY OTHER SERVICE OUTAGES NOT DESCRIBED HEREIN. AIRESPRING STRONGLY RECOMMENDS CUSTOMER AT ALL TIMES MAINTAINS AN ALTERNATIVE METHOD FOR PLACING EMERGENCY CALLS. CUSTOMER FURTHER ACKNOWLEDGES THAT FAILURE TO PROVIDE A CORRECT PHYSICAL ADDRESS IN THE REQUISITE FORMAT MAY CAUSE ALL BASIC 911 OR E911 CALLS TO BE ROUTED TO THE INCORRECT LOCAL EMERGENCY SERVICE PROVIDER. FURTHERMORE, CUSTOMER RECOGNIZES THAT USE OF THE SERVICE FROM A LOCATION OTHER THAN THE LOCATION TO WHICH THE SERVICE WAS ORDERED, I.E., THE "REGISTERED ADDRESS," MAY RESULT IN BASIC 911 OR E911 CALLS BEING ROUTED TO THE INCORRECT LOCAL EMERGENCY SERVICE PROVIDER. FOR THE EMERGENCY CENTER, KNOWN AS THE PUBLIC SERVICE ANSWERING POINT ("PSAP"), TO RECEIVE THE CUSTOMER'S CORRECT 911 ADDRESS INFORMATION, CUSTOMER MUST ROUTE THEIR 911 CALLS TO AIRESPRING USING DIDS WHICH ARE ASSIGNED BY AIRESPRING OR PORTED TO AIRESPRING AND SET UP BY AIRESPRING AS 911-ENABLED. IF CUSTOMER ROUTES 911 CALLS USING AIRESPRING 911-ENABLED DIDS TO ANOTHER PHONE COMPANY, THEN I) THE PSAP MAY NOT RECEIVE THE PROPER ADDRESS, AND II) THAT OTHER PHONE COMPANY MAY CHARGE CUSTOMER FOR SUCH CALL. ADDITIONALLY, 911 CALLS MUST BE ROUTED OVER A LOCAL TRUNK GROUP, NOT A LONG DISTANCE TRUNK GROUP TO AVOID CALL FAILURE. CUSTOMER MUST HAVE AT LEAST ONE 911-ENABLED AIRESPRING DID FOR EACH LOCATION, WITH THAT LOCATION'S CORRECT ADDRESS POPULATED IN AIRESPRING'S 911 DATABASE, FOR 911 DATABASE SERVICES TO OPERATE PROPERLY FOR DIDS UTILIZED AT THAT LOCATION. CUSTOMER ACKNOWLEDGES AND AGREES THAT AIRESPRING, ITS UNDERLYING CARRIERS, OR ANY OTHER THIRD PARTIES INVOLVED IN THE ROUTING, HANDLING, DELIVERY, OR ANSWERING OF EMERGENCY SERVICES OR IN RESPONDING TO EMERGENCY CALLS, NOR THEIR OFFICERS OR EMPLOYEES, MAY BE HELD LIABLE FOR ANY CLAIM, DAMAGE, LOSS, FINE, PENALTY OR COST (INCLUDING, WITHOUT LIMITATION, ATTORNEYS FEES) AND CUSTOMER HEREBY WAIVES ANY AND ALL SUCH CLAIMS OR CAUSES OF ACTION, ARISING FROM OR RELATING TO THE PROVISION OF ALL TYPES OF EMERGENCY SERVICES TO CUSTOMER. CUSTOMER FURTHER AGREES AND ACKNOWLEDGES THAT IT IS INDEMNIFYING AND HOLDING HARMLESS AIRESPRING FROM ANY CLAIM OR ACTION FOR ANY CALLER PLACING SUCH A CALL WITHOUT REGARD TO WHETHER THE CALLER IS AN EMPLOYEE OF THE CUSTOMER. CUSTOMER ACKNOWLEDGES AND AGREES TO HOLD HARMLESS AND INDEMNIFY AIRESPRING FROM ANY CLAIM OR ACTION ARISING OUT OF MISROUTES OF ANY 911 CALLS, OR WHETHER LOCAL EMERGENCY RESPONSE CENTERS OR NATIONAL EMERGENCY CALLING CENTERS ANSWER A 911 CALL OR HOW THE 911 CALLS ARE HANDLED BY ANY EMERGENCY OPERATOR INCLUDING OPERATORS OF THE NATIONAL CALL CENTER. THE LIMITATIONS APPLY TO ALL CLAIMS REGARDLESS OF WHETHER THEY ARE BASED ON BREACH OF CONTRACT, BREACH OF WARRANT, PRODUCT LIABILITY, TORT AND ANY OTHER THEORIES OF LIABILITY. END USERS WHO SUBSCRIBE TO 911 OR E911 SERVICE WILL BE REQUIRED TO REGISTER THE PHYSICAL LOCATION OF THEIR EQUIPMENT (IP PHONE, SOFTPHONE, DIGITAL TELEPHONE ADAPTER OR VIDEOPHONE) WITH AIRESPRING AND AGREE TO CALL AIRESPRING CUSTOMER SERVICE TO UPDATE THE LOCATION WHENEVER THE PHYSICAL LOCATION OF SERVICE FOR A PARTICULAR TELEPHONE NUMBER CHANGES. SOME CUSTOMERS WILL HAVE THE ABILITY TO DIRECTLY UPDATE THEIR OWN E911 LOCATION VIA AN ONLINE PORTAL. CUSTOMER IS SOLELY RESPONSIBLE FOR SETTING THE E911 LOCATION ACCURATELY TO THE CORRECT PHYSICAL LOCATION OF CUSTOMER'S EQUIPMENT (DESK PHONE, SOFTPHONE, VIDEOPHONE OR MOBILE PHONE) WITH AIRESPRING. FOR USERS OF THE AIRESPRING KEY SYSTEM TELEPHONES: TO PRESERVE THE ABILITY OF 911 OR E911 PUBLIC SAFETY PSAP PERSONNEL TO RESPOND PROPERLY, CUSTOMER / END USERS OF THE KEY SYSTEM CANNOT MOVE THEIR KEY SYSTEM PHONE TO ANOTHER STREET ADDRESS DIFFERENT FROM THE STREET ADDRESS ASSOCIATED WITH THE REGISTERED ADDRESS FOR SUCH CUSTOMER / END USER. AVAILABILITY OF 911 AND E911 SERVICES IS LIMITED TO THE FIFTY UNITED STATES OF AMERICA.

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

TERM AND USAGE AGREEMENT

The term of this Agreement will be for a period of *3-Year from the Start of Service Date. The Start of Service Date shall be the earlier of i) the Customer's first use of the service, ii) five (5) business days after Circuit Ready Date, regardless of whether all Services (including voice) have been turned up and regardless of Customer readiness, or iii) five (5) business days after the start of a "Customer Delay of Circuit Installation". "Circuit Ready Date" is the date the Customer's circuit is active, as notified by the underlying provider. "Customer Delay of Circuit Installation" is defined as an occurrence of Customer directly or indirectly delaying or impeding AireSpring's underlying provider from installing and/or testing Customer's access circuit/loop. Customer indirectly delays the underlying provider if the Customer site is not ready to accept Services, or if the Customer's employees, contractors, suppliers, vendors, agents, assigns, property owner, property manager, or landlord does not allow, blocks or delays AireSpring's underlying provider from installing or testing the access circuit/loop. The Customer is required to coordinate with AireSpring to install the hub site first, with each remote site to follow. Customer networking issues, whether the result of improper network design, equipment issues, or incorrect information supplied to AireSpring by or on behalf of the Customer, shall not relieve the Customer of the obligation to pay for the Service, including circuit charges, beginning on the Start of Service Date. In the event Customer places an order on hold or delays or impedes AireSpring from expeditiously submitting Customer's order to underlying carrier, Customer pricing may change as notified by AireSpring. Orders placed on hold may require customer approval to proceed with implementation. Upon completion of any initial or any renewal term commitment, or if no term is specified above, for all non-SD-WAN services this Agreement shall automatically renew for successive one-year terms. For SD-WAN services, this Agreement shall automatically renew for successive Month to Month, and in no event shall the renewal term for SD-WAN services be less than one year. Customer contracts to pay the Monthly Recurring Charges as listed above for the term of this Agreement, or \$250 per account, whichever is greater, for the term of this Agreement. By signing this Agreement, Customer agrees to pay all applicable circuit port, loop and Equipment MRC charges in advance, and any usage/overage charges in arrears. Customer's first bill shall include pro-ration of first month's service, as well as any NRC's. In the event Customer terminates this Agreement after the Start of Service Date but prior to the end of the applicable term, Customer shall pay to AireSpring on demand, as liquidated damages and not as a penalty, an Early Termination Liability charge ("ETL") equal to the sum of i) one hundred percent (100%) of the Monthly Recurring Charges ("MRCs") for loop/circuit charges for all of the months remaining in any applicable term, ii) one hundred percent (100%) of MRCs for all other charges for the remaining months in the initial twelve months of the term, iii) eighty percent (80%) of the MRCs for all other charges for the remaining months in months 13 - 24 of the term, and iv) seventy percent (70%) of the remaining MRCs for all other charges for the remaining months in the term, namely month 25 and after. With respect to Customer terminating the Agreement after the submission of paperwork to the underlying carrier but prior to the Start of Service Date, the ETL will be equivalent to Customer terminating during the initial twelve (12) months as described above. In the event Customer terminates this Agreement prior to the submission of paperwork to the underlying carrier Customer shall be subject to the following fees: \$1000 per DS-1/EOC/Broadband circuit or \$3000 per Fast-E or similar circuit. For Customer Provided Connectivity orders, Customer shall pay a cancellation fee of \$750 per location if Customer cancels the order prior to Start of Service. Additionally, a 20% restocking fee of the undiscounted, retail price of AireSpring provided devices shall apply and be paid by Customer for all equipment returned unopened to AireSpring and in original packaging within 30 days of shipment to Customer and prior to Start of Service. Equipment that has been opened or used may not be returned, and will be billed at the full undiscounted, retail price in the event Customer cancels service prior to Start of Service. AireSpring managed routers are pre-configured and sent to Customer to be self-installed, if Customer requests a professional installation AireSpring will charge Customer an installation fee of \$1000. All local loop circuit install charges are quoted with install to the Local Exchange Carrier assigned building demarcation point (Demarc). AireSpring will pass through any costs associated with extending wiring beyond the Demarc. In conjunction with the services ordered, AireSpring may provide Customer with Customer Premises Equipment (CPE) on a rental or included basis. If service is terminated for any reason, Customer must return all AireSpring and underlying carrier provided equipment within 30 days of termination, or Customer will be billed for the full new cost of the equipment. It is not necessary to return Equipment purchased by Customer. AireSpring will provide all long distance and local services. No other long distance and local providers may be used with this service. Rating of outbound calls as Local applies only to calls that utilize telephone numbers (DIDs) assigned by AireSpring or that have been ported to AireSpring's service as the originating ANI, and are displayed accordingly in the Caller ID field. The International Rate Plan Number above refers to a set of country specific rates defining costs to each international dialed location. Customer requests to block international calling does not relieve Customer from liability for all completed calls made utilizing Customer's equipment, whether authorized or unauthorized. AireSpring's fair use policy ("Fair Use Policy") as set forth below and in the Master Service Agreement is designed to prevent abuse, fraud or unreasonable exploitation of AireSpring's unlimited local and long distance service plans and unreasonable overutilization of AireSpring's facilities. AireSpring's unlimited calling plans, both long distance and local, are intended solely for normal commercial use. AireSpring's unlimited calling plans are designed only for continuous live dialog between two individuals. Unusual calling patterns, excessive called numbers and/or consistent excessive usage will each be considered an indicator that usage is exceeding normal standards. AireSpring's unlimited calling plans may not be used for auto-dialing, continuous, or extensive call forwarding, excessive conferencing, inbound/outbound centralized or distributed call center activity, inbound/outbound customer service, telemarketing (including charitable or political solicitation or polling), fax or voicemail blasting, or for continuous or extensive chat line access, or as an open telephone line as a monitor, intercom or transcription service. See AireSpring's Master Service Agreement for a complete list of prohibited uses. AireSpring has other plans applicable for such applications and businesses. It will be considered outside of AireSpring's Fair Use Policy on an unlimited calling plan for a Customer to exceed more than one-thousand (1,000) inbound, outbound or toll free local or long distance minutes per month per subscriber line, SIP trunk, hosted seat, PRI/T-1 trunk/DS0 or analog line, etc., in aggregate ("Normal Usage"). For unlimited calling plans, AireSpring shall apply a surcharge of up to \$0.04 per minute of use to the number of minutes by which Customer's usage exceeds this normal usage. All services provided to Customer by AireSpring are governed by the terms of a Master Service Agreement, which may be found at <https://airespring.com/service-terms/> and AireSpring's Acceptable Use Policy, which may be found at <https://airespring.com/service-terms/acceptable-use-policy-aup/>, both of which are incorporated into this Agreement by this reference. This Agreement represents the entire agreement between the Parties and supersedes and merges all prior offers, agreements, promises, understandings, statements, representations, warranties, indemnities and inducements to the making of this Agreement relied upon by either Party, whether written or oral, between or among Customer and AireSpring as well as AireSpring's agents, employees, and/or sales persons. This Agreement is voidable by AireSpring if the text is modified without the written or initialed consent of an AireSpring Officer. Except as may otherwise be provided herein, any amendments or modifications to this Agreement must be in writing and signed by an AireSpring Officer. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Customer hereby irrevocably submits to the personal jurisdiction of and consents to venue exclusively in any state or federal court sitting in the State of California, County of Los Angeles, in any suit, action, or proceeding arising out of or relating to this Agreement. Customer hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which such party may raise now, or hereafter have, to the laying of the venue of any such suit, action or proceeding brought in such court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. Customer hereby expressly waives the right to a trial by jury in any action or proceeding brought against customer relating to this agreement. Upon completion of any initial or renewal term commitment, (or in the event of a move, upgrade, downgrade, or change of underlying carrier,) any disconnection request by customer must be provided in writing 45 days prior to the requested disconnection date and customer will continue to be billed until after the disconnection is completed, or 45 days after disconnection notice, whichever is greater. Customer agrees that AireSpring may request credit information from third parties and authorizes the release of such information from the customer's financial institution as part of this application for credit.

Additional Terms and Conditions are incorporated herein by reference: <http://additionalterms.airespring.com/AdditionalTerms.aspx?L=74,1,85,90,97,100,29>

Company Name: City of Moreno Valley

*Authorized Signature

*Print Name

*Title

*Date

*Email

*Contact Number

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____

AIRESPRING CREDIT APPLICATION

Required if Customer does not have an existing Airespring account

CONTACT & ACCOUNT INFORMATION

*CUSTOMER NAME: City of Moreno Valley			BILLING ACCOUNT NAME (IF DIFFERENT):		
*SERVICE ADDRESS: 14177 FREDERICK ST			BILLING ADDRESS (IF DIFFERENT): 14177 FREDERICK ST, PO BOX 88005		
*CITY: MORENO VALLEY	*STATE: CA	*ZIP: 92553-9014	CITY: MORENO VALLEY	STATE: CA	ZIP: 92552-0805
*SERVICE CONTACT/TITLE: JOE LARA/TELECOMMUNICATIONS ENGINEER			BILLING ADDRESS CONTACT: ACCOUNTS PAYABLE		
*PHONE: 951-413-3420	FAX:		PHONE: 951-413-3073	FAX:	
*CONTACT E-MAIL – IMPORTANT (FOR CONTACT PURPOSES ONLY): JOEL@MOVAL.ORG			CONTACT E-MAIL – IMPORTANT (FOR CONTACT PURPOSES ONLY): ACCOUNTSPAYABLE@MOVAL.ORG		
*FULL LEGAL NAME (PER CORPORATE CHARTER OR DBA):					
<input type="checkbox"/> CORPORATION		<input type="checkbox"/> GENERAL PARTNERSHIP		<input type="checkbox"/> LIMITED PARTNERSHIP	
<input type="checkbox"/> SOLE PROPRIETORSHIP		<input type="checkbox"/> NONPROFIT ORGANIZATION		<input type="checkbox"/> LIMITED LIABILITY COMPANY	
		<input type="checkbox"/> HOME BUSINESS		<input checked="" type="checkbox"/> OTHER: MUNICIPAL CORPORATION	
*INCORPORATION DATE: 12 / 1984 - STATE: CA		*CURRENT SVC PROVIDER: CENTURY L		REQUIRED: INCLUDE COPIES OF PAYMENT SUMMARY PAGE FROM 3 RECENT BILLS FROM YOUR CURRENT SERVICE PROVIDER	
*WILL THE SERVICE PROVIDED BY AIRESPRING BE USED FOR WHOLESALE OR RESALE PURPOSES?				<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
IS YOUR COMPANY/ORGANIZATION TAX EXEMPT? IF YES, ATTACH AIRESPRING TAX EXEMPTION FORM (OBTAIN FROM YOUR AIRESPRING AGENT)				<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
*ESTIMATED MONTHLY USAGE:				\$	
*TYPE OF BUSINESS: City Government			*YEARS IN BUSINESS: 35		
Please note: \$5 monthly fee per invoice will be charged unless paperless billing is requested. If requested, paperless billing will apply to all customer accounts.		*PAPERLESS BILLING <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		*EMAIL ADDRESS: accountspayable@moval.org (Must be provided for paperless billing)	

INTERNATIONAL USAGE

*OPEN INTERNATIONAL TRAFFIC TO 011 DESTINATIONS? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	*ESTIMATED % OF INTERNATIONAL TRAFFIC: 1 %
MAIN COUNTRIES CALLED: MEXICO, CANADA	

CREDIT INFORMATION

*1. OWNER/PARTNER NAME:	SOCIAL SECURITY # (NOT FEIN): - -
2. OWNER/PARTNER NAME:	SOCIAL SECURITY # (NOT FEIN): - -
Dun & Bradstreet Number:	

BANK INFORMATION

*Bank Name:	*Bank Phone Number:
*Bank Account Number:	*Bank Contact Name:

ALL ITEMS BOLD AND MARKED WITH AN ASTERISK (*) ARE MANDATORY. ORDERS MISSING MANDATORY INFORMATION MAY BE RETURNED FOR COMPLETION WITHOUT PROCESSING.

CERTIFICATION & AUTHORIZATION

I certify that all the information contained in this application and any attachments are true and correct. Service is provided under Airespring General Terms and conditions. (Please visit <https://airespring.com/service-terms/> for a complete and updated description of the terms of service.)
I AGREE THAT AIRESPRING MAY REQUEST CREDIT INFORMATION FROM THIRD PARTIES AND I AUTHORIZE THE RELEASE OF SUCH INFORMATION FROM THE CUSTOMER'S FINANCIAL INSTITUTION AS PART OF THIS APPLICATION FOR AIRESPRING CREDIT.

*Signature of Applicant:	*Printed Name of Applicant:
*Date: / /	*Title of Applicant:

*Customer Initial: _____



LETTER OF AGENCY

Required if Porting Local Numbers

*Agent Name: Chris Butcher

A.9.b

*Agent ID: ASP0990

Please note – LOA should be submitted with a copy of a recent phone bill from your local provider

PHYSICAL LOCATION

*Company:
City of Moreno Valley

Billing Telephone Number:
951-413-3000 thru 3999

Designated Contact:
Joe Lara

Contact Phone Number:
951-413-3420

*Service Address:
14177 FREDERICK ST

*Building:
City Hall

*Suite:

*Floor / Room:
1

*City:
MORENO VALLEY

*State:
CA

*Zip:
92553-9014

*Current Local Service Provider:
Century Link

ADDITIONAL BILLING TELEPHONE NUMBERS

BTN #2:

BTN #4:

BTN #3:

BTN #5:

NOTICE – USE OF CUSTOMER INFORMATION

Attached page(s) provide a complete listing of Telephone Lines to be switched to Airespring.

By signing this application contract, I am authorizing Airespring to become my new provider of network/communications service, long-distance service and/or local service (if available and selected by me). I authorize Airespring to act as my agent to make this change happen, and direct my local company to work with Airespring to affect the change.

I further certify that I am at least eighteen years of age, and that I am authorized to change telephone companies for services to the telephone numbers listed above. I am responsible for all valid Airespring charges for all usage.

*By: Name (Please print or type)

*Authorized Signature

*Date

Signing this document will result in a service provider change

Attachment: AireSpring Contracts (3994 : APPROVAL OF CONTRACT WITH AIRESPRING, INC. FOR TELECOMMUNICATION SERVICES)

*Customer Initial: _____



Report to City Council

TO: Mayor and City Council

FROM: Manuel A. Mancha, Community Development Director
Steve Fries, Animal Services Division Manager

AGENDA DATE: April 21, 2020

TITLE: PETCO FOUNDATION GRANT

RECOMMENDED ACTION

Recommendations:

1. Receive and accept a grant award in the amount of \$20,000 from the Petco Foundation for the purpose of enhancing the interior portion of the Cattery at the Moreno Valley Animal Shelter allowing our healthy and adoptable cats to be prominently displayed to our potential adopters.
2. Approve the revenue and expense budget adjustments in the amount of \$20,000 as set forth in the Fiscal Impact section of this report.

SUMMARY

This report recommends acceptance of a \$20,000 grant award from the Petco Foundation and approval of the related revenue and expense budget adjustments to the Community Development Department budget. The grant funds will be used to enhance the interior Cattery at the Moreno Valley Animal Shelter providing a natural home habitat to better display healthy and adoptable cats to our potential adopters.

DISCUSSION

The Petco Foundation provides grants to municipal animal shelters throughout the United States for a variety of programs to assist companion animals. The Petco Foundation previously awarded the City the following grants totaling \$75,000:

- Trap-Neuter-Release (TNR) – Community/Feral Cat Program (\$25,000 awarded in 2016)

- Canine Enrichment Play Yard (\$20,000 awarded in 2017)
- Healthy Community Pets Outreach (\$30,000 awarded in 2019)

The Animal Services Division submitted a grant application to the Petco Foundation in September 2019 requesting funds to continue our successful efforts with increasing the number of positive outcomes for all cats placed into the care of the Moreno Valley Animal Shelter. Our live release rate for felines was a mere 11% only 10 years ago, having significantly increased to 65% in 2019.

The objectives of this important funding are:

- Increase the positive outcomes for our feline population beyond the current 65% Live Release Rate
- Reduce the stress level of our cats that are continually caged within the cattery
- Improve the overall health of cats placed into our care thereby enhancing and increasing their positive outcomes

This is the fourth grant award to the City by the Petco Foundation.

This funding is restricted for the purpose of enhancing the interior cattery at the Moreno Valley Animal Shelter in an effort to provide these animals the ability to be more interactive in a natural home environment with enrichment opportunities that will directly improve their likelihood of achieving a positive outcome.

ALTERNATIVES

- 1) Accept the grant award of \$20,000 and approve the revenue and expense budget adjustments. ***Staff recommends this alternative as it can increase the rate of positive outcomes for felines at the Moreno Valley Animal Shelter.***
- 2) Do not accept the grant award of \$20,000. *Staff does not recommend this alternative.*

FISCAL IMPACT

The fiscal impact of accepting the \$20,000 grant award will increase the Animal Services Division’s expenditures and revenue budgets for FY 2019-20 as identified below.

Description	Fund	GL Account No.	(Rev/Exp)	Budget	Adjustments	Amended Budget
Grant Operating Revenue	2300	2300-20-38-73313-489000	Rev	\$30,000	\$20,000	\$50,000
Contract Services	2300	2300-20-38-73313-620910	Exp	\$0.00	\$20,000	\$20,000

PREPARATION OF STAFF REPORT

Prepared By:

Department Head Approval:

Steve Fries
Animal Services Division Manager

Manuel A. Mancha
Community Development Director

CITY COUNCIL GOALS

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

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 2.11: Protect people and property against animal related injury and nuisance through enforcement of local and state animal welfare laws and ordinances.

ATTACHMENTS

1. PetcoFoundationGrantAwardAnnouncement-March2020

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/16/20 2:38 PM
City Attorney Approval	<u>✓ Approved</u>	4/16/20 3:54 PM
City Manager Approval	<u>✓ Approved</u>	4/16/20 4:01 PM



March 18, 2020

Dear Petco Foundation partner,

On behalf of everyone at the Petco Foundation, we are pleased to provide you with the enclosed grant award to be used towards the purpose outlined in your grant application for our Animal Sheltering & Adoptions grant cycle. Please see your approval email for instructions on how to properly acknowledge the Petco Foundation as well as the link to our press kit and logo.

We're honored to partner with your organization and invest in your lifesaving efforts. We celebrate your commitment to animals and thank you for all that you do on behalf of pets and the people who love and need them. After all, it takes all of us to create a lifesaving nation and a better world for animals.

So together, let's do this!

ALL FOR LOVE

Susanne Kogut
Executive Director
Petco Foundation

P.S. The Petco Foundation desires that all funds and efforts be prioritized for lifesaving, and seeks to reduce our environmental footprint. Therefore, we respectfully request that no items are mailed to the Petco Foundation and that any thank you letters be sent by email only to foundationpartners@petcofoundation.org. We welcome and appreciate recognition on social media (@petcofoundation), on your website, or in other print and digital communications. We ask that this recognition thank the Petco Foundation, Petco and/or our Petco store partners collectively rather than individual employees of Petco or the Petco Foundation. *The Petco Foundation is a 501(c)(3) nonprofit, tax exempt corporation. Tax I.D. 33-0845930*

654 Richland Hills Drive, San Antonio, TX 78245
www.petcofoundation.org

Attachment: PetcoFoundationGrantAwardAnnouncement-March2020 (3989 : PETCO FOUNDATION GRANT AWARD)

Steve Fries

From: foundationpartners@petcofoundation.org <do-not-reply.grants07-us-east-1@fluxx.io>
Sent: Thursday, March 12, 2020 3:46 PM
To: Steve Fries
Subject: Your application to the Petco Foundation for support is approved

Warning: External Email – Watch for Email Red Flags!

Dear Moreno Valley Animal Shelter,

Congratulations!

The Petco Foundation is thrilled to support your lifesaving efforts by investing \$20,000.00 in your organization in response to your application for support (ID number G-1909-11812).

Funds will be distributed 3 - 6 weeks following receipt of this email.

REQUIREMENTS:

By endorsing and depositing the grant award check, or accepting the electronic grant award deposit*, you represent and warrant that your organization will:

- Use all funds for lifesaving purposes.
- Announce and celebrate the investment as outlined by you in the grant application (you will receive further instructions in a separate email).
- Complete all assigned follow up grant reports in a timely manner.
- Complete your organization's Annual Partnership Report (accessible within the [Partner Portal](#)) each year to stay eligible for grant awards.

AWARD AMOUNT:

- The Petco Foundation's funding decisions are made through an evaluation process whereby your organization was compared against its peers. Multiple factors are considered including the total number of animals handled, budgets, previous funding history, relationships with Petco stores and other factors so that we may make equitable funding decisions.
- Based on this analysis, your award amount may be greater or less than the amount you suggested. As long as your use of funds stays focused on lifesaving objectives, you do not need to seek specific approval for each expenditure that deviates from the project description provided in the application. We trust that you will utilize these funds in the best manner possible to achieve the greatest return for your organization and community.

MUNICIPAL ORGANIZATIONS:

- Municipalities are reminded that, per the certification you agreed to during the application process, funds donated shall not supplant or replace existing government funding, may not be appropriated to the general funds of the municipality, but rather must be utilized and become an additional part of the funding of the animal control sheltering department.

ELECTRONIC PAYMENTS:

- Get your funds quicker and never lose a check in the mail - sign up for electronic payments! Login into the [Petco Foundation Partner Portal](#) and you'll find a link to enrollment information and instructions on the left side menu.

Thank you for all you do for animals! We look forward to hearing about the amazing lifesaving work you are able to accomplish with this investment.

Sincerely,

The Petco Foundation Team

**Organizations receiving electronic funds that cannot agree to the grant terms and conditions, as outlined in this and the recognition award letters, must notify the Petco Foundation immediately at petcofoundation@petcofoundation.org and return funds within 30 days of receipt.*

The Petco Foundation is a 501c3 nonprofit, tax exempt corporation, tax ID 33-0845930



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: April 21, 2020

TITLE: APPROVE MEASURE A LOCAL STREETS AND ROADS FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FY 2020/21-2024/25

RECOMMENDED ACTION

Recommendations:

1. Approve and authorize submittal of the City of Moreno Valley's Measure A Local Streets and Roads Five-Year Capital Improvement Plan for Fiscal Years 2020/21 – 2024/25 and Maintenance of Effort Certification for Fiscal Year 2020/21 to the Riverside County Transportation Commission.
2. Authorize the Director of Public Works/City Engineer to submit an amended five-year plan to the Riverside County Transportation Commission if changes are made to the listed Measure A projects.

SUMMARY

This report recommends approval of the City of Moreno Valley's Measure A Local Streets and Roads Five-Year Capital Improvement Plan (CIP) for Fiscal Years 2020/21 – 2024/25 (Plan) and Maintenance of Effort (MOE) Certification for FY 2020/21. Annual submittal of the Measure A Plan and MOE to the Riverside County Transportation Commission (RCTC) is required for continued receipt of Measure A funds. The approval of the attached Plan does not obligate any Measure A expenditures.

DISCUSSION

Measure A is a major funding source for transportation infrastructure improvements and operational elements of the Public Works Department. On April 1, 2020, Public Works was provided updated Measure A revenue projections for the next 5 years that include

RCTC's estimates for decreases due to COVID-19 impacts. The new projections estimate that the City will receive \$3,918,000 in Measure A revenue by Fiscal Year (FY) 2019/20 year-end and \$3,501,000 in funding for FY 2020/21. These new revenue numbers are \$528,000 and \$1,029,000 below previous estimates for these same fiscal years, respectively. This reduction of Measure A funding revenue from RCTC does not impact any of the City's pavement rehabilitation projects that are funded with Gas Tax.

RCTC requires all local jurisdictions to submit an annual five-year CIP, which includes a Project Status Report for FY 2019/20 Measure A funded CIP projects, for continued receipt of Measure A Local Streets and Roads funds. The projects are included in the Measure A Five-Year CIP to satisfy RCTC Ordinance No. 02-001 and only City projects with Measure A funding are required to be reported. City staff can forward amended Measure A project lists to RCTC when necessary. The purpose of this report is to document progress to date on engineering, right-of-way acquisition, construction, and anticipated project completion dates. The approval of the attached Plan does not obligate any Measure A expenditures.

Staff has reviewed the attached Plan to ensure only the most critical of projects and operational elements have been presented. The CIP projects listed in this Plan are recommended to move forward to ensure outside funding sources with deadlines (e.g. grants) are not lost and to avoid delays that would otherwise increase project costs. Additionally, the operational elements listed on the attached Plan ensure critical Public Works items (e.g. traffic signage and markings) continue.

RCTC Ordinance No. 02-001 also requires the City to provide an executed MOE Certification Statement indicating that Measure A funds will not replace local discretionary funds used for the City's transportation issues, but will be in addition to the City's funds for transportation purposes. The City's MOE base year amount, approved by the RCTC at its July 2011 meeting, is \$1,459,153. The MOE requirement is met by the Public Works Department General Fund operating budgets.

Approval of the recommended actions would support Objective 4 of the *Momentum MoVal* Strategic Plan: "Manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery."

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. RCTC requires all cities within its jurisdiction to submit a plan by May 4, 2020. *This alternative allows the City to continue receiving Measure A revenue annually to fund significant roadway and other transportation related infrastructure improvements.* Staff recommends this action.
2. Do not approve and authorize the recommended actions as presented in this

staff report. *Since RCTC requires jurisdictions to submit a plan by May 4, 2020 in order to continue to receive Measure A funds, this alternative jeopardizes a significant revenue stream for the City, affecting the ability to deliver critical transportation related infrastructure improvements.* Staff does not recommend this action.

FISCAL IMPACT

The timely approval and submittal of the Measure A Five-Year CIP by May 4, 2020 ensures continued receipt of Measure A funds for FY 2020/21. City staff will forward an amended Measure A project list to RCTC if there are any changes throughout FY 2020/21. Measure A funds can only be used for transportation related purposes.

PREPARATION OF STAFF REPORT

Prepared By:
Launa Jimenez
Senior Management Analyst

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

Concurred By:
Henry Ngo, P.E.
Capital Projects Division Manager

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.

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.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. FY2020.21 Measure A MOE Certification Statement - Moreno Valley
2. FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/13/20 7:08 AM
City Attorney Approval	<u>✓ Approved</u>	4/13/20 11:23 AM
City Manager Approval	<u>✓ Approved</u>	4/14/20 4:08 PM

**FY 2020/21
MAINTENANCE OF EFFORT CERTIFICATION STATEMENT**

The undersigned agrees and certifies for the city of Moreno Valley (the "Agency") that sales tax transportation funds received pursuant to Ordinance No. 02-001 of the Riverside County Transportation Commission ("Measure A") shall be used in compliance with the Commission's Maintenance of Effort Guidelines and a base year amount of \$1,459,153, approved by the Commission at its July 13, 2011 meeting, and that the Agency shall not use such funds to replace discretionary local funds previously expended by the Agency for local transportation purposes. The Agency hereby acknowledges that the failure of the Agency to continue such local expenditure shall result in a reduction or loss of Measure A funds. Additionally, the Agency commits to expending Measure A Local Streets and Roads funds for projects listed in the Five Year Capital Improvement Plan as approved by Riverside County Transportation Commission.

Dated: _____, 2020

MIKE LEE, INTERIM CITY MANAGER

ATTEST:

CITY CLERK

Attachment: FY2020.21 Measure A MOE Certification Statement - Moreno Valley (3925 : APPROVE MEASURE A LOCAL STREETS AND ROADS



**MEASURE A
LOCAL STREETS
AND ROADS PROGRAM**

FY 2020/21

Agency: MORENO VALLEY
 Prepared by: Launa Jimenez
 Phone #: (951) 413-3128
 Date: 4/10/2020

FY 2018/19 Audited Measure A Balance:	\$	3,569,220
FY 2019/20 (Revised) Measure A Revenue:		3,918,000
Less: FY 2019/20 Project Status Report expenses:		<u>(4,969,832)</u>
Estimated Prior Year Measure A Balance:		2,517,388
Estimated FY 2020/21 Measure A Allocation:		<u>3,501,000</u>
Estimated Measure A Available for FY 2020/21 Projects:	\$	6,018,388

Item No.	Project Name / Limits	Project Type	Total Project Cost	Measure A Funds
<u>2020/21</u>				
2021-01	Public Works - Capital Projects Program Budget (Provide cost effective administrative functions for essential transportation projects and services: annual update of the Five-Year CIP, revisions to Standard Plans, Disadvantaged Business Enterprise (DBE) Program Management, Pavement Management Program, preparation of grant applications, quarterly utility coordination, and project engineering and right of way services for unfunded new projects.	Project Administration	\$ 209,541	\$ 209,541
2021-02	Public Works - Citywide Sign/Striping	Maintenance	1,148,261	1,148,261
2021-03	Public Works - Right of Way Maintenance	Maintenance	566,577	566,577
2021-04	Fixed Charges/ Indirect Cost	Overhead Cost	243,399	243,399
2021-05	Transfers to 2013-2014 Refunding Lease Revenue Bonds	Debt Service	1,057,143	1,057,143
2021-06	Transfers to TRIP Debt Service	Debt Service	492,000	492,000
2021-07	Annual ADA Compliant Curb Ramp Upgrades - Citywide	Street Improvements	759,114	7,962
2021-08	Annual Pavement Maintenance - Crack Seal	Street Improvements	35,000	35,000
2021-09	Moreno - Alessandro Interim Facility	Drainage	318,731	13,050
2021-10	Moreno MDP Line F-18 and F-19	Drainage	152,244	152,244
2021-11	Moreno MDP Line K-1 Stage 3 K-4	Drainage	25,276	25,276
2021-12	Sunnymead - Flaming Arrow Drive Storm Drain	Drainage	716,086	124,490
2021-13	Sunnymead Master Drainage Plan - Storm Drain Lines F and F-7	Drainage	65,000	16,250
2021-14	Pedestrian Hybrid Beacon on Cactus Ave at Woodland Park	Traffic Signals	303,993	153,993
2021-15	Traffic Signal Equipment/ Upgrades	Traffic Signals	26,666	26,666
	TOTAL		\$ 6,119,031	\$ 4,271,852

Attachment: FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley (3925 : APPROVE MEASURE A LOCAL



**MEASURE A
LOCAL STREETS
AND ROADS PROGRAM**

FY 2021/22

Agency: MORENO VALLEY
 Prepared by: Launa Jimenez
 Phone #: (951) 413-3128
 Date: 4/10/2020

Estimated Prior Year Measure A Balance: \$ 1,746,536
Estimated FY 2021/22 Measure A Allocation: 3,536,000
Estimated Measure A Available for FY 2021/22 Projects: \$ 5,282,536

Item No.	Project Name / Limits	Project Type	Total Project Cost	Measure A Funds
<u>2021/22</u>				
2022-01	Public Works - Capital Projects Program Budget (Provide cost effective administrative functions for essential transportation projects and services: annual update of the Five-Year CIP, revisions to Standard Plans, Disadvantaged Business Enterprise (DBE) Program Management, Pavement Management Program, preparation of grant applications, quarterly utility coordination, and project engineering and right of way services for unfunded new projects.	Project Administration	\$ 209,541	\$ 209,541
2022-02	Public Works - Citywide Sign/Striping	Maintenance	1,148,261	1,148,261
2022-03	Public Works - Right of Way Maintenance	Maintenance	566,577	566,577
2022-04	Fixed Charges/ Indirect Cost	Overhead Cost	243,399	243,399
2022-05	Transfers to 2013-2014 Refunding Lease Revenue Bonds	Debt Service	1,057,143	1,057,143
2022-06	Transfers to TRIP Debt Service	Debt Service	492,000	492,000
	TOTAL		\$ 3,716,921	\$ 3,716,921

Attachment: FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley (3925 : APPROVE MEASURE A LOCAL



**MEASURE A
LOCAL STREETS
AND ROADS PROGRAM**

FY 2022/23

Agency: MORENO VALLEY
 Prepared by: Launa Jimenez
 Phone #: (951) 413-3128
 Date: 4/10/2020

Estimated Prior Year Measure A Balance: \$ 1,565,615
Estimated FY 2022/23 Measure A Allocation: 3,571,000
Estimated Measure A Available for FY 2022/23 Projects: \$ 5,136,615

Item No.	Project Name / Limits	Project Type	Total Project Cost	Measure A Funds
<u>2022/23</u>				
2023-01	Public Works - Capital Projects Program Budget (Provide cost effective administrative functions for essential transportation projects and services: annual update of the Five-Year CIP, revisions to Standard Plans, Disadvantaged Business Enterprise (DBE) Program Management, Pavement Management Program, preparation of grant applications, quarterly utility coordination, and project engineering and right of way services for unfunded new projects.	Project Administration	\$ 209,541	\$ 209,541
2023-02	Public Works - Citywide Sign/Striping	Maintenance	1,148,261	1,148,261
2023-03	Public Works - Right of Way Maintenance	Maintenance	566,577	566,577
2023-04	Fixed Charges/ Indirect Cost	Overhead Cost	243,399	243,399
2023-05	Transfers to 2013-2014 Refunding Lease Revenue Bonds	Debt Service	1,057,143	1,057,143
2023-06	Transfers to TRIP Debt Service	Debt Service	492,000	492,000
		TOTAL	\$ 3,716,921	\$ 3,716,921

Attachment: FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley (3925 : APPROVE MEASURE A LOCAL



**MEASURE A
LOCAL STREETS
AND ROADS PROGRAM**

FY 2023/24

Agency: MORENO VALLEY
 Prepared by: Launa Jimenez
 Phone #: (951) 413-3128
 Date: 4/10/2020

Estimated Prior Year Measure A Balance: \$ 1,419,694
Estimated FY 2023/24 Measure A Allocation: 3,607,000
Estimated Measure A Available for FY 2023/24 Projects: \$ 5,026,694

Item No.	Project Name / Limits	Project Type	Total Project Cost	Measure A Funds
<u>2023/24</u>				
2024-01	Public Works - Capital Projects Program Budget (Provide cost effective administrative functions for essential transportation projects and services: annual update of the Five-Year CIP, revisions to Standard Plans, Disadvantaged Business Enterprise (DBE) Program Management, Pavement Management Program, preparation of grant applications, quarterly utility coordination, and project engineering and right of way services for unfunded new projects.	Project Administration	\$ 209,541	\$ 209,541
2024-02	Public Works - Citywide Sign/Striping	Maintenance	1,148,261	1,148,261
2024-03	Public Works - Right of Way Maintenance	Maintenance	566,577	566,577
2024-04	Fixed Charges/ Indirect Cost	Overhead Cost	243,399	243,399
2024-05	Transfers to 2013-2014 Refunding Lease Revenue Bonds	Debt Service	1,057,143	1,057,143
2024-06	Transfers to TRIP Debt Service	Debt Service	727,852	727,852
	TOTAL		\$ 3,952,773	\$ 3,952,773

Attachment: FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley (3925 : APPROVE MEASURE A LOCAL



**MEASURE A
LOCAL STREETS
AND ROADS PROGRAM**

FY 2024/25

Agency: MORENO VALLEY
 Prepared by: Launa Jimenez
 Phone #: (951) 413-3128
 Date: 4/10/2020

Estimated Prior Year Measure A Balance: \$ 1,073,921
Estimated FY 2024/25 Measure A Allocation: 3,643,000
Estimated Measure A Available for FY 2024/25 Projects: \$ 4,716,921

Item No.	Project Name / Limits	Project Type	Total Project Cost	Measure A Funds
<u>2024/25</u>				
2025-01	Public Works - Capital Projects Program Budget (Provide cost effective administrative functions for essential transportation projects and services: annual update of the Five-Year CIP, revisions to Standard Plans, Disadvantaged Business Enterprise (DBE) Program Management, Pavement Management Program, preparation of grant applications, quarterly utility coordination, and project engineering and right of way services for unfunded new projects.	Project Administration	\$ 209,541	\$ 209,541
2025-02	Public Works - Citywide Sign/Striping	Maintenance	1,148,261	1,148,261
2025-03	Public Works - Right of Way Maintenance	Maintenance	566,577	566,577
2025-04	Fixed Charges/ Indirect Cost	Overhead Cost	243,399	243,399
2025-05	Transfers to 2013-2014 Refunding Lease Revenue Bonds	Debt Service	1,057,143	1,057,143
2025-06	Transfers to TRIP Debt Service	Debt Service	1,492,000	1,492,000
		TOTAL	\$ 4,716,921	\$ 4,716,921

Attachment: FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley (3925 : APPROVE MEASURE A LOCAL



**MEASURE A
LOCAL STREETS
AND ROADS PROGRAM**

PROJECT STATUS REPORT FY 2019/20

Agency: MORENO VALLEY
 Prepared by: Launa Jimenez
 Phone #: (951) 413-3128
 Date: 4/10/2020

Item No.	Project Name / Limits	Project Type	Total Cost	Anticipated Measure A Funds Expended (Est thru 6/30/2020)	Estimated/ Actual Completion	Status
1	Public Works - Capital Projects Program Budget (Provide cost effective administrative functions for essential transportation projects and services: annual update of the Five-Year CIP, revisions to Standard Plans, Disadvantaged Business Enterprise (DBE) Program Management, Pavement Management Program, preparation of grant applications, quarterly utility coordination, and project engineering and right of way services for unfunded new projects.	Project Administration	\$ 204,216	\$ 204,216	N/A	Annual Budget
2	Public Works - Citywide Sign/Striping	Maintenance	1,088,208	1,088,208	N/A	Annual Budget
3	Public Works - Right of Way Maintenance	Maintenance	551,045	551,045	N/A	Annual Budget
4	Fixed Charges/ Indirect Cost	Overhead Cost	243,399	243,399	N/A	Annual Budget
5	Transfers to 2013-2014 Refunding Lease Revenue Bonds	Debt Service	1,060,756	1,060,756	N/A	Annual Budget
6	Transfers to TRIP Debt Service	Debt Service	1,490,000	1,490,000	N/A	Annual Budget
7	Annual ADA Compliant Curb Ramp Upgrades - Citywide	Street Improvements	40,886	6,222	6/30/2020	Future funding will come from Gas Tax
8	Annual Pavement Maintenance - Crack Seal	Street Improvements	25,000	25,000	N/A	On-going annual project
9	Citywide Pavement Management Program	Street Improvements	2,000	2,057	6/30/2020	Future funding will be determined at a later time
10	Citywide Pavement Rehabilitation Program FY18/19	Street Improvements	4,800,000	-	6/30/2020	Project completed
11	Cycle 1 ATP Citywide SRTS Pedestrian Facility Improvements	Street Improvements	67,000	-	6/30/2020	Project completed
12	Heacock St South Extension - Widen Heacock St from 2 lanes to 6 lanes from San Michelle to Harley Knox Blvd, including the bridge	Street Improvements	6,000	-	6/30/2020	Project on hold; Future funding will be determined at a later time
13	Property Acquisition for Street Purposes	Street Improvements	11,000	11,000	6/30/2020	Project contract expired
14	Residential Traffic Management Program (Speed Humps)	Street Improvements	47,000	11,090	N/A	Measure A budget exhausted: future funding will come from Gas Tax
15	SR-60/ World Logistics Center Parkway Interchange	Street Improvements	1,526,267	17,358	6/30/2020	Project phase completed
16	Moreno - Alessandro Interim Facility	Drainage	50,000	-	8/31/2020	Construction
17	Moreno MDP Line F-18 and F-19	Drainage	75,000	75,000	Pending RCFC funding	Design
18	Moreno MDP Line K-1 Stage 3 K-4	Drainage	90,000	90,000	Pending RCFC funding	Design
19	Sunnymead - Flaming Arrow Drive Storm Drain	Drainage	30,000	-	3/31/2021	Construction award
20	Sunnymead Master Drainage Plan - Storm Drain Lines F and F-7	Drainage	75,000	18,750	Pending RCFC funding	Preliminary design
21	Sunnymead MDP Line B-16A	Drainage	9,137	9,137	Pending RCFC funding	Project phase completed

Attachment: FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley (3925 : APPROVE MEASURE A LOCAL



**MEASURE A
LOCAL STREETS
AND ROADS PROGRAM**

22	Dynamic Traveler Alert Message Boards (Perris Blvd south of Cactus Ave, Alessandro Blvd east of Fredrick St, Cactus Ave east of Frederick St) - Deploy 3 dynamic message signs/ changeable message signs on new sign structures, including new electrical service connections	Traffic Enhancements	500,000	11,700	6/30/2020	Project completed
23	Pedestrian Hybrid Beacon on Cactus Ave at Woodland Park	Traffic Signals	100,000	50,000	12/31/2020	Construction
24	Systemic Safety Analysis Report Program	Traffic Signals	20,762	2,071	6/30/2020	Study completed
25	Traffic Signal Equipment/ Upgrades	Traffic Signals	2,800	2,823	N/A	Future funding will be determined at a later time
TOTAL			\$ 12,115,476	\$ 4,969,832		

Attachment: FY2020.21 - 2024.25 Measure A CIP and FY2019.20 Project Status Report - Moreno Valley (3925 : APPROVE MEASURE A LOCAL



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: April 21, 2020

TITLE: AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO G. HURTADO CONSTRUCTION, INC. FOR MORENO-ALESSANDRO INTERIM FACILITY – PROJECT NO. 804 0016

RECOMMENDED ACTION

Recommendations:

1. Award a construction contract to G. Hurtado Construction, Inc., 16130 Reiner Circle, Riverside, CA 92504, for the Moreno - Alessandro Interim Facility Storm Drain Line H-2 project and authorize the City Manager to execute a contract with G. Hurtado Construction, Inc. in substantial conformance with the attached contract in the amount of \$261,100;
2. Authorize the issuance of a Purchase Order for G. Hurtado Construction, Inc. in the amount of \$300,265 (\$261,100 bid amount plus a 15% contingency) when the contract has been signed by all parties;
3. Authorize the Public Works Director/City Engineer to execute any subsequent change orders to the contract, but not exceeding the total contingency of \$39,165, subject to the approval of the City Attorney;
4. Authorize a full road closure of Oliver Street between Bay Avenue and Alessandro Boulevard for up to 30 continuous days during construction;
5. Authorize the Public Works Director/City Engineer to extend the full road closure for two additional 30 day periods as needed due to unforeseen construction issues.

SUMMARY

This report recommends approval of a contract with G. Hurtado Construction, Inc. for the construction of the Moreno - Alessandro Interim Facility Storm Drain Line H-2 on Alessandro Boulevard at Oliver Street. The report also requests closure of Oliver Street between Bay Avenue and Alessandro Boulevard for a defined duration in order to facilitate storm drain construction.

DISCUSSION

City has entered a Cooperative Agreement with Riverside County Flood Control and Water Conservation District (RCFC&WCD) and received funds for the design and construction of the Moreno – Alessandro Interim Facility Line H-2 Project to mitigate flooding in the area of Alessandro Boulevard and Oliver Street. This project involves the construction of a graded swale and an inlet structure at the northwest corner of Oliver Street and Alessandro Boulevard, a 36-inch storm drain pipe crossing Alessandro Boulevard, a concrete drainage outlet structure on the south side of Alessandro Boulevard, and an approximately 1,750 feet long graded earthen trapezoidal channel with rock check dams and an adjacent access drive, just east of Discovery Church, 27555 Alessandro Boulevard.

The project design and bidding documents were completed in January 2020 jointly by the City and RCFC&WCD. As identified in the bid documents, the scope of work was categorized to include a Base Bid and two alternate items (Additive Alternate Bid 1 or Additive Alternate Bid 2).

The project was advertised for construction bids on February 19, 2020 and formal bidding procedures were followed in conformance with the Public Contract Code. Eight bids were received via the electronic bid management system, PlanetBids, on March 26, 2020 as follows:

<u>CONTRACTORS</u>	<u>Base Bid + Additive Alt. Bid 1</u>
1. G. Hurtado Construction, Inc.	\$261,100.00
2. Bert W. Salas, Inc.	\$410,105.00
3. James McMinn Inc.	\$449,378.15
4. Vance Corporation	\$464,730.00
5. Beador Construction Company, Inc.	\$466,900.00
6. Wright Construction Engineering Corp	\$536,287.50
7. Hemet Manufacturing Company, Inc. dba Genesis Construction	\$640,173.00
8. Mike Bubalo Construction Co., Inc.	\$806,775.00

The lowest responsible bidder was determined by comparing the cumulative total for all base bid items and Additive Alternate Bid 1 as stipulated in the bidding documents. Staff has reviewed the bid by G. Hurtado Construction, Inc. and finds it 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 G. Hurtado Construction, Inc. in their bid.

A contingency of 15% of the bid amount (\$39,165) is recommended to account for any changed field condition that may have occurred during the period between the completion of the engineering design work and construction start. A 15% contingency is recommended because the project involves excavation around underground utilities. The contingency will allow rapid resolution of any construction issues that may arise, mitigating any potential delay costs to the City.

Construction of the project would be expedited if Oliver Street between Bay Avenue and Alessandro Boulevard were closed for a portion of the storm drain installation and the inlet construction. Oliver is very narrow and has low traffic volume. The closure is anticipated during daytime work hours, with likely 24-hour closure for several days. Staff is requesting up to 30 days closure with additional two 30 day allowances for unforeseen issues. Traffic will be detoured on Bay Avenue around the closure with directional signage.

On August 21, 2018, the City Council certified the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the project in compliance with the provisions of CEQA. Various mitigation measures were identified and have been incorporated into the project specifications for reducing all potential environmental impacts to an acceptable level.

Approval of the recommended actions would support Objective 4 of the Momentum MoVal Strategic Plan: "Manage and maximize Moreno Valley's public Infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery."

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will provide for the timely construction of the Moreno - Alessandro Interim Facility Storm Drain Line H-2 project.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will delay completion of the Moreno - Alessandro Interim Facility Storm Drain Line H-2 project and may result in losing funding from RCFC&WCD.*

FISCAL IMPACT

This project is funded by the Riverside County Flood Control and Water Conservation District (RCFC&WCD) (Public Works Capital Projects Fund 3002) and Measure A (Fund 2001).

PROJECT BUDGET:

Public Works Capital Projects (3002-70-77-80004-720199) (Project No. 804 0016-3002-99).....	\$440,000
Measure A (2001-70-77-80004-720199) (Project No. 804 0016-2001-99).....	<u>\$13,050</u>
Total	\$453,050

ESTIMATED PROJECT COSTS:

Environmental/ Permits/Right of Way/Design Coordination.....	\$95,000
Construction (including contingency).....	\$300,265
Construction Materials Testing and Surveying	\$20,000
Pre-Construction Nesting / Burrowing Owl Survey	\$8,000
Tribal Monitoring During Construction	\$10,000
Project Administration/Inspection*	<u>\$19,785</u>
Total	\$453,050

**Project administration and inspection will be provided by City staff*

PROJECT SCHEDULE:

Construction May – Fall 2020

NOTIFICATION

Prior to construction, utilities, adjacent property owners, business owners, law enforcement, fire department, churches, public transportation, and other emergency service responders in the area will be notified in a timely manner of the proposed construction and roadway closure.

PREPARATION OF STAFF REPORT

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

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

Concurred By:
Henry Ngo, P.E.
Capital Projects Division Manager

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.

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.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Agreement
- 2. Location Map

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/09/20 6:38 PM
City Attorney Approval	<u>✓ Approved</u>	4/09/20 11:28 AM
City Manager Approval	<u>✓ Approved</u>	4/09/20 6:39 PM

Agreement No. _____

AGREEMENT

PROJECT NO. 804 0016

MORENO - ALESSANDRO INTERIM FACILITY

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 **G. Hurtado Construction 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. This Agreement
- B. Any and all Contract Change Orders issued after execution of this Agreement
- C. Addenda Nos. 2 inclusive, issued prior to the opening of the Bids
- D. The bound Contract Documents that includes City Special Provisions, General Provisions, and Technical Provisions
- E. Standard Specifications for Public Works Construction ("Greenbook") – latest edition in effect at the Bid Deadline, as modified by the City Special Provisions
- F. Reference Specifications/Reference Documents other than those listed in paragraph 2, below
- G. Project Plans
- H. City Standard Plans
- I. RCFC&WCD Standard Plans
- J. Caltrans Standard Plans and BMPs
- K. Governmental approvals, including, but not limited to, permits required for the Work
- L. Contractor's Labor and Materials Payment Bond
- M. Contractor's Faithful Performance Bond
- N. Contractor's Certificates of Insurance and Additional Insured Endorsements
- O. Contractor's Bidder's Proposal, Subcontractor, and Material Supplier 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 are made available to the Contractor for informational purposes:

- A. None

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 Additive Alternative 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 Alternative Bid Items, if any, awarded by the City is **Two Hundred Sixty One Thousand One Hundred and 00/100 Dollars (\$261,100.00)** (“Contract Price”). **The Additive Alternative Bid Item selected by the City and included in the Contract is Bid Item #18.** 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 Section 7 of the Standard Specifications, as modified by Section 7 of the City Special Provisions.

5. CONTRACT TIME.

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

Base Bid and Additive Alternative Bid 1 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 and Notice to Proceed with Order of Materials.” The date specified in the Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials constitutes the date of commencement of the Contract Time of **Ninety (90) Working Days for the Base Bid plus Additive Alternative Bid #18** . The Contract Time includes the time necessary to fulfill preconstruction requirements, place the order of materials, and to complete construction of the Project (except as adjusted by subsequent Change Orders).

The Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials shall further specify that Contractor must complete the preconstruction requirements and order materials 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:

Standard Form of Agreement
00500-2

Attachment: Agreement (3959) : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO G. HURTADO CONSTRUCTION, INC. FOR

- Submitting and obtaining approval of Traffic Control Plans if requesting a substitution
- Submitting and obtaining approval of the Stormwater Pollution Prevention Plan (SWPPP)/Water Pollution Control Plan (WPCP)
- Submitting and obtaining approval of critical required submittals
- Obtaining an approved no fee Encroachment Permit
- Notifying all agencies, utilities, residents, etc., as outlined in the Contract Documents

If the City's issuance of a Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials 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 if 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 and Notice to Proceed with Order of Materials, 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 AND CONTROL OF WORK.

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 **\$375.00 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 6-4 of the Standard Specifications and City Special Provisions regarding compensation for delays.

6.3. Any work completed by the Contractor after the issuance of a Stop Work Notice by the City shall be rejected and/or removed and replaced as specified in Section 3-5 of the City Special Provisions.

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 and any extension of the one-year correction guarantee period in accordance with section 6-8.1 of the City Special Provisions, 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, and any extension of the one-year correction guarantee period in accordance with Section 3-13.3 of the City Special Provisions.

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.

Contractor agrees that the Labor and Materials Payment Bond and Faithful Performance Bond attached to this Agreement are for reference purposes only, and shall not be considered a part of this Agreement. Contractor further agrees that said bonds are separate obligations of the Contractor and its Surety, and that any attorney's fee provision contained in any payment bond or performance bond shall not apply to this Agreement. In the event there is any litigation between the parties arising from the breach of this Agreement, each party will bear its own attorneys' fees in the litigation.

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 five (5) 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, omissions, 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 10. 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 10.

10.7. No Limitation or Waiver of Rights. Contractor's obligations under this Paragraph 10 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 10 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 10 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 10 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. FEDERAL REQUIREMENTS. If the Contractor or Subcontractor is performing work on Section 3, Housing and Urban Development Act of 1968, projects for which the amount of the assistance exceeds \$200,000 and the contract or subcontract exceeds \$100,000:

11.1 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, particularly persons who are recipients of HUD assistance for housing.

11.2 The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implements 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.

11.3 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 the notice 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 and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

11.4 The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR 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 CFR part 135.

11.5 The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

11.6 Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

11.7 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 (i) preference and opportunities for training and employment shall be given to Indians, and (ii) 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).

12. 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)

Standard Form of Agreement
00500-12

CITY OF MORENO VALLEY, Municipal Corporation

G. Hurtado Construction Inc.

BY: _____
Mike Lee, Interim City Manager

License No./
Classification: _____

DATE: _____

Expiration Date: _____

Federal I.D. No.: _____

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

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

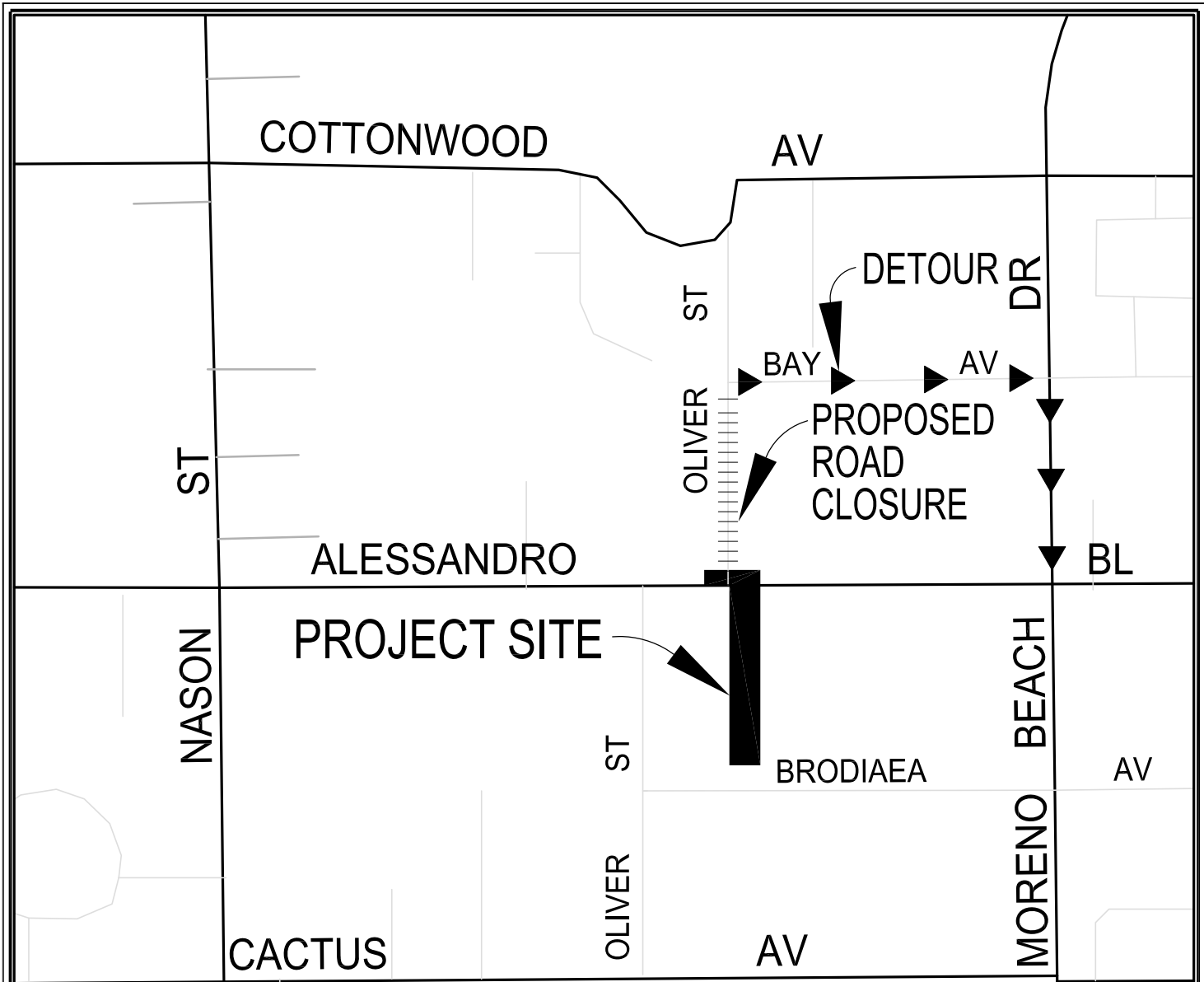
TITLE: _____

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.

Attachment: Agreement (3959) : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO G. HURTADO CONSTRUCTION, INC. FOR



LEGEND



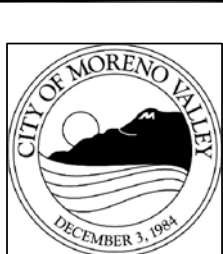
PROJECT SITE



PROPOSED ROAD CLOSURE



DETOUR



LOCATION MAP

Public Works Department
Capital Projects Division

MORENO - ALESSANDRO INTERIM FACILITY

Scale: None

Attachment: Location Map (3959 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO G. HURTADO CONSTRUCTION, INC. FOR



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: April 21, 2020

TITLE: PURSUANT TO LANDOWNER PETITION, ANNEX TWO PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AMENDMENT NUMBER 45 (RESO. NO. 2020-__)

RECOMMENDED ACTION

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2020-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District. (Amendment No. 45)

SUMMARY

Approval of the proposed resolution will certify annexation of two parcels into Community Facilities District (CFD) No. 2014-01 (Maintenance Services) ("District"). This action impacts only the property owner identified below, not the general citizens or taxpayers of the City.

The City requires property owners of new development projects to mitigate the cost of certain impacts created by the proposed development (e.g., the cost of operation and maintenance of street lights and/or public landscaping). The City created CFD No. 2014-01 to provide the development community with a funding mechanism to assist in satisfying the requirement. After a property owner elects to annex their property into the District and the City Council approves the annexation, a special tax can be levied on the annual property tax bill of the annexed parcels to fund the costs.

As a condition of approval for development of its project, MV Holding LLC (the "Property

Owner”) is required to provide a funding source for the operation and maintenance of certain public improvements (i.e., street lighting) and has elected to annex the parcels of its project into the District to satisfy the condition. The Property Owner has submitted a Landowner Petition approving the annexation and the City Clerk has confirmed the petition is valid.

DISCUSSION

The District was formed by adoption of Resolution No. 2014-25 to provide an alternative funding tool for the development community. It provides a mechanism to fund the operation and maintenance of street lighting services and maintenance of public landscaping. After a landowner approves annexation of their property into the District and the City Council approves the annexation, the City is authorized to levy a special tax onto the annual property tax bill.

The Rate and Method of Apportionment of Special Tax (“RMA”) for the District describes the different special tax rate areas, services provided, and formula to calculate the special tax rate for each of the tax rate areas. Several special tax rate layers were created to accommodate a variety of scenarios to ensure costs are fairly shared between property owners. For example, there is a tax rate layer for “single-family residential street lighting” and one for “street lighting for property other than single-family residential” (e.g., commercial, industrial, or multi-family projects). Different tax rate layers are needed for street lighting because the spacing and size/type of lights differ based on the type of development. Likewise, there are several tax rate areas for maintenance of public landscaping. A property owner’s proportionate share of landscape maintenance costs will vary depending upon the total square footage of landscaping to be maintained and the number of properties sharing in the cost for that development.

Annexation to the District

On February 10, 2015, the City Council adopted Ordinance No. 889, which designated the entire territory of the City as a future annexation area for the District. With the future annexation area designated, annexations can occur without an additional public hearing as long as the annexing landowner provides unanimous consent. Once annexed, parcels are subject to the annual special tax to fund the service they are receiving.

As a condition of approval for the project identified below, the Property Owner is required to provide an ongoing funding source for operation and maintenance services of street lights, which are required to be installed on public streets as part of its development project. The table below provides information for the property under development.

Property Owner/Project	Assessor’s Parcel Number(s)	Location	Amendment No.
MV Holding LLC Kia Sales and Service PEN19-0047/SCP20-0001	488-390-015 and 488-390-016	Northeast corner of Moreno Beach Dr. and Auto Mall Dr.	45

A property owner has two options to satisfy the condition of approval:

1. Submit a Landowner Petition unanimously approving annexation of the property into the District. Approval of the petition and special tax rate allows the City to annually levy the special tax on the property tax bill of the property. This option is only available if there are fewer than 12 registered voters living within the proposed annexation area; or
2. Establish a homeowner or property owner association to provide the ongoing operation and maintenance of the improvements.

The Property Owner elected to annex its property into CFD No. 2014-01 and have the special tax applied to the annual property tax bill. The Office of the Riverside County Registrar of Voters confirmed there were no registered voters residing at the property, allowing a special election of the landowner. Adoption of the attached resolution (Attachment 1) adds the property to the tax rate areas identified in the Fiscal Impact section of this report and directs the recordation of the boundary map (Attachment 2) and amended notice of special tax lien for Amendment No. 45. The City Clerk received and reviewed the Landowner Petition and confirmed the Property Owner unanimously approved the annexation of the property into the District (Attachment 3).

Successful completion of the annexation process satisfies the project's condition of approval to provide a funding source for the operation and maintenance of street lighting on public streets.

ALTERNATIVES

1. Adopt the proposed resolution. *Staff recommends this alternative as it will annex the property into CFD No. 2014-01 at the request of the Property Owner and satisfy the condition of approval for the proposed development.*
2. Do not adopt the proposed resolution. *Staff does not recommend this alternative as it is contrary to the request of the Property Owner, will not satisfy the condition of approval, and may delay development of the project.*
3. Do not adopt the proposed resolution but rather continue the item to a future regularly scheduled City Council meeting. *Staff does not recommend this alternative as it will delay the Property Owner from satisfying the condition of approval and may delay development of the project.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund the services for each tax rate area within the District. If the projected revenue from the

maximum special tax exceeds what is necessary to fund the services within each tax rate area, a lower amount will be applied to the property tax bills for all properties within the affected tax rate area. The special tax can only be applied to a property tax bill of a parcel wherein the qualified electors (i.e., landowners or registered voters, depending upon the number of registered voters) have previously provided approval. The estimated maximum special tax revenue that can be generated from the project is detailed below.

Property Owner	Service ¹ Tax Rate Area	Front Linear Footage ²	FY 2019/20 Maximum Special Tax Rate Per Front Footage	FY 2019/20 Maximum Special Tax ³
MV Holding LLC	Street Lighting for Property Other than Single-Family Residential, SL-02	212	\$4.12	\$873.44

¹One street light is planned to be installed on Pettit St.
²Estimated based on proposed parcel configuration. The special tax calculation will be based on final development of the project.
³The special tax applied to the property tax bill will be based on the needs of the District. The applied special tax rate can be lower than but cannot exceed the maximum special tax rate. The FY 2019/20 applied rate for SL-02 is \$1.21/front linear foot.

The maximum special tax rates are subject to an annual inflation adjustment based on the change in the Consumer Price Index (CPI) or five percent (5%), whichever is greater. However, the annual adjustment cannot be applied unless the City Council annually authorizes such adjustment. The increase to the maximum special tax rate cannot exceed the annual inflationary adjustment without a two-thirds approval of the qualified electors within the affected tax rate area.

NOTIFICATION

On March 6, 2020, the annexation materials were mailed to the Property Owner. A cover letter, Landowner Petition, RMA, and an envelope to return the completed petition were included.

PREPARATION OF STAFF REPORT

Prepared by:
 Isa Rojas
 Management Analyst

Department Head Approval:
 Michael L. Wolfe, P.E.
 Public Works Director/City Engineer

Concurred by:
 Candace E. Cassel
 Special Districts Division Manager

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.

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.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

ATTACHMENTS

- 1. Resolution Ordering Annexation - Amendment No. 45
- 2. Boundary Map CFD 2014-01 - Amendment No. 45
- 3. Certificate of Election Official - Amendment No. 45

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/07/20 7:03 AM
City Attorney Approval	<u>✓ Approved</u>	4/07/20 8:53 AM
City Manager Approval	<u>✓ Approved</u>	4/09/20 6:43 PM

RESOLUTION NO. 2020-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE ANNEXATION OF TERRITORY TO CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND APPROVING THE AMENDED MAP FOR SAID DISTRICT

WHEREAS, by its Resolution No. 2014-25, the City Council established the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD"), a citywide district, pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. 874, the City Council authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund street lighting services and landscape maintenance services; and

WHEREAS, in order to permit landowners to efficiently annex developing parcels to the CFD, the City Council, by its Ordinance No. 889 designated the entire territory of the City as a future annexation area for the CFD and approved the second amended and restated rate and method of apportionment for the Special Tax; and

WHEREAS, the landowner of the parcel(s) listed on Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference, has submitted to the City a petition requesting and approving annexation of the listed parcel(s) (the "Annexation Parcel(s)") to the CFD; and

WHEREAS, the Annexation Parcel(s) are comprised of the territory shown on the boundary map (the "Boundary Map") "Amendment No. 45 to Boundaries of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, County of Riverside, State of California" which is included as Exhibit B to this Resolution, and incorporated herein by this reference; and

WHEREAS, the City Council desires to annex the Annexation Parcel(s) to the CFD.

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

1. Recitals. The above recitals are all true and correct and are herein incorporated.
2. Annexation Approved. The Annexation Parcel(s) are hereby added to and part of the CFD with full legal effect. The Annexation Parcel(s) are subject to the

1
Resolution No. 2020-__
Date Adopted: April 21, 2020

Attachment: Resolution Ordering Annexation - Amendment No. 45 (3978 : PURSUANT TO LANDOWNER PETITION, ANNEX TWO PARCELS

Special Tax associated with the Tax Rate Area(s) indicated on Exhibit A to this Resolution.

3. Description of Services. The following is a general description of all services (the “Services”) provided in the CFD:

A. Landscape Maintenance Services: Maintaining, servicing, and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

B. Street Lighting Services: Maintaining, servicing, and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City administrative and overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

The Annexation Parcel(s) will only be provided with the services indicated on Exhibit A.

4. Amended Boundary Map. The Boundary Map attached hereto as Exhibit B is hereby approved. This map amends, and does not supersede, the existing maps of the CFD. The City Council directs that said map be filed with the Riverside County Recorder pursuant to Section 3113 of the Streets and Highways Code.

5. Notice of Special Tax Lien. The City Council directs that an amended notice of special tax lien be recorded pursuant to Section 3117.5 of the Streets and Highways Code with respect to the Annexation Parcel(s) associated with the Boundary Map.

6. This Resolution shall be effective immediately upon adoption.

7. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

8. Severability. That the City Council declares that, should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

9. Repeal of Conflicting Provisions. That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this 21st day of April 2020.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2020-3
Date Adopted: April 21, 2020

Attachment: Resolution Ordering Annexation - Amendment No. 45 (3978 : PURSUANT TO LANDOWNER PETITION, ANNEX TWO PARCELS

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2020-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of April 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2020-___
Date Adopted: April 21, 2020

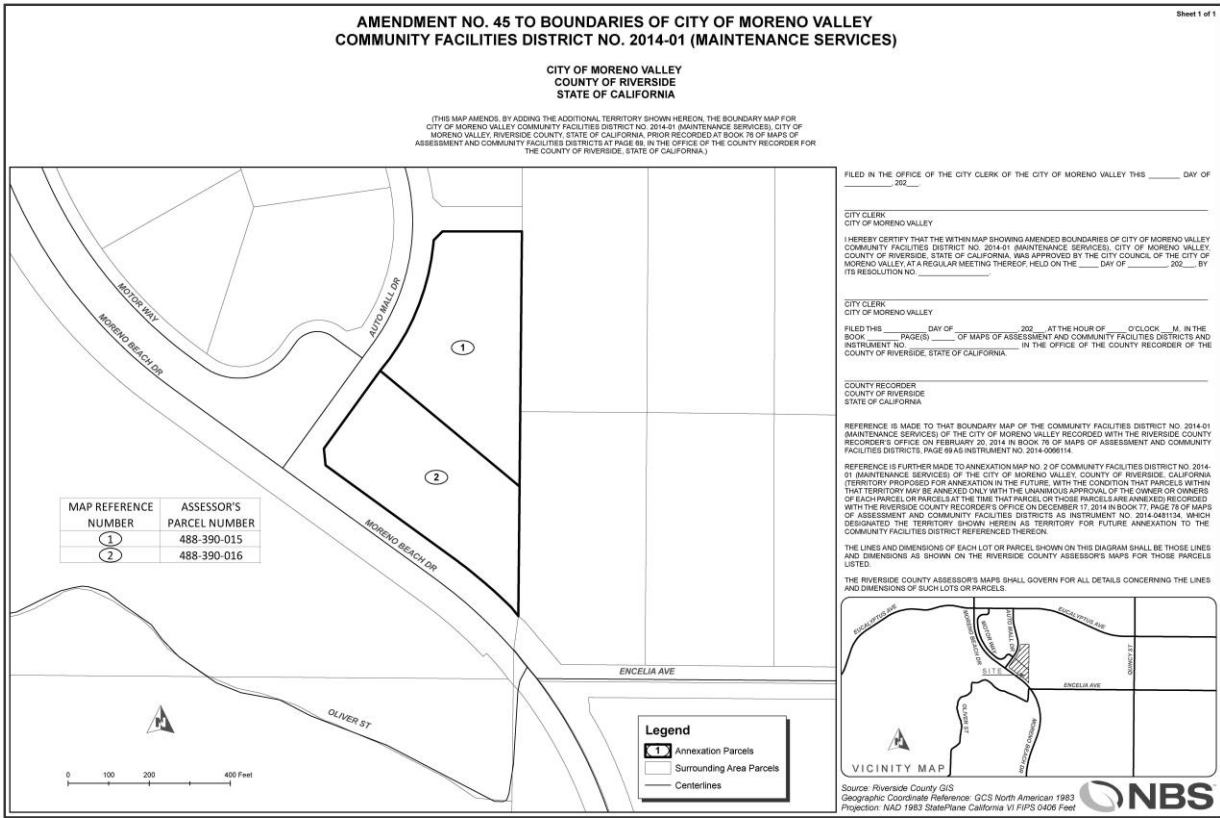
EXHIBIT A

List of Annexation Parcel(s)			
Boundary Map Amendment No.	Assessor's Parcel Numbers	Services	Tax Rate Area & Maintenance Category
Amendment No. 45	488-390-015 488-390-016	Street Lighting for Property Other than Single-Family Residential	SL-02
<p>Based on current development plans, it is anticipated that the Annexation Group will be in the Maintenance Category listed above; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.</p> <p>The parcels associated with a given development constitute a separate Annexation Group for purpose of calculating the applicable Maintenance Category (where applicable) for each Tax Rate Area. The anticipated Maintenance Category (where applicable) is shown in parenthesis following the Tax Rate Area. All capitalized terms in this paragraph have the meanings set forth in the Rate and Method of Apportionment.</p>			

Attachment: Resolution Ordering Annexation - Amendment No. 45 (3978 : PURSUANT TO LANDOWNER PETITION, ANNEX TWO PARCELS

5
Resolution No. 2020-____
Date Adopted: April 21, 2020

EXHIBIT B



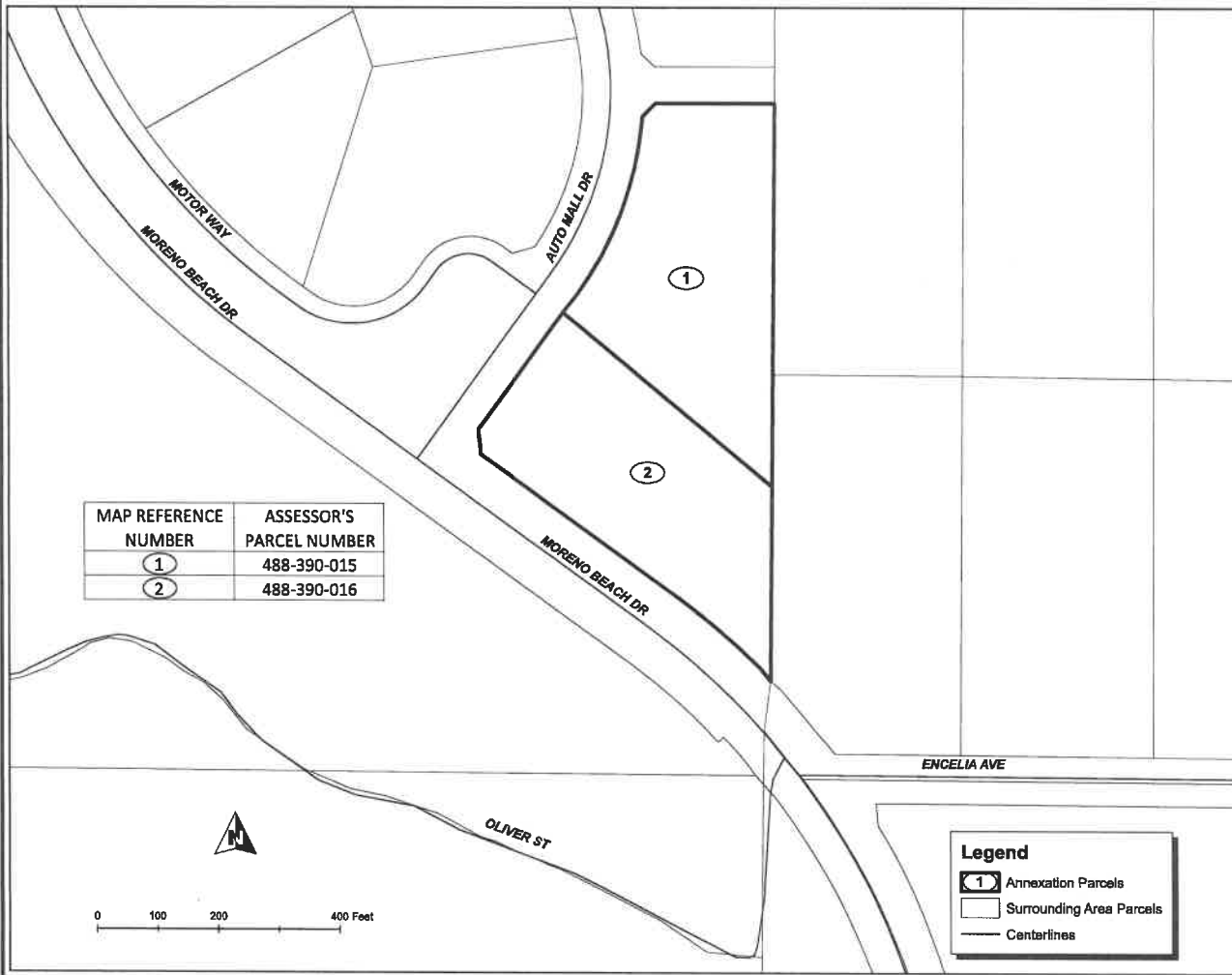
Attachment: Resolution Ordering Annexation - Amendment No. 45 (3978 : PURSUANT TO LANDOWNER PETITION, ANNEX TWO PARCELS

AMENDMENT NO. 45 TO BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES)

Sheet 1 of 1

**CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

(THIS MAP AMENDS, BY ADDING THE ADDITIONAL TERRITORY SHOWN HEREON, THE BOUNDARY MAP FOR CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, RIVERSIDE COUNTY, STATE OF CALIFORNIA, PRIOR RECORDED AT BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 69, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.)



MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
①	488-390-015
②	488-390-016



Legend

- 1 Annexation Parcels
- Surrounding Area Parcels
- Centerlines

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS _____ DAY OF _____, 202__.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 202__, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____, 202__ AT THE HOUR OF _____ O'CLOCK _____ M, IN THE BOOK _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AND INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

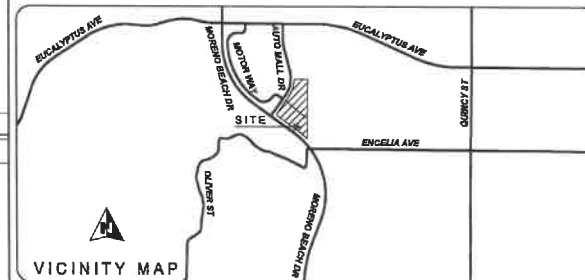
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-008614.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, CALIFORNIA (TERRITORY PROPOSED FOR ANNEXATION IN THE FUTURE, WITH THE CONDITION THAT PARCELS WITHIN THAT TERRITORY MAY BE ANNEXED ONLY WITH THE UNANIMOUS APPROVAL OF THE OWNER OR OWNERS OF EACH PARCEL OR PARCELS AT THE TIME THAT PARCEL OR THOSE PARCELS ARE ANNEXED) RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 17, 2014 IN BOOK 77, PAGE 78 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2014-0481134, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR FUTURE ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



Source: Riverside County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 0406 Feet



Attachment: Boundary Map CFD 2014-01 - Amendment No. 45 (3978 : PURSUANT TO LANDOWNER

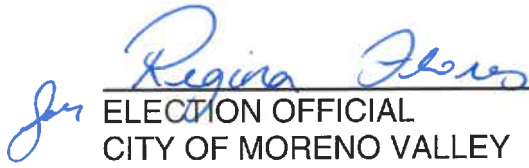
**CERTIFICATE OF ELECTION OFFICIAL
AND CONFIRMATION OF LANDOWNER PETITION**

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

The undersigned, Election Official of the City of Moreno Valley, County of Riverside, State of California, Does Hereby Certify that on **March 25, 2020**, I did verify the completeness of the Landowner Petition for the annexation of property into

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01
(MAINTENANCE SERVICES) – AMENDMENT NO. 45

WITNESS my hand this **25th** day of **March**, 2020.



ELECTION OFFICIAL
CITY OF MORENO VALLEY
STATE OF CALIFORNIA

Attachment: Certificate of Election Official - Amendment No. 45 (3978 : PURSUANT TO LANDOWNER PETITION, ANNEX TWO PARCELS INTO



Report to City Council

TO: Mayor and City Council

FROM: Steve Quintanilla, Interim City Attorney
Mike Lee, Interim City Manager

AGENDA DATE: April 21, 2020

TITLE: EMERGENCY ORDER - LATE FEES ON RENTAL PROPERTY

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Discuss and Consider Adoption of the Proposed Resolution

DISCUSSION

On March 17, 2020, the City Council declared a Local State of Emergency in response to the COVID-19 Coronavirus Pandemic.

Resolution/Order – Interest, Late Fees and Penalties Related to Evictions

On March 27, 2020, the Governor issued Executive Order N-37-20 which essentially placed a moratorium on residential evictions. However, in order for a tenant to obtain the protection of the Governor’s Executive Order, the tenant must notify the landlord in writing before the rent is due, or within a reasonable period of time afterwards not to exceed 7 days that the tenant needs to delay all or some payment of rent because of an inability to pay the full amount due to reasons related to COVID-19. Appropriate reasons include: (1) the tenant was unavailable to work because the tenant was sick with a suspected or confirmed case of COVID-19 or caring for a household or family member who was sick with a suspected or confirmed case of COVID-19; (2) the tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19, the state of emergency, or related government response; or (3) the tenant needed to miss work to care for a child whose school was closed in response to COVID-19.

Under the Governor's Executive Order, the tenant must retain verifiable documentation, such as termination notices, payroll checks, pay stubs, bank statements, medical bills, or signed letters or statements from an employer or supervisor explaining the tenant's changed financial circumstances, to support the tenant's assertion of an inability to pay rent. This documentation should be provided to the landlord.

The protections under the Governor's Executive Order will remain in effect through May 31, 2020. Nothing in the Governor's Executive Order, however, permits a tenant who is able to pay all or some of the rent due from paying rent in a timely manner, nor does it relieve a tenant of liability for unpaid rent.

One option that provides additional protections to tenants of both residential and commercial properties during the COVID-19 pandemic who are threatened with eviction is to prohibit a landlord from imposing or charging a tenant interest, late fees and/or penalties related to the nonpayment or late payment of residential and commercial rent due to loss of income caused by the same reasons set forth in the Governor's Executive Order. Specifically, no interest, late fees and/or penalties may be charged to a tenant threaten with eviction if: (1) the tenant was unavailable to work because the tenant was sick with a suspected or confirmed case of COVID-19 or caring for a household or family member who was sick with a suspected or confirmed case of COVID-19; (2) the tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19, the state of emergency, or related government response; or (3) the tenant needed to miss work to care for a child whose school was closed in response to COVID-19.

It is proposed that this additional protection for tenants be made retroactive to March 27, 2020, which is the date the Governor's eviction moratorium was imposed, and remain in effect until the provisions of Executive Order N-37-20 either expire or are terminated by the Governor.

ALTERNATIVES

1. Adopt the Resolution which will ease the financial burden on tenants of both residential and commercial properties caused by COVID-19 pandemic through no fault for their own.
2. Adopt a modified version of the Resolution by limiting it to particular types of tenancies.
3. Do not adopt the Resolution and allow landlords to continue to impose interest, late fees and penalties on tenants who are subject to the threat of eviction even though they lack the ability to pay rent due to the COVID-19 pandemic.

FISCAL IMPACT

There should not be any financial impact on the City other than possible enforcement action against a landlord who refuses to comply with this Emergency Order.

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

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.

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.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Eviction Late Fees Emergency Order Resolution

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/16/20 5:23 PM
City Attorney Approval	<u>✓ Approved</u>	4/16/20 5:19 PM
City Manager Approval	<u>✓ Approved</u>	4/16/20 5:46 PM

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORENO VALLEY, CALIFORNIA,
PROHIBITING THE IMPOSITION OR CHARGING OF INTEREST, LATE FEES
AND/OR PENALTIES RELATED TO THE NONPAYMENT OR LATE PAYMENT
OF RESIDENTIAL AND COMMERCIAL RENT
DUE TO THE COVID-19 PANDEMIC**

WHEREAS, pursuant to California Government Code Section 8630 and Section 2.40.060 of the Moreno Valley Municipal Code, the City Council of the City of Moreno Valley adopted Resolution No. _____ proclaiming the existence of a Local Emergency due to the COVID-19 Virus Pandemic, which endangers the health and welfare of the residents and visitors of the City of Moreno Valley; and

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19; and

WHEREAS, on March 7, 2020, Riverside County Public Health Officer Dr. Cameron Kaiser declared a Local Health Emergency, citing Riverside County's first locally acquired case of COVID-19; and

WHEREAS, on March 10, 2020, the Riverside County Board of Supervisors ratified the Local Health Emergency and activated the Medical Health Department Operations Center to better coordinate public messaging and planning among community partners as Riverside County officials prepare for the spread of COVID-19; and

WHEREAS, on March 11, 2020, the California Department of Public Health issued guidance that in order to protect public health and slow the rate of transmission of COVID-19, large gatherings of 250 people or more at concerts, conferences, and professional, college, and school sporting events should be postponed or canceled for at least the remainder of the month of March 2020 and that smaller gatherings held in venues such as crowded auditoriums, rooms or other venues that do not allow social distancing of six feet per person should be postponed or canceled; and

WHEREAS, on March 12, 2020, the Governor of the State of California issued Executive Order N-25-20 providing that all residents are to heed any orders and guidance of state and local public health officials, including but not limited to the imposition of social distancing measures, to control the spread of COVID-19 and that authorized local legislative bodies are permitted to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body, during the period in which local public officials impose or recommend measures to promote social distancing, including but not limited to limitations on public events; and

WHEREAS, on March 12, 2020, the Riverside County Public Health Officer ordered the cancellation of all events within the jurisdiction of the Public Health Officer of the County of Riverside with an expected attendance of at least 250 individuals taking place between March 12, 2020 and April 30, 2020, regardless of venue; and

WHEREAS, on March 13, 2020, the President of the United States of America proclaimed and declared a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak and announced that the federal government would make emergency funding available to assist state and local governments in preventing the spread of and addressing the effects of COVID-19; and

WHEREAS, on March 16, 2020, the Governor issued Executive Order N-28-20 waiving certain requirements related to residential and commercial evictions and foreclosures to allow local jurisdictions more flexibility to prohibit residential and commercial evictions and foreclosures through May 31, 2020; and

WHEREAS, on March 16, 2020, the Riverside County Public Health Officer ordered the prohibition of all gatherings within the jurisdiction of the Public Health Officer of the County of Riverside with an expected presence of at least 10 individuals taking place between March 16, 2020 and April 30, 2020 inclusive, regardless of venue; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 ordering that as to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(0) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of Order N-29-20; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-33-20 ordering that to protect public health, that all individuals living in the State of California stay home or at their place of residence (“Shelter in Place”) except as needed to maintain continuity of operations of the federal critical infrastructure sectors, as outlined at <https://www.cisa.gov/critical-infrastructure-sectors>; and

WHEREAS, Governor’s Executive Order N-33-20 identified 16 critical infrastructure sectors whose assets, systems and networks which are so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, economic security, public health or safety, or any combination thereof includes Public Works projects; and

WHEREAS, on March 21, 2020, the Governor issued Executive Order N-35-20 suspending the Brown Act to the extent that Government Code Section 54952.2 would prevent a local government official from providing updates on emergency response

collectively to the entire City Council; suspending any local ordinances, including noise limitations, that restrict, delay or otherwise inhibit the delivery of food products, pharmaceuticals and other essentials; confirming that retirees working under the working after retirement rules for local governments are also exempt from the time-based limitations referenced in Executive Order N-25-20 Section 7, issued March 12, 2020, if they are hired or retained in employment to ensure adequate staffing to respond to the COVID-19 pandemic; and adding 60 days to the time a government tort claim must be submitted; and

WHEREAS, on March 27, 2020, the Governor issued Executive Order N-37-20 which provides as follows:

1) The deadline specified in Code of Civil Procedure section 1167 shall be extended for a period of 60 days for any tenant who is served, while this Order is in effect, with a complaint that seeks to evict the tenant from a residence or dwelling unit for nonpayment of rent and who satisfies all of the following requirements:

a. Prior to the date of this Order, the tenant paid rent due to the landlord pursuant to an agreement.

b. The tenant notifies the landlord in writing before the rent is due, or within a reasonable period of time afterwards not to exceed 7 days that the tenant needs to delay all or some payment of rent because of an inability to pay the full amount due to reasons related to COVID-19, including but not limited to the following:

- (i) The tenant was unavailable to work because the tenant was sick with a suspected or confirmed case of COVID-19 or caring for a household or family member who was sick with a suspected or confirmed case of COVID-19;
- (ii) The tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19, the state of emergency, or related government response; or
- (iii) The tenant needed to miss work to care for a child whose school was closed in response to COVID-19.

c. The tenant retains verifiable documentation, such as termination notices, payroll checks, pay stubs, bank statements, medical bills, or signed letters or statements from an employer or supervisor explaining the tenant's changed financial circumstances, to support the tenant's assertion of an inability to pay. This documentation may be provided to the landlord no later than the time upon payment of back-due rent.

Attachment: Eviction Late Fees Emergency Order Resolution (4016 : Emergency Order - Late Fees On Rental Property)

2) No writ may be enforced while this Order is in effect to evict a tenant from a residence or dwelling unit for nonpayment of rent who satisfies the requirements of subparagraphs (a)-(c) of paragraph 1.

3) The protections in paragraphs 1 and 2 shall be in effect through May 31, 2020. Nothing in this Order shall prevent a tenant who is able to pay all or some of the rent due from paying that rent in a timely manner or relieve a tenant of liability for unpaid rent; and

WHEREAS, on Executive Order N-37-20 further provides that nothing in this Order shall in any way restrict state or local governmental authority to order any quarantine, isolation, or other public health measure that may compel an individual to remain physically present in a particular residential property; and that this Order supersedes Executive Order N-28-20 to the extent that there is any conflict with that Order; and

WHEREAS, pursuant to Section 2.40.040 of the Moreno Valley Municipal Code, is authorized to adopt emergency and mutual aid plans and amendments thereto, and agreements and such ordinances and resolutions and rules and regulations as are necessary to implement such plans and agreements; and

WHEREAS, on March 17, 2020, the Disaster Council, created pursuant to Section 2.40.030 of the Moreno Valley Municipal Code, duly adopted a Pandemic Influenza Preparedness Plan which provides that upon activation of the Plan, the first and most important goal is to protect the health and safety of employees and people in the community; and

WHEREAS, the California Emergency Services Act, as set forth in Government Code Section 8550 et seq., covers the entire range of disaster and emergency powers and responsibilities of local government dealing with any natural or manmade disasters or a state of war; and

WHEREAS, this Resolution is only intended to be temporary in nature, to promote stability and fairness within the residential and commercial rental market in the City during the COVID-19 pandemic outbreak; and

WHEREAS, the Disaster Council desires to prohibit the imposition or charging of interest, late fees and/or penalties related to the nonpayment or late payment of residential and commercial rent due to loss of income caused by the COVID-19 pandemic; and

WHEREAS, Government Code Section 8634 authorizes during a local emergency, the governing body of a political subdivision to promulgate orders and regulations necessary to provide for the protection of life and property.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY FINDS AND ORDERS:

Attachment: Eviction Late Fees Emergency Order Resolution (4016 : Emergency Order - Late Fees On Rental Property)

1. **THAT** commencing March 27, 2020, the effective date of Executive Order N-37-20, a landlord of a residential or commercial property shall not impose or charge a tenant of any residential or commercial property any interest, late fees and/or penalties related to the nonpayment or late payment of residential and commercial rent due to reasons related to COVID-19, including but not limited to the following:
 - a. The tenant was unavailable to work because the tenant was sick with a suspected or confirmed case of COVID-19 or caring for a household or family member who was sick with a suspected or confirmed case of COVID-19;
 - b. The tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19, the state of emergency, or related government response; or
 - c. The tenant needed to miss work to care for a child whose school was closed in response to COVID-19; and
2. **THAT** no other legal remedies available to the landlord are affected by this Order; and
3. **THAT** this Order shall become effective immediately, retroactive to March 27, 2020, and shall remain in effect until the provisions of Executive Order N-37-20 are terminated by the Governor; and
4. **THAT** the City Council hereby declares that it would have adopted this Order and each section, subdivision, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subdivisions, subsections, sentences, clauses, or phrases, or the application thereof to any person or circumstance, be held invalid and as such, should any section, subdivision, subsection, sentence, clause, or phrase in this Order, or the application of this Order to any person or circumstances, is for any reason held invalid, the validity of the remainder of this Order, or the application of such provision contained therein to other persons or circumstances, shall not be affected thereby; and
5. **THAT** all the provisions heretofore adopted by the City Disaster Council or the City Council that are in conflict with the provisions of this Order are hereby repealed. However, notwithstanding the foregoing, and in order to prevent inconsistencies, the City Disaster Council or the City Council may suspend the effectiveness of this Order in the event that the President of the United States, the United States Congress, the Governor of the State of California, the California State Legislature or the Public Health Officer of the County of Riverside adopts legislation, a law, a regulation or order that supersedes this Order.

APPROVED AND ADOPTED this ___th day of April, 2020

Mayor of the City of Moreno Valley

ATTEST

APPROVED AS TO FORM

City Clerk

Interim City Attorney

Resolution No. 2020-
Date Adopted: April __, 2020

Attachment: Eviction Late Fees Emergency Order Resolution (4016 : Emergency Order - Late Fees On Rental Property)



Report to City Council

TO: Mayor and City Council

FROM: Manuel A. Mancha, Community Development Director

AGENDA DATE: April 21, 2020

TITLE: MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE RATE ANNUAL ADJUSTMENT (RESO. NO. 2020-__)

RECOMMENDED ACTION

RECOMMENDED ACTION

Recommendation:

1. Adopt Resolution No. 2020-____. A Resolution of the City Council of the City of Moreno Valley, California, approving an increase to the Multiple Species Habitat Conservation Plan (MSHCP) Local Development Mitigation Fee to reflect the 3.03% increase in the Consumer Price Index (CPI).

SUMMARY

This report recommends approval of the proposed City Council resolution authorizing an adjustment to the adopted Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Local Development Mitigation fee, consistent with the 3.03% Consumer Price Index (CPI) increase for the Riverside–San Bernardino–Ontario, CA area. The City’s adopted MSHCP Local Development Mitigation Fees Ordinance (Ordinance) requires that the City Council adopt annual adjustments to the fees based on the CPI. The annual adjustment to the Local Development Mitigation fee is required pursuant to Section 8.0 of the MSHCP and must be approved by City Council.

DISCUSSION

The City of Moreno Valley is one of the nineteen member agencies that comprise the Western Riverside County Regional Conservation Authority (WRC-RCA) and the MSHCP. The MSHCP is a comprehensive, multi-jurisdictional Habitat Conservation Plan established to accomplish two primary goals: 1) Enable local jurisdictions to plan

for and provide the infrastructure necessary to provide for both economic development and a high quality of life; and 2) Create a sustainable reserve system protecting endangered and threatened species and the habitats upon which they rely.

As a member agency, the City adopted a local Ordinance in 2004 adopting the MSHCP and associated Local Development Mitigation Fees that are part of the plan. Since that time, the City Council has taken subsequent actions to make CPI adjustments to the fees with the most recent occurring in 2019.

On February 27, 2020, the WRC-RCA provided notice to member agencies requesting implementation of the Fiscal Year 2021 CPI adjustment of 3.03% based on the increase for the Riverside–San Bernardino–Ontario, CA area (Attachment 1). For comparison purposes, the CPI adjustments for Fiscal Year 2020 was 3.05%. The City’s Ordinance requires action by the City Council to make the CPI adjustment. Upon authorization, the proposed adjustment would become effective on July 1, 2020.

As provided for in Section 15061(b)(3) of the CEQA Guidelines, the proposed fee adjustment is an activity that is exempt from the California Environmental Quality Act (CEQA) as the action taken will not have a significant impact on the environment.

ALTERNATIVES

1. Approve the proposed fee resolution and implement the 3.03% MSHCP fee increase. Staff recommends this alternative as it is consistent with the City’s approved agreements pertaining to the MSHCP.
2. Do not approve the proposed 3.03% MSHCP fee increase. Staff does not recommend this alternative as it would be inconsistent with agreements pertaining to the MSHCP and would create a potential financial liability for the City.

FISCAL IMPACT

The MSHCP Local Development Mitigation Fees are pass-through fees to the WRC-RCA for the purpose of habitat conservation. The CPI increase will ensure the fee amounts are consistent with the provisions for escalation as set forth in the governing Ordinance. This action would ensure there is no direct fiscal impact on the City. If the City does not approve the CPI adjustment, the City could become liable for any subsequent under collected fees.

NOTIFICATION

Not applicable.

PREPARATION OF STAFF REPORT

Prepared By:
Claudia Manrique

Department Head Approval:
Manuel A. Mancha

Associate Planner

Community Development Director

Concurred By:
Patty Nevins
Planning Official

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

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.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 5.5: Promote a healthy community and lifestyle.

ATTACHMENTS

1. RCA Letter dated February 27, 2020
2. MSHCP Fee Adjustment Resolution 2020-

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/16/20 4:18 PM
City Attorney Approval	<u>✓ Approved</u>	4/16/20 4:24 PM
City Manager Approval	<u>✓ Approved</u>	4/16/20 4:41 PM



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County of Riverside

Chuck Washington
County of Riverside

V. Manuel Perez
County of Riverside

Jeffrey Hewitt
County of Riverside

Executive Staff

Honey Bernas, Interim
Executive Director

3403 10th Street, Suite 320
Riverside, California 92501

P.O. Box 1667
Riverside, California 92502-1667

Phone: (951) 955-9700
Fax: (951) 955-8873
www.wrc-rca.org

February 27, 2020

Mike Lee, Interim City Manager
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

**RE: NOTICE TO IMPLEMENT THE MSHCP LOCAL DEVELOPMENT
MITIGATION FEE CPI ADJUSTMENT FOR FISCAL YEAR 2021**

Dear Mr. Lee:

The MSHCP calls for an automatic annual CPI adjustment to local development mitigation fees collected to fund the implementation of the Plan. Fee ordinances adopted by the County and Cities reflect this requirement. Based on the CPI increase for Riverside - San Bernardino - Ontario, CA, MSHCP fees will increase 3.03% effective July 1, 2020.

Member Agencies are required to implement the automatic CPI adjustment, effective July 1, 2020, and begin collecting fees at the Fiscal Year 2021 rates, as outlined in the attached.

If you have any questions or need additional information, please feel free to call me at (951) 955-9700.

Sincerely,

Jennifer Fuller
Director of Administrative Services

Attachment

cc: David Marquez, RCA Board Member
Patty Nevins, Acting Director of Community Development
Marshall Eyerman, Chief Financial Officer

Attachment: RCA Letter dated February 27, 2020 (3967 : MULTI-SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT



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County of Riverside
- Jeffrey Hewitt
County of Riverside
- Executive Staff
- Honey Bernas, Interim
Executive Director

WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN

LOCAL DEVELOPMENT MITIGATION FEE SCHEDULE FOR FISCAL YEAR 2021 (Effective July 1, 2020 – June 30, 2021)

Fee Category	Fee
Residential, density less than 8.0 dwelling units per acre (fee per dwelling unit)	\$ 2,234
Residential density between 8.0 and 14.0 dwelling units per acre (fee per dwelling unit)	\$ 1,430
Residential density greater than 14.0 dwelling Units per acre (fee per dwelling unit)	\$ 1,161
Commercial (fee per acre)	\$ 7,606
Industrial (fee per acre)	\$ 7,606

Attachment: RCA Letter dated February 27, 2020 (3967 : MULTI-SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT

3403 10th Street, Suite 320
Riverside, California 92501

P.O. Box 1667
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Phone: (951) 955-9700
Fax: (951) 955-8873
www.wrc-rca.org

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING A 3.03% INCREASE TO THE MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) MITIGATION FEE TO REFLECT THE INCREASE IN THE CONSUMER PRICE INDEX (CPI)

WHEREAS, the City of Moreno Valley ("City") is a member agency of the Western Riverside County-Regional Conservation Authority (WRC-RCA), a joint powers agency comprised of nineteen member agencies in Western Riverside County; and

WHEREAS, the WRC-RCA is charged with administration of the Multiple Species Habitat Conservation Plan (MSHCP) and mitigation fee program; and

WHEREAS, the member agencies of the WRC-RCA recognize that periodic adjustments, based on increases in the Consumer Price Index (CPI), are necessary to the MSHCP mitigation fee to assist with funding of the implementation of the MSHCP Plan; and

WHEREAS, on April 24, 2007, the WRC-RCA Board of Directors requested that member agencies include a provision in their local fee ordinance to allow for future CPI increases to be approved by resolution; and

WHEREAS, Section 3.48.050 of the City of Moreno Valley's Municipal Code specifically allows for CPI adjustments to be approved by City Council Resolution if the adjustments to the fees are justified based on inflation; and

WHEREAS, On February 27, 2020, the Regional Conservation Authority provided notice and written correspondence to member cities to implement the MSHCP Local Development Mitigation CPI adjustment of 3.03% for Fiscal Year 2021; and

WHEREAS, City staff has reviewed the CPI fee adjustment and recognizes that the adjustment is consistent with the criteria outlined in the City's Municipal Code; and

WHEREAS, the fees collected pursuant to this Resolution shall be used by the Western Riverside County-Regional Conservation Authority for habitat purposes consistent with the implementing documents of the MSHCP; and

WHEREAS, the levying of a CPI increase has been reviewed by the City Council and City staff in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and it has been determined that the recommended CPI fee increase is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines as there is no possibility of that the activity in question may have a significant

effect on the environment.

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

In accordance with Section 3.48.050 of the Moreno Valley Municipal Code, there is hereby approved the following fee schedule for MSHCP mitigation fees, which replaces the prior fee schedule set forth in Resolution 2019-23:

1. The following fee schedule reflecting a 3.03% increase in the MSHCP mitigation fees based on the increase in the CPI for Riverside-San Bernardino-Ontario, CA area is hereby approved and adopted:

Residential, density less than 8.0 dwelling units per acre	\$ 2,234/unit
Residential, density between 8.0 and 14.0 dwelling units per acre	\$ 1,430/unit
Residential, density greater than 14.0 dwelling units per acre	\$ 1,161/unit
 Commercial and Industrial (per acre)	 \$ 7,606

2. All fees established by this Resolution shall, when collected, be paid to the City Treasurer for deposit into a trust account for transmittal to the Western Riverside County-Regional Conservation Authority.

3. If any provision, clause, sentence or paragraph of this Resolution or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect any other provision or application of the provisions of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are hereby declared to be severable.

4. The fees approved, increased and established herein shall become effective July 1, 2020.

Approved and adopted this 21st day of April, 2020.

Mayor of the City of Moreno Valley

ATTEST:

2
Resolution No. 2020-_____
Date Adopted: April 21, 2020

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2020-3
Date Adopted: April 21, 2020

Attachment: MSHCP Fee Adjustment Resolution 2020- [Revision 4] (3967 : MULTI-SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL

RESOLUTION JURAT

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

I, Pat Jaquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2020-___was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2020-____ 4
Date Adopted: April 21, 2020

Attachment: MSHCP Fee Adjustment Resolution 2020- [Revision 4] (3967 : MULTI-SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: PUBLIC HEARING TO APPROVE CDBG, HOME & ESG PROJECT SELECTIONS FOR INCLUSION IN FY 2020-21 ANNUAL ACTION PLAN

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grants Program (ESG) Programs to allow the public an opportunity to comment on the proposed project selections for Fiscal Year (FY) 2020/21 Annual Action Plan.
2. Approve the recommended projects for inclusion in the Annual Action Plan (FY 2020/21) as an application to the U.S. Department of Housing and Urban Development for funding under the federal CDBG, HOME and ESG programs.
3. Authorize the Chief Financial Officer to amend the City's Budget to include the allocations as approved in the FY2020/21 Action Plan.

SUMMARY

Every year, the City is required to submit an Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD). The Annual Action Plan identifies how the CDBG, HOME and ESG Program Funds will be utilized to provide programs and projects that benefit low and moderate-income households and neighborhoods. It serves as the City's official grant application to HUD which must be submitted by May 15, 2020. The activities recommended for inclusion in the 2020/21 Annual Action Plan for CDBG, HOME and ESG are summarized in Attachment 1. Staff recommends that the City Council conduct a public hearing and approve the proposed project selections for inclusion in the 2020/21 Annual Action Plan and submittal to HUD.

DISCUSSION

The Annual Action Plan proposed for Council consideration specifically identifies how Moreno Valley will allocate CDBG, HOME and ESG funds for the upcoming year. The 2020/21 Action Plan will serve as the annual update to the City's proposed five-year Consolidated Plan (2018-2022). Tonight's Public Hearing represents one of the Public Hearings in a series of meetings conducted under the City's Action Plan schedule. The City Council established CDBG funding priorities at the November 5, 2019 meeting. The following provides a summary of the events that have occurred during the application process to date:

- October 22, 2019 Finance Subcommittee review of grant policies and Objectives
- November 5, 2019 City Council Public Hearing to review Policies and Objectives and to collect community needs and comments
- December 19, 2019 Notification of Notice of Funding Available (NOFA) posted by City Clerk in various satellite locations
Application made available on City website & PlanetBids
- January 19, 2020 In-Person Application Workshop held
- January 31, 2020 Application submittal deadline
- March 24, 2020 Finance Subcommittee reviewed and considered project selections

The following provides a summary of the events that are scheduled to occur during the continued application process:

- April 21, 2020 City Council Public Hearing to review and consider project selections
- May 5, 2020 City Council Public Hearing to approve FY 20/21 Annual Action Plan and close of public comment/ review period
- May 15, 2020 Submittal of Approved FY 20/21 Annual Action Plan to HUD

HOME Investment Partnerships Program (HOME) – Grant Purpose

The Home Investment Partnerships Program was established by the Title II of the Cranston-Gonzalez National Affordable Housing Act. The objectives of the HOME Program include:

- Expanding the supply of decent and affordable housing, particularly housing for low- and very low-income Americans;
- Strengthening the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing;
- Providing financial and technical assistance to participating jurisdictions, including the development of model programs for affordable low-income housing; and
- Extending and strengthening partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

HOME Investment Partnerships Program (HOME) – Funding and Limitations

Fiscal Year 2020/2021 Estimated Allocation	Funding Allocation
Planning and Administration Cap (10% of annual grant)	\$69,239.90
Mandatory CHDO set-aside (15% of annual grant)	103,859.85
Available for Other Activities	519,299.25
TOTAL Estimated Allocation*	\$692,399.00
TOTAL Estimated Uncommitted Prior Year HOME Funds**	\$1,700,000.00
TOTAL Estimated Available for Funding	\$2,392,399.00

**Estimate based on 2020-21 HUD Award.*

***Estimate based on prior year uncommitted funds, including CHDO set aside*

Emergency Solutions Grants Program (ESG) – Grant Purpose

The ESG program is issued to assist, protect, and improve living conditions for the homeless. The program provides funding to:

- Engage homeless individuals and families living on the street;
- Improve the number and quality of emergency shelters for homeless individuals and families;
- Help operate these shelters;
- Provide essential services to shelter residents,
- Rapidly re-house homeless individuals and families, and
- Prevent families/individuals from becoming homeless.

Emergency Solutions Grants Program (ESG) – Funding and Limitations

Fiscal Year 2020/2021 Estimated Allocation*	Funding Allocation
Planning and Administration Cap (7.5% of annual grant)	\$13,720.73
Available for Other Activities	169,222.28
TOTAL Estimated ALLOCATION	\$182,943.00

**Estimate based on 2020-21 HUD Award.*

Community Development Block Grant (CDBG) – Grant Purpose

The Community Development Block Grant (CDBG) Program is authorized by Title I of the Housing and Community Development Act of 1974, as amended. The primary objective of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

The CDBG objective is to be achieved in two ways: First, a grantee can only use funds to assist eligible activities that meet one of three national objectives of the program:

- Benefit low- and moderate-income persons,
- Aid in the prevention or elimination of slums and blight, or
- Meet community development needs having a particular urgency.

Second, at least 70 percent of funds must be spent (over a period of up to 3 years) for activities that address the national objective of benefiting low- and moderate-income persons.

Community Development Block Grant (CDBG) – Funding and Limitations

Fiscal Year 2020/2021 Estimated Allocation*	Funding Allocation
Planning and Administration Cap (20% of annual grant)	\$407,125.00
Public Services Cap (15% of annual grant)	305,343.75
Available for Other Activities (65% of annual grant)	1,323,156.25
TOTAL Estimated Allocation	\$2,035,625.00
TOTAL Estimated Uncommitted Prior Year(s) CDBG Funds**	500,000.00
TOTAL Estimated Available for Funding	\$2,535,625.00

**Estimate based on 2020-21 HUD Award.*

*** The City may utilize prior-year uncommitted funds towards non-public service activities*

A summary of application, funding request, and activities recommended under the CDBG program is summarized in Attachment 1.

Our independent consultant, Willdan Financial Services, is conducting the application process and attached is the preliminary draft of the application review with funding recommendations.

ALTERNATIVES

The Council has the following alternatives:

1. Conduct a public hearing, provide City Council modifications to the project allocations, approve the recommended actions and adopt the Annual Action Plan. *Staff recommends this alternative as it will allow the grant funds to be allocated and approved within HUDs requirements.*
2. Do Not conduct a public hearing providing the public with an opportunity to comment on the proposed Annual Action Plan, and NOT approve project allocations. *Staff does not recommend this alternative as it will not allow the grant funds to be allocated and approved within HUDs requirements.*

FISCAL IMPACT

Expenses for these programs are reimbursed by the Federal grants. The ESG program requires a 100% match which will be met by the City's ESG subrecipients. Based on the recommended actions, there is no impact to the General Fund.

NOTIFICATION

Notice of this meeting was published in the Press-Enterprise newspaper on Thursday, April 2, 2020. Additional notification was available through the City's website and directly e-mailed to those who applied for funding and are on our interest list.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Deputy Finance Director

Department Head Approval:
Marshall Eyerman
Assistant City Manager
Chief Financial Officer / City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development

- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft
- 2. Public Notice - Press Enterprise 4.02.2020

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/15/20 10:57 AM
City Attorney Approval	<u>✓ Approved</u>	4/15/20 10:24 AM
City Manager Approval	<u>✓ Approved</u>	4/15/20 11:00 AM



City of Moreno Valley

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
EMERGENCY SOLUTIONS GRANTS PROGRAM (ESG)**

FISCAL YEAR 2020/2021

**APPLICATION REVIEW
AND
FUNDING RECOMMENDATION**

**Public Hearing
May 5, 2020**

DRAFT VERSION FOR April 21, 2020 Public Hearing

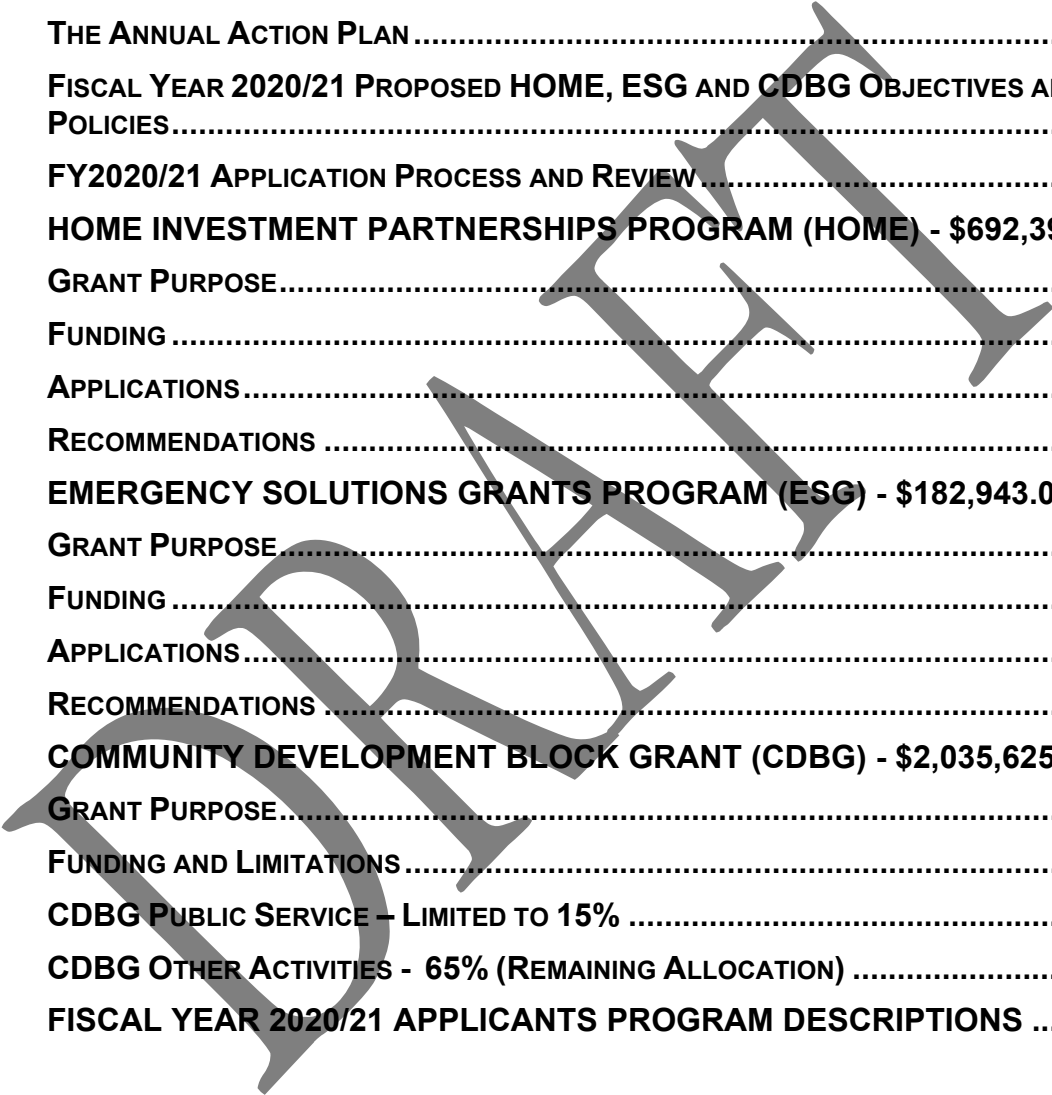
27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com/financial

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

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I. OVERVIEW

Historically, the City of Moreno Valley (the “City”) has received federal funding on an annual basis from the Department of Housing and Urban Development (HUD) for two formula block grant programs: Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). Since Program Year 2013/14, the City has become a direct recipient of Emergency Solutions Grants Program (ESG) funds.

Descriptions of each formula block program (HOME, ESG and CDBG) can be found in Sections II, III, and IV of this report.

The following subsections provide an overview of the Five-Year Consolidated Plan, The Citizen Participation Plan, The Annual Action Plan and the FY 2020/21 Application Process and Review.

The Five-Year Consolidated Plan

Every five years, the City of Moreno Valley prepares a Five-Year Consolidated Plan (ConPlan), which describes community needs, resources, priorities, and proposed activities to be undertaken under certain HUD programs, including, HOME, ESG and CDBG that benefit low and moderate-income households and neighborhoods.

The ConPlan for Program Years 2018/19 through 2022/23, outlines the following goals and strategies:

- Substandard Housing Strategy
- Homelessness Strategy
- Public Facilities and Improvements Strategy
- Public Services Program Strategy
- Housing Discrimination Strategy
- Economic Development Strategy
- Planning and Administration Strategy

The Citizen Participation Plan

The City has developed a Citizen Participation Plan (CPP) as a part of the ConPlan that sets forth the policies and procedures to encourage citizen's participation in the HOME, ESG and CDBG Program planning and implementation processes. This CPP provides the method and process by which the City will encourage citizen participation in the development of its ConPlan.

A copy of the City's Citizen Participation Plan is available for inspection at the Financial & Management Services Department during normal business hours.

The Annual Action Plan

Each year in May, the City of Moreno Valley is required to submit an update to the ConPlan to HUD, referred to as an Annual Action Plan (AAP). The AAP outlines the specific steps that will be taken during the year to address both the community development and housing priorities of the ConPlan. The AAP identifies how the HOME, ESG and CDBG Program funds will be utilized to provide programs and projects that benefit low and moderate-income households and neighborhoods.

A copy of the City's AAP for prior program years is available for inspection at the Financial & Management Services Department during normal business hours and is available on the City's website at www.moval.org.

Fiscal Year 2020/21 Proposed HOME, ESG and CDBG Objectives and Policies

The City's Objectives for the HOME, ESG and CDBG programs are summarized below (*listed alphabetically*) and additional detail can be found in the application booklet:

- Capital Improvement Activities
- Economic Development Activities
- Health, Safety, and Public Welfare Activities
- Historic Preservation Activities
- Homeless/Homeless Prevention Activities
- Housing and Neighborhood Improvement Activities
- Public Service Activities
 1. Basic Needs Related to Social Services Programs (such as but not limited to emergency food, shelter (homelessness), and utility assistance)
 2. Community Public Safety Programs
 3. Programs offering Low-Cost Transportation
 4. Employment Services/Programs and Job (Skills) Training
 5. Free/Low-Cost programs for School-Aged Youth
 6. Fair Housing Activities
- Slum or Blight Activities

FY2020/21 Application Process and Review

On December 19, 2019 the City published Notice of Funding Availability (NOFA) for Fiscal Year 2020/21 Application for Funding for HOME, ESG and CDBG. According to the application guidelines, interested parties were informed to submit their completed applications by January 31, 2020, 5:00 pm. Programs and projects seeking funding from the City of Moreno Valley must address one or more of the Community Development Priorities set forth in the Five-Year Consolidated Plan, in addition to meeting all other conditions as summarized in the application booklet. A copy of the application booklet which provided additional information on the City's objectives and policies was made available on the City's website.

The City received nineteen (19) eligible applications requesting a total \$2,914,674. This report does not include information from any applications that were incomplete, withdrawn and/or deemed ineligible.

As part of the application process in preparation of the One-Year Action Plan, the City has contracted Willdan Financial Services ("Willdan") to collaborate with City Staff and Officials, as the Technical Review Committee for the HOME, ESG and CDBG application proposals.

The Technical Review Committee's preliminary recommendations were presented at a Public Hearing held on April 21, 2020. At this meeting, the City of Moreno Valley City Council reviewed and considered the proposed project selections. In line with the City's policies and objectives and the Citizen's Participation Plan, the final project selections will be made by the City Council via Public Hearing on May 5, 2020. The Annual Action Plan is scheduled to be submitted to HUD at least 45 days before the beginning of the program year.

The following subsequent sections of this report contain the current proposed project selections for Fiscal Year 2020/21.

II. Home Investment Partnerships Program (HOME) - \$692,399.00

Grant Purpose

The Home Investment Partnerships Program was established by the Title II of the Cranston-Gonzalez National Affordable Housing Act. The objectives of the HOME Program include:

- Expanding the supply of decent and affordable housing; primarily rental housing.
- Strengthening the ability of state and local government to provide adequate supplies of decent, affordable housing.
- Providing financial and technical assistance to participating jurisdictions, including the development of model programs for affordable low-income housing.
- Extending partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

Funding

Estimated Fiscal Year 2020/2021 Allocation	HOME
Planning and Administration Cap (10% of annual grant)	\$69,239.90
Mandatory CHDO set-aside (15% of annual grant)	103,859.85
Available for Other Activities	519,299.25
TOTAL Approved Allocation *	\$692,399.00
TOTAL Estimated Uncommitted Prior Year HOME Funds **	1,700,000.00
TOTAL Estimated Available for Funding	\$2,392,399.00

*Preliminary allocations provided by HUD in February 2020.

** Estimate is based on prior year uncommitted funds, including CHDO set aside.

Applications

The City received zero (0) HOME applications.

Recommendations

There were no HOME applications for FY 2020-21.

III. Emergency Solutions Grants Program (ESG) - \$182,943.00

Grant Purpose

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act, revising the Emergency Shelter Grants Program in significant ways and renaming it the Emergency Solutions Grants Program. The City has received ESG program grant funds for 7 years. The decision to apply the American Community Survey (ACS) data to calculate HUD allocations made Moreno Valley eligible to receive ESG funds.

The ESG program is issued to assist, protect, and improve living conditions for the homeless. The program provides funding to:

- Engage homeless individuals and families living on the street;
- Improve the number and quality of emergency shelters for homeless individuals and families;
- Help operate these shelters and provide essential services to shelter residents;
- Rapidly re-house and provide essential services to shelter residents,
- Prevent families/individuals from becoming homeless and provide essential services to those at risk of homelessness.

Funding

Estimated Fiscal Year 2020/2021 Allocation	ESG
Planning and Administration Cap (7.5% of annual grant)	\$13,720.72
Available for Other Activities	169,222.28
TOTAL Approved Allocation *	\$182,943.00

** Preliminary allocations provided by HUD in February 2020.*

Applications

The City received one (1) ESG application requesting a total of \$80,000 in ESG funding. The City also plans to continue to fund the County of Riverside Department of Public Social Services for HMIS (\$5,000), therefore the total request for ESG funds is \$85,000.

Recommendations

Application was evaluated according to the required criteria.

City of Moreno Valley
Fiscal Year 2020/21
Application Review
Emergency Solutions Grants Program (ESG)

App. No.	Applicant	Program	Funding	Funding Type	City Priority	FY 19-20 Funding	Funding Requested FY 20-21	Funding Recommended FY 20-21
N/A	County of Riverside	Homeless Management Information System (HMIS)	ESG	N/A	N/A	\$5,000.00	\$5,000.00	\$5,000.00
1	The Salvation Army	Homeless Outreach	ESG	N/A	Homeless/Homeless Prevention Activities	\$35,000.00	\$80,000.00	\$80,000.00
Totals						\$40,000.00	\$85,000.00	\$85,000.00

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Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC

IV. Community Development Block Grant (CDBG) - \$2,035,625.00

Grant Purpose

The Community Development Block Grant (CDBG) Program is authorized by Title I of the Housing and Community Development Act of 1974, as amended. The primary objective of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

The CDBG objective is to be achieved in two ways:

First, a grantee can only use funds to assist eligible activities that meet one of three national objectives of the program:

- Benefit low- and moderate-income persons,
- Aid in the prevention or elimination of slums and/or blight,
- Meet community development needs having a particular urgency.

Second, at least 70 percent of funds must be spent (over a period of up to 3 years) for activities that address the national objective of benefiting low- and moderate-income persons.

Funding and Limitations

Estimated Fiscal Year 2020/2021 Allocation	CDBG
Planning and Administration Cap (20% of annual grant)	\$407,125.00
Public Services Cap (15% of annual grant)	305,343.75
Available for Other Activities (65% of annual grant)	1,323,156.25
TOTAL Approved Allocation *	\$2,035,625.00
TOTAL Estimated Uncommitted Prior Year(s) CDBG Funds**	500,000.00
TOTAL Estimated Available for Funding	\$2,535,625.00

* Preliminary allocations provided by HUD in February 2020.

** The City may utilize prior-year uncommitted funds towards non-public service activities.

CDBG Public Service – Limited to 15%

The City's Public Service priority ranking as approved by the Council is recapped below:

Priority 1: Basic Needs Related Social Services Programs (such as but not limited to emergency food, shelter (homelessness), and utility assistance)

Priority 2: Community Public Safety Programs

Priority 3: Programs offering Low-Cost Transportation

Priority 4: Employment Services/Programs and Job (Skills) Training

Priority 5: Free/Low-Cost programs for School-Aged Youth

Priority 6: Fair Housing Activities

According to the CDBG regulations, the amount of CDBG funds obligated within a program year to support public service activities may not exceed 15% of the annual program allocation. As a result, the City's Public Service projects for program year 2020/21 is limited to **\$305,343.75**.

There were a total of thirteen (13) public service applications received, totaling \$439,673.66, exceeding the estimated allocation by over \$134,329.91.

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**City of Moreno Valley
Fiscal Year 2020/21
Application Review
Community Development Block Grant (CDBG)
Public Service**

App. No.	Applicant	Program	Funding	Funding Type	City Priority	Public Service Priority	FY 19-20 Funding	Funding Requested FY 20-21	Funding Recommended FY 20-21
(1) Public Service - Basic Needs									
2	Family Service Association	Senior Nutrition Program	CDBG	Public Service (Senior Services)	Public Service	(1) Basic Needs (Case Management for Food Program)	\$20,000.00	\$20,000.00	\$20,000.00
3	Operation SafeHouse	Emergency Shelter for Youth	CDBG	Public Service (Homelessness Services)	Public Service	(1) Basic Needs (Homelessness Services)	\$10,000.00	\$15,000.00	\$15,000.00
4	The Hole in Wall Inc.	Community Homeless Solution	CDBG	Public Service (Homelessness Services)	Public Service	(1) Basic Needs (Homelessness Services)	\$0.00	\$50,000.00	\$0.00
(2) Public Service - Community Safety Program									
5	Moreno Valley Police Department	Community Betterment Through CDBG Funding and Problem Oriented Policing	CDBG	Public Service (Crime Awareness/Prevention)	Public Service	(2) Community Public Safety Programs	\$70,177.00	\$72,579.00	\$72,118.75
(3) Public Service - Low Cost Transportation									
6	Friends of Moreno Valley Senior Center	Mo-Van Senior Transportation Program	CDBG	Public Service (Senior Services)	Public Service	(3) Low-Cost Transportation	\$55,000.00	\$75,000.00	\$60,000.00

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC

App. No.	Applicant	Program	Funding	Funding Type	City Priority	Public Service Priority	FY 19-20 Funding	Funding Requested FY 20-21	Funding Recommended FY 20-21
(5) Public Service - Free/Low-Cost Programs for School-Aged Youth									
7	Assistance League of Riverside	Operation School Bell	CDBG	Public Service (Youth Services)	Public Service	(5) Free/Low-Cost programs for School-Aged Youth	\$15,000.00	\$25,000.00	\$15,000.00
8	Boys & Girls Club of Greater Redlands-Riverside	After-School Programs and Healthy Snack	CDBG	Public Service (Youth Services)	Public Service	(5) Free/Low-Cost programs for School-Aged Youth	\$0.00	\$15,000.00	\$0.00
9	HOPE Vision Center	HOPE Summer Academy	CDBG	Public Service (Youth Services)	Public Service	(5) Free/Low-Cost programs for School-Aged Youth	\$10,000.00	\$30,000.00	\$15,000.00
10	Rising Stars Business Academy	Job Training Program	CDBG	Public Service (Youth Services)	Public Service	(5) Free/Low-Cost programs for School-Aged Youth	\$0.00	\$28,869.66	\$0.00
11	Riverside Area Rape Crisis Center	Child Abuse Prevention Program	CDBG	Public Service (Services for Abused and Neglected Children)	Public Service	(5) Free/Low-Cost programs for School-Aged Youth	\$14,454.00	\$15,000.00	\$15,000.00
12	Voices for Children	Court Appointed Special Advocate (CASA) Program	CDBG	Public Service (Services for Abused and Neglected Children)	Public Service	(5) Free/Low-Cost programs for School-Aged Youth	\$30,000.00	\$30,000.00	\$30,000.00
(6) Public Service - Fair Housing Activities									
13	Fair Housing Council of Riverside County	Fair Housing Discrimintion Services	CDBG	Public Service (Fair Housing Activities)	Public Service	(6) Fair Housing	\$39,217.00	\$42,150.00	\$42,150.00
14	Fair Housing Council of Riverside County	Landlord/Tenant Counseling	CDBG	Public Service (Fair Housing Activities)	Public Service	(6) Fair Housing	\$18,455.00	\$21,075.00	\$21,075.00
Totals							\$282,303.00	\$439,673.66	\$305,343.75

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC

CDBG Other Activities - 65% (Remaining Allocation)

After taking into account the limitations for CDBG Administration and Public Service Activities, the remaining allocation available to fund other activities was \$1,823,156.25, including \$500,000 uncommitted prior year CDBG funds. There was a total of five (5) applications received for other activities, totaling \$2,390,000.00. The total requests exceeded the Fiscal Year 2020/21 estimated allocation by over \$1,066,843.75.

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**City of Moreno Valley
Fiscal Year 2020/21
Application Review
Community Development Block Grant (CDBG)
Other-65% Funding**

App. No.	Applicant	Program	Funding	Funding Type	City Priority	FY 19-20 Funding	Funding Requested FY 20-21	Funding Recommended FY 20-21
Housing and Neighborhood Improvement Activities								
15	GRID Alternatives	Low-Income Solar Energy Assistance Program	CDBG	Rehabilitation: Single Unit Residential	Housing and Neighborhood Improvement Activities	\$75,000.00	\$100,000.00	\$100,000.00
16	Habitat for Humanity Riverside	A Brush with Kindness (ABWK)	CDBG	Rehabilitation: Single Unit Residential	Housing and Neighborhood Improvement Activities	\$10,000.00	\$10,000.00	\$10,000.00
17	The Salvation Army	Homeless 2 Work Program (Census Tract Area Cleanup)	CDBG	Interim Assistance	Housing and Neighborhood Improvement Activities	\$30,000.00	\$30,000.00	\$30,000.00
Capital Improvements *								
18	City of Moreno Valley - Public Works Department	Pavement Rehab for Various Local Streets	CDBG	Public Facilities and Improvements	Capital Improvements	\$1,216,521.71	\$1,800,000.00	\$1,233,156.25
19	City of Moreno Valley - Maintenance and Operations	ADA Improvements at City Facilities	CDBG	Public Facilities and Improvements	Capital Improvements	\$0.00	\$450,000.00	\$450,000.00
Totals						\$1,331,521.71	\$2,390,000.00	\$1,823,156.25

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC

V. Fiscal Year 2020/21 Applicants Program Descriptions

Applicant's Program Descriptions for each application, as submitted by the applicants, can be found in the subsequent pages.

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City of Moreno Valley
 Fiscal Year 2020/21
 Emergency Solutions Grants Program (ESG)
 Applicant Program Description

Application Number: 1
Funding: ESG

Applicant: The Salvation Army
Program: Homeless Outreach

FY 20/21 Recommended Funding: **\$80,000.00**

Requested Funding Amount: **\$80,000.00**
 Total # Person/Unit Served: 60
 MV # Person/Unit Served: 60
 Funding per Person/Unit Served: \$1,333.33/person

ESG Component	Budget	Individuals to be Served
Street Outreach	\$80,000.00	60
Rapid Rehousing		
Homelessness Prevention		
Emergency Shelter		
Total	\$80,000.00	60

Program Description:

This program is intended to help individuals identify and overcome barriers in securing employment and housing. Through outreach and case management The Salvation Army will make contact with unsheltered residents and help develop an individualized service plan towards sufficiency. The Salvation Army staff will connect clients to resources necessary for employment and housing, partnering with other local providers. Each week staff visits local homeless encampments to start building relationships and highlight resources available. Case management begins with an initial assessment to identify the individualized needs.

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 2
Funding: CDBG

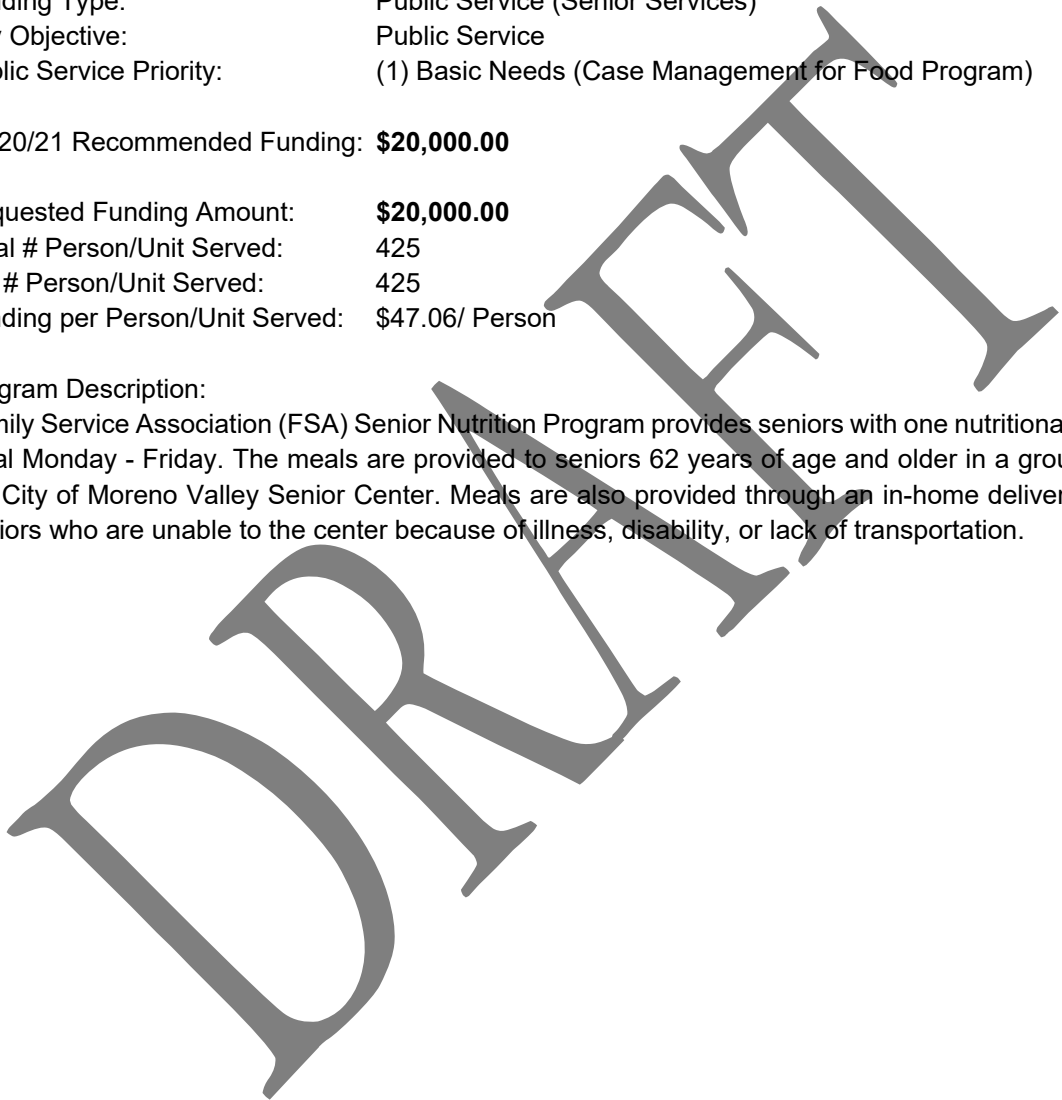
Applicant: Family Service Association
Program: Senior Nutrition Program

Funding Type: Public Service (Senior Services)
City Objective: Public Service
Public Service Priority: (1) Basic Needs (Case Management for Food Program)

FY 20/21 Recommended Funding: **\$20,000.00**

Requested Funding Amount: \$20,000.00
Total # Person/Unit Served: 425
MV # Person/Unit Served: 425
Funding per Person/Unit Served: \$47.06/ Person

Program Description:
Family Service Association (FSA) Senior Nutrition Program provides seniors with one nutritionally balanced meal Monday - Friday. The meals are provided to seniors 62 years of age and older in a group setting at the City of Moreno Valley Senior Center. Meals are also provided through an in-home delivery service to seniors who are unable to the center because of illness, disability, or lack of transportation.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 3
Funding: CDBG

Applicant: Operation SafeHouse
Program: Emergency Shelter for Youth

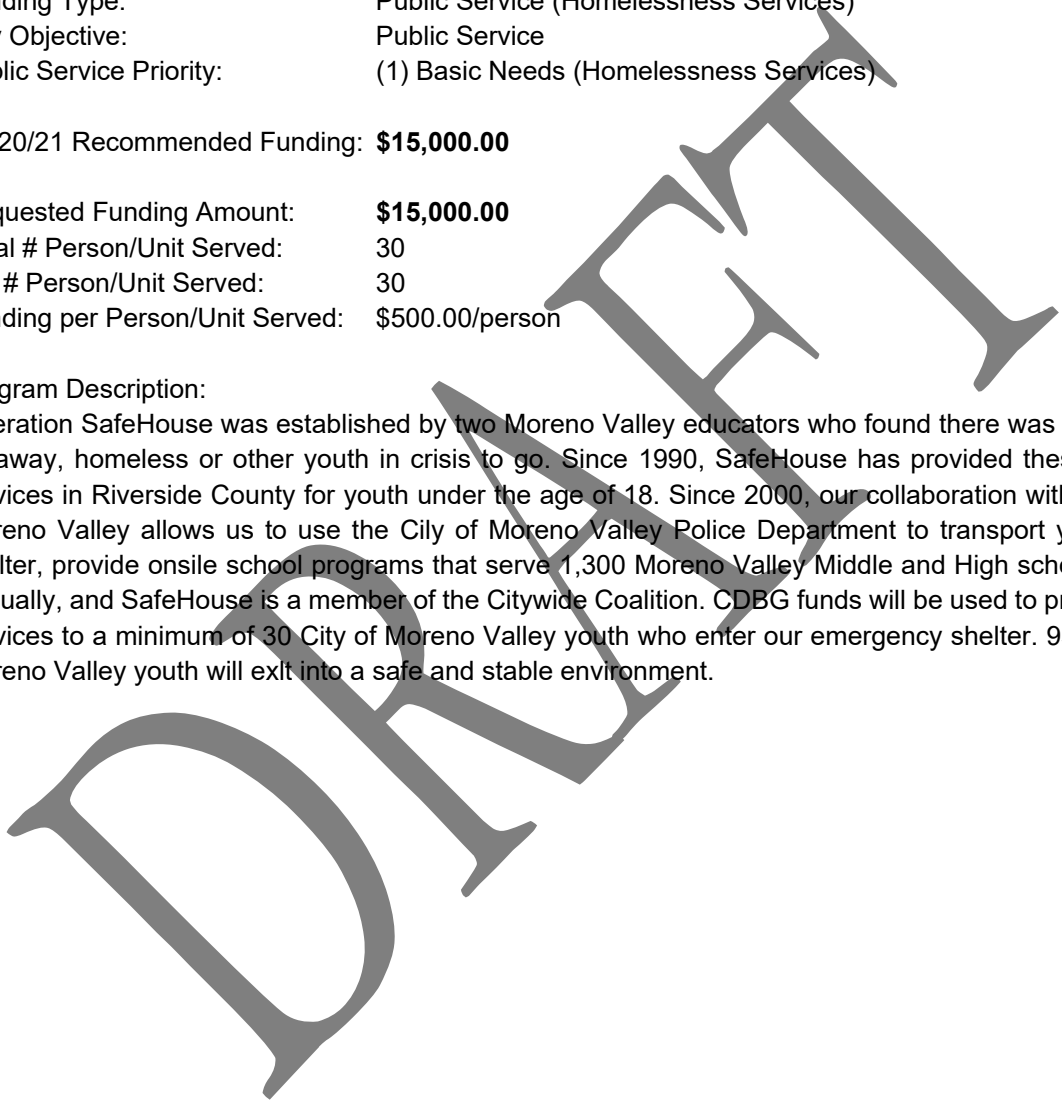
Funding Type: Public Service (Homelessness Services)
City Objective: Public Service
Public Service Priority: (1) Basic Needs (Homelessness Services)

FY 20/21 Recommended Funding: **\$15,000.00**

Requested Funding Amount: \$15,000.00
Total # Person/Unit Served: 30
MV # Person/Unit Served: 30
Funding per Person/Unit Served: \$500.00/person

Program Description:

Operation SafeHouse was established by two Moreno Valley educators who found there was nowhere for runaway, homeless or other youth in crisis to go. Since 1990, SafeHouse has provided these essential services in Riverside County for youth under the age of 18. Since 2000, our collaboration with the City of Moreno Valley allows us to use the City of Moreno Valley Police Department to transport youth to our shelter, provide onsite school programs that serve 1,300 Moreno Valley Middle and High school students annually, and SafeHouse is a member of the Citywide Coalition. CDBG funds will be used to provide direct services to a minimum of 30 City of Moreno Valley youth who enter our emergency shelter. 95% of these Moreno Valley youth will exit into a safe and stable environment.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 4
Funding: CDBG

Applicant: The Hole in Wall Inc.
Program: Community Homeless Solution

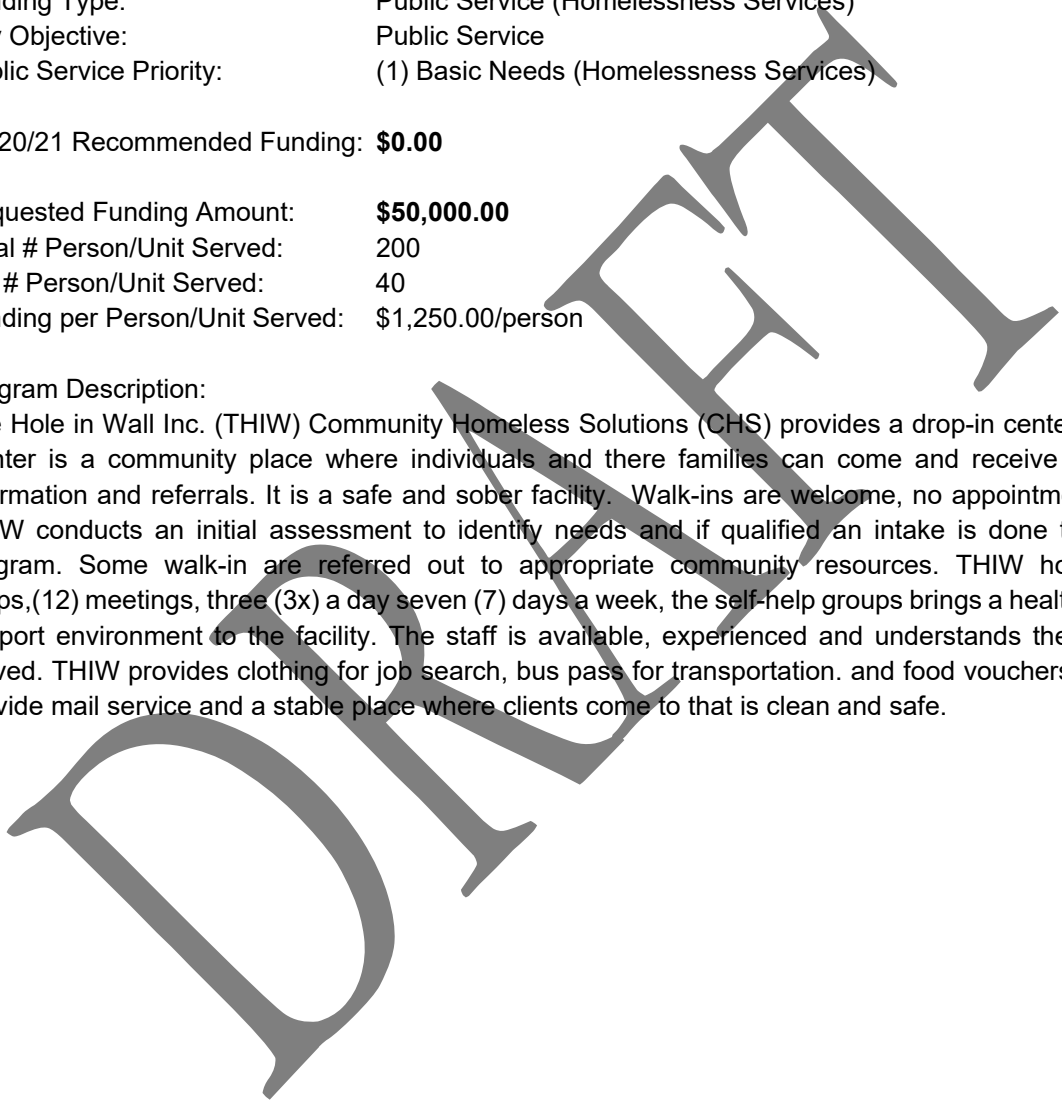
Funding Type: Public Service (Homelessness Services)
City Objective: Public Service
Public Service Priority: (1) Basic Needs (Homelessness Services)

FY 20/21 Recommended Funding: **\$0.00**

Requested Funding Amount: \$50,000.00
Total # Person/Unit Served: 200
MV # Person/Unit Served: 40
Funding per Person/Unit Served: \$1,250.00/person

Program Description:

The Hole in Wall Inc. (THIW) Community Homeless Solutions (CHS) provides a drop-in center, a Drop-in Center is a community place where individuals and their families can come and receive assistance, information and referrals. It is a safe and sober facility. Walk-ins are welcome, no appointment needed, THIW conducts an initial assessment to identify needs and if qualified an intake is done to enter the program. Some walk-in are referred out to appropriate community resources. THIW hosts Twelve Steps, (12) meetings, three (3x) a day seven (7) days a week, the self-help groups bring a healthy sobering support environment to the facility. The staff is available, experienced and understands the population served. THIW provides clothing for job search, bus pass for transportation, and food vouchers. They also provide mail service and a stable place where clients come to that is clean and safe.



Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 5
Funding: CDBG

Applicant: Moreno Valley Police Department *
Program: Community Betterment Through CDBG Funding and Problem Oriented Policing

Funding Type: Public Service (Crime Awareness/Prevention)
City Objective: Public Service
Public Service Priority: (2) Community Public Safety Programs

FY 20/21 Recommended Funding: **\$72,118.75**

Requested Funding Amount: \$72,579.00
Total # Person/Unit Served: 200
MV # Person/Unit Served: 200
Funding per Person/Unit Served: \$362.90 per person

Program Description:

The CDBG grant funds will be used to provide added enforcement support through overtime hours worked in the CDBG target area. The overall purpose is to reduce crime within the areas, remove blighted conditions, and improve quality of life for the community. The officers will acquaint themselves with the apartment managers and residents and will work closely with them to forge improved relations and reduce crime. Furthermore, funding will be used for overtime to provide training for the Citizens Patrol and Volunteer/Explorer Programs.

*** The City will reduce this applicant's award based on actual funding received to comply with the Public Service cap limit of 15%, with a not to exceed award of \$72,579.00.**

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 6
Funding: CDBG

Applicant: Friends of Moreno Valley Senior Center
Program: Mo-Van Senior Transportation Program

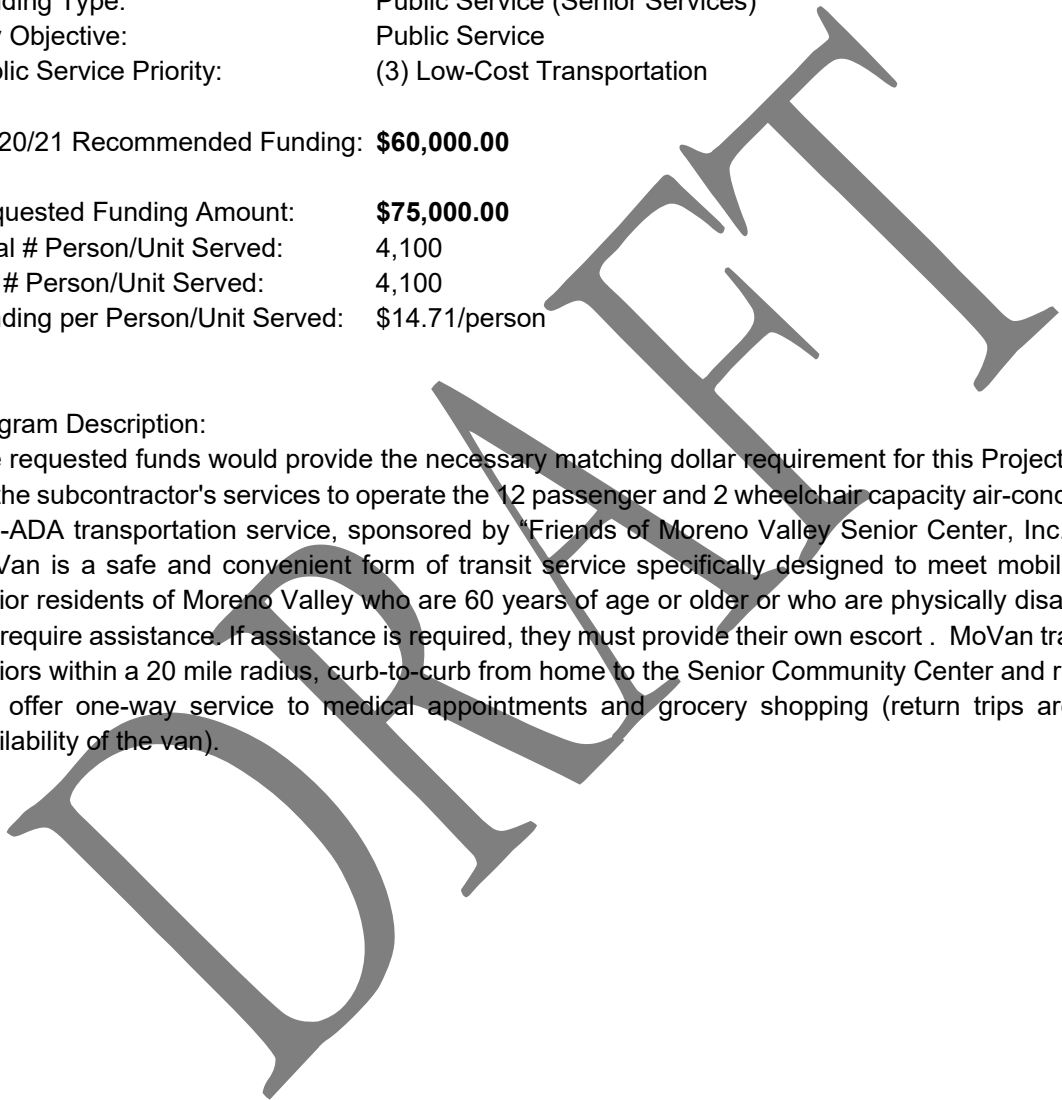
Funding Type: Public Service (Senior Services)
City Objective: Public Service
Public Service Priority: (3) Low-Cost Transportation

FY 20/21 Recommended Funding: **\$60,000.00**

Requested Funding Amount: **\$75,000.00**
Total # Person/Unit Served: 4,100
MV # Person/Unit Served: 4,100
Funding per Person/Unit Served: \$14.71/person

Program Description:

The requested funds would provide the necessary matching dollar requirement for this Project which pays for the subcontractor's services to operate the 12 passenger and 2 wheelchair capacity air-conditioned bus, non-ADA transportation service, sponsored by "Friends of Moreno Valley Senior Center, Inc." (FMVSCI) MoVan is a safe and convenient form of transit service specifically designed to meet mobility needs of senior residents of Moreno Valley who are 60 years of age or older or who are physically disabled and do not require assistance. If assistance is required, they must provide their own escort . MoVan transports our seniors within a 20 mile radius, curb-to-curb from home to the Senior Community Center and return home. We offer one-way service to medical appointments and grocery shopping (return trips are based on availability of the van).



Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 7
Funding: CDBG

Applicant: Assistance League of Riverside
Program: Operation School Bell

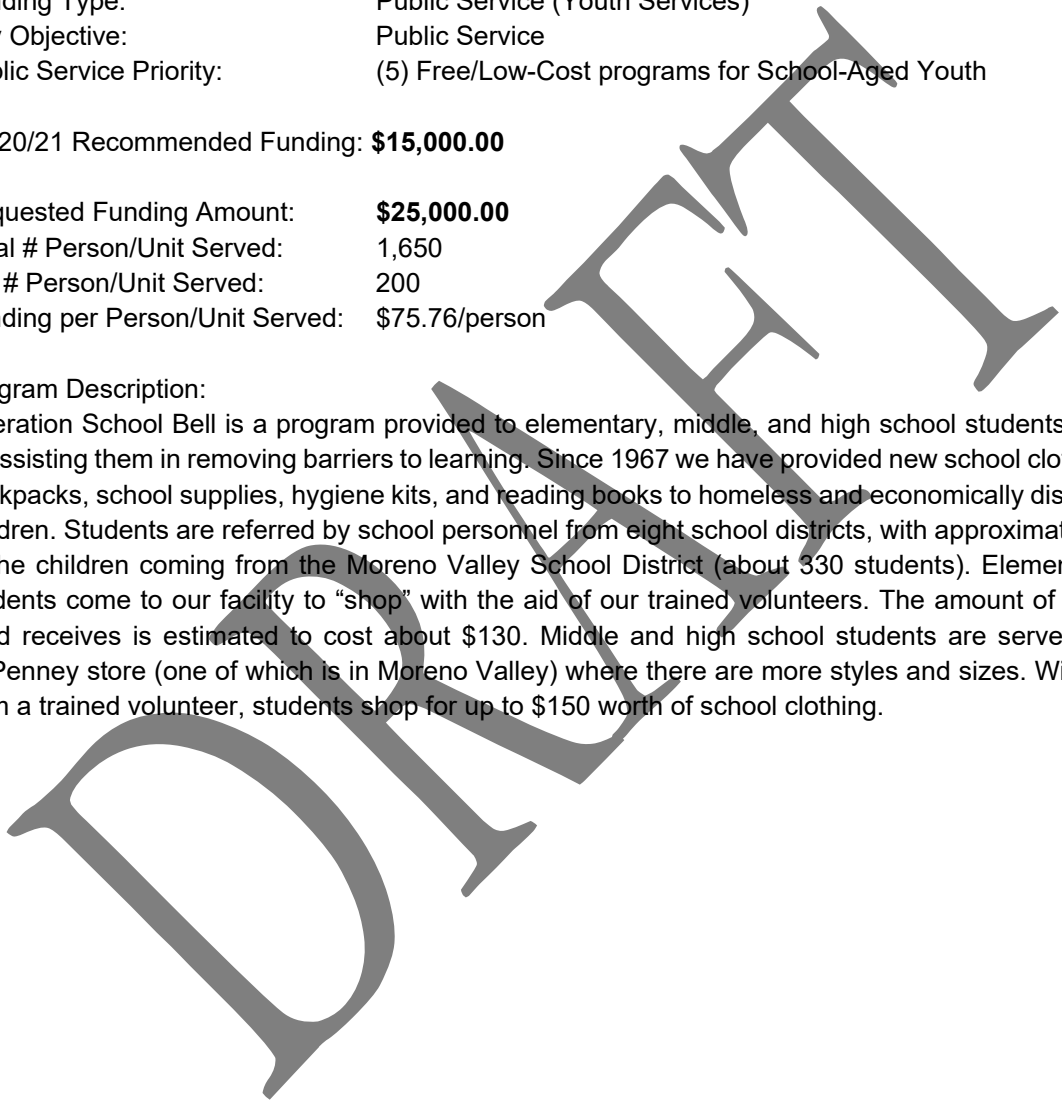
Funding Type: Public Service (Youth Services)
City Objective: Public Service
Public Service Priority: (5) Free/Low-Cost programs for School-Aged Youth

FY 20/21 Recommended Funding: **\$15,000.00**

Requested Funding Amount: \$25,000.00
Total # Person/Unit Served: 1,650
MV # Person/Unit Served: 200
Funding per Person/Unit Served: \$75.76/person

Program Description:

Operation School Bell is a program provided to elementary, middle, and high school students with a goal of assisting them in removing barriers to learning. Since 1967 we have provided new school clothes, shoes, backpacks, school supplies, hygiene kits, and reading books to homeless and economically disadvantaged children. Students are referred by school personnel from eight school districts, with approximately one-fifth of the children coming from the Moreno Valley School District (about 330 students). Elementary school students come to our facility to “shop” with the aid of our trained volunteers. The amount of goods each child receives is estimated to cost about \$130. Middle and high school students are served at a local JCPenney store (one of which is in Moreno Valley) where there are more styles and sizes. With oversight from a trained volunteer, students shop for up to \$150 worth of school clothing.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 8
Funding: CDBG

Applicant: Boys & Girls Club of Greater Redlands-Riverside
Program: After-School Programs and Healthy Snack

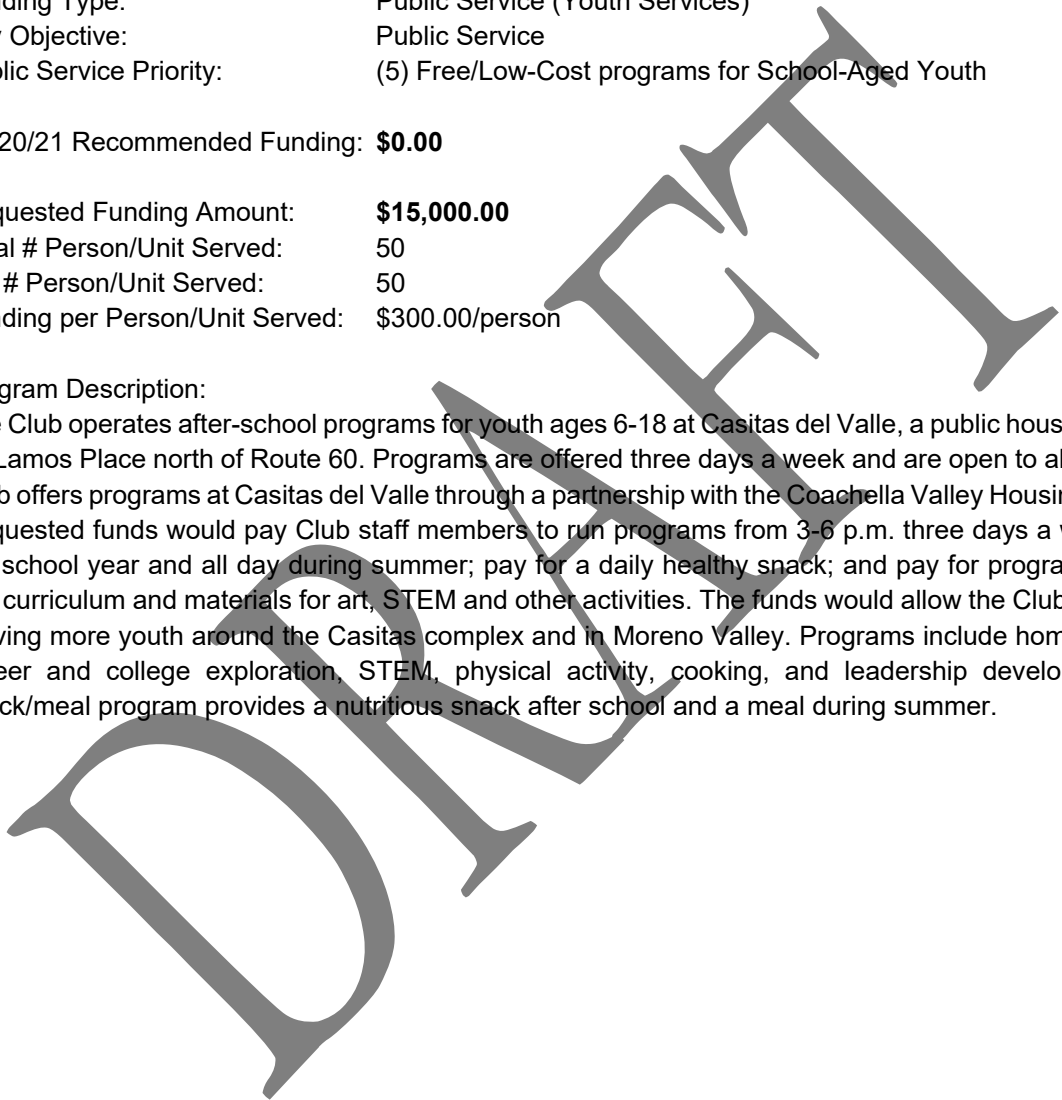
Funding Type: Public Service (Youth Services)
City Objective: Public Service
Public Service Priority: (5) Free/Low-Cost programs for School-Aged Youth

FY 20/21 Recommended Funding: **\$0.00**

Requested Funding Amount: **\$15,000.00**
Total # Person/Unit Served: 50
MV # Person/Unit Served: 50
Funding per Person/Unit Served: \$300.00/person

Program Description:

The Club operates after-school programs for youth ages 6-18 at Casitas del Valle, a public housing complex on Lamos Place north of Route 60. Programs are offered three days a week and are open to all youth. The Club offers programs at Casitas del Valle through a partnership with the Coachella Valley Housing Coalition. Requested funds would pay Club staff members to run programs from 3-6 p.m. three days a week during the school year and all day during summer; pay for a daily healthy snack; and pay for program materials like curriculum and materials for art, STEM and other activities. The funds would allow the Club to continue serving more youth around the Casitas complex and in Moreno Valley. Programs include homework help, career and college exploration, STEM, physical activity, cooking, and leadership development. The snack/meal program provides a nutritious snack after school and a meal during summer.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 9
Funding: CDBG

Applicant: HOPE Vision Center
Program: HOPE Summer Academy

Funding Type: Public Service (Youth Services)
City Objective: Public Service
Public Service Priority: (5) Free/Low-Cost programs for School-Aged Youth

FY 20/21 Recommended Funding: **\$15,000.00**

Requested Funding Amount: \$30,000.00
Total # Person/Unit Served: 75
MV # Person/Unit Served: 75
Funding per Person/Unit Served: \$200.00/person

Program Description:

HOPE will provide up to 150 low to moderate income K-12th grade students in Moreno Valley with a free or low cost summer academy in which they will receive academic workshops conducted by credentialed teachers, a research-based online reading intervention program, and engaging enrichment activities facilitate by high quality specialized instructors along with breakfast and lunch. Brooking Institute research shows that students on average lose 25-30 percent of their school year learning over the summer. Low income, African-American and Latino students gain less over the school year and lose more over the summer compared to other students. HOPE's mission is to close the achievement gap and expose students to new hands-on opportunities to build their skills and knowledge base. Further, Brooking Institute research shows school based summer programs are effective for at-risk populations, if academics are blended with hands-on recreational activities, professional school staff and partnerships with community based organizations to support social needs.

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 10
Funding: CDBG

Applicant: Rising Stars Business Academy
Program: Job Training Program

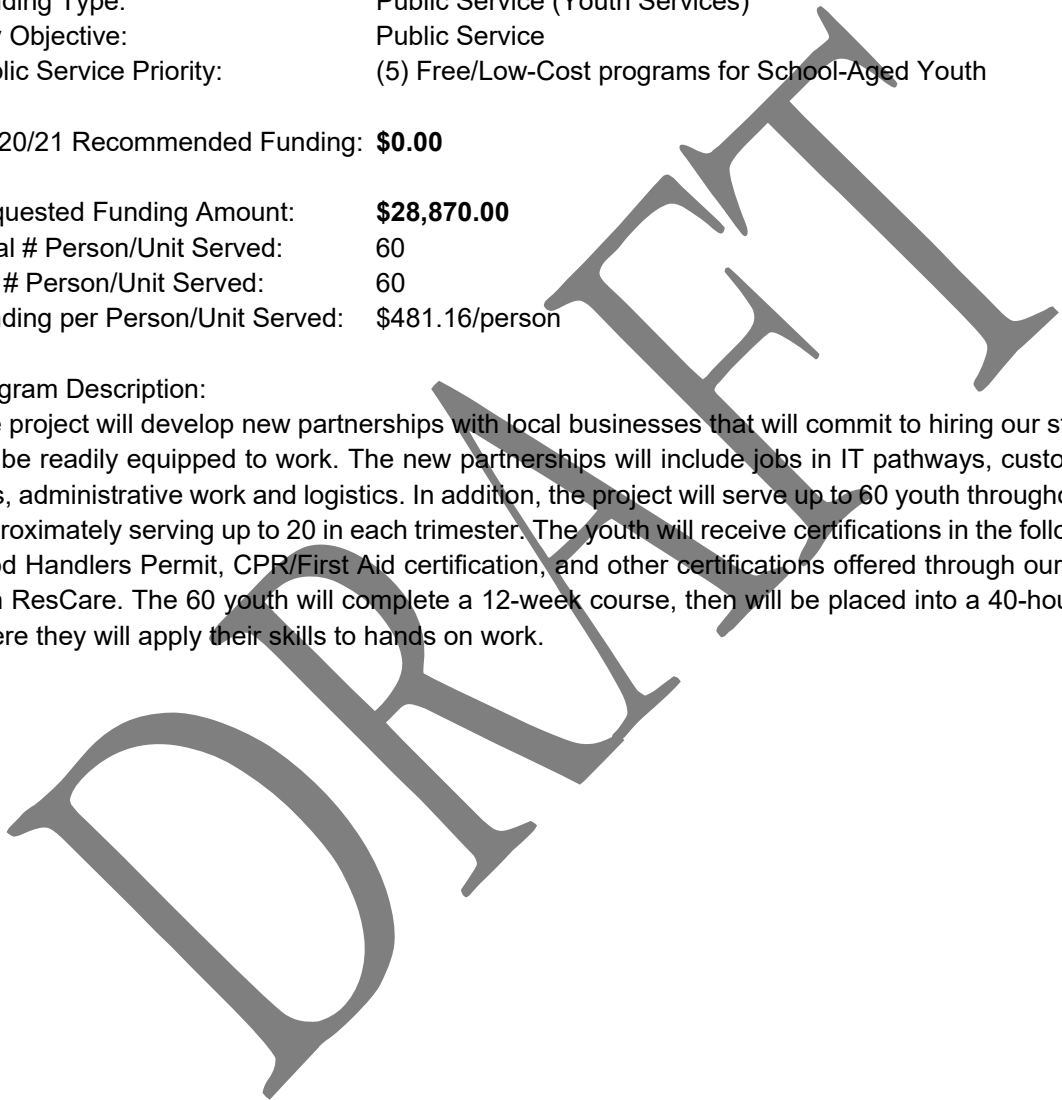
Funding Type: Public Service (Youth Services)
City Objective: Public Service
Public Service Priority: (5) Free/Low-Cost programs for School-Aged Youth

FY 20/21 Recommended Funding: **\$0.00**

Requested Funding Amount: \$28,870.00
Total # Person/Unit Served: 60
MV # Person/Unit Served: 60
Funding per Person/Unit Served: \$481.16/person

Program Description:

The project will develop new partnerships with local businesses that will commit to hiring our students who will be readily equipped to work. The new partnerships will include jobs in IT pathways, customer service jobs, administrative work and logistics. In addition, the project will serve up to 60 youth throughout the year, approximately serving up to 20 in each trimester. The youth will receive certifications in the following areas; Food Handlers Permit, CPR/First Aid certification, and other certifications offered through our partnership with ResCare. The 60 youth will complete a 12-week course, then will be placed into a 40-hour internship where they will apply their skills to hands on work.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 11
Funding: CDBG

Applicant: Riverside Area Rape Crisis Center
Program: Child Abuse Prevention Program

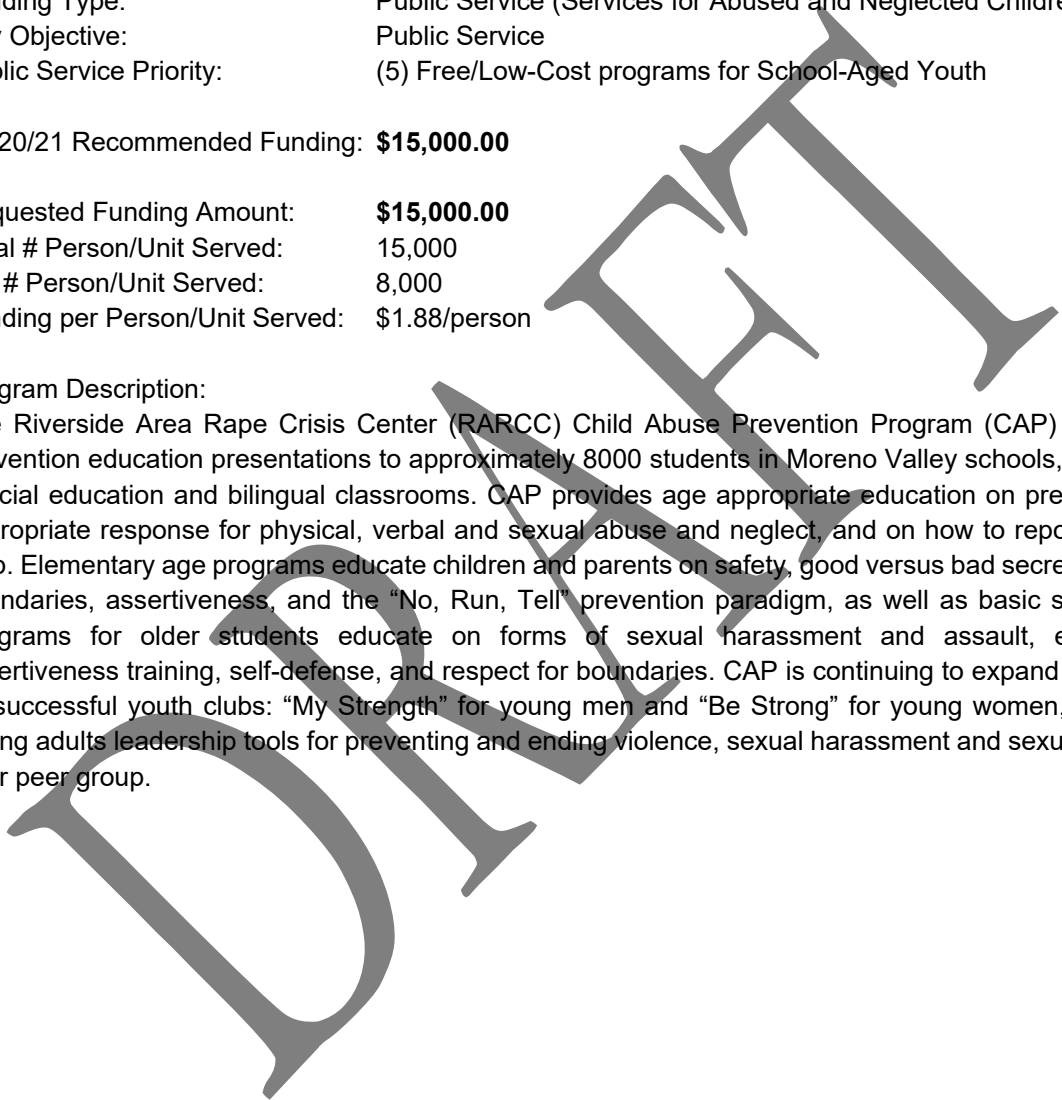
Funding Type: Public Service (Services for Abused and Neglected Children)
City Objective: Public Service
Public Service Priority: (5) Free/Low-Cost programs for School-Aged Youth

FY 20/21 Recommended Funding: **\$15,000.00**

Requested Funding Amount: **\$15,000.00**
Total # Person/Unit Served: 15,000
MV # Person/Unit Served: 8,000
Funding per Person/Unit Served: \$1.88/person

Program Description:

The Riverside Area Rape Crisis Center (RARCC) Child Abuse Prevention Program (CAP) will provide prevention education presentations to approximately 8000 students in Moreno Valley schools, including in special education and bilingual classrooms. CAP provides age appropriate education on prevention and appropriate response for physical, verbal and sexual abuse and neglect, and on how to report and seek help. Elementary age programs educate children and parents on safety, good versus bad secrets, personal boundaries, assertiveness, and the "No, Run, Tell" prevention paradigm, as well as basic self-defense. Programs for older students educate on forms of sexual harassment and assault, emphasizing assertiveness training, self-defense, and respect for boundaries. CAP is continuing to expand capacity for its successful youth clubs: "My Strength" for young men and "Be Strong" for young women, which give young adults leadership tools for preventing and ending violence, sexual harassment and sexual assault in their peer group.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 12
Funding: CDBG

Applicant: Voices for Children
Program: Court Appointed Special Advocate (CASA) Program

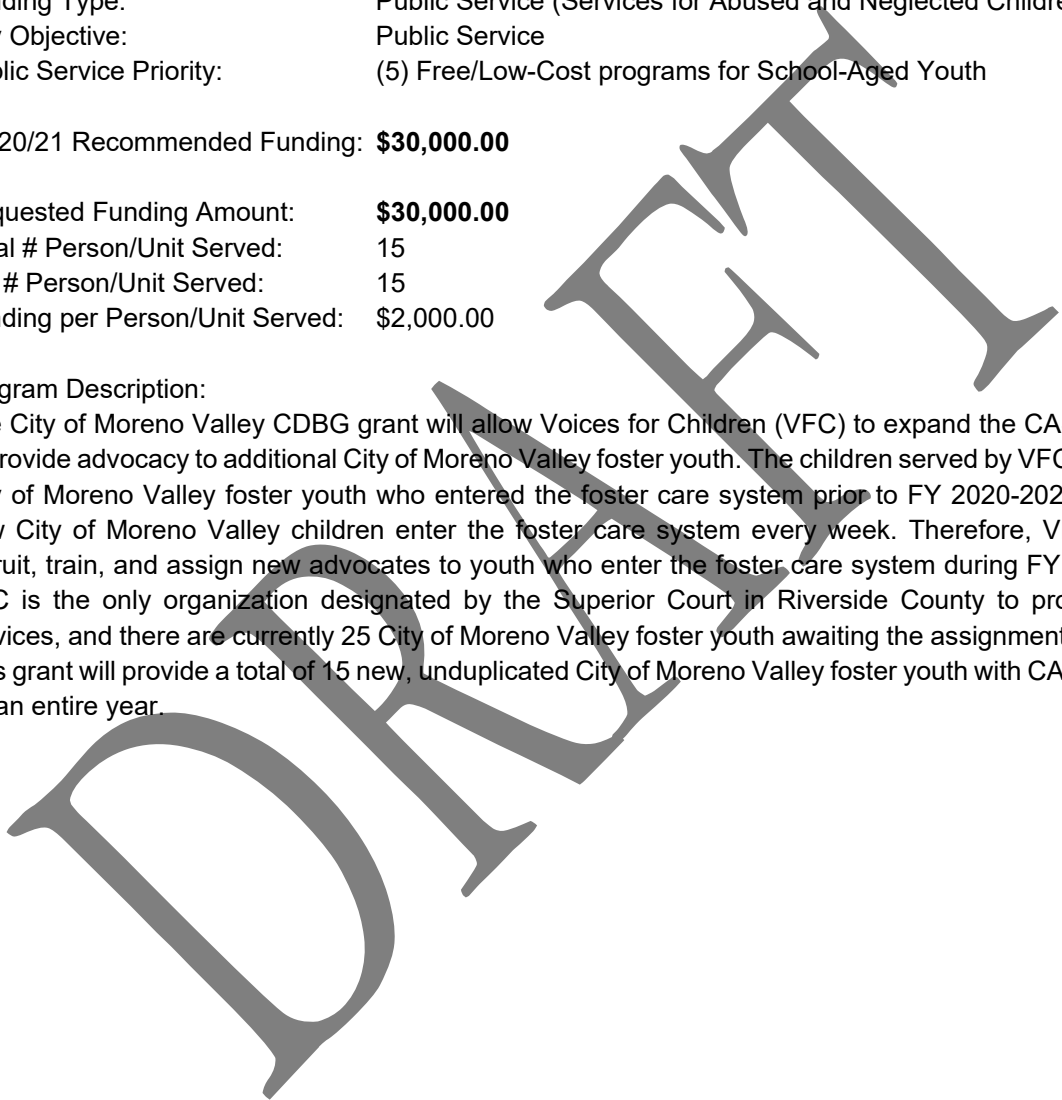
Funding Type: Public Service (Services for Abused and Neglected Children)
City Objective: Public Service
Public Service Priority: (5) Free/Low-Cost programs for School-Aged Youth

FY 20/21 Recommended Funding: **\$30,000.00**

Requested Funding Amount: \$30,000.00
Total # Person/Unit Served: 15
MV # Person/Unit Served: 15
Funding per Person/Unit Served: \$2,000.00

Program Description:

The City of Moreno Valley CDBG grant will allow Voices for Children (VFC) to expand the CASA program to provide advocacy to additional City of Moreno Valley foster youth. The children served by VFC will include City of Moreno Valley foster youth who entered the foster care system prior to FY 2020-2021; however, new City of Moreno Valley children enter the foster care system every week. Therefore, VFC will also recruit, train, and assign new advocates to youth who enter the foster care system during FY 2020-2021. VFC is the only organization designated by the Superior Court in Riverside County to provide CASA services, and there are currently 25 City of Moreno Valley foster youth awaiting the assignment of a CASA. This grant will provide a total of 15 new, unduplicated City of Moreno Valley foster youth with CASA services for an entire year.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 13
Requested Funding: CDBG

Applicant: Fair Housing Council of Riverside County
Program: Fair Housing Discrimination Services

Funding Type: Public Service (Fair Housing Activities)
City Objective: Public Service
Public Service Priority: (6) Fair Housing

FY 20/21 Recommended Funding: **\$42,150.00**

Requested Funding Amount: **\$42,150.00**
Total # Person/Unit Served: 950
MV # Person/Unit Served: 100
Funding per Person/Unit Served: \$421.50/household

Program Description:

The Fair Housing Council of Riverside County, Inc., (FHCRC) proposes to offer a full menu of fair housing services which affirmatively address and promote fair housing rights and obligations as defined and articulated under the Federal Fair Housing Act and the California State Law Enactments under the Rumford and Unruh Civil Rights Acts.

FHCRC's Mission is to provide comprehensive services which affirmatively address and promote fair housing (anti-discrimination) rights and further other housing opportunities for all persons without regard to race, color, age, national origin, religion, sex, familial status (presence of children), disability, ancestry, marital status, or other arbitrary factors.

The Mission is accomplished through three component areas under both ANTIDISCRIMINATION and LANDLORD/TENANT services. These three components are

- 1. Education
- 2. Training and Technical Assistance
- 3. Enforcement

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 14
Requested Funding: CDBG

Applicant: Fair Housing Council of Riverside County
Program: Landlord/Tenant Counseling

Funding Type: Public Service (Fair Housing Activities)
City Objective: Public Service
Public Service Priority: (6) Fair Housing

FY 20/21 Recommended Funding: **\$21,075.00**

Requested Funding Amount: **\$21,075.00**
Total # Person/Unit Served: 12,500
MV # Person/Unit Served: 4,000
Funding per Person/Unit Served: \$5.27/household

Program Description:

The Fair Housing Council of Riverside County, Inc., (FHCRC) proposes to provide comprehensive services which affirmatively address and promote landlord and tenant rights and further other housing opportunities for all persons without regard to race, color, age, national origin, religion, sex, familial status (presence of children), disability, ancestry, marital status, or other arbitrary factors.

The Mission is accomplished through three component areas under LANDLORD/TENANT services. These three components are

1. Education
2. Training and Technical Assistance
3. Enforcement

Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/2021
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 15
Requested Funding: CDBG

Applicant: GRID Alternatives
Program: Low-Income Solar Energy Assistance Program

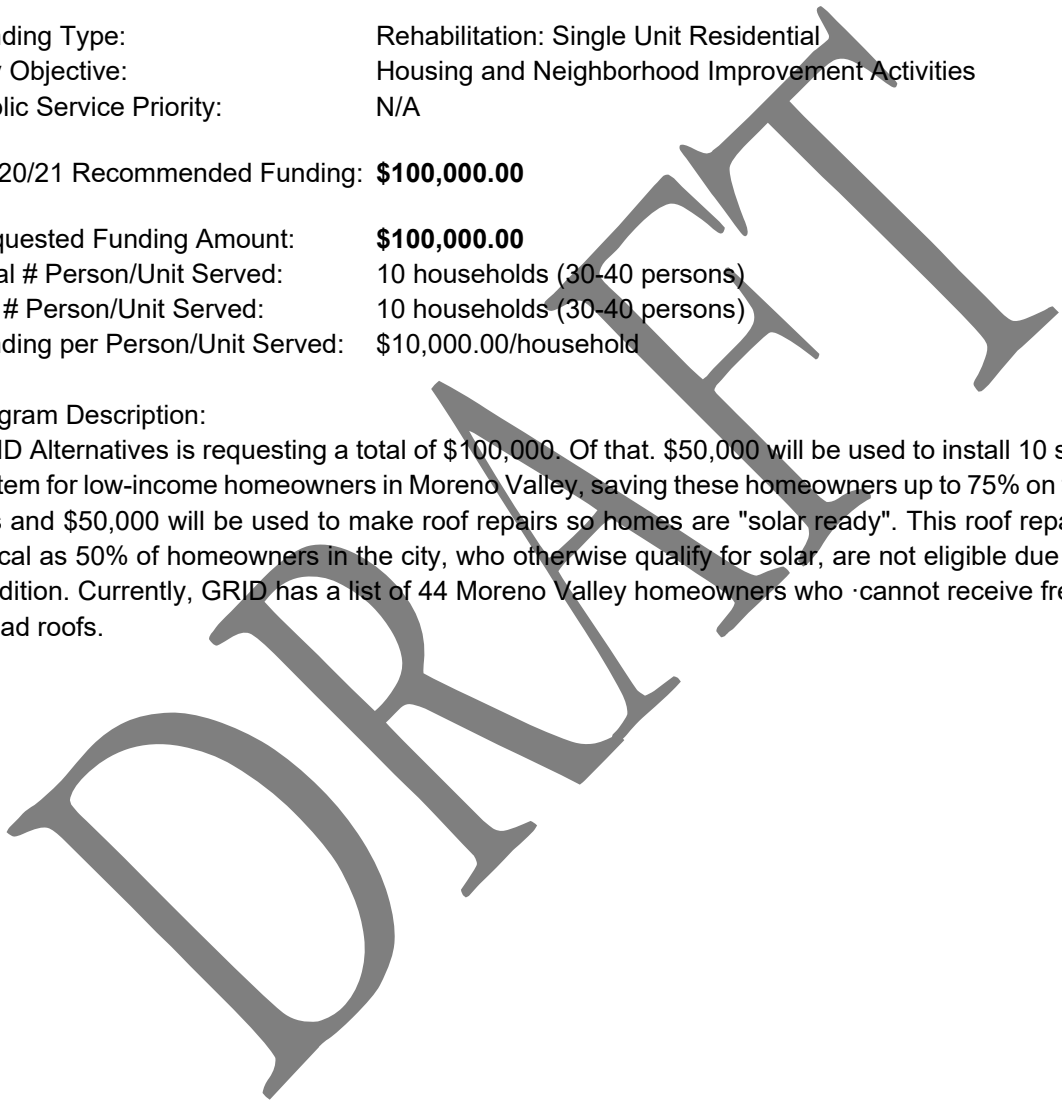
Funding Type: Rehabilitation: Single Unit Residential
City Objective: Housing and Neighborhood Improvement Activities
Public Service Priority: N/A

FY 20/21 Recommended Funding: \$100,000.00

Requested Funding Amount: \$100,000.00
Total # Person/Unit Served: 10 households (30-40 persons)
MV # Person/Unit Served: 10 households (30-40 persons)
Funding per Person/Unit Served: \$10,000.00/household

Program Description:

GRID Alternatives is requesting a total of \$100,000. Of that, \$50,000 will be used to install 10 solar electric system for low-income homeowners in Moreno Valley, saving these homeowners up to 75% on their electric bills and \$50,000 will be used to make roof repairs so homes are "solar ready". This roof repair money is critical as 50% of homeowners in the city, who otherwise qualify for solar, are not eligible due to poor roof condition. Currently, GRID has a list of 44 Moreno Valley homeowners who cannot receive free solar due to bad roofs.



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 16
Requested Funding: CDBG

Applicant: Habitat for Humanity Riverside
Program: A Brush with Kindness (ABWK)

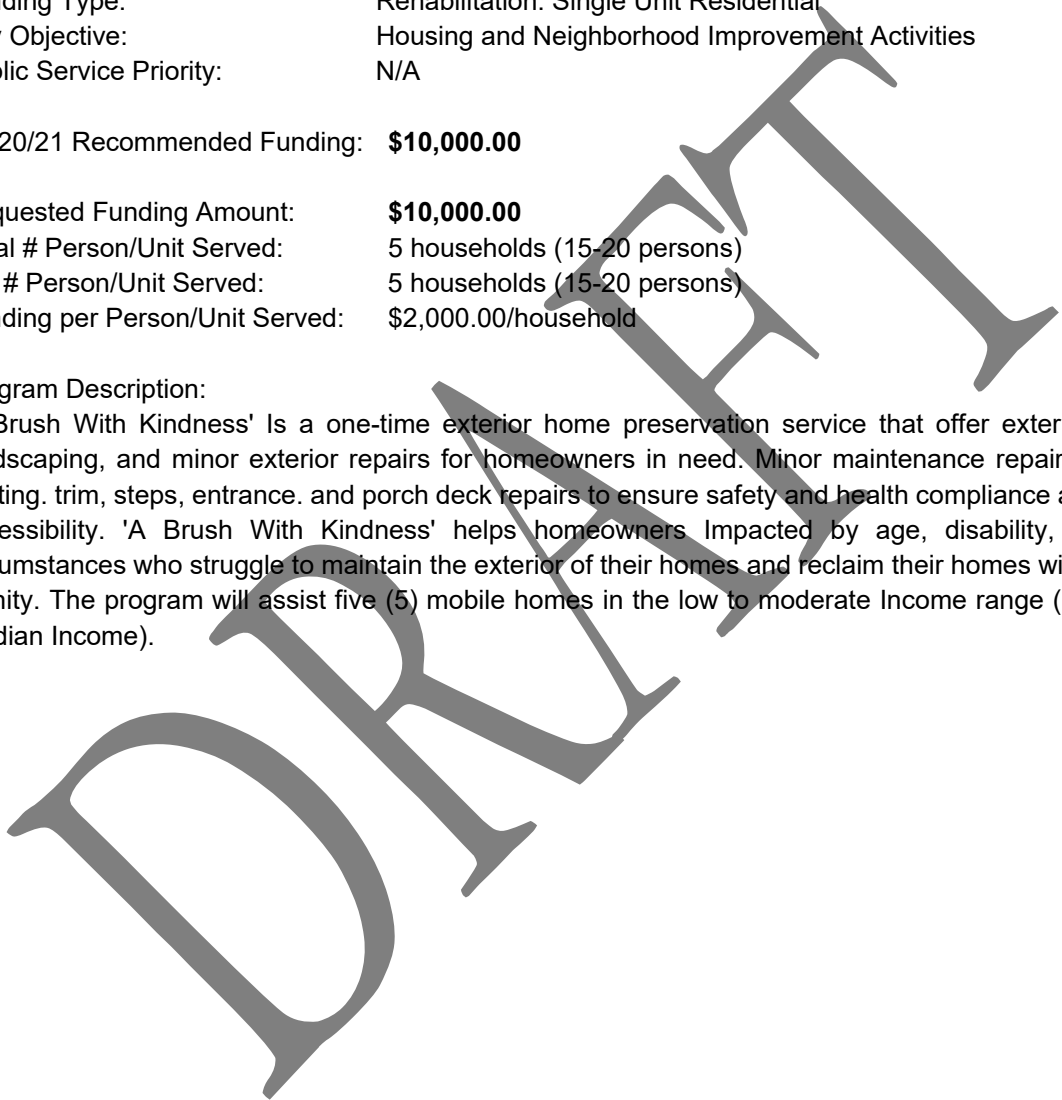
Funding Type: Rehabilitation: Single Unit Residential
City Objective: Housing and Neighborhood Improvement Activities
Public Service Priority: N/A

FY 20/21 Recommended Funding: \$10,000.00

Requested Funding Amount: \$10,000.00
Total # Person/Unit Served: 5 households (15-20 persons)
MV # Person/Unit Served: 5 households (15-20 persons)
Funding per Person/Unit Served: \$2,000.00/household

Program Description:

'A Brush With Kindness' Is a one-time exterior home preservation service that offer exterior painting, landscaping, and minor exterior repairs for homeowners in need. Minor maintenance repairs consist of skirting, trim, steps, entrance, and porch deck repairs to ensure safety and health compliance and improve accessibility. 'A Brush With Kindness' helps homeowners Impacted by age, disability, and family circumstances who struggle to maintain the exterior of their homes and reclaim their homes with pride and dignity. The program will assist five (5) mobile homes in the low to moderate Income range (80% annual median Income).



City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 17
Funding: CDBG

Applicant: The Salvation Army
Program: Homeless 2 Work Program (Census Tract Area Cleanup)

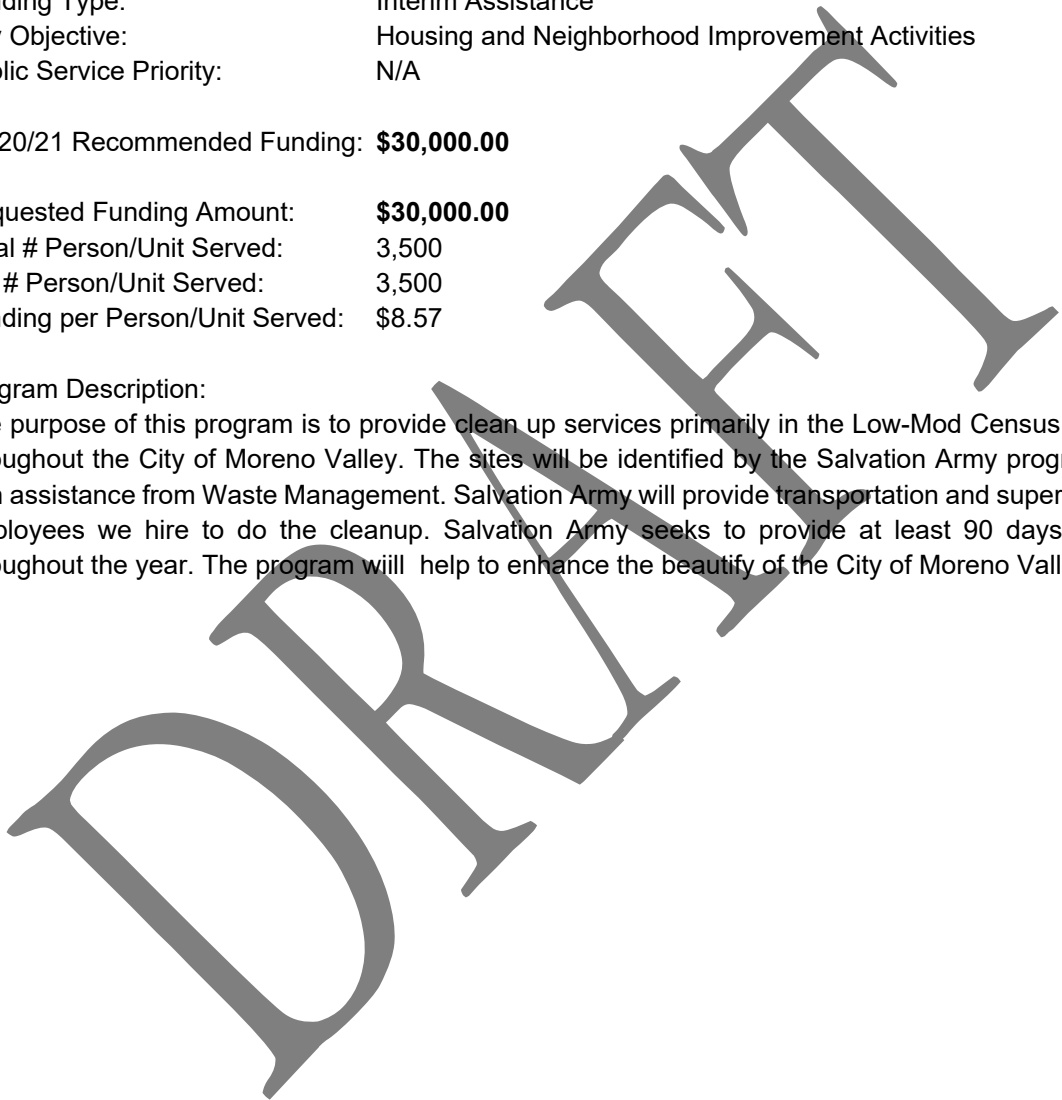
Funding Type: Interim Assistance
City Objective: Housing and Neighborhood Improvement Activities
Public Service Priority: N/A

FY 20/21 Recommended Funding: **\$30,000.00**

Requested Funding Amount: \$30,000.00
Total # Person/Unit Served: 3,500
MV # Person/Unit Served: 3,500
Funding per Person/Unit Served: \$8.57

Program Description:

The purpose of this program is to provide clean up services primarily in the Low-Mod Census Tract areas throughout the City of Moreno Valley. The sites will be identified by the Salvation Army program director with assistance from Waste Management. Salvation Army will provide transportation and supervision to the employees we hire to do the cleanup. Salvation Army seeks to provide at least 90 days of cleanup throughout the year. The program will help to enhance the beautify of the City of Moreno Valley.



Attachment: Moreno Valley Grant Funding Recommendation Booklet-2020-21-Draft (3912 : PUBLIC HEARING TO APPROVE CDBG, HOME &

City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 18
Funding: CDBG

Applicant: City of Moreno Valley Public Works Dept. *
Program: Pavement Rehab for Various Local Streets

Funding Type: Public Facilities and Improvements
City Objective: Capital Improvements
Public Service Priority: N/A

FY 20/21 Recommended Funding: **\$1,233,156.25**

Requested Funding Amount: **\$1,800,000.00**
Total # Person/Unit Served: 6,560
MV # Person/Unit Served: 6,560
Funding per Person/Unit Served: \$274.39 per person

Program Description:

This project will provide pavement rehabilitation for a total of approximately 59 local streets within the City's HUD-CDBG Low/Mod areas. Pavement rehabilitation consists of the removal of 1.5-inch thick of existing asphalt concrete pavement surface and replacement of new asphalt concrete surface of same thickness for street areas that are severely distressed. Rehabilitation also includes localized repairs, crack sealing and application of slurry seal for areas of street pavement that are less distressed. The project is to improve the street pavement and extend the service life of the pavement while enhancing the safety and aesthetic appearance of various communities within the HUD-CDBG Low/Mod areas.

* As a top priority, the City will reduce/increase this applicant's award on actual funding received, with a not to exceed award for amount applied for.

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City of Moreno Valley
Fiscal Year 2020/21
Community Development Block Grant (CDBG)
Applicant Program Description

Application Number: 19
Funding: CDBG

Applicant: City of Moreno Valley – Maintenance and Operations *
Program: ADA Improvements at City Facilities

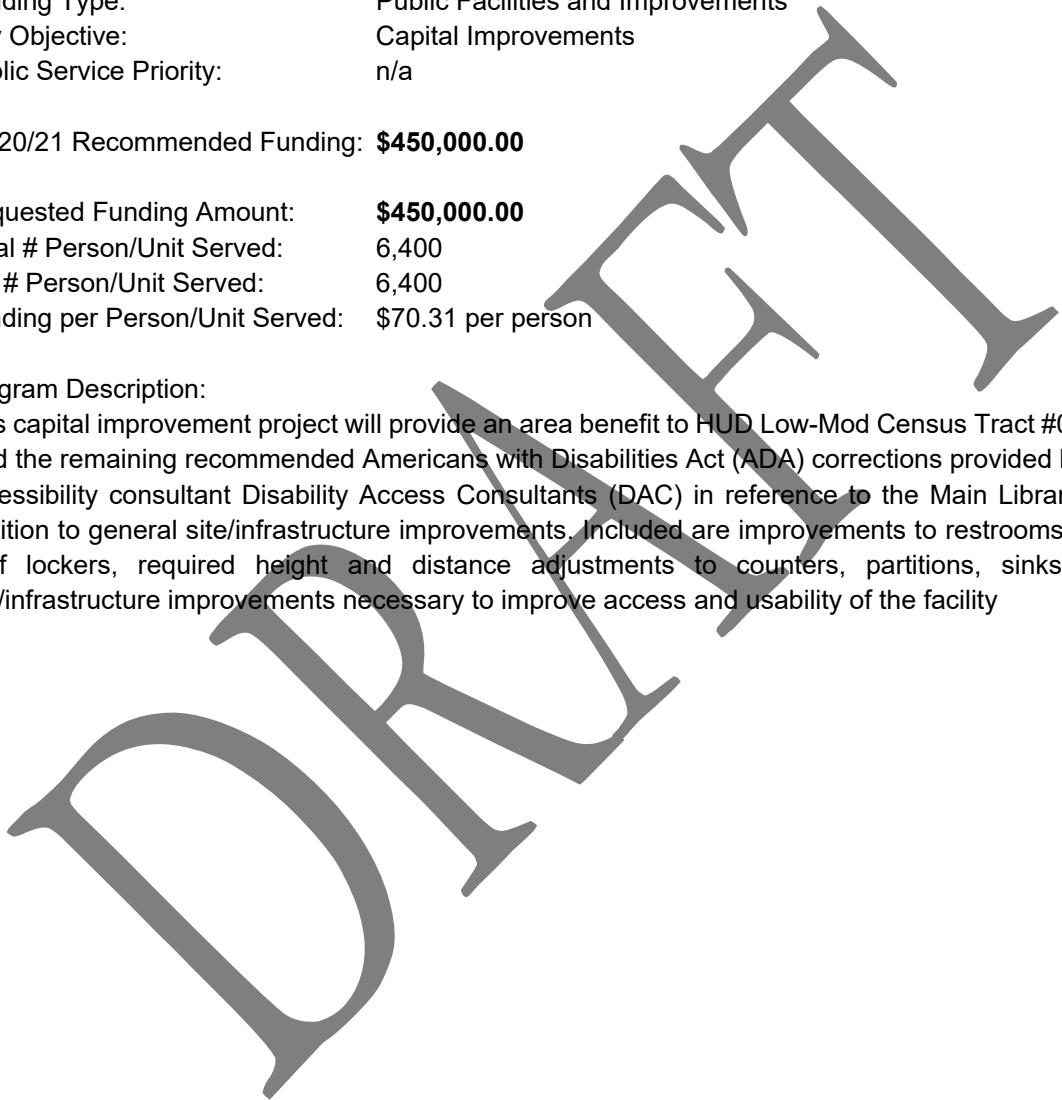
Funding Type: Public Facilities and Improvements
City Objective: Capital Improvements
Public Service Priority: n/a

FY 20/21 Recommended Funding: **\$450,000.00**

Requested Funding Amount: \$450,000.00
Total # Person/Unit Served: 6,400
MV # Person/Unit Served: 6,400
Funding per Person/Unit Served: \$70.31 per person

Program Description:

This capital improvement project will provide an area benefit to HUD Low-Mod Census Tract #042521, and fund the remaining recommended Americans with Disabilities Act (ADA) corrections provided by the City's accessibility consultant Disability Access Consultants (DAC) in reference to the Main Library facility, in addition to general site/infrastructure improvements. Included are improvements to restrooms, accessible staff lockers, required height and distance adjustments to counters, partitions, sinks, etc., and site/infrastructure improvements necessary to improve access and usability of the facility



PUBLIC NOTICES - "YOUR RIGHT TO KNOW" Call 951-368-9222 or email: legals@pe.com

Legal Notice Legal Notice Legal Notice Legal Notice

Ordinance No. 151 approves a request for a consistency change of zone from R-R (Rural Residential) to C1-C-P (General Commercial) for the entire project site to be consistent with the existing General Plan land use designation of Commercial (C-2) to accommodate the development of the Wildomar Crossing Retail center consisting of the development of a 26,204 square-foot retail center located at the NWC of Clinton Keith Road and Stable Lanes.

SUMMARY OF ORDINANCE NO. 152 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, APPROVING CHANGE OF ZONE NO. 18-0022 FROM R-R (RURAL RESIDENTIAL) TO M-SC (MANUFACTURING-SERVICE COMMERCIAL) TO BE CONSISTENT WITH THE GENERAL PLAN LAND USE DESIGNATION OF LIGHT INDUSTRIAL (LI) FOR A 4.76 ACRE SITE LOCATED AT 3961 MISSION TRAIL (APN: 387-170-006), AND A DETERMINATION THAT NO ADDITIONAL ENVIRONMENTAL REVIEW IS REQUIRED PER CEQA GUIDELINES SECTION 15183

Ordinance No. 152 approves a request for a consistency change of zone from R-R (Rural Residential) to M-SC (Manufacturing-Service Commercial) to be consistent with the General Plan land use designation of Light Industrial (LI) for a 4.76 acre site located at 3961 Mission Trail.

SUMMARY OF ORDINANCE NO. 153 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, APPROVING CHANGE OF ZONE NO. 18-0027 FROM R-R (RURAL RESIDENTIAL) TO C1-C-P (GENERAL COMMERCIAL) TO BE CONSISTENT WITH THE GENERAL PLAN LAND USE DESIGNATION OF COMMERCIAL RETAIL (CR) FOR A 1.19 ACRE SITE LOCATED AT 3961 MISSION TRAIL ON THE EAST SIDE OF STABLE LANES WAY APPROXIMATELY 010 FEET SOUTH OF CLINTON KEITH ROAD (APN: 387-170-006), AND A DETERMINATION THAT NO ADDITIONAL ENVIRONMENTAL REVIEW IS REQUIRED PER CEQA GUIDELINES SECTION 15183

Ordinance No. 153 approves a request for a consistency change of zone from R-R (Rural Residential) to C1-C-P (General Commercial) to be consistent with the General Plan land use designation of Commercial Retail (CR) for a 1.19 acre site.

SUMMARY OF ORDINANCE NO. 154 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, APPROVING CHANGE OF ZONE NO. 18-0028 FROM R-R (RURAL RESIDENTIAL) TO M-SC (MANUFACTURING-SERVICE COMMERCIAL) TO BE CONSISTENT WITH THE GENERAL PLAN LAND USE DESIGNATION OF LIGHT INDUSTRIAL (LI) FOR A 2.2 ACRE PARCEL LOCATED AT 3460 WESTERN WAY (APN: 387-170-002), AND A DETERMINATION THAT NO ADDITIONAL ENVIRONMENTAL REVIEW IS REQUIRED PER CEQA GUIDELINES SECTION 15183

Ordinance No. 154 approves a request for a consistency change of zone from R-R (Rural Residential) to M-SC (Manufacturing-Service Commercial) to be consistent with the General Plan land use designation of Light Industrial (LI) for a 2.2 acre site located at 3460 Western Way.

ORDINANCE NO. 155 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AMENDING THE WILDOMAR MUNICIPAL CODE TO REGULATE AND PROHIBIT CERTAIN CONDUCT AND CONDITIONS TO PROTECT HEALTH AND SAFETY BY ADDING CHAPTER 17.252 TO THE WILDOMAR MUNICIPAL CODE TO CONDUCT ON PUBLIC PROPERTY AND PROPERTY OPEN TO THE PUBLIC

Ordinance No. 155 regulates and prohibits certain conduct and conditions within the public areas of the City, including streets, sidewalks, courts, public buildings and public lands. The purpose is to make public areas readily accessible and available to residents and visitors for their use in a safe and healthy manner. Among other things, this ordinance prohibits solicitation by coercion, identifies certain locations and facilities where solicitation cannot occur within 15 feet, and establishes prohibited conduct on public property. Additionally, this ordinance establishes a prohibition of signage on public property, prohibits littering, loitering, loitering and solicitation on medians and prohibits the illegal dumping or deposit of hazardous substances.

SUMMARY OF ORDINANCE NO. 156 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, ADOPTING A GENERAL RULE EXEMPTION IN ACCORDANCE WITH SECTION 15661(B)(3) AND SECTION 15611(A), RESPECTIVELY OF THE CEQA GUIDELINES, AND APPROVING ZONING ORDINANCE AMENDMENT NO. 18-010 AMENDING SECTION 17.022 (SIGN REGULATIONS OF THE WILDOMAR MUNICIPAL CODE TO ESTABLISH REGULATIONS FOR FREEWAY ORIGIN AND ELECTRONIC GRAPHIC DISPLAY (L.E.D.) SIGNS FOR MEDICAL CENTERS ADJACENT TO THE 1-15 FREEWAY LOCATED IN THE C-P-5 OR I-P ZONES

Ordinance No. 156 amends Chapter 17.252 (sign regulations) to create new sign regulations to allow L.E.D. electronic freeway signs within the C-P-5 (Scenic Highway Commercial) and I-P (Industrial Park) zones for medical centers of 5-acres or larger adjacent to the 1-15 freeway in the City of Wildomar.

SUMMARY OF ORDINANCE NO. 157 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, ADOPTING A GENERAL RULE EXEMPTION IN ACCORDANCE WITH SECTION 15661(B)(3) OF THE CEQA, AND APPROVING ZONING ORDINANCE AMENDMENT NO. 18-021(R) AMENDING SECTIONS 17.196 (VARIANCES), SECTION 17.200 (CONDITIONAL USE PERMITS), 17.208 (PUBLIC USE PERMITS) AND 17.216 (PLOT PLAN PERMITS) OF THE WILDOMAR MUNICIPAL CODE MODIFYING THE EXISTING TIME EXTENSION PROCEDURES

Ordinance No. 157 amends Chapter 17.196, 17.200, 17.208 and 17.216 to modify the time extension procedures to begin construction for development projects approved via a Variance, Conditional Use Permit, Public Use Permit, or Plot Plan Permit.

SUMMARY OF ORDINANCE NO. 158 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AMENDING CHAPTER 8.81 OF THE WILDOMAR MUNICIPAL CODE RELATED TO MOBILE FOOD FACILITIES

Ordinance No. 158 updates the regulations regarding operation of certain types of mobile food facilities on public right of way and private property. Specifically, this ordinance requires the procurement of a business registration, mobile vending permit and mobile food facilities permit issued by Riverside County Department of Environmental Health. All required permits issued by the County of Riverside Department of Environmental Health must also be presented to the City in order to receive a mobile vending permit and business registration.

SUMMARY OF ORDINANCE NO. 159 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, PROHIBITING COMMERCIAL CANNABIS FACILITIES AND REGULATING CANNABIS CULTIVATION AND A FINDING THAT THE ORDINANCE IS NOT SUBJECT TO CEQA PER CEQA GUIDELINES SECTIONS 15661(B)(3) AND 15660(C)(2)&(3)

Ordinance No. 159 prohibits medical marijuana dispensaries in all City zones and provides evidence regarding the scope of permissible marijuana cultivation within the City limits. Specifically, this ordinance prohibits commercial cannabis activities and commercial cannabis facilities in all zone classifications in the City and may not be established or operated anywhere within the City. Additionally, no person or entity may cultivate cannabis at any location in the City except that a person may cultivate no more than six living plants inside his or her private residence, or inside an accessory structure to his or her private residence located upon the grounds of that private residence that is fully enclosed and secured against unauthorized entry.

SUMMARY OF ORDINANCE NO. 160 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

Ordinance No. 160 authorizes participation in a community-wide electricity aggregation program known as Community Choice Aggregation ("CCA"). The CCA combines the electricity load of its residents and businesses through a joint power's agency within the Western Riverside Council of Governments.

SUMMARY OF ORDINANCE NO. 162 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, APPROVING CHANGE OF ZONE NO. 18-0034 TO CHANGE THE EXISTING ZONING FROM R-R (RURAL RESIDENTIAL) TO R-1 (ONE FAMILY DWELLING ZONE) FOR 21.18 +/- ACRES AND FROM R-R (RURAL RESIDENTIAL) TO I-P (INDUSTRIAL PARK) FOR 8.26 +/- ACRES FOR THE VILLAGE @ MONTE VISTA MIXED-USE PROJECT LOCATED AT 34400 MONTE VISTA DRIVE (APN: 367-140-008, 367-140-010 & 367-140-012)

Ordinance No. 162 proposal to change the zoning map designation from R-R (Rural Residential) to R-1 (One family Dwelling Zone) for the 21.18 +/- acre residential area of the site and from R-R (Rural Residential) to I-P (Industrial Park) for the 8.26 +/- acre business park area of the site to accommodate the development of 80 single family residential dwelling units and a 136,000 square-foot business park.

for all new development within the City to WRCOG.

SUMMARY OF ORDINANCE NO. 165 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, REPEALING SECTION 5.08.070 AND ADDING CHAPTER 12.20 TO THE WILDOMAR MUNICIPAL CODE PERTAINING TO WIRELESS TELECOMMUNICATION FACILITIES IN THE PUBLIC RIGHTS-OF-WAY

Ordinance No. 165 repeals Chapter 5.08.070 and adds a new code section to Chapter 12.20 to establish permitting procedures for wireless telecommunications facilities located within the city's public rights-of-way (streets).

SUMMARY OF ORDINANCE NO. 166 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AMENDING TITLE 10 CHAPTER 10.20, SECTION 10.20.150 (COMMERCIAL VEHICLES) OF THE WILDOMAR MUNICIPAL CODE PROHIBITING THE PARKING, STANDING OR STOPPING OF COMMERCIAL VEHICLES

Ordinance No. 166 amends Wildomar Municipal Code Chapter 10.20 to prohibit the parking, standing or stopping of commercial vehicles having a manufacturer's gross vehicle weight rating of more than 10,000 pounds, or any commercial trailer or semi-trailer regardless of weight, citywide on public streets.

These summaries are posted pursuant to California Government Code section 36933(c)(1). The complete Ordinances are on file in the Office of the City Clerk and are available for inspection upon request at City Hall, located at 22923 Clinton Keith Road, Suite 201, Wildomar, California, during City Hall's regular business hours of 8:00 a.m. through 5:00 p.m., Monday through Thursday.

Janet Morales, Acting City Clerk 04/02/2020



Citizens' Bond Oversight Committee (CBOC) Applications

Riverside Unified School District is pleased to announce that applications for the Citizens' Bond Oversight Committee (CBOC) for Measure Q are being accepted and are available online at http://www.riversideunified.org/measure_q/citizens_bond_oversight_committee/CBOC_Membership_application. Measure Q funds will be used to support improvements of Riverside Unified School District facilities. The CBOC provides oversight and reporting on the allocation of funds and completion of projects. Applications are available in English and Spanish. Please visit the website for more information or call Ana Gonzalez, Director of Planning and Development at 951-788-7496, Ext. 8404.



CITY OF MORENO VALLEY NOTICE OF PUBLIC HEARING

TO RECOMMEND COMMUNITY DEVELOPMENT BLOCK GRANT, EMERGENCY SOLUTIONS GRANTS PROGRAM & HOME INVESTMENT PARTNERSHIPS PROGRAM PROJECT SELECTIONS FISCAL YEAR 2020/2021

The City Council of the City of Moreno Valley will hold a PUBLIC HEARING to consider proposed project selections for the City's Community Development Block Grant (CDBG), Emergency Solutions Grants Program (ESG), and HOME Investment Partnerships Program (HOME) for FY 2020/2021 (Program Year July 1, 2020 through June 30, 2021). Due to increasing concerns about the spread of COVID-19 (Coronavirus), City Hall is currently closed to the public to comply with the Centers for Disease Control and Prevention (CDC) social distancing requirements. However, the public is invited to participate and provide input on the projects and other community and housing needs telephonically by using an application called Zoom. Instructions for using Zoom can be found at http://www.morenovalley.org/social/zoom.html.

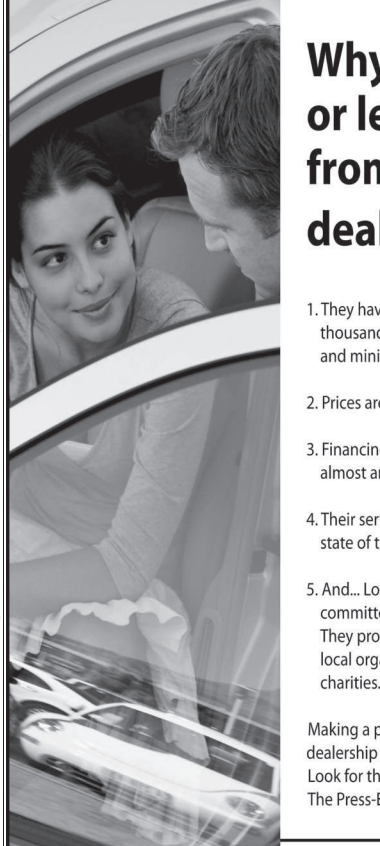
The PUBLIC HEARING will be held on Tuesday, April 21, 2020 at 6:00 p.m. at the following location:

City Council Chamber Moreno Valley City Hall 14177 Frederick Street Moreno Valley, CA 92552

Citizens of the City of Moreno Valley and the general public are encouraged to participate using the Zoom application. All persons interested in this matter may call in and be heard at the hearing. Persons of low- and moderate-income, disabled, homeless, elderly and members of minority group are particularly encouraged to attend. If unable to attend, comments may be provided by contacting the Financial Operations Division at (951) 413-2450 or e-mailing grants@dmv.morenovalley.org.

Upon request, this invitation public notice 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 these activities should direct such requests to Guy Pagan, ADA Coordinator, at (951) 413-3100 at least 72 hours before the activity. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility and participation in this meeting or event.

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Report to City Council

TO: Mayor and City Council

FROM: Manuel A. Mancha, Community Development Director

AGENDA DATE: April 21, 2020

TITLE: A MUNICIPAL CODE AMENDMENT TO ADD SECTION 9.03.065 TO THE CITY OF MORENO VALLEY MUNICIPAL CODE ESTABLISHING RESIDENTIAL DENSITY BONUS PROVISIONS TO ENSURE NO NET LOSS IN RESIDENTIAL CAPACITY PURSUANT TO THE PROVISIONS OF SENATE BILL 330. (ORD NO. ___)

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Introduce and conduct the first reading of Ordinance ___ adding Section 9.03.065 of Title 9 of the City of Moreno Valley Municipal Code to ensure that there is no net loss of residential capacity within the City, as required by SB330.
2. Schedule the second reading and adoption of Ordinance ___ for the next regular Council meeting.

SUMMARY

The proposed Municipal Code Amendment would establish Residential Density Bonus provisions to provide that, concurrent with the approval of any change in zone from a residential use to a less intensive or non-residential use, a density bonus will become available to project applicants subsequently seeking to develop property for residential use within the City. In doing so, the proposed Section 9.03.065 will ensure that there is no net loss of residential capacity within the City, as required by SB330. This Municipal Code Amendment would create a Density Bonus Program available to developers of multifamily residential housing dwelling units in the R10, R15, R20, and R30 land use districts.

DISCUSSION

On October 9, 2019, the California Legislature adopted Senate Bill 330 (SB330) which, among other things, declared a housing crisis in the State of California, adopted Government Code section 66300, and imposed certain requirements designed to streamline the construction of new housing, and prevent the loss of existing housing and land available for future residential use unless replaced in other areas of the affected jurisdiction to ensure no net loss in residential capacity. SB330 became effective on January 1, 2020.

On April 9, 2020, the Planning Commission recommended the City Council adopt the proposed ordinance. A minor revision has since been made to the ordinance to provide additional information under Section E describing how the available units will be documented.

PROJECT DESCRIPTION

Project

In compliance with SB330, city staff has prepared an amendment to Chapter 9.03 of the Zoning Code to add Section 9.03.065 “Density Bonus Program for SB330.” The provisions of Section 9.03.065 ensure that rezoning actions would not result in a net loss of residential capacity within the City of Moreno Valley. The proposed Density Bonus Program creates a mechanism by which the City can approve a less intensive non-residential use and concurrently make available the residential capacity that would otherwise be lost through the proposed Density Bonus Program. The City’s Planning Division will publish the number of available units on the City’s website.

The proposed Density Bonus Program will allow for developers of land currently zoned R10, R15, R20, or R30 to request up to a 30 percent density bonus subject to the number of units available. For example a residential developer of a one acre property that is zoned R10 could request a density bonus of up to 30%, or 3 units, allowing them to construct a total of 13 units. The authority to approve a density bonus is vested with the Planning Commission. If no units are available a density bonus pursuant to this provision may not be requested.

ENVIRONMENTAL

Pursuant to Section 15378 of the California Environmental Quality Act, the proposed amendments to the Municipal Code are procedural in nature and would not involve any change to land use or development standards, thus there is no potential for these Municipal Code changes to either directly or indirectly result in a physical impact on the environment. Therefore, staff has determined that the proposed amendments are not a project under the California Environmental Quality Act.

ALTERNATIVES

1. Conduct a public hearing on this project, and take action to adopt the recommended Ordinance, consistent with the recommendations of the Planning Commission. *Staff recommends this alternative.*
2. Conduct a public hearing on this project, and do not adopt the recommended Ordinance. This would result in the need to find an alternative solution for the City to comply with Senate Bill 330. *Staff does not recommend this alternative.*

FISCAL IMPACTS

There is no fiscal impact to the City related to this action.

NOTIFICATION

The public hearing notice for this project was published in the local newspaper on April 11, 2020.

PREPARATION OF STAFF REPORT

Prepared By:
Sean P. Kelleher
Senior Planner

Department Head Approval:
Manuel A. Mancha
Community Development Director

Concurred By:
Patricia Nevins
Planning Official

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. Ordinance

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/15/20 3:31 PM
City Attorney Approval	<u>✓ Approved</u>	4/15/20 4:23 PM
City Manager Approval	<u>✓ Approved</u>	4/16/20 4:02 PM

DRAFT

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING THE MUNICIPAL CODE CHAPTER TO ADD SECTION 9.03.065 ESTABLISHING A RESIDENTIAL DENSITY BONUS TO ENSURE NO NET LOSS IN RESIDENTIAL CAPACITY PURSUANT TO THE PROVISIONS OF SB330.

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1. FINDINGS:

The City Council finds that:

WHEREAS, on October 9, 2019, the California Legislature adopted Senate Bill 330 (SB330) which, among other things, adopted Government Code Section 66300, declared a housing crisis in the State of California and imposed certain requirements designed to streamline the construction of new housing, and prevent the loss of existing housing and land available for future residential use, unless replaced in other areas of the affected jurisdiction to ensure no net loss in residential capacity. SB330 became effective on January 1, 2020; and

WHEREAS, in pertinent part, Government Code section 66300(h)(2)(i)(1) provides as follows:

“This section does not prohibit an affected ... city from changing a land use designation or zoning ordinance to a less intensive use if the city ... concurrently changes the development standards, policies, and conditions applicable to other parcels within the jurisdiction to ensure that there is no net loss in residential capacity.”

WHEREAS, the City desires to adopt this Ordinance in order to ensure its compliance with SB330 and to accomplish this goal and ensure compliance with SB330, the City desires to amend Chapter 9.03 of the Zoning Code to add Section 9.03.065 and establish a density bonus program for certain residential projects; and

WHEREAS, the proposed Section 9.03.065 will provide that, concurrent with the approval of any change in zone from a residential use to a less intensive or non-residential use, a density bonus will become available to project applicants subsequently seeking to develop property for residential use within the City. In doing so, the proposed Section 9.03.065 will ensure that there is no net loss of residential capacity within the City as required by SB330; and

DRAFT

WHEREAS, pursuant to Section 15378 of the California Environmental Quality Act, a 'Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment and the proposed amendments are therefore not a project under the California Environmental Quality Act.

SECTION 2. PURPOSE:

The purpose of this Ordinance is to maintain City's compliance with SB330 and ensure the concurrent replacement of housing capacity which may be decreased by projects requesting rezoning of residential properties.

SECTION 3. AUTHORITY:

This Ordinance is adopted pursuant to the authority granted by Article 11, Section 7 of the Constitution of the State of California and California Government Code Section 37100. The Ordinance is not intended to be duplicative of state law, or be preempted by state legislation.

SECTION 4. MUNICIPAL CODE AMENDED:

Chapter 9.03 of the Moreno Valley Municipal Code is hereby amended as follows:

"Section 9.03.065 Density Bonus Program for SB330

- A. Purpose and Intent. Concurrent with the approval of any change in zone from a residential use to a less intensive non-residential use (or other land use entitlement which will reduce housing capacity), a density bonus in the amount of 1.3 units for land currently zoned R10, R15, R20, or R30 shall be assigned up to the amount of residential units impacted by the change in zone from a residential use to a less intensive non-residential use (or other land use entitlement which will reduce housing capacity). This density bonus shall be available to applicants with a planning application for new residential development after the effective date of this Section who desires to develop land currently zoned R10, R15, R20, or R30 after the date of approval of the zone change resulting in a less intensive, non-residential development (or other land use entitlement which will reduce housing capacity).

DRAFT

- B. Authority. Authority for approval of a Density Bonus under the provisions of this section shall be vested with the Planning Commission.
- C. Applicability. This density bonus shall be available to developers of multifamily residential housing dwelling units in the R10, R15, R20, and R30 land use districts on properties of at least one-acre minimum.
- D. Incentive. Developers may request a density bonus of 30 percent above the allowable number of units for up to the amount of residential units that have been impacted by the change in zone from a residential use to a less intensive non-residential use (or other land use entitlement which will reduce housing capacity).
- E. Implementation.
1. An ordinance for the adoption of a change in zone from a residential use to a less intensive non-residential use (or other land use entitlement which will reduce housing capacity), shall include a determination establishing the existing residential capacity and identifying that these dwelling units will be made available for a residential density bonus pursuant to this section.
 2. The total number of dwelling units allowed under this density bonus shall be calculated by multiplying the maximum density allowed under the applicable zoning designation (i.e., the maximum density listed in Table 9.03.040-6 of this title or the applicable specific plan designation), and multiplying the result by 1.3, for a 30 percent density bonus up to the amount of residential units impacted by the change in zone from a residential use to a less intensive non-residential use (or other land use entitlement which will reduce housing capacity) . If the result, including the density bonus, contains a fraction of a unit, the number of allowable units shall be determined by rounding down to the nearest whole number if the fraction is below 0.5. Calculations containing fractions of 0.5 or above shall be rounded up.
- F. This density bonus may be combined with other density bonus programs included in this chapter but the total density bonus shall not exceed one hundred percent.

DRAFT

- G. The development standards for density bonus projects shall be those of the applicable zoning classification.
- H. The City’s Planning Division shall publish the available number of units on the Planning Division’s page on the City’s website.

SECTION 5. SEVERABILITY:

If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions or application of the provisions of this Ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are hereby declared to be severable.

SECTION 6. EFFECTIVE DATE:

This Ordinance shall take effect thirty (30) days after its adoption.

SECTION 7. CEQA COMPLIANCE:

The City Council hereby finds and determines that pursuant to Section 15378 of the California Environmental Quality Act, the proposed amendments to the Municipal Code are procedural in nature and would not involve any change to land use or development standards, thus there is no potential for these Municipal Code changes to either directly or indirectly result in a physical impact on the environment. Therefore, the proposed amendments are not a project under the California Environmental Quality Act.

This Ordinance shall take effect thirty days after the date of its adoption.

INTRODUCED at the _____, 2020 City Council meeting; APPROVED AND ADOPTED this _____ day of _____, _____.

Mayor

ATTEST:

City Clerk

DRAFT

APPROVED AS TO FORM:

City Attorney

Attachment: Ordinance [Revision 1] (4006 : SB330 Municipal Code Amendment)

DRAFT

ORDINANCE JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. YYYY-____ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the _____ day of _____, YYYY, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Attachment: Ordinance [Revision 1] (4006 : SB330 Municipal Code Amendment)



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: April 21, 2020

TITLE: LGL19-0053 – PUBLIC HEARING FOR ADOPTION OF THE PROPOSED RESOLUTION FOR THE FULL VACATION FOR THAT PORTION OF STODDARD STREET LOCATED BETWEEN WILLIAMS AVENUE AND ALESSANDRO BOULEVARD.

RECOMMENDED ACTION

Recommendations:

1. Conduct the Public Hearing and accept public testimony for the Full Vacation of Stoddard Street located between Williams Avenue and Alessandro Boulevard.
2. Adopt Resolution No. 2020-XX. A Resolution of the City Council of the City of Moreno Valley, California, Ordering the Full Vacation for that portion of Stoddard Street located between Williams Avenue and Alessandro Boulevard.
3. Direct the City Clerk to certify said resolution and transmit a copy of the resolution to the County Recorder's office for recording.

SUMMARY

This report recommends conducting a Public Hearing and subsequently adopting the proposed resolution for the full vacation for that portion of Stoddard Street located between Williams Avenue and Alessandro Boulevard. The applicant's property (APN 478-175-004) is located on the southeast corner of Stoddard Street and Williams Avenue.

DISCUSSION

Land Development Division staff reviewed the property owner's request for the full vacation of existing right-of-way on Stoddard Street located between Williams Avenue

and Alessandro Boulevard (Attachment 1). The right-of-way is specifically located along Assessor's Parcel Numbers 478-175-004, 478-175-011, 478-176-001 and 478-176-008. This portion of Stoddard Street was dedicated for public use through the Moreno Subdivision Tract filed in Book 11, Page 19 of Maps in the Office of the County Recorder of Riverside County, California. At the time of recordation, the dedicated right-of-way was 60 feet. Currently, Stoddard Street is designated a Local Street with a required right-of-way of 60 feet. Staff has determined that the existing 60 feet of right-of-way is no longer necessary for street purposes.

Pursuant to the provisions of Division 9, Part 3, Chapter 2 of the Streets and Highways Code of the State of California, a finding from the Planning Commission is required prior to formal review and action by the City Council on the requested street vacation. The Planning Commission reviewed the proposed full vacation of this portion of Stoddard Street at its February 27, 2020 meeting and found that vacating this portion of Stoddard Street was in conformity with the General Plan and Zoning Regulations.

Currently, all properties contiguous to this portion of Stoddard Street have access to local public roads. The City Council's approval to vacate this portion of Stoddard Street would abandon all of the City's rights for public use except as requested by the Eastern Municipal Water District for its existing facilities. Vacation of the right-of-way along Stoddard Street, as described and shown in the exhibits attached to the proposed resolution (Attachment 2), is in accordance with the Streets and Highways Code.

ALTERNATIVES

1. Approve and adopt the recommended actions as presented in this staff report. *Staff recommends this alternative as this portion of Stoddard Street is no longer needed for existing or prospective public use except as requested by said utility company.*
2. Do not approve and do not adopt the recommended actions as presented in this staff report. *Staff does not recommend this alternative as this portion of Stoddard Street is no longer needed for existing or prospective public use except as requested by said utility company. This would not eliminate the potential maintenance and liability issues.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Written notice was given to the various utility companies. All except one (1) utility responded that they have no facilities within the easement and have no objection to said vacation. The Eastern Municipal Water District has requested a public easement for existing facilities, and an easement will be reserved for that utility agency. A notice was published in the newspaper on April 7 and April 14, 2020; three public display notices

were posted at the project site on April 1, 2020; and notifications were mailed to property owners within 600 feet of proposed street vacation.

PREPARATION OF STAFF REPORT

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

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

Concurred By:
Michael D. Lloyd, P.E.
Engineering Division Manager/Assistant City Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

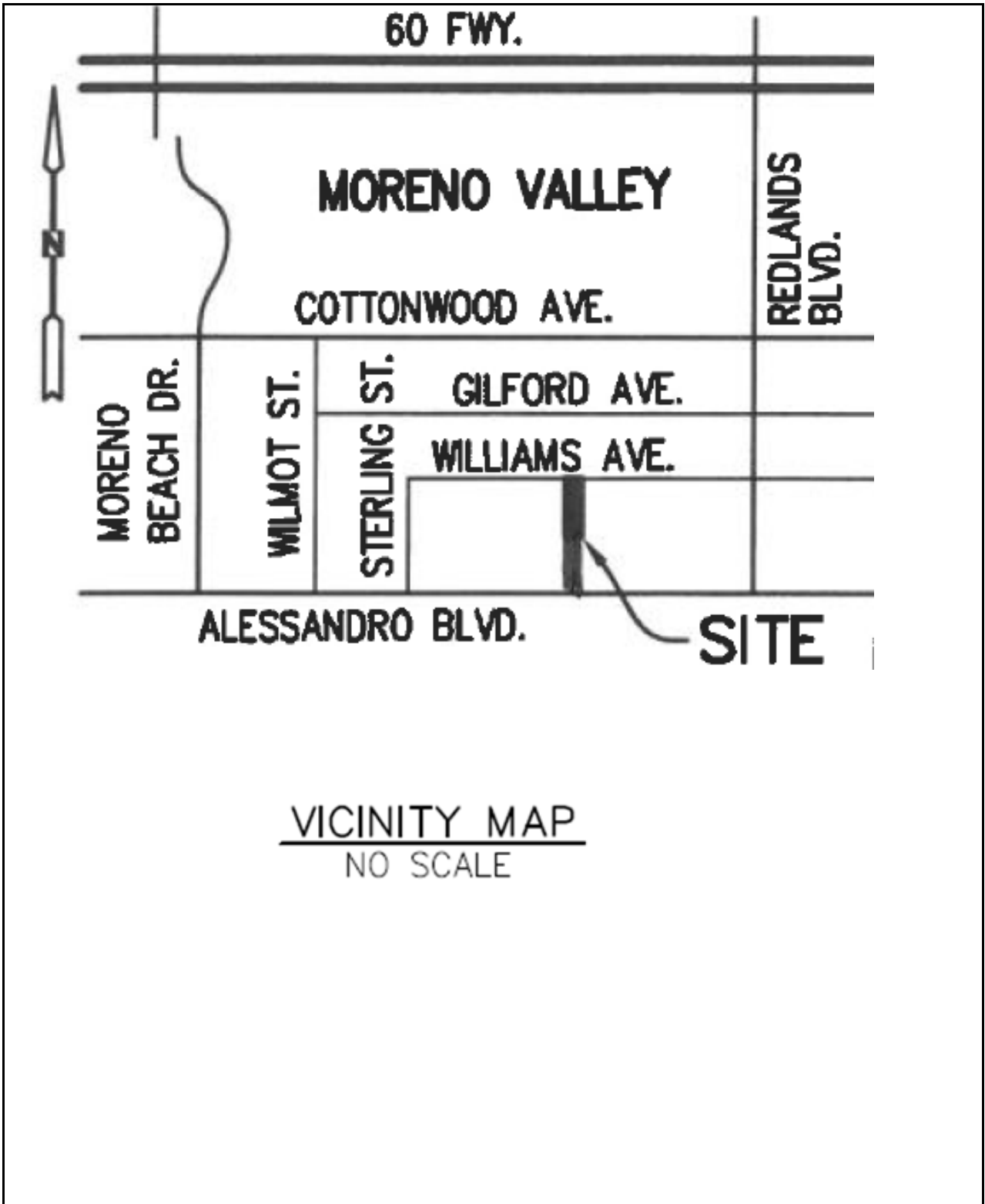
Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

ATTACHMENTS

- 1. Vicinity Map - LGL19-0053 Full Vacation
- 2. Proposed Resolution 2020-XX - LGL19-0053 Vacation

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/13/20 7:09 AM
City Attorney Approval	<u>✓ Approved</u>	4/13/20 11:45 AM
City Manager Approval	<u>✓ Approved</u>	4/13/20 11:56 AM



VICINITY MAP
NO SCALE

CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

LGL19-0053
Project Site

RESOLUTION NO. 2020-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE FULL VACATION FOR THAT PORTION OF STODDARD STREET LOCATED BETWEEN WILLIAMS AVENUE AND ALESSANDRO BOULEVARD

WHEREAS, the City Council on the 17th day of March, 2020, adopted Resolution of Intention No. 2020-09 declaring its intention to among other things order the vacation of a portion of Stoddard Street between Williams Avenue and Alessandro Boulevard along assessor parcel numbers 478-175-004, 478-175-011, 478-176-001 and 478-176-008 as shown in the Moreno Subdivision Tract filed in Book 11, Page 19 of Maps in the Office of the County Recorder of Riverside County, California, as hereinafter described, and set April 21, 2020 at 6:00 P.M., as the time for all persons interested in the proposed vacation; and

WHEREAS, the City Council of the City of Moreno Valley, California, acquired right-of-way for public use purposes, along this portion of Stoddard Street as shown in said tract map; and

WHEREAS, this public hearing was duly noticed and held as required by law; and

WHEREAS, this right-of-way is no longer needed for present or prospective public use; and

WHEREAS, the proposed vacation is consistent with the City of Moreno Valley Municipal Code and General Plan and complies with the requirements for street vacations as cited in the California Streets and Highways Code.

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

Section 1

That pursuant to the provisions of Division 9, Part 3, Chapter 3 of the Streets and Highways Code of the State of California, designated the “Public Streets, Highways and Service Easements Vacation Law,” the following described portion of right-of-way is fully vacated and abandoned:

That said portion of Stoddard Street as described in the legal description and illustrated on the plat, attached hereto and made a part hereof, marked as Exhibits “A” and “B”, respectively.

Excepting and reserving, from the vacation any easement and fee right-of-way for existing public utilities and public service facilities, together with the right to maintain, operate, replace, remove or renew such facilities, pursuant to Section 8340 of the Streets and Highway Code, as requested by the Eastern Municipal Water District (EMWD).

Section 2

That pursuant to the provisions of Sections 831 of Title 3 and 1112 of Title 4, Part 2, Division 2 of the California Civil Code of the State of California, title to the above-described portion of land revert to the owners of the underlying fee thereof, free from use as an easement for public road purposes.

Section 3

That the City Clerk of the City of Moreno Valley, California, shall cause a certified copy of this Resolution to be recorded in the office of the Recorder for the County of Riverside, California.

APPROVED AND ADOPTED this 21th day of April, 2020.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)

COUNTY OF RIVERSIDE) ss.

CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2020-XX was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21th day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

RIGHT OF WAY VACATION

ALL THAT PORTION OF STODDARD STREET, 60.00 FEET WIDE, WHICH ADJOINS LOT 9 AND LOT 10 IN BLOCK 34, LOT 1 AND LOT 8 IN BLOCK 35 AND ALSO ADJOINS THE 20.00 FOOT WIDE ALLEY WHICH ADJOINS THE HEREINABOVE MENTIONED LOTS OF THE TOWN OF MORENO AS SHOWN BY MAP ON FILE IN BOOK 11 OF MAPS, AT PAGE 19, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

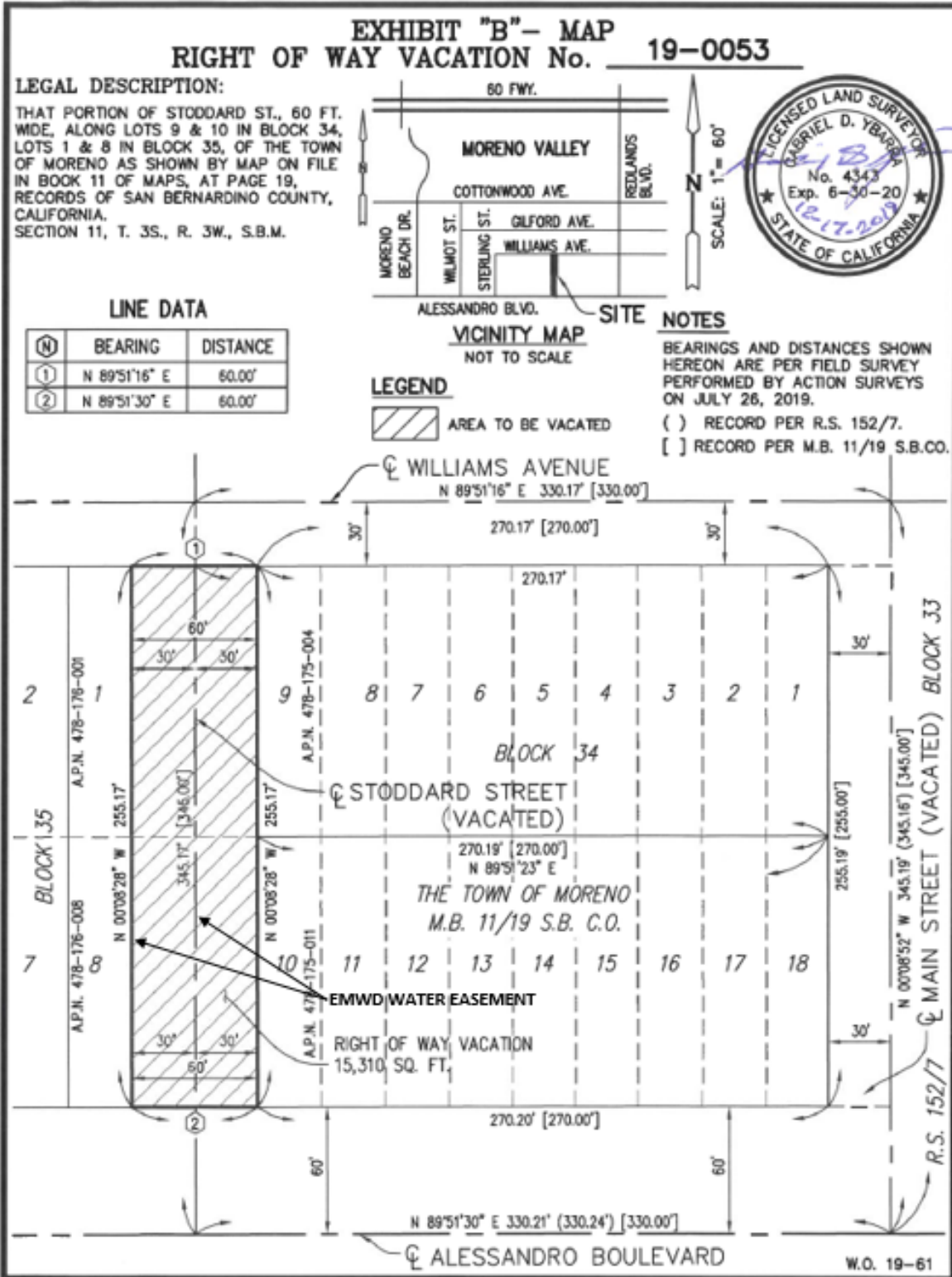
SAID PARCEL CONTAINS 15,310 SQUARE FEET, 0.35 ACRES NET, MORE OR LESS

PREPARED UNDER THE SUPERVISION OF:

Gabriel D. Ybarra 12-17-2019
GABRIEL D. YBARRA DATE
L.S. 4343, REG. EXP. 06-30-2020



Exhibit "A" 2019-61R1





Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: April 21, 2020

TITLE: PUBLIC HEARING FOR THREE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDINGS

RECOMMENDED ACTION

Recommend that the City Council:

1. Conduct the Public Hearing and accept public testimony for the mail ballot proceedings for the National Pollutant Discharge Elimination System (NPDES) Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to be applied to the property tax bill of the parcels identified herein;
2. Direct the City Clerk to open and count the returned NPDES ballots;
3. Verify and accept the results of the mail ballot proceedings as maintained by the City Clerk on the Official Tally Sheet and if approved, set the rate and impose the NPDES Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate, as applicable, on the Assessor's Parcel Numbers as mentioned;
4. Receive and file the Official Tally Sheet with the City Clerk's office.

SUMMARY

The action before the City Council is to conduct a Public Hearing for three NPDES mail ballot proceedings. The process to accept four parcels into the City's NPDES funding program impacts only the property owners identified below, not the general citizens or taxpayers of the City.

The City requires property owners of development projects to mitigate the cost of certain impacts created by the proposed development (e.g., the increase in costs of complying with state and federal NPDES requirements). The City offers the NPDES funding program to assist property owners in satisfying the requirement. After a property owner approves the City's NPDES rate through a mail ballot proceeding, the City can levy the rate on the annual property tax bill of the authorized parcel(s).

As a condition of approval for development of their projects, MV Holding LLC, Isaac Zaharoni, and Gold Coast Properties CA 3, LLC (the "Property Owners") are required to provide a funding source for the NPDES program and have requested the City conduct a mail ballot proceeding to satisfy the condition of approval. If the property owner approves the mail ballot and the City Council accepts the results, the condition of approval will be satisfied for their respective project. Tonight's Public Hearing is a required part of the process.

DISCUSSION

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES program. The Santa Ana Regional Water Quality Control Board administers the NPDES program through the issuance of a Permit. The NPDES program requires public agencies to obtain coverage under the Permit to discharge urban stormwater runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels. The City's current NPDES Permit requires all new development projects to comply with stormwater management requirements.

The City Council originally adopted the NPDES Residential Regulatory Rate on June 10, 2003 and the NPDES Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate ("Commercial/Industrial Rate") on January 10, 2006. Each fiscal year, the City Council reviews and sets the rates for the following fiscal year.

The Planning Commission approves projects on the condition the developer provides a funding source, consistent with the rates established by the City Council, to support activities for the NPDES program requirements. Revenue received from the rate supports the increased compliance activities related to the development. It also reduces the financial impact to the General Fund to maintain compliance with the unfunded requirements of the Permit.

As a condition of approval for the projects identified below, the Property Owners are required to provide a funding source to mitigate the increase in costs to the NPDES program, which will be created by their development projects. The table below provides information for the parcels under development.

Property Owner/ Project	Assessor's Parcel Number	Location	FY 2019/20 Maximum ¹ NPDES Commercial/Industrial Rate
MV Holding LLC Kia Sales and Service PEN19-0047/SBP20-0002	488-390-015 and 488-390-016	Northeast corner of Moreno Beach Dr. and Auto Mall Dr.	\$253.34 /parcel
Isaac Zaharoni Transitional Senior Housing PEN18-0205/SBP20-0001	291-050-048	South of Box Springs Rd. between Day St. and Clark St	\$253.34 /parcel
Gold Coast Properties CA 3, LLC Woodspring Suites PEN18-0232/SBP19-0008	481-090-037	Southwest of Indian St. and Hemlock St.	\$253.34 /parcel
¹ The parcel's development status will be evaluated, and the applied rate calculated in accordance with the rate schedule, prior to levying the NPDES rate on the property tax roll each year.			

A property owner has two options to satisfy the condition of approval:

1. Approve the NPDES rate and authorize the City to collect the rate on the annual Riverside County property tax bill through participation in a successful mail ballot proceeding; or
2. Fund an endowment.

The Property Owners elected to have the NPDES rate applied to the annual property tax bill of the property under development. Proposition 218 outlines the process to approve new charges, or an increase to existing charges, on property tax bills which includes conducting a mail ballot proceeding, noticing requirements, timing of noticing, and providing an opportunity for the property owner to address the City Council (i.e., public comment portion of the Public Hearing). A notice describing the purpose and amount of the charge, including the potential annual inflationary adjustment, and a ballot for the property was mailed to the Property Owners at least 45-days in advance of tonight's meeting (see Attachments 1-3). The ballot is due to the City Clerk prior to the close of the Public Hearing. The ballot can be opened and counted, and results announced, at the close of the Public Hearing.

The condition of approval to provide a funding source for the NPDES program will be satisfied with each property owner's approval of the NPDES mail ballot (i.e., marked yes and signed) and City Council acceptance of the results. In the event the ballot is not returned, is not approved, or is invalid (e.g., unmarked or unsigned), this condition of approval will remain unsatisfied and may delay development of the project. In the event more than one mail ballot proceeding is being conducted tonight, each ballot will be counted separately to determine if a property owner approved inclusion of their respective property in the NPDES funding program.

This action meets the Strategic Plan Priorities to manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities

management strategies, and capital improvement programming and project delivery.

ALTERNATIVES

1. Conduct the Public Hearing and upon its close, open, count, and verify the returned ballot and accept the results. *Staff recommends this alternative as it will satisfy each project's condition of approval provided the property owner approves the ballot.*
2. Open the Public Hearing and continue it to a future regularly scheduled City Council meeting. *Staff does not recommend this alternative as it will delay announcement of the ballot results and may delay project development.*
3. Do not conduct the Public Hearing. *Staff does not recommend this alternative as it will delay the condition of approval from being satisfied and may delay project development. The City will incur additional costs to restart the 45-day noticing period.*
4. Do not conduct the Public Hearing at this time but reschedule it to a date specific regularly scheduled City Council meeting. *Staff does not recommend this alternative as it may delay project development and will cause the City to incur additional costs to restart the 45-day noticing period.*

FISCAL IMPACT

Revenue received from the NPDES rate is restricted and can only be used within the stormwater management program. The revenue provides funding to maintain compliance with the unfunded requirements of the Permit. It also offsets stormwater management program expenses, which reduces the financial impact to the General Fund. The NPDES rate is only applied to the property tax bills of parcels where approval of the rate has been authorized through a successful mail ballot proceeding.

The FY 2019/20 maximum Commercial/Industrial Rate is \$253.34 per parcel, and any division thereof. The maximum NPDES rates are subject to an annual inflationary adjustment. However, the annual adjustment cannot be applied unless the City Council annually authorizes such adjustment. The increase to the maximum rate cannot exceed the annual inflationary adjustment without approval of the property owners subject to the charge. The NPDES rate applied to the property tax bill will be based on the development status of the property at the time the rates are calculated for the upcoming fiscal year.

NOTIFICATION

The ballot documents were mailed to the Property Owners at least 45-days in advance of the Public Hearing. The documents included a notice, NPDES ballot, NPDES

Commercial/Industrial Rate schedule, map of the project area, instructions for marking and returning the ballot, and a postage paid return envelope addressed to the City Clerk.

The Press-Enterprise published the legal notice for tonight's Public Hearing on April 2 and April 9, 2020.

PREPARATION OF STAFF REPORT

Prepared by:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

Concurred by:
Michael Lloyd, P.E.
Engineering Division Manager/Assistant City Engineer

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

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.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

See the Discussion section above for details of how this action supports the City Council's Strategic Priorities.

ATTACHMENTS

1. MV Holding LLC Ballot Documents
2. Isaac Zaharoni Ballot Documents
3. Gold Coast Properties CA 3, LLC Ballot Documents

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/07/20 7:03 PM
City Attorney Approval	<u>✓ Approved</u>	4/07/20 12:36 PM
City Manager Approval	<u>✓ Approved</u>	4/09/20 6:43 PM

Tel: 951.413.3480
 Fax: 951.413.3170
 www.moval.org



14177 FREDERICK STREET
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

March 6, 2020

MV Holding LLC
 181 S 333rd St Ste. 210
 Federal Way, WA 98003
 ATTN: Matthew Phillips

NOTICE TO PROPERTY OWNER - MAIL BALLOT PROCEEDING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMON INTEREST, COMMERCIAL, INDUSTRIAL, AND QUASI-PUBLIC USE REGULATORY RATE FOR APN(s) 488-390-015 and 488-390-016

******* OFFICIAL BALLOT ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of the APN(s) listed above the opportunity to express support for or opposition to the approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding fulfills the Land Development Division’s Condition of Approval to provide a funding source for the NPDES financial program.

Background

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES Program. The NPDES Program is administered by the Santa Ana Regional Water Quality Control Board through the issuance of a Permit. The City’s current NPDES Permit mandates all new development projects comply with storm water management activities. The NPDES Program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels.

Services Provided

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

How is the Amount of the Charge Determined?

Each fiscal year (FY), the City of Moreno Valley determines the type of services necessary to comply with NPDES Permit requirements and levies the rate applicable for that service, not to

Notice of Mail Ballot Proceeding for MV Holding LLC
March 6, 2020

exceed the rate previously approved by the property owner.

Proposed Charge

For FY 2019/20, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate is \$253.34 per parcel. The total amount of the NPDES rates levied for FY 2019/20 was \$549,905.50 for the program as a whole.

Annual Adjustment

Beginning in FY 2020/21, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum select rate Regulatory Rate, the annual levy amount will be assessed to the APN(s) listed above (and any division thereof) and shall be placed on the Riverside County property tax bill or included as a monthly charge on a utility bill. The NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be levied each following year at the proposed rate, which includes an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding, the City has scheduled a Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

Public Hearing

Tuesday, April 21, 2020

6:00 p.m.

(Or As Soon Thereafter As The Matter May Be Called)

Tabulation of the returned ballot will commence after the close of the public testimony portion of the Public Hearing. Any ballot received shall be tabulated under the direction of the City Clerk in compliance with the City's Policy for Conducting Mail Ballot Proceedings Policy #1.12.

Effect if the Charge is Approved

Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be confirmed if the ballot is marked in favor (marked Yes) of the NPDES rate. Approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding will fulfill the Land Development Division's Condition of Approval to provide an ongoing funding source for the NPDES financial program.

Effect if the Charge is Not Approved

Not approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to meet state and federally mandated NPDES Permit requirements **will not**

Notice of Mail Ballot Proceeding for MV Holding LLC
March 6, 2020

satisfy the Land Development Division's Condition of Approval to provide a funding source for the NPDES financial program. If the returned ballot is marked "No", the NPDES rate will not be levied on the property tax bill.

Effect if the Ballot is Deemed Invalid or Incomplete

Not marking the corresponding box on the ballot in support of or opposition to the proposed program and annual rate and/or not signing the ballot will result in an invalid ballot. In order to satisfy the Land Development Division's Condition of Approval by placement of the NPDES rate on the annual property tax bill, the mail ballot proceeding and 45-day noticing period will need to start over. Reinitiating the process will require payment of the mail ballot proceeding fee.

For More Information

If you have any questions about the mail ballot proceeding process, please contact Isa Rojas, Management Analyst, with the City's Special Districts Division at 951.413.3480 or via email at IsaRo@moval.org or SpecialDistricts@moval.org during the City's business hours.

Questions regarding the NPDES financial program, the annual rate, or the Land Development Division's Conditions of Approval should be directed to the Land Development Division at 951.413.3120 or via email at landdevelopment@moval.org during the City's business hours.

The City's business hours are Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 4:30 p.m.

Completing Your Ballot

Please follow the instructions below to complete and return your ballot. Procedures for the completion, return, and tabulation of the ballot are also on file in the City Clerk's office.

1. Mark the enclosed ballot in support of or opposition to the proposed program and annual rate **by placing a mark in the corresponding box**. Ballots received without a designated vote will be considered invalid.
2. Sign your name on the ballot. Ballots received without signature(s) will be considered invalid *and will not be counted*.
3. Mail or personally deliver your completed ballot in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, a postage-paid envelope has been included for return of the ballot.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the public testimony portion of the Public Hearing scheduled for **April 21, 2020**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.







Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;

Notice of Mail Ballot Proceeding for MV Holding LLC
March 6, 2020

-  An X mark substantially inside a box;
-  A dot or oval mark substantially inside a box;
-  A completely shaded or filled mark substantially inside a box;
-  A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;
-  A circle around the box and/or associated clause; or
-  A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for Assessor's Parcel Number (APN)
488-390-015 and 488-390-016
National Pollutant Discharge Elimination System (NPDES)
Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate**

YES* — as property owner of the APN(s) listed above, **I approve** the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. For fiscal year (FY) 2019/20, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate is \$253.34 per parcel, a combined total of \$506.68 for the APNs. This calculation is based on the current parcel configuration; the actual annual amount annual levied will be determined at the time the levy is calculated. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the annual Riverside County property tax bill or included as a monthly charge on a utility bill. Beginning FY 2020/21, the maximum regulatory rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

NO** — as property owner of the APNs listed above, **I do not approve** the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. I understand that not approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to fund state and federally mandated NPDES Permit requirements will not satisfy the project's Conditions of Approval. The NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will not be levied on the annual Riverside County property tax bill.

YES*	NO**	Weighted Ballot Count*	Fiscal Year 2019/20 NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate per Parcel
<input type="checkbox"/>	<input type="checkbox"/>	2	\$253.34
Each Assessor's Parcel Number equals 1 Weighted Ballot.			

I HEREBY DECLARE UNDER PENALTY OF PERJURY THAT I AM THE RECORD OWNER OF THE PARCEL(S) IDENTIFIED ON THIS BALLOT OR AM AUTHORIZED TO SUBMIT A BALLOT ON BEHALF OF THE RECORD OWNER.

SIGNATURE OF PROPERTY OWNER

PRINTED NAME

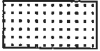




DATE

Please remember to mark the appropriate box, sign and date the ballot, and return to the City Clerk's office in the enclosed envelope. This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the public testimony portion of the Public Hearing. The Public Hearing will be held at 6:00 p.m., or as soon thereafter as the matter may be called, on April 21, 2020, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California.

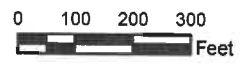
Ballot(s) deemed invalid or incomplete will be discarded and a new process must be initiated in order to place the charge on the annual Riverside County property tax bill, which includes payment of the mail ballot fee. For administrative convenience, all parcels for your project have been combined on one ballot. If you prefer to have a separate ballot for each APN, please call 951.413.3480 to request separate ballots.



**MV Holding LLC
KIA
PEN19-0047**

- APN**
-  488390015
 -  488390016
 -  Parcels
 -  City Boundary
 -  Roads

Map reflects all changes indicated on Riverside County Assessor Maps as of March 4, 2020.



G:\Divisions\SpecialDist\2018\WXD\PEN19-0047.mxd

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. Data and information on this map is subject to update and modification. 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. This map is not to be recycled or resold.



Attachment: MV Holding LLC Ballot Documents (3977 : PUBLIC HEARING FOR THREE NATIONAL

**FY 2019/20
NPDES RATE SCHEDULE
COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE**

LEVEL 1		LEVEL II	
NPDES Administration (Not covered by CSA 152)		Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance	
<p>Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management.</p> <p>Level I is levied on all parcels conditioned for the NPDES Rate Schedule.</p>		<p>Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.</p>	
FY 2019/20	Annual Rate	FY 2019/20	Annual Rate
Parcel Rate	\$44.30	Parcel Rate	\$209.04
*Service Levels will be imposed on an as-needed basis and cumulative (if required)			
<p>Adopted by the City Council on January 10, 2006 Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics</p>			
<i><u>Inflation Factor Adjustments</u></i>			
FY 2006/07 - 4.5% = (\$33.00 & \$158.00)		FY 2013/14 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar	
FY 2007/08 - 3.1% = (\$34.00 & \$163.00)		FY 2014/15 - 1.14% = (\$39.52 & \$186.49)(approved 6/10/14)	
FY 2008/09 - 4.2% = (\$35.00 & \$170.00)		FY 2015/16 - 0.73% = (\$39.81 & \$187.85)	
FY 2009/10 - no change = (\$35.00 & \$170.00)		FY 2016/17 - 2.03% = (\$40.62 & \$191.66)	
FY 2010/11 - no change = (\$35.00 & \$170.00)		FY 2017/18 - 1.97% = (\$41.42 & \$195.44)	
FY 2011/12 - 3.8% = (\$36.00 & \$176.00)		FY 2018/19 - 3.61% = (\$42.90 & \$202.48)(approved 6/19/18)	
FY 2012/13 - 2.7% = (\$37.00 & \$181.00)		FY 2019/20 - 3.24% = (\$44.30 & \$209.04)(approved 5/21/19)	

Attachment: MV Holding LLC Ballot Documents (3977 : PUBLIC HEARING FOR THREE NATIONAL

Tel: 951.413.3480
 Fax: 951.413.3170
 www.moval.org



14177 FEDERICK STREET
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

March 6, 2020

Issac Zaharoni
 10250 Constellation Blvd. Ste. 2300A
 Century City, CA 90067
 ATTN: Kate Monroe

NOTICE TO PROPERTY OWNER - MAIL BALLOT PROCEEDING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMON INTEREST, COMMERCIAL, INDUSTRIAL, AND QUASI-PUBLIC USE REGULATORY RATE FOR APN(s) 291-050-048

******* OFFICIAL BALLOT ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of the APN(s) listed above the opportunity to express support for or opposition to the approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding fulfills the Land Development Division’s Condition of Approval to provide a funding source for the NPDES financial program.

Background

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES Program. The NPDES Program is administered by the Santa Ana Regional Water Quality Control Board through the issuance of a Permit. The City’s current NPDES Permit mandates all new development projects comply with storm water management activities. The NPDES Program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels.

Services Provided

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

How is the Amount of the Charge Determined?

Each fiscal year (FY), the City of Moreno Valley determines the type of services necessary to comply with NPDES Permit requirements and levies the rate applicable for that service, not to

Notice of Mail Ballot Proceeding for Issac Zaharoni
March 6, 2020

exceed the rate previously approved by the property owner.

Proposed Charge

For FY 2019/20, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate is \$253.34 per parcel. The total amount of the NPDES rates levied for FY 2019/20 was \$549,905.50 for the program as a whole.

Annual Adjustment

Beginning in FY 2020/21, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum select rate Regulatory Rate, the annual levy amount will be assessed to the APN(s) listed above (and any division thereof) and shall be placed on the Riverside County property tax bill or included as a monthly charge on a utility bill. The NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be levied each following year at the proposed rate, which includes an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding, the City has scheduled a Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

Public Hearing

Tuesday, April 21, 2020

6:00 p.m.

(Or As Soon Thereafter As The Matter May Be Called)

Tabulation of the returned ballot will commence after the close of the public testimony portion of the Public Hearing. Any ballot received shall be tabulated under the direction of the City Clerk in compliance with the City's Policy for Conducting Mail Ballot Proceedings Policy #1.12.

Effect if the Charge is Approved

Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be confirmed if the ballot is marked in favor (marked Yes) of the NPDES rate. Approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding will fulfill the Land Development Division's Condition of Approval to provide an ongoing funding source for the NPDES financial program.

Effect if the Charge is Not Approved

Not approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to meet state and federally mandated NPDES Permit requirements **will not**

Notice of Mail Ballot Proceeding for Issac Zaharoni
March 6, 2020

satisfy the Land Development Division's Condition of Approval to provide a funding source for the NPDES financial program. If the returned ballot is marked "No", the NPDES rate will not be levied on the property tax bill.

Effect if the Ballot is Deemed Invalid or Incomplete

Not marking the corresponding box on the ballot in support of or opposition to the proposed program and annual rate and/or not signing the ballot will result in an invalid ballot. In order to satisfy the Land Development Division's Condition of Approval by placement of the NPDES rate on the annual property tax bill, the mail ballot proceeding and 45-day noticing period will need to start over. Reinitiating the process will require payment of the mail ballot proceeding fee.

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Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;

Notice of Mail Ballot Proceeding for Issac Zaharoni
March 6, 2020

-  An X mark substantially inside a box;
-  A dot or oval mark substantially inside a box;
-  A completely shaded or filled mark substantially inside a box;
-  A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;
-  A circle around the box and/or associated clause; or
-  A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**





**FY 2019/20
NPDES RATE SCHEDULE
COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE**

LEVEL 1		LEVEL II	
NPDES Administration (Not covered by CSA 152)		Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance	
<p>Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management.</p> <p>Level I is levied on all parcels conditioned for the NPDES Rate Schedule.</p>		<p>Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.</p>	
FY 2019/20	Annual Rate	FY 2019/20	Annual Rate
Parcel Rate	\$44.30	Parcel Rate	\$209.04
*Service Levels will be imposed on an as-needed basis and cumulative (if required)			
<p>Adopted by the City Council on January 10, 2006 Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics</p>			
<u><i>Inflation Factor Adjustments</i></u>			
FY 2006/07 - 4.5% = (\$33.00 & \$158.00)		FY 2013/14 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar	
FY 2007/08 - 3.1% = (\$34.00 & \$163.00)		FY 2014/15 - 1.14% = (\$39.52 & \$186.49)(approved 6/10/14)	
FY 2008/09 - 4.2% = (\$35.00 & \$170.00)		FY 2015/16 - 0.73% = (\$39.81 & \$187.85)	
FY 2009/10 - no change = (\$35.00 & \$170.00)		FY 2016/17 - 2.03% = (\$40.62 & \$191.66)	
FY 2010/11 - no change = (\$35.00 & \$170.00)		FY 2017/18 - 1.97% = (\$41.42 & \$195.44)	
FY 2011/12 - 3.8% = (\$36.00 & \$176.00)		FY 2018/19 - 3.61% = (\$42.90 & \$202.48)(approved 6/19/18)	
FY 2012/13 - 2.7% = (\$37.00 & \$181.00)		FY 2019/20 - 3.24% = (\$44.30 & \$209.04)(approved 5/21/19)	

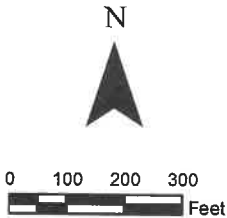
Attachment: Isaac Zaharoni Ballot Documents (3977 : PUBLIC HEARING FOR THREE NATIONAL



Issac Zaharoni Transitional Senior Housing PEN18-0205

- APN**
-  291050048
 -  Parcels
 -  City Boundary
 -  Roads

Map reflects all changes indicated on Riverside County Assessor Maps as of December 9, 2019.



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Tel: 951.413.3480
 Fax: 951.413.3170
 www.moval.org



14177 FREDERICK STREET
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

March 6, 2020

Gold Coast Properties CA 3, LLC
 16155 SW 117th Ave
 Miami, FL 33177
 ATTN: Veronica M. Garcia, Senior VP/COO

NOTICE TO PROPERTY OWNER - MAIL BALLOT PROCEEDING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMON INTEREST, COMMERCIAL, INDUSTRIAL, AND QUASI-PUBLIC USE REGULATORY RATE FOR APN(s) 481-090-037

******* OFFICIAL BALLOT ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of the APN(s) listed above the opportunity to express support for or opposition to the approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding fulfills the Land Development Division’s Condition of Approval to provide a funding source for the NPDES financial program.

Background

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES Program. The NPDES Program is administered by the Santa Ana Regional Water Quality Control Board through the issuance of a Permit. The City’s current NPDES Permit mandates all new development projects comply with storm water management activities. The NPDES Program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels.

Services Provided

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

How is the Amount of the Charge Determined?

Each fiscal year (FY), the City of Moreno Valley determines the type of services necessary to comply with NPDES Permit requirements and levies the rate applicable for that service, not to

Notice of Mail Ballot Proceeding for Gold Coast Properties CA 3, LLC
March 6, 2020

exceed the rate previously approved by the property owner.

Proposed Charge

For FY 2019/20, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate is \$253.34 per parcel. The total amount of the NPDES rates levied for FY 2019/20 was \$549,905.50 for the program as a whole.

Annual Adjustment

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Duration of the Charge

Upon approval of the NPDES Maximum select rate Regulatory Rate, the annual levy amount will be assessed to the APN(s) listed above (and any division thereof) and shall be placed on the Riverside County property tax bill or included as a monthly charge on a utility bill. The NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be levied each following year at the proposed rate, which includes an annual inflation adjustment.

Public Hearing

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Public Hearing

Tuesday, April 21, 2020

6:00 p.m.

(Or As Soon Thereafter As The Matter May Be Called)

Tabulation of the returned ballot will commence after the close of the public testimony portion of the Public Hearing. Any ballot received shall be tabulated under the direction of the City Clerk in compliance with the City's Policy for Conducting Mail Ballot Proceedings Policy #1.12.

Effect if the Charge is Approved

Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be confirmed if the ballot is marked in favor (marked Yes) of the NPDES rate. Approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding will fulfill the Land Development Division's Condition of Approval to provide an ongoing funding source for the NPDES financial program.

Effect if the Charge is Not Approved

Not approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to meet state and federally mandated NPDES Permit requirements **will not**

Notice of Mail Ballot Proceeding for Gold Coast Properties CA 3, LLC
March 6, 2020

satisfy the Land Development Division's Condition of Approval to provide a funding source for the NPDES financial program. If the returned ballot is marked "No", the NPDES rate will not be levied on the property tax bill.

Effect if the Ballot is Deemed Invalid or Incomplete

Not marking the corresponding box on the ballot in support of or opposition to the proposed program and annual rate and/or not signing the ballot will result in an invalid ballot. In order to satisfy the Land Development Division's Condition of Approval by placement of the NPDES rate on the annual property tax bill, the mail ballot proceeding and 45-day noticing period will need to start over. Reinitiating the process will require payment of the mail ballot proceeding fee.

For More Information

If you have any questions about the mail ballot proceeding process, please contact Isa Rojas, Management Analyst, with the City's Special Districts Division at 951.413.3480 or via email at IsaRo@moval.org or SpecialDistricts@moval.org during the City's business hours.

Questions regarding the NPDES financial program, the annual rate, or the Land Development Division's Conditions of Approval should be directed to the Land Development Division at 951.413.3120 or via email at landdevelopment@moval.org during the City's business hours.

The City's business hours are Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 4:30 p.m.

Completing Your Ballot

Please follow the instructions below to complete and return your ballot. Procedures for the completion, return, and tabulation of the ballot are also on file in the City Clerk's office.

1. Mark the enclosed ballot in support of or opposition to the proposed program and annual rate **by placing a mark in the corresponding box**. Ballots received without a designated vote will be considered invalid.
2. Sign your name on the ballot. Ballots received without signature(s) will be considered invalid *and will not be counted*.
3. Mail or personally deliver your completed ballot in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, a postage-paid envelope has been included for return of the ballot.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the public testimony portion of the Public Hearing scheduled for **April 21, 2020**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.







Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;

Notice of Mail Ballot Proceeding for Gold Coast Properties CA 3, LLC
 March 6, 2020

-  An X mark substantially inside a box;
-  A dot or oval mark substantially inside a box;
-  A completely shaded or filled mark substantially inside a box;
-  A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;
-  A circle around the box and/or associated clause; or
-  A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for Assessor's Parcel Number (APN)
481-090-037**

**National Pollutant Discharge Elimination System (NPDES)
Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate**

YES* — as property owner of the APN(s) listed above, **I approve** the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. For fiscal year (FY) 2019/20, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate is \$253.34 per parcel. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the annual Riverside County property tax bill or included as a monthly charge on a utility bill. Beginning FY 2020/21, the maximum regulatory rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

NO** — as property owner of the APNs listed above, **I do not approve** the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. I understand that not approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to fund state and federally mandated NPDES Permit requirements will not satisfy the project's Conditions of Approval. The NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will not be levied on the annual Riverside County property tax bill.

YES*	NO**	Weighted Ballot Count*	Fiscal Year 2019/20 NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate per Parcel
<input type="checkbox"/>	<input type="checkbox"/>	1	\$253.34
Each Assessor's Parcel Number equals 1 Weighted Ballot.			

I HEREBY DECLARE UNDER PENALTY OF PERJURY THAT I AM THE RECORD OWNER OF THE PARCEL(S) IDENTIFIED ON THIS BALLOT OR AM AUTHORIZED TO SUBMIT A BALLOT ON BEHALF OF THE RECORD OWNER.

SIGNATURE OF PROPERTY OWNER

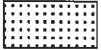



PRINTED NAME

DATE

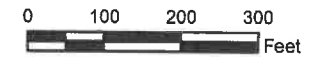
Please remember to mark the appropriate box, sign and date the ballot, and return to the City Clerk's office in the enclosed envelope. This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the public testimony portion of the Public Hearing. The Public Hearing will be held at 6:00 p.m., or as soon thereafter as the matter may be called, on April 21, 2020, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California.

Ballot(s) deemed invalid or incomplete will be discarded and a new process must be initiated in order to place the charge on the annual Riverside County property tax bill, which includes payment of the mail ballot fee.

Gold Coast Properties CA 3, LLC Woodspring Suites PEN18-0232

- APN**
-  481090037
 -  Parcels
 -  City Boundary
 -  Roads

Map reflects all changes indicated on Riverside County Assessor Maps as of March 4, 2020.



G:\Divisions\SpecialDist\2018\MXD\PEN18-0232.mxd

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. Data and information on this map is subject to update and modification. 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. This map is not to be recycled or resold.



Attachment: Gold Coast Properties CA 3, LLC Ballot Documents (3977 : PUBLIC HEARING FOR THREE

**FY 2019/20
NPDES RATE SCHEDULE
COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE**

LEVEL 1		LEVEL II	
NPDES Administration (Not covered by CSA 152)		Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance	
Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management. Level I is levied on all parcels conditioned for the NPDES Rate Schedule.		Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.	
FY 2019/20	Annual Rate	FY 2019/20	Annual Rate
Parcel Rate	\$44.30	Parcel Rate	\$209.04
*Service Levels will be imposed on an as-needed basis and cumulative (if required)			
Adopted by the City Council on January 10, 2006 Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics			
<u><i>Inflation Factor Adjustments</i></u>			
FY 2006/07 - 4.5% = (\$33.00 & \$158.00)		FY 2013/14 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar	
FY 2007/08 - 3.1% = (\$34.00 & \$163.00)		FY 2014/15 - 1.14% = (\$39.52 & \$186.49)(approved 6/10/14)	
FY 2008/09 - 4.2% = (\$35.00 & \$170.00)		FY 2015/16 - 0.73% = (\$39.81 & \$187.85)	
FY 2009/10 - no change = (\$35.00 & \$170.00)		FY 2016/17 - 2.03% = (\$40.62 & \$191.66)	
FY 2010/11 - no change = (\$35.00 & \$170.00)		FY 2017/18 - 1.97% = (\$41.42 & \$195.44)	
FY 2011/12 - 3.8% = (\$36.00 & \$176.00)		FY 2018/19 - 3.61% = (\$42.90 & \$202.48)(approved 6/19/18)	
FY 2012/13 - 2.7% = (\$37.00 & \$181.00)		FY 2019/20 - 3.24% = (\$44.30 & \$209.04)(approved 5/21/19)	



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: April 21, 2020

TITLE: DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE MORENO VALLEY HOUSING AUTHORITY, CITY OF MORENO VALLEY AND COURTYARDS AT COTTONWOOD, LP

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Approve the Disposition and Development/Affordable Housing Agreement by and between the Moreno Valley Housing Authority, City of Moreno Valley, and Courtyards at Cottonwoods, LP.
2. Authorize the City Attorney to prepare an Agreement based on the deal points as set forth within this report.
3. Authorize the City Manager to execute the Disposition and Development/Affordable Housing Agreement, subject to the approval of the City Attorney.
4. Adopt Resolution 2020-____. A resolution of the City Council of the City of Moreno Valley, California, supporting the Courtyards at Cottonwood Affordable Housing Development and affirming its intention to provide financial assistance.
5. Adopt Resolution 2020-____. A resolution of the Moreno Valley Housing Authority of the City of Moreno Valley, California, supporting the Courtyards at Cottonwood Affordable Housing Development and affirming its intention to provide financial assistance.

6. Approve budget adjustments to the adopted budget as set forth in the Fiscal Impact section of this report. This project will be funded through HOME and NSP Federal grants on Moreno Valley Housing Authority property.

SUMMARY

This report recommends approval of the Disposition and Development/Affordable Housing Agreement (DDA/AHA) by and between the City of Moreno Valley and Courtyards at Cottonwood Limited Partnership. The project is publicly-privately funded with a combination of Neighborhood Stabilization Program (NSP), HOME Investment Partnerships Program (HOME) funds, state tax credits and private funds on Moreno Valley Housing Authority property.

DISCUSSION

In an effort to provide affordable low-income housing within our community, the Housing Authority depends upon funding allocations through such programs as the HOME Investment Partnerships Program (“HOME”) and the Neighborhood Stabilization Program (“NSP”). These programs funds are provided to qualified developers for the construction of affordable housing projects to construct such homes for the purpose of making housing available to those in the community who qualify as low and very low income households. The developer of these affordable housing units has also applied for and obtained an allocation for 4% federal low income housing tax credits with respect to Required Affordable Units as generally provided for under Section 42 of the Internal Revenue Code in connection with the production of affordable housing.

A general plan amendment for the project was reviewed and approved by the Planning Commission at the October 10, 2019 Planning Commission Meeting. In February 2020 the U.S. Department of Housing and Urban Development (HUD) provided the City an Authority to Use Funds for this project. On March 17, 2020, City Council approved the substantial amendments for HOME and NSP funding to be allocated under the City’s Annual Action Plan.

The Courtyards at Cottonwood affordable housing project is a gated 81-unit multi-family affordable housing project that will be located on the northeast corner of Cottonwood Avenue and Indian Street, proposed by Courtyards at Cottonwood, L/P. (“Developer”). The site consists of an 8.4 acre vacant area consisting of four (4) parcels. It is anticipated that approximately 6.8 acres of the site will be usable for the development; the other 1.6 acres will be later transferred and sold to the Moreno Valley Unified School District. The site, which is fully entitled, is centrally located and is in close proximity to various community services and other neighborhood conveniences such as a regional hospital, supermarket/local shopping, bus stop/bus route, high school, elementary school, library and public park.

The project is proposed to be developed in a single phase and construction would begin as early as July/August 2020. The development will consist of an 80-unit affordable

multiple family residential development with 1 manager unit, within two (2) two-story, 30-unit family buildings with a total of eight (8) 1-bedroom, twenty-four (24) 2-bedroom and twenty-eight (28) 3-bedroom units. The proposed development also includes a one-story, 20-unit senior building with sixteen (16) 1-bedroom and four (4) 2-bedroom units. All of the units, with the exception of the manager's unit, will be rent-restricted and reserved for income-eligible households qualifying as extremely low-income households (earning up to 30% of Area Median Income (AMI)) and low-income households (earning up to 60% AMI).

The project will also include a 4,840 square-foot community building with management, leasing services, tenant services and maintenance offices, a maintenance garage, computer lab, laundry room, restrooms, mail kiosk and a full kitchen. Site amenities will include a community pool, tot lot, basketball court and a senior fitness course. A manager's unit will be located on the second floor of the community building. Additionally, the site will use drought tolerant landscaping throughout and provide passive courtyard areas that include seating, tables and chairs and BBQs for tenants. There will be 118 on-site vehicular parking spaces of which 83 will be covered.

NSP1 and HOME funds will be used to cover allowable closing costs, allowable pre-development costs and construction costs not to exceed the approved federally obligated funding. The loan terms will be 56-years, accrue 1% simple interest annually, and paid on a residual receipts basis. The loan will be secured by a deed of trust and affordability covenants that will run with the land.

In October 2019, prior to initiating negotiations and committing funds, the City procured the consultancy services of financial advisor, Keyser Marston Associates (KMA) to complete the underwriting and fiscal analysis of the project. Based upon the review of the financial advisor, the project was determined to be feasible and the requested assistance to be reasonable.

ALTERNATIVES

1. Approve the Disposition and Development/Affordable Housing Agreement; authorize the City Manager and Executive Director of the Housing Authority to execute project-related documents; authorize the City Manager to approve future amendments to the AHA that do not substantially increase the City's obligations or materially change uses; approve proposed resolution; approve necessary revenue and expenditure appropriations and authorize the Chief Financial Officer to process adjustments. *Staff recommends this alternative as it will allow the City to invest federally restricted affordable housing funding within our community.*
2. Do not approve the Disposition and Development/Affordable Housing Agreement; do not authorize the City Manager and Executive Director of the Housing Authority to execute project-related documents; do not authorize the City Manager to approve future amendments to the AHA that do not substantially increase City's obligations or materially change uses; do not

approve proposed resolution; do not approve necessary revenue and expenditure appropriations and authorize the Chief Financial Officer to process adjustments. *Staff does not recommend this alternative as it will not allow the City to invest federally restricted affordable housing funding within our community.*

FISCAL IMPACT

This project is being funded using funds designated for the specific purpose of creating affordable housing opportunities for income-eligible households, as set forth in the terms and conditions of NSP and HOME federal grant funds and the City’s Housing Authority. **There will be no fiscal impact to the City’s General Fund**

The federal grant funds were included in the FY 2019/20 Adopted Budget.

Fund	GL Account No.	Type (Rev/Exp)	FY 2019/20 Adopted Budget
Receipt of Grant/NSP1 Funds	2507-30-36-72701-485000	Rev	\$ 3,420,682
Receipt of Grant/HOME Funds	2506-99-99-92506-485000	Rev	\$ 1,000,000
NSP1- Programs	2507-30-36-72701-733201	Exp	\$ 3,420,682
HOME Programs	2506-30-36-72657-733102	Exp	\$1,000,000

The Moreno Valley Housing Authority will be dedicating four (4) parcels of vacant land with a book value of \$1,202,000.

FundGL Account No.	Type (Rev/Exp)	FY 2019/20 Proposed Budget Adjustment
Housing Programs	8884-30-36-20601-732101	Exp \$ 1,202,000

NOTIFICATION

The public has been notified through the publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Deputy Finance Director

Department Head Approval:
Marshall Eyerman
Assistant City Manager
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

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.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Schematic Site Plan - Courtyards at Cottonwood
- 2. Cottonwood Apartments I, LP- Draft Disposition and Development Agreement
- 3. Resolution 2020- xx_City
- 4. Resolution 2020- xx_Housing Auth v1

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/15/20 10:53 AM
City Attorney Approval	<u>✓ Approved</u>	4/15/20 11:20 AM
City Manager Approval	<u>✓ Approved</u>	4/15/20 11:31 AM



495 E. Runyon Street, Suite 202
 Denver, CO 80202
 Tel: 303.733.4333 Fax: 303.733.4337

▲ 5-1-18 LAND USE APPLICATION SUBMITTAL
 ▲ 6-24-18 STATE COMMENTS - LAND USE APPLICATION RE-SUBMITTAL
 ▲ 8-14-18 STATE COMMENTS - LAND USE APPLICATION RE-SUBMITTAL
 ▲ 8-11-19 STATE COMMENTS - LAND USE APPLICATION RE-SUBMITTAL

Revisions

A Proposed Affordable Housing Community

The Courtyards at Cottonwood

Northeast Corner of Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0110)

Job No.	Date
899A	02/29/18
Drawn By	Checked By
WCA	WCA

Plot Plan (PEN 19-0110)
 Sheet Title
 Color Site Plan

A-0.1



SCHEMATIC SITE PLAN

NORTH
 SCALE 1"=40'
 GRAPHIC SCALE

**DISPOSITION AND DEVELOPMENT/AFFORDABLE
HOUSING AGREEMENT**

by and among the

MORENO VALLEY HOUSING AUTHORITY

and the

CITY OF MORENO VALLEY

and

**COURTYARDS AT COTTONWOOD, L.P.,
a California limited partnership**

(4% Tax Credits: 81 Housing Units)

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ATTACHMENTS

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ATTACHMENT NO. 20	PARCEL B AUTHORITY DEED

DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT

This **DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT** (the “Agreement”), dated, for identification purposes only, as of April 21, 2020 (the “Date of Agreement”), is entered into by and among the **MORENO VALLEY HOUSING AUTHORITY**, a public body, corporate and politic (“Authority”), the **CITY OF MORENO VALLEY**, a municipal corporation (“City”) and **COURTYARDS AT COTTONWOOD, L.P.**, a California limited partnership (the “Developer”).

R E C I T A L S

A. City, as part of its functions as a municipal corporation under the Constitution and laws of the State of California and in connection with its municipal code is authorized to promote the provision of affordable housing for all income segments of the community. City is authorized to enter into agreements in connection therewith.

B. Authority is acting under this Agreement as a California housing authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the “Housing Authorities Law”).

C. Authority, acting as a housing authority, is authorized and empowered to enter into agreements for the production, improvement, or preservation of affordable housing to households of limited income, with such housing to be available at “Affordable Rent” (as defined herein).

D. City previously activated the Community Redevelopment Agency of the City of Moreno Valley, a public body, corporate and politic (the “Redevelopment Agency”); the Redevelopment Agency operated under the California Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code (the “Redevelopment Law”).

E. The Redevelopment Plan for the Moreno Valley Redevelopment Project (herein, the “Redevelopment Project”) was adopted by Ordinance No. 154 by the City Council of the City of Moreno Valley (as amended, the “Redevelopment Plan”). The redevelopment project area for the Redevelopment Plan as so amended constitutes the “Project Area.”

F. In the course of conducting its affordable housing activities in implementation of the Redevelopment Plan and the Redevelopment Law, the Redevelopment Agency acquired certain land, including without limitation that property described herein as the “Two Parcel Area”; the “Two Parcel Area” is depicted in Attachment No. 1 hereto, the “Map of the Two Parcel Area.” The Authority has caused a map to be recorded dividing the Two Parcel Area into the “Site” (as depicted on the “Site Map”, Attachment No. 16), and “Parcel B” (as depicted in Exhibit A to the “Parcel B Authority Deed” (Attachment No. 20). The “Site”, also referred to herein as “Parcel No. 1”, consists of approximately 6.79 acres; Parcel B consists of approximately 2.62 acres.

G. The Site is necessary for the construction of the “Development”, as defined herein. It is anticipated that Authority will convey Parcel B to Developer, and Developer will immediately, as part of a double-escrow, convey Parcel B to the Moreno Valley Unified School District (“District”).

H. Developer is experienced in the acquisition, development and operation of affordable multi-family housing, particularly in Riverside County.

I. 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”).

J. Pursuant to the NSP, the City Council of City adopted, approved, and established Guidelines (“ARR Guidelines”) for 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 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.

K. Developer has submitted a detailed proposal and evidence of Developer as a developer partner under the ARR program and City has selected Developer to participate in City’s ARR Program in connection with certain real property described below as the Site.

L. City is a California municipal corporation and a participating jurisdiction with the United States Department of Housing and Urban Development (“HUD”) that has received funds (“HOME Funds”) from HUD pursuant to Title II of the Cranston Gonzalez National Affordable Housing Act (42 U.S.C. 12701 12839) and the HOME Program regulations codified at 24 CFR Part 92, as amended by the “2013 HOME Final Rule” at 24 CFR Part 92 (Complete Rule) http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl (together, “HOME Program”). The HOME Program has, among its purposes, the strengthening of public-private partnerships to provide more affordable housing, and particularly to provide decent, safe, sanitary, and affordable housing, with primary attention to housing for very low income and lower income households in accordance with the HOME Program. The HOME Program funds are used by the City, as a participating jurisdiction, to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing for target income persons and families.

M. By this Agreement, it is contemplated that Authority will convey the Site to Developer whereupon Developer will construct, and operate the Site as a long-term affordable housing project for persons and families of low, very low and extremely low income at an Affordable Rent throughout the entire Required Covenant Period, as set forth in more detail in this Agreement. This Agreement, including without limitation the Authority Regulatory Agreement and the City Covenants (defined below), shall constitute the written agreement required by 24 CFR Sections 92.504(c)(3) and 92.2. Disbursement of proceeds of the City Loan shall be subject to satisfaction of the City Conditions Precedent and satisfaction of the HOME Program requirements for a Commitment of HOME Funds. The permitted income levels of the tenants of each Unit and the permissible rents to be charged for occupancy of each Unit are set forth in detail in this Agreement, in order to ensure compliance with the requirements of the HOME Program and other applicable federal and state laws and regulations.

N. Developer has proposed to enter into this Agreement with Authority and City under which Authority will conveyance fee title to the Site by means of the “Authority Deed” (as defined below), whereupon Developer shall develop eighty one (81) rental dwelling units, all of which shall be rented at “Affordable Rent” to “Eligible Households” (as defined below) and in conformity with the “Prescribed Income Levels” throughout the “Required Covenant Period” (as defined below). Those undertakings of Developer are material to this Agreement and but for those undertakings by Developer, neither City nor Authority would have entered into this Agreement. There shall be one Unit occupied

by an on-site manager, and the remainder of the Housing Units shall be available for use by “Eligible Households” (as defined below), as more fully set forth in the Authority Regulatory Agreement.

O. It is contemplated that Developer shall apply for and obtain an allocation for 4% federal low income housing tax credits with respect to the “Required Affordable Units,” as defined below, as generally provided for under Section 42 of the Internal Revenue Code in connection with the production of affordable housing. In the event that 4% tax credits are not available for the Development, Developer will review the feasibility of developing the development using 4% tax credits as well as reviewing the use of multifamily housing bonds. In the event Developer proceeds on the basis of utilizing multifamily housing bonds, Developer is to obtain authorization by the California Debt Limit Allocation Committee (“CDLAC”) for the issuance by City or Authority of multifamily housing bonds for financing the Development. Any issuance of bonds by Authority or City shall be accomplished in conformity with City’s customary practices and procedures for conduit financings and in strict conformity with this Agreement.

P. Apart from any funding by Authority to the extent set forth herein, Developer intends to seek funding from sources other than City or Authority. In the event funding is obtained from other sources, Developer acknowledges and agrees that it will comply with the requirements pertaining to such funding sources; provided that Developer shall remain obligated to comply with all provisions hereof, with the result that the most restrictive provisions shall apply in each case.

Q. Developer has provided evidence to Authority that Developer has obtained a preliminary reservation of 4% tax credits as well as reasonable assurances from an institutional construction lender that, subject to the normal and customary processes of such institutional lender, Developer will have a construction loan in place at closing which, together with the Authority loan, is sufficient to defray the costs to accomplish the Development.

R. This Agreement is in the vital and best interest of the City and the health, safety and welfare of its residents and furthers the public policies of Authority.

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 Project Documents, unless otherwise defined), the following capitalized terms shall have the following meanings:

“**Affiliated Person**” means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of, a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

“**Affordable Rent**” has the following meaning: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the Unit. For a Very Low Income Household, Affordable Rent means 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 or, if lower, that rent determined under the Authority Regulatory Agreement. For a Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty nine and one half percent (59.5%) of the Median Income for the Area for a household size appropriate to the Unit. The maximum monthly rental amount of the Housing Units shall be adjusted annually by the formula set forth above upon the promulgation of revised Riverside 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 a cost not in excess of the lesser of (i) that rent which may be charged the applicable Eligible Person or Family pursuant to Section 50053 of the California Health and Safety Code and (ii) the limits as set forth in this Agreement.

“**AHP**” means the affordable housing program operated by the Federal Home Loan Bank.

“**Allowable Closing Costs**” means recording fees, escrow fees, premiums for insurance and other maintenance costs and transfer incurred in connection with the acquisition of the Site by Authority from the Developer (but not payments for land, property taxes or assessments).

“**Annual Authority Monitoring Charge**” means the sum of (i) Four Thousand Dollars (\$4,000.00) per Year, payable on or before June 15 of each Year following completion of the Improvements, and (ii) those amounts derived from the sale of Parcel B net of normal and customary charges incurred in connection with the processing of such sale, but not including real estate commission or finder’s fees or charges.

“**Applicable Federal Rate**” means the interest rate set by the United States Treasury from time to time pursuant to Section 1288(b) of the Internal Revenue Code. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

“**Applicable Interest Rate**” means the following rates: (a) as to amounts paid when due with respect to which the Applicable Interest Rate is made applicable by this Agreement, one percent (1%) per annum, simple interest and (b) as to amounts not paid when due, the lesser of (i) seven percent (7%) per annum, simple interest, and (ii) the maximum rate permitted by applicable law.

“**Applicable Percentage**” means fifty percent (50%) of Residual Receipts; provided that in the event public agencies in addition to the Authority provide funding for the Development in the form of a loan or loans, this percentage shall be adjusted proportionately to the amount of resources loaned by each such public agency.

“**Application for Disbursement**” is defined in Section 4.16 hereof.

“**Approved Construction and/or Permanent Lender**” means one or more of Bank of America, California Community Reinvestment Corporation (“CCRC”), Union Bank, Wells Fargo Bank, Citibank, U.S. Bank, Citi Bank, Banner Bank, Century Housing, or another mutually acceptable reputable and established bank, savings and loan association, or other similar financial institution or a state agency or instrumentality, but not CalHFA, the Federal National Mortgage Association (Fannie Mae) or Freddie Mae.

“**Area**” means the Riverside Primary Metropolitan Statistical Area, as periodically defined by HUD.

“**Audit**” is defined in Section 4.17.1.

“**Audited Financial Statement**” means an audited financial statement, including without limitation a profit and loss statement, generated by Cohn Reznick, or another third party certified public accountant acceptable to Authority in its reasonable discretion, showing, for the previous Year, in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Capital Replacement Reserve, General Partner Fee, Limited Partner Fee and Residual Receipts.

“**Authority**”, as defined in the first paragraph hereof, means the Moreno Valley Housing Authority, a public body, corporate and politic, acting as a housing authority exercising governmental functions and powers and organized under the Housing Authorities Law, and any assignee of or successor to its rights, powers and responsibilities.

“**Authority Deed**” means a deed substantially in the form of Attachment No. 6 to this Agreement.

“**Authority Escrow**” is described in Section 2.2.

“**Authority Monitoring Reserve**” means a reserve fund or account to be maintained by Authority. Use of the moneys in the Authority Monitoring Reserve will be applied to defray ongoing Authority costs in monitoring performance and compliance of the Development, and in such other manner as Authority may determine from time to time at its sole discretion.

“**Authority Regulatory Agreement**” means Attachment No. 11 to this Agreement.

“**Bank Deed of Trust**” means a deed of trust, among an Approved Construction and/or Permanent Lender, as beneficiary and Developer as trustor and First American Title Insurance Company or another mutually acceptable title insurer as trustee, in connection with the construction loan provided by an Approved Construction and/or Permanent Lender to Developer.

“**Base Pro Forma**” means Attachment No. 19 hereto.

“**Basic Concept Drawings**” is defined in Section 4.2.1 hereof.

“**Bond Counsel**” means Stradling Yocca Carlson & Rauth, a Professional Corporation, or such other law firm as Authority may hereafter designate as Authority’s and/or City’s bond counsel.

“**Bond Regulatory Agreement**” means the regulatory agreement, as prepared by Bond Counsel, which it is contemplated may be required to be recorded against the Site with respect to the issuance of multifamily housing bonds in the event an allocation is obtained from CDLAC, as set forth in Section 5.2.6 hereof. The Bond Regulatory Agreement shall contain the affordability requirements set forth in this Agreement and not merely the minimum level of limitations prescribed as a condition of granting 4% Tax Credits under the Internal Revenue Code.

“**Bonds**” means multifamily conduit revenue bonds issued in connection with the Development by Authority or City.

“**Building Permit**” means the building permit(s) issued by City and required for the Improvements.

“**Calculation of Affordable Rents**” means Attachment No. 7 to this Agreement.

“**Capital Replacement Reserve**” means a reserve fund to be established by Developer and maintained throughout the Required Covenant Period as a capital replacement reserve; amounts shall initially be in the minimum amount of Three Hundred Dollars (\$300.00) per Housing Unit per Year and may be increased annually following the issuance of a Certificate of Completion for the Improvements by three and one-half percent (3.5%) per Year, or such other amount as the Executive Director and the Developer shall mutually approve. Interest earned on moneys held in the Capital Replacement Reserve shall be retained in the Capital Replacement Reserve unless otherwise directed by the Permanent Lender. To the extent Developer is required to maintain a Capital Replacement Reserve by any Approved Construction and/or Permanent Lender or the Limited Partner, Developer shall receive a credit hereunder for such amounts maintained by it in compliance such Approved Construction and/or Permanent Lender or Limited Partner capital replacement reserve requirement. It is contemplated that the Capital Replacement Reserve will be held by the Permanent Lender.

“**Certificate of Completion**” means Attachment No. 10 to this Agreement.

“**Certificate of Continuing Program Compliance**” means the Certificate to be filed by Developer or its property manager on behalf of Developer with Authority, which Certificate shall be substantially in the form attached hereto as Attachment No. 4.

“**CDLAC**” is defined in Recital O hereof.

“**City**”, as defined in the first paragraph hereof, means the City of Moreno Valley, a municipal corporation.

“**City Code**” means the Municipal Code of the City of Moreno Valley as may be amended from time to time, including without limitation the Uniform Codes.

“**City Conditions Precedent**” is set forth in Section 3.1.

“**City Covenants**” means Attachment No. 13 to this Agreement.

“**City Deed of Trust**” means a deed of trust in the form of Attachment No. 15.

“**City Impact Fees**” means those facility fees, road improvement fees, and other fees identified by City as development impact fees, including street improvements and/or street improvement fees, required by City and retained by City in connection with the development of the Development. The City Impact Fees are estimated at [Three Hundred Seven Thousand One Hundred Seventy Dollars (\$307,170.00)]; provided that the amount designated for fees as of the time of payment to City shall control.

“**City Initial Loan Portion**” means the City Loan Amount or a lesser amount if mutually agreed by Developer and City.

“**City Loan**” means a loan in the amount of the City Loan Amount. The sources of the City Loan are HOME Funds and NSP Funds available to the City. The allocation of loan repayments received by City from Developer is a matter with which Developer is not concerned.

“**City Loan Amount**” means the sum of Four Million Five Hundred Thousand Dollars (\$4,500,000.00) consisting of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) of NSP moneys and One Million Dollars (\$1,000,000.00) of HOME moneys of City.

“**City Loan Policy**” is defined in Section 2.4.

“**City Manager**” means the City Manager of the City, the Interim City Manager of the City, or his or her designee.

“**City Note**” means a promissory note in the form of Attachment No. 14.

“**Commitment**” means the commitment of HOME Funds to the Developer for the Project within the meaning of 24 CFR 92.2.

“**Contractor**” means a construction contractor, duly licensed in the State of California and bonded and insured as required herein, performing the Construction work for the Development or any other Improvements that comprise the Development.

“**Conveyance**” means the conveyance of the Site by the Authority Deed in conformity with this Agreement.

“**Cost Overrun Amounts**” means amounts incurred and expended by Developer in connection with demolition and construction under this Agreement to the extent that: (i) total construction and demolition costs exceed the amounts set forth therefor in the Base Pro Forma; (ii) such amounts have not been defrayed by moneys provided by Authority; and (iii) the Executive Director, acting in good faith and upon consultation with Developer, confirms that such amounts were reasonably incurred and were not unreasonable as to amount.

“**Cost Savings**” is defined in Section 4.17 hereof.

“**County**” means the County of Riverside, California.

“**Date of Agreement**” means April 21, 2020.

“**Debt Service**” means required debt service payments for the Primary Construction Loan and/or the Primary Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder and scheduled payments as approved as part of the Final Financing Package.

“**Default**” is defined in Section 7.1 hereof.

“**Deferred Developer Fee**” means One Million Three Hundred Ninety Thousand One Hundred Seventy Seven Dollars (\$1,390,177.00) of the Developer Fee. The Deferred Developer Fee is to be paid from cash flow from the Development.

“**Design Development Drawings**” means drawings more detailed than conceptual drawings or plans.

“**Determination Date**” means the one hundred eightieth (180th) day after the Date of Agreement.

“**Developer**” means Courtyards at Cottonwood, L.P., a California limited partnership.

“**Developer Fee**” means the lesser of: [(i) Four Million Three Hundred Thirty Two Thousand Seven Hundred Six Dollars (\$4,332,706.00)] or (ii) that amount of a fee to Developer as a developer fee included within basis in connection with the preliminary reservation of Tax Credits; the Developer Fee as received by Developer shall be limited to such amount.

“**Developer Title Policy**” is defined in Section 2.8.

“**Developer’s Share of Residual Receipts**” means: (i) zero percent (0.00%) of Residual Receipts until the City Loan has been fully satisfied, and, thereafter (ii) fifty percent (50%) of Residual Receipts.

“**Development**” means the new apartment complex and associated improvements as required by this Agreement to be: (i) constructed by Developer upon the Site, with related offsite improvements, as more particularly described in the Scope of Development, and (ii) operated as an affordable housing complex in conformity with the Authority Deed, the Authority Regulatory Agreement, the City Covenants, and, if applicable, the Bond Regulatory Agreement.

“**Development Plans**” means conceptual drawings, Design Development Drawings, Final Plans, and any other plans or drawings which describe or pertain to the construction of the Improvements.

“**District**” has the meaning set forth therefor in Recital G.

“**Eligible Household**” means a household having an income which conforms to the Prescribed Income Levels as more particularly set forth in this Agreement.

“**Eligible Unit**” means a Housing Unit restricted to occupancy by an Eligible Household as provided under the Authority Regulatory Agreement.

“**Entitlement**” means and include each application and discretionary action of the City, through its administrators and, if applicable, by its City Council, Planning Commission, or other boards or commissions for the Project, and this Agreement, including the findings in compliance with the California Environmental Quality Act (“CEQA”), the National Environmental Protection Act (“NEPA”), Conditional Use Permits and any and all conditions of approval related thereto, as set forth in the conditions of approval for the Project.

“**Environmental Laws**” 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, City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over Authority, Developer, or the Site.

“**Escrow Holder**” means First American Title Insurance Company, Riverside office, or another mutually acceptable escrow holder.

“**Event of Default**” or “**Default**” has the meaning set forth in Section 7.1.

“**Excess Amount**” is defined in Section 4.15.

“**Executive Director**” means the Executive Director of Authority, the Interim Executive Director of Authority, or his or her designee or delegate.

“**Extremely Low Income Households**” means households earning not greater than thirty percent (30%) of Median Income for the Area pursuant to the Health and Safety Code Section 50106.

“**Extremely Low Income Unit**” means a Housing Unit occupied at Affordable Rent by an Extremely Low Income Household.

“**Fair Housing Laws**” means the Fair Housing Act of 1968 as amended from time to time (42 U.S. Code Sections 3601-3619 and 3631), the Unruh Civil Rights Act (California Civil Code Section 51), California Government Code Section 12920, the prohibition against discrimination on the basis of marital status per *Smith v. Fair Employment & Housing Commission*, 12 Cal. 4th 1143 (1996), and the prohibition on discrimination based upon personal characteristic or trait, such as physical attributes or a tenant’s receipt of public assistance (per *Harris v. Capital Growth Investors XIV*, 52 Cal. 3d 1142 (1991)).

“**Federal Program Limitations**” means compliance with the HOME Program and HOME Regulations, as amended by the 2013 HOME Final Rule, as applicable to the Development, and also includes any and all other applicable federal regulations relating to fair housing and non-discrimination applicable to the Project and rules and regulations made applicable to the Project due to the provision of Section 8 Assistance. Developer covenants, acknowledges, and agrees it is subject to the HAL and all Federal Program Limitations, including (with respect to the HOME Units) the HOME Program and HOME Regulations (whichever are most restrictive and to the extent applicable to the Development), in connection with its performance under this Agreement, and agrees it shall endeavor to cause the use and operation of the Site to conform to the Federal Program Limitations.

“**Final Development Budget**” means a detailed enumeration of all projected costs of construction of the Development, including all costs and off-site improvements required to be constructed under this Agreement.

“**Final Financing Package**” is defined in Section 4.15.1 hereof.

“**Final Plans**” has the meaning established therefor in Section 4.2.2.

“**General Partner Fee**” means a fee if charged by the general partner; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Year exceed the amount permitted under this Agreement for the Partnership Fees (as such fees are aggregated).

“**Governmental Requirements**” means the requirements of the City and any other governmental authority having jurisdiction over the development of the Improvements.

“**Gross Revenues**” means the sum of: the total rental income and all other revenues or income received by the Developer or its successors or assigns in connection with the Development, including without limitation Housing Rent, laundry charges (as received by Developer) or consideration received from an entity that contracts to provide laundry services, payments in connection with Section 8 certificates, if any (excepting to the extent such payments constitute Surplus Amounts payable to Authority pursuant to Section 4.17.4), cable income or consideration received from an entity that contracts to provide cable services, each of (i) amounts paid to Developer or any Affiliated Person on account of Operating Expenses for further disbursement by Developer or such affiliate to a third party or parties, including, without limitation, grants received to fund social services or other housing supportive services at the Development; (ii) late charges and interest paid on rentals; (iii) rents and receipts from licenses, concessions, vending machines, coin laundry, and similar sources; (iv) other fees, charges, or payments not denominated as rental but payable to Developer in connection with the rental of office, retail, storage, or other space in the Development; (v) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases; and (vi) interest and other investment earnings on security deposits, reserve accounts and other Development accounts to the extent disbursed, but does not include: (x) the proceeds of the sale of Tax Credits to finance the Development; (y) Refinancing Net Proceeds (provided the refinancing is permitted by and is accomplished in accordance with the Authority Deed and this Agreement); (z) insurance proceeds applied to reconstruct or repair the Improvements; or (iv) proceeds, if any, from AHP.

“**HAL**” means the California Housing Authorities Law, Part 2 of Division 24, Section 34200, *et seq.*, of the Health and Safety Code.

“**Hazardous Material**” or “**Hazardous Materials**” means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a “hazardous waste,” “acutely hazardous waste,” “restricted hazardous waste,” or “extremely 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) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq.* (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any “Governmental Requirements” (as defined in Paragraph (c) of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as

“hazardous” or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq.*, specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, “Hazardous Materials” shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those products and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

“**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.

“**HCD**” means the Housing and Community Development Department of the State of California.

“**HOME Compliance Period**” means [the period of time commencing upon the date the first HOME Unit is rented to a tenant household and ending on the twentieth (20th) anniversary of the issuance of the final certificate of occupancy for the Improvements by the City.]

“**HOME Loan Amount**” means the sum of One Million Hundred Thousand Dollars (\$1,000,000.00). The HOME Loan Amount is part of the City Loan Amount.

“**HOME Matching Requirement**” means the requirement to expend moneys at the Project which satisfy the HOME matching contribution requirement set forth in 24 CFR 92.218 through 24 CFR 92.222 of the HOME Regulations.

“**HOME Program**” is defined in Recital L.

“**HOME Regulations**” means the implementing regulations of the HOME Program set forth at 24 CFR §92.1, *et seq.* as such regulations now exist (as amended by the 2013 HOME Final Rule) and as they may hereafter be amended, to the extent applicable to the Project. Developer covenants hereunder to comply with the HAL and all applicable HOME Regulations in the performance of this Agreement, whichever are more restrictive. In implementation of these requirements, this Agreement, the Development, and all eligible contributions and expenditures hereunder shall conform to the following:

- a. The housing developed hereunder does and shall qualify as affordable housing under 24 CFR §92.252 because each Unit shall be rented at an Affordable Rent; and
- b. This Agreement serves as the written agreement that imposes and enumerates (by meeting or exceeding) all of the affordability requirements from 24 CFR §92.252; the property standards requirements of 24 CFR §92.251; and income determinations made in accordance with 24 CFR §92.203.

“HOME Units” means [five (5)] of the Units (specifically, two (2) of the one-bedroom units, two (2) of the two-bedroom Units, and one (1) of the three-bedroom Units) which Developer shall designate as HOME Units and which shall be subject to all applicable HOME Regulations. One of the HOME Units shall be a “Low HOME” unit pursuant to the HOME Regulations; the remaining HOME Units shall be “High HOME” units pursuant to the HOME Regulations. The HOME Units must be “fixed” HOME Units, such that the specific Housing Units designated as HOME Units may not change. The designation of Housing Units as HOME Units shall terminate at the end of the HOME Compliance Period, unless extended by agreement of the Authority and the Developer.

“Housing Unit”, “Housing Units”, “Unit”, or “Units” means the eighty-one (81) individual apartment units at the Site to be constructed, leased, managed, and operated by Developer as long term affordable housing and in implementation of the Project (inclusive of the HOME Units).

“Housing Rent” means the total of monthly payments by the tenants of a Housing Unit for (a) use and occupancy for the Unit and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants of the Housing 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.* or by the California Utility Allowance Calculator as permitted by TCAC, and (d) possessory interest, taxes or other fees or charges assessed for the use of the Housing Units and facilities associated therewith by a public or private entity other than Developer; provided that the rent charged as to any Required Affordable Unit shall not exceed Affordable Rent.

“Improvements” means all of the improvements described in the Scope of Development.

“Income Verification” means Attachment No. 12 to this Agreement.

“Indemnitees” is defined in Section 1.6.2.

“Kingdom Parent” means Kingdom Development Inc., a California nonprofit public benefit corporation.

“Legal Description of the Site” means Attachment No. 2 to this Agreement.

“Limited Partner Fee” means a fee if charged by the limited partner under the Partnership Agreement; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Year exceed the amount permitted under this Agreement for the Partnership Fees (as such fees are aggregated).

“Low and Moderate Income Housing Funds” means moneys which were required under the Redevelopment Law to be deposited into a fund created by the Redevelopment Agency under Health and Safety Code Section 33334.2 and 33334.3.

“Low Income Households” or “Lower Income Households” means households earning not greater than fifty nine and one half percent (59.5%) of Median Income.

“Low Income Unit” or “Lower Income Unit” means a Housing Unit occupied at Affordable Rent by a Low Income Household.

“**Map of the Two Parcel Area**” means Attachment No. 1.

“**Materially Adverse Conditions**” are surface or subsurface conditions of the Site which: (i) are not apparent from a visual inspection of the surface of the Site; and (ii) (a) include the presence of Hazardous Materials at the Site in excess of currently applicable levels permitted under federal or state law, or (b) include the presence of conditions not typically found in properties within City and which a mutually acceptable independent third party geotechnical and/or environmental assessment and remediation firm retained by Developer estimates will increase development costs by over Three Hundred Thousand Dollars (\$300,000.00).

“**Maturity Date**” has the meaning established therefor in the City Note.

“**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.

“**Milestones**” means each of the following: (i) making of the Required Submittals; and (ii) implementing Required Submittal Modifications.

“**Notice**” means a notice in the form prescribed by Section 8.2 hereof.

“**Notice of Affordability Restrictions**” means Attachment No. 5.

“**Official Records**” means, unless the context otherwise requires, the official land records of the County Recorder of the County.

“**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, and consisting of only the following (and such additional items, if any, as to which the prior written approval of the Executive Director is first obtained. Such approval shall be granted, granted subject to conditions, or refused at the sole and absolute discretion of the Executive Director): 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; actual and customary salary payable to an on-site manager which directly and exclusively benefits residents of the Development; the actual and customary salary paid for one assistant manager, one on-site maintenance manager and such other on-site management personnel, if any, which directly and exclusively benefit residents of the Development, subject to the prior written approval of the Executive Director who must act reasonably with regard to such written approval; a management fee (“Management Fee”) (excluding any on-site management personnel) of not to exceed six percent (6%) of Gross Revenues; 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 by Developer; repayment of loans, if any, made by one or more of the Limited Partners in accordance with the Partnership Agreement; the Limited Partner Fee; the General Partner Fee; any unpaid portion of the Developer Fee; on-site service provider fees for tenant social services

to the extent approved in writing by the Executive Director, who shall act reasonably, prior to the incurring of such provider fees (and provided that the cost for social services shall not exceed Thirty Thousand Dollars (\$30,000.00) in any Year, as such amount is adjusted for inflation based upon a two and one-half percent [2.5%] amount applied per Year measured from the Conveyance); the Annual Authority Monitoring Charge; payments of deductibles in connection with casualty insurance claims not normally paid from reserves; the amount of uninsured losses actually replaced, repaired or restored and not paid from reserves; tenant improvements that are not included in the costs of the Improvements, and payments made by the Developer to satisfy indemnity obligations and other payments by the Developer pursuant to this Agreement and the Authority Deed other than to the Developer, partners or other related persons; provided, however, that payments to parties related to Developer 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.

“Parcel B” means that certain approximately 2.62 acre parcel described in Exhibit A to the Parcel B Authority Deed.

“Parcel B Authority Deed” means a grant deed by Authority to Developer substantially in the form of Attachment No. 20.

“Partnership Agreement” means the agreement(s) which set(s) forth the terms of Developer’s (or its approved Affiliated Persons’) limited partnership, as such agreement(s) may be amended from time to time, so long as consistent with the requirements of this Agreement. The Partnership Agreement shall include provisions which incorporate or otherwise conform to the cash flow priorities included in the definition of “Residual Receipts” set forth in this Agreement.

“Partnership Fees” means the General Partner Fee and the Limited Partner Fee. For each Year until the seventeenth (17th) anniversary of the Conveyance, the total Partnership Fees (for the General Partner Fee and the Limited Partner Fee, as aggregated) shall not exceed Eighteen Thousand Dollars (\$18,000.00), adjusted for inflation at two and one-half percent (2.5%) per Year measured from the Conveyance. For each Year after the seventeenth (17th) anniversary of the Conveyance, the Partnership Fees (the General Partner Fee and Limited Partner Fee as aggregated) shall not exceed Seventeen Thousand Five Hundred Dollars (\$17,500.00), adjusted for inflation at two and one-half percent (2.5%) per Year measured from the Conveyance.]

“Permitted Senior Lien” means collectively, the deeds of trust securing the Primary Construction Loan and the Primary Permanent Loan.

“Prescribed Income Levels” means the following throughout the Required Covenant Period: (i) for sixteen (16) one-bedroom Housing Units, thirty percent (30%) of Median Income; (ii) for four (4) two-bedroom Housing Units, thirty percent (30%) of Median Income; (iii) for four (4) three-bedroom Housing Units, thirty percent (30%) of Median Income; (iv) for four (4) one-bedroom Housing Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Housing Units, fifty percent (50%) of Median Income; (vi) for three (3) three-bedroom Housing Units, fifty percent (50%) of Median Income; (vii) for four (4) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; (viii) four twenty (20) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and (ix) for twenty one (21) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income.

“Primary Construction Loan” means, collectively, the mortgage loans and letters of credit obtained by Developer from an Approved Construction Lender.

“Primary Permanent Loan” means, collectively, the mortgage loans obtained by Developer from an Approved Permanent Lender in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan or in an amount in excess of such outstanding balance so long as such excess proceeds are used to pay (or prepay) Developer Fee, Cost Overrun Amounts, the Annual Authority Monitoring Charge and outstanding development costs.

“Principals” means James M. Jernigan, William Leach, KDI Cottonwood, LLC, a California limited liability company, RB Cottonwood, LLC, a California limited liability company, and Kingdom Parent.

“Project Documents” means, collectively, this Agreement, the Authority Regulatory Agreement, the City Covenants, the Authority Deed, all other Attachments to this Agreement, and any other agreement, document, or instrument that Authority requires in connection with the execution of this Agreement or from time to time to effectuate the purposes of this Agreement.

“Recordable Documents” means the following: (i) the Authority Deed; (ii) the Authority Regulatory Agreement; (iii) the City Covenants; (iv) the Bank Deed of Trust; (v) 1-UCC Financing Statement by Developer in favor of an Approved Construction and/or Permanent Lender (as construction lender) for filing as a fixture filing among Official Records; (vi) the Notice of Affordability Restrictions; (vii) such instruments as designated by the Executive Director in connection with the AHP Program (if AHP funding is utilized); (viii) if applicable, the Bond Regulatory Agreement; and (ix) such other instruments, if any, as shall be approved by Executive Director (upon consultation with Authority’s legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof).

“Redevelopment Plan” means the Redevelopment Plan for the Moreno Valley Redevelopment Project (the “Redevelopment Project”) first approved by Ordinance No. 154, as subsequently amended. The Redevelopment Plan is on file with City as a public record.

“Refinancing Net Proceeds” means the proceeds of any approved refinancing of any of the Primary Construction Loan or the Primary Permanent Loan or other approved financing secured by the interest of Developer in the Site, net of: (i) the amount of the existing financing which is satisfied out of such proceeds; (ii) reasonable and customary costs and expenses incurred in connection with the refinancing; (iii) the costs of improvements to the Site which constitute the Development, including hard and soft costs to the extent approved in writing by the Executive Director prior to the closing of the refinancing; (iv) the balance of loans to the Development made by the limited partners of Developer for development or operating deficits, amounts expended to maintain compliance with the Tax Credit Rules, or contributions for capital expenditures in excess of available Project revenues, if any, including interest at the Applicable Federal Rate; (v) the balance, if any, of operating loans or development loans made by the general partners of Developer to the Development, including interest at the Applicable Federal Rate; (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the administrative and/or managing general partners and/or the guarantors to the Development pursuant to the approved Partnership Agreement, if any; and (vii) the payment to the administrative general partner of Developer of a refinancing fee, which fee is and shall be subject to the approval of the Executive Director at the time of each refinancing and which shall not exceed five percent (5%) of the amount of the approved refinancing.

“**Related Entity**” means Kingdom Parent, a Principal, or an entity in which any interest is held by Developer or one or more of the Principals.

“**Relocation**” or “**Relocation Laws**” means all applicable federal and state relocation laws and regulations, including without limitation, (i) the relocation obligations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”), 42 U.S.C. 4201–4655, and the implementing regulations thereto set forth in 49 C.F.R. Part 24, (ii) the California Relocation Assistance Act, Government Code Section 7260, *et seq.* and the implementing regulations thereto set forth in Title 25, Section 6000, *et seq.* of the California Code of Regulations, and (iii) any other applicable federal, state or local enactment, regulation or practice providing for relocation assistance, benefits, or compensation for moving and for property interests (including without limitation goodwill and furnishings, fixtures and equipment, and moving expenses), and (iv) any federal law or regulation prohibiting payment of relocation benefits or assistance to persons ineligible for relocation benefits or assistance.

“**Reporting Amounts**” means the sum of Two Hundred Fifty Dollars (\$250.00) per unit per Year for each dwelling unit as to which Developer fails to deliver to Authority, during any Year, a full and adequate report that conforms to Section 33418 of the California Health and Safety Code.

“**Request for Notice of Default**” means Attachment No. 8.

“**Required Affordable Units**” means eighty (80) of the Housing Units required to be developed on the Site under this Agreement; provided that, in the event a greater number of Housing Units are required to be maintained as affordable units in connection with CDLAC or TCAC approvals, then such greater number shall control and this Agreement, including the attachments hereto, shall be conformed to such greater numbers.

“**Required Covenant Period**” means the Required Covenant Period as more particularly set forth in the Authority Regulatory Agreement.

“**Required Submittal Modifications**” means modifications to a Required Submittal which are reasonably calculated to achieve a reservation of Tax Credits in an amount of not less than the Tax Credit Amount in the next round of Tax Credits; provided that such modifications shall not include any infusion of Authority or City moneys other than those amounts expressly set forth in this Agreement for such purpose.

“**Required Submittals**” means submittals by Developer for a reservation of Tax Credits during each round that occurs following the Date of Agreement and continuing until the first to occur of: (i) Developer obtains a preliminary reservation of Tax Credits in an amount of not less than the Tax Credit Amount; (ii) this Agreement is terminated; or (iii) Authority, at its sole discretion, determines that this provision will be temporarily waived or will no longer be applicable.

“**Residual Receipts**” for a particular Year means Gross Revenues for the corresponding Year less (i) Debt Service payments made during such Year on the Primary Construction Loan or the Primary Permanent Loan in amounts not in excess of the amounts due and payable during such Year (and not including prepayments); and (ii) the sum of (a) Operating Expenses and, to the extent funded, and (b) payments made to the Capital Replacement Reserve as made during the corresponding Year up to the amount indicated therefor in the Base Pro Forma. All calculations of Residual Receipts shall be made annually, on or before May 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 this Agreement and the Authority Deed, by Authority.

“**Schedule of Performance**” means Attachment No. 3 to this Agreement.

“**Scope of Development**” means Attachment No. 9 to this Agreement.

“**Section 3 Clause**” and “**Section 3**” means and refer to Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, as amended. Authority has prepared a Section 3 “checklist” and other forms related to Section 3 compliance, attached hereto as Attachment No. 18; and as provided by Authority to Developer, Contractor, subcontractor(s), or other contractor(s), as applicable, such forms shall be utilized in all contracts and subcontracts to which Section 3 applies and to the extent required by 24 CFR part 135. For purposes of this Section 3 Clause and compliance thereto, whenever the word “contractor” is used it means and include, as applicable, Developer, Contractor, other contractor(s), and subcontractor(s).

Developer hereby acknowledges and agrees the responsibility for compliance with all Section 3 Clause federal requirements as to Developer, its Contractor, or other contractor(s), subcontractor(s), and other agents is the primary obligation of Developer. Developer shall provide or cause to be provided to its Contractor, and each of its other contractor(s), subcontractor(s) and agents a checklist for compliance with Section 3 federal requirements, to obtain from such Contractor, 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 documentation and proof of compliance to the Executive Director.

The particular text to be utilized in any and all contracts of any contractor doing work covered by Section 3, and to the extent required by 24 CFR part 135, shall be in substantially the form of the following, as reasonably determined by Executive Director, 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 Extremely Low Income Households, Very Low Income Households, and Low Income Households served by the Project (as defined in the Affordable Housing Agreement), 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 CFR 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; 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 CFR 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 CFR 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 CFR 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 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 CFR part 135.

“(vi) Noncompliance with HUD’s regulations in 24 CFR 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, Developer and/or Contractor, as applicable, shall add the signature block of Contractor (or other contractor(s) and subcontractor(s), as applicable) and 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.”

“Section 3 Plan” means the City’s Section 3 Economic Opportunities Plan, the current version of which is attached hereto as Attachment No. 18.

“Site” means that real property interest to be described particularity by the Legal Description of the Site. The Site consists of that area so delineated on the Map of the Two Parcel Area.

“Site Map” means Attachment No. 16 to this Agreement. The Site Map depicts the Site (which is to be developed under this Agreement).

“**Site Value**” means the value of Parcel No. 1 as of the Date of Agreement, namely One Million Six Hundred Thirty Thousand Dollars (\$1,630,000.00).

“**Subcontractor**” and “**Subcontractors**” means, individually and collectively, one or more subcontractors hired by Developer’s General Contractor for the Improvements to perform and complete, or to engage and supervise others to perform and complete, the construction of the Improvements and all other on-site and off-site improvements required to be constructed in connection with the Project, all of which shall be in accordance with the Scope of Development, the Entitlement, and the Final Plans. Each of the Subcontractors shall be selected after competitive bidding in accordance with the HOME Regulations, 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 Developer and/or the General Contractor. Developer shall submit to City information regarding the entity serving as the Subcontractor for any portion of the Improvements required to be constructed in connection therewith in accordance with the Scope of Development, the Entitlement, and the Final Plans, including all required licenses, certifications, insurance, etc., as requested by the City Manager.

“**Subdivision Map Act**” means California Governmental Code Section 66410 *et seq.*, regulations promulgated thereunder and local enactments and interpretations by City.

“**Surplus Amounts**” means amounts, if any, received by Developer from time to time in connection with the rental of Required Affordable Units in excess of the Affordable Rent for such Required Affordable Units (including without limitation moneys received in relation to Section 8 which exceed Affordable Rent).

“**Tax Credit Amount**” means that amount which, per the Base Pro Forma, represents the projected yield from the marketing of the Tax Credits under the Base Pro Forma and may not correspond to the amount of tax credits ultimately available.

“**Tax Credit Deadline(s)**” means July 1, 2020 and, provided that the Milestones are satisfied, later submittal dates for Tax Credits but in no event later than June 30, 2021.

“**Tax Credit Rent**” means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this agreement (such as 50% of Median Income) under the Tax Credit Rules.

“**Tax Credit Rules**” means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, including without limitation the program regulations promulgated by TCAC.

“**Tax Credits**” means 4% Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

“**TCAC**” means the Tax Credit Allocation Committee of the State of California.

“**Required Covenant Period**” means a period of fifty-six (56) years commencing as of the Conveyance.

“**Two Parcel Area**” has the meaning set forth therefor in Recital F.

“**Title Company**” shall be First American Title Insurance Company or another title insurer mutually acceptable to Authority and Developer.

“**Uniform Codes**” means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for Abatement of Dangerous Buildings.

“**Very Low Income Households**” means households earning not greater than fifty percent (50%) of the Median Income for the Area pursuant to Health and Safety Code Section 50105.

“**Very Low Income Unit**” means a Housing Unit occupied at Affordable Rent by a Very Low Income Household.

“**Year**” means the period commencing as of the Conveyance and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Required Covenant Period terminating as of the last day of the Required Affordable Period.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Agreement or any Project 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 Project 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 Representations and Warranties.

1.5.1 Authority Representations. Authority represents and warrants to Developer as follows:

(a) Authority. Authority is a public body, corporate and politic, acting hereunder as a housing authority existing pursuant to the Housing Authorities Law, which has been authorized to transact business pursuant to action of City. Authority has full right, power and lawful authority to convey the Site as provided herein and the execution, performance, and delivery of this Agreement by Authority has been fully authorized by all requisite actions on the part of Authority.

The parties who have executed this Agreement on behalf of Authority are authorized to bind Authority by their signatures hereto.

(b) Litigation. To the best of Authority's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings involving the Authority affecting the Site or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. Authority'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 Authority is a party or by which it is bound.

(d) No Authority Bankruptcy. Authority is not the subject of a bankruptcy proceeding.

Until the Conveyance, Authority shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.5.1 not to be true as of the Conveyance, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall not be deemed a breach by Authority hereunder, but shall constitute an exception which Developer shall have a right to approve or disapprove if such exception would have an effect on the development and/or operation of the Site. If Developer elects to accept the Conveyance and possession of the Site following disclosure of such information, Authority's representations and warranties contained herein shall be deemed to have been made as of the Conveyance, subject to such exception(s). If, following the disclosure of such information, Developer elects to not accept the Conveyance of and possession of the Site, then this Agreement shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.5.1 shall survive the Conveyance.

1.5.2 Developer Representations. Developer represents and warrants to each of City and Authority as follows:

(a) Authority. Developer is a duly organized limited partnership organized within and in good standing under the laws of the State of California. Developer 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 Developer has been fully authorized by all requisite actions on the part of Developer. The parties who have executed this Agreement on behalf of Developer are authorized to bind Developer by their signatures hereto.

(b) Litigation. To the best of Developer's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting Developer, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. Developer'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 Developer is a party or by which it is bound.

(d) No Developer Bankruptcy. Developer is not the subject of a bankruptcy proceeding.

(e) Developer Experience; Sophisticated Party. The Principals of Developer 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. Developer is familiar with and has reviewed all laws and regulations pertaining to the development and operation of the Development, including without limitation the Tax Credit Rules, and has obtained advice from any advisers of its own choosing in connection with this Agreement.

(f) Developer Knowledge of Site, Suitability. Developer, which is a subsidiary entity of the Kingdom Parent as is the Developer, studied the condition of the Site prior to the acquisition of the Site by Kingdom Parent and Developer is familiar with the condition of the Site. Developer has determined that the Site is suitable for the development proposed by Developer as further described in this Agreement.

(g) Due Authorization and Execution; Studies Completed. Developer has duly authorized the execution of this Agreement, including without limitation the attachments hereto. Developer is ready, willing and able to execute the Authority Regulatory Agreement, the City Note, the City Deed of Trust, and all documents necessary to effectuate the acquisition of the Site by Authority from the Developer and the lease by Authority to Developer pursuant to the Authority Deed and has conducted all studies necessary to proceed with the Development. Prior to the Conveyance, Developer shall execute and deposit with Authority (to be held pending satisfaction of the City Conditions Precedent as set forth in Section 3.1 hereunder) the Authority Regulatory Agreement, the City Covenants, the City Note, the City Deed of Trust, and all documents necessary to effectuate the Conveyance as provided in this Agreement.

Until the Conveyance, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.5.2 not to be true as of the Conveyance, immediately give written notice of such fact or condition to each of City and Authority. Such exception(s) to a representation shall not be deemed a breach by Developer hereunder, but shall constitute an exception which each of City and Authority shall have a right to approve or disapprove if such exception would have an effect on the development and/or operation of the Site. If Authority elects to proceed with the Conveyance following disclosure of such information, Developer's representations and warranties contained herein shall be deemed to have been made as of the Conveyance, subject to such exception(s). If, following the disclosure of such information, Authority or City elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.5.2 shall survive the Conveyance.

1.5.3 City Representations. City represents and warrants to Developer as follows:

(a) Authority. City has full right, power and lawful authority concerning the execution, performance, and delivery 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) Litigation. To the best of City's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings involving the City affecting the Site or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. 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.

(d) No City Bankruptcy. City is not the subject of a bankruptcy proceeding.

Until the Conveyance, City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.5.3 not to be true as of the Conveyance, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall not be deemed a breach by City hereunder, but shall constitute an exception which Developer shall have a right to approve or disapprove if such exception would have an effect on the development and/or operation of the Site. If Developer elects to accept the Conveyance and possession of the Site following disclosure of such information, City's representations and warranties contained herein shall be deemed to have been made as of the Conveyance, subject to such exception(s). If, following the disclosure of such information, Developer elects to not accept the Conveyance and possession of the Site, then this Agreement shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.5.3 shall survive the Conveyance.

1.6 Environmental Condition of the Site.

1.6.1 Review by Developer. Developer shall conduct and complete its evaluation of the Site and inform City in writing as to its conclusions on or prior to the Determination Date.

1.6.2 Indemnification. Developer shall save, protect, pay for, defend (with counsel acceptable to each of Authority and City), indemnify and hold harmless each of Authority, City, and their 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 acquisition and/or ownership of the Site by Developer; (ii) the ownership and/or use of any land and/or improvements located within the corporate limits of the City that is owned by the Developer, the Kingdom Parent, or any Related Entity; (iii) 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 occurring after the Closing or caused or contributed to by Developer; (iv) 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 (occurring after the earlier to owner of (a) the conduct of activities by Developer on the Site or (b) the Conveyance); (v) the establishment or

modification of land use entitlements or land use designations as to the Site; (vi) the disposition of the Site by Authority to Developer; (vii) any claims for Relocation benefits or assistance arising from or related to the acquisition, disposition or use of the Site, or any other land and/or improvements located within the corporate limits of the City that is owned by the Developer, the Kingdom Parent, or any Related Entity; (viii) the physical and environmental condition of the Site caused or contributed to by Developer or occurring after the Closing; and (ix) any Liabilities caused or contributed to by acts or omissions of Developer relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Site. 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.

1.6.3 Duty to Prevent Hazardous Material Contamination. During the construction, development, operation and management of the Development, Developer 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. Developer shall notify each of City and Authority, and provide to each of City and Authority 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 Developer shall report to each of City and Authority, 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.

1.6.4 Release of Indemnitees by Developer. Developer hereby waives, releases and discharges forever 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 Developer's possession or use of the Site, improvement of the Site, and the ownership and/or use of any other land or improvements located within the corporate limits of the City that is owned by the Developer, the Kingdom Parent, or any Related Entity, in accordance with this Agreement, the Scope of Development, and the land use entitlements obtained by Developer for the Development, and for the operation of the Development at the Site, of any Hazardous Materials on the Site from the activities of Developer or arising from and after the Closing, or the existence of Hazardous Materials contamination in any state on, under, or about the Site, from the activities of Developer or arising from and after the Closing.

In connection with the foregoing, Developer 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 THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

As such relates to this Section 1.6.5, Developer hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

1.6.5 Environmental Inquiries. Developer shall notify each of City and Authority upon receipt, and provide to Authority a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to one or more of the Site, and 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 Developer shall report to each of City and Authority, 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 Developer relating to Developer's 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 Authority's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Developer shall, as soon as possible after obtaining knowledge of the release, furnish to each of City and Authority a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City and/or Authority, but subject to any limitations imposed by law or by court order, Developer shall furnish to each of City and Authority a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Site in Developer's possession and/or shall notify each of City and Authority of any environmental entitlements or inquiries relating to or affecting the Site within Developer's actual or constructive knowledge if Developer 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. For all purposes of this Agreement, information in the possession of the Kingdom Parent or one or more Related Entity shall also be deemed to be in the possession of the Developer.

2. DISPOSITION OF THE SITE

2.1 Conveyance of the Site. All references in this Agreement to acreage are approximate; the price for the Site as payable by Developer (including without limitation those payments required under the Authority Deed) will not change regardless of whether the actual acreage of the Site differs from the acreage figures set forth in this Agreement. Subject to conditions and limitations set forth in the foregoing part of this Section 2.1 and further subject to the prior satisfaction of the City Conditions Precedent, the conveyance of the Site is to be accomplished as set forth in Sections 2.1 to 2.4 hereof.

In consideration of Authority entering into the Authority Deed, Developer shall comply with and cause the use of the Site to conform to the Authority Deed, the City Covenants and the Authority Regulatory Agreement throughout the Required Covenant Period.

2.2 Authority Escrow. The parties shall open an escrow (the “Authority Escrow”) with the Escrow Holder, by the time established therefor in the Schedule of Performance for the Conveyance, and the recordation and delivery of documents described in Section 2.1. Authority and Developer agree to execute such escrow instructions as may be reasonably required to implement this Section 2.2. The obligation of Authority to deliver the Authority Deed, as well as the Notice of Affordability Restrictions and, if not previously recorded, the Authority Regulatory Agreement and the City Covenants, to escrow or to proceed with the Conveyance is contingent upon the satisfaction of the City Conditions Precedent as set forth in Section 3.1 of this Agreement.

2.2.1 Costs of Escrow. Developer shall pay for the documentary transfer taxes, if any, due with respect to the Conveyance, and Developer and Authority each agree to pay one-half of all other usual fees, charges, and costs which arise from Escrow.

2.2.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of Developer, City and Authority, 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 seasonably. Insurance policies for fire or casualty are not to be transferred, and Authority will cancel its own policies after the Conveyance. 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.

If in the opinion of any of Developer, City or Authority it is necessary or convenient in order to accomplish the Conveyance, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Conveyance shall take place when the City Conditions Precedent have been satisfied. Escrow Holder is instructed to release Authority’s escrow closing and Developer’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 Developer and Authority for their respective shares of the premium of the Developer Title Policy as set forth in Section 2.4 and any amount necessary to place title in the condition necessary to satisfy Section 2.3 of this Agreement.
- (b) Pay and charge Developer and Authority for their respective shares of any escrow fees, charges, and costs payable under this Agreement.
- (c) Pay and charge Developer for any endorsements to the Developer Title Policy which are requested by Developer.
- (d) Disburse funds, record the Recordable Documents in the order set forth in Section 2.2.6 and deliver such documents.
- (e) Do such other actions as necessary to fulfill its obligations under this Agreement.
- (f) Deliver to City the City Note duly executed by Developer and those instruments referenced in Section 2.2.6 upon recordation thereof.
- (g) 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 Conveyance and delivery of documents related shall close (“Closing”) within thirty (30) days of the parties’ satisfaction of all of the City Conditions Precedent, but in no event later than the last day established therefor in the Schedule of Performance. The Schedule of Performance is subject to modification from time to time at the mutual concurrence of City, Authority and Developer, each acting at its sole discretion. The “Closing” means the time and day that all of the Authority Deed, the Authority Regulatory Agreement, the City Covenants, the City Deed of Trust, and the Notice of Affordability Restrictions, have been recorded by the Riverside County Recorder among the Official Records. The “Closing Date” means the day on which the Closing occurs.

2.2.5 Termination of Escrow. If the Escrow is not in condition to close by the time established therefor in the Schedule of Performance, then either party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate the Escrow. If either party makes a written demand for return of documents or properties, this Escrow 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 the Escrow 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.

2.2.6 Closing Procedure for the Escrow. Escrow Holder shall close the Escrow for the Conveyance as follows:

Record the following documents in this order: (i) the Authority Deed; (ii) the City Covenants; (iii) the Authority Regulatory Agreement; (iv) the Approved Construction and/or Permanent Lender's deed(s) of trust; (v) the City Deed of Trust; (vi) a deed of trust for the benefit of the County of Riverside if the County of Riverside makes a loan for the Development; (vii) the Notice of Affordability Restrictions; (viii) such instruments, if any, as may be designated by the Executive Director in connection with the AHP Program, if applicable; (ix) if applicable, the Bond Regulatory Agreement; and (x) such other instruments, if any, as shall be approved by Executive Director (upon consultation with Authority's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof), including any mutually approved subordination agreements (provided that the Authority Regulatory Agreement and the City Covenants shall not be subordinated), with instructions for the Recorder of Riverside County, California to deliver to City the City Covenants and the City Deed of Trust, and to Authority the Authority Regulatory Agreement, and the Notice of Affordability Restrictions and to deliver a certified copy of each to Developer, and deliver the Authority Deed to Developer. Escrow Holder shall also provide to Authority the City Note and a copy of any other instrument recorded in conjunction with the Conveyance, and to City the City Note as well as a copy of any other instrument recorded in connection with the Conveyance. The City Deed of Trust shall be senior to any deed of trust recorded for the benefit of the County. The order of recordation shall be subject to revision upon approval of the Executive Director;

- (a) Instruct the Title Company to deliver the Developer Title Policy to Developer, with a copy to Authority;
- (b) Instruct the Title Company to deliver to City the City Loan Policy;
- (c) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;
- (d) Deliver the FIRPTA Certificate, if any, to Developer;
- (e) Deliver documents as set forth in Section 2.5.3 hereof; and
- (f) Forward to both Developer and Authority 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. Authority shall cause the Title Company to deliver to Developer a standard preliminary title report (the "Disposition Report") with respect to the Site under the Authority Deed at least thirty (30) days prior to the scheduled Closing, and Authority will endeavor to cause the Title Company to provide to Developer legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Disposition Report at such time. Developer shall have the right to reasonably approve or disapprove the Exceptions; provided, however, that Developer hereby approves the following Exceptions:

- (a) The Redevelopment Plan.

- (b) The lien of any non-delinquent property taxes and assessments (to be prorated at close of Escrow).
- (c) The provisions of (i) the City Covenants; (ii) the Authority Regulatory Agreement; (iii) the Authority Deed; (iv) the Notice of Affordability Restrictions; (v) the City Deed of Trust; and, if applicable (vi) the Bond Regulatory Agreement.
- (d) Any matters of record as of the acquisition of the Site by the Developer.
- (e) Any incidental easements or other matters affecting title which do not materially impact Developer's use of the Site as described in the Scope of Development.

Developer shall have five (5) business days from the date of its receipt of the Disposition Report to give written notice to Authority and Escrow Holder of Developer's approval or disapproval of any of such Exceptions. Developer's failure to give written disapproval of the Disposition Report within such time limit shall be deemed approval of the Disposition Report. If Developer notifies Authority of its disapproval of any Exceptions in the Disposition Report, Authority shall have ten (10) days from the receipt of written notice of disapproval by Developer to determine whether or not it will undertake the removal of any disapproved Exceptions. If Authority elects to remove such Exceptions, it shall diligently proceed to effect the removal of such Exceptions. If Authority cannot or does not elect to remove any of the disapproved Exceptions within that period, Developer shall have ten (10) business days after the expiration of such ten (10) business day period to either give Authority written notice that Developer elects to proceed with the ground leasing of the Site subject to the disapproved Exceptions or to give Authority written notice that Developer elects to terminate this Agreement. The Exceptions to title approved by Developer as provided herein shall hereinafter be referred to as the "Condition of Title." Developer shall have the right to approve or disapprove any additional and previously unreported Exceptions reported by the Title Company after Developer has approved the Condition of Title for the Site (which are not created by Developer).

In the event additional instruments are executed and delivered in connection with the provision of financial from other sources, covenants in favor of public agencies other than the Authority and the City shall be junior to those covenants recorded in favor of the Authority and the City and deeds of trust recorded in favor of such other public or private entities (excepting only for the Primary Construction Loan and the Primary Permanent Loan shall be subordinate to the deeds of trust recorded for the benefit of the Authority and/or the City).

2.4 Disposition Title Insurance Policies.

(a) Owner's Policy of Title Insurance. Concurrently with recordation of the Authority Deed, there shall be issued to Developer a standard ALTA owner's policy of title insurance (the "Developer Title Policy"), based upon the amount of the Site Value, together with such endorsements as are reasonably requested by Developer, issued by the Title Company insuring that the title to the Site (as transferred by the Authority Deed) is vested in Developer in the condition required by Section 2.3 of this Agreement. The Title Company shall provide Authority with a copy of the Developer Title Policy. The Developer Title Policy shall be based upon the Site Value. Developer shall pay the premium for the Developer Title Policy, as well as costs or additional premium associated with procurement of an owner's extended coverage ALTA policy (if requested by Developer) or any endorsements requested by Developer.

(b) City Lender Policy of Title Insurance. Concurrently with recordation of the Authority Deed, there shall be issued to City a lender's policy of title insurance as to Authority's beneficial interest under the City Deed of Trust (the "City Loan Policy"). The City Loan Policy will be to cover the original principal amount of the City Loan. Such policy will include those endorsements as are requested by Authority and shall insure that the beneficial interests of City under such City Deed of Trust is insured in the condition required by Section 2.3 of this Agreement. Developer shall pay the premiums for the City Loan Policy and endorsements. It is contemplated that the Authority will, without limitation, request the following endorsements: ALTA 3.2-06 (zoning-land under development), ALTA 8.2-06 (commercial environmental lien), ALTA 9.8-06 (CC&Rs – land under development), ALTA 17-06 (access and entry), ALTA 17.2-06 (utility access), ALTA 26-06 (subdivision), ALTA 28.3-06 (encroachments, boundaries and easements), ALTA 40-05 (tax credit), ALTA 41.3-06 (water – land under development); ALTA 39-06 (policy authentication); SE-166 (maximum actual loss endorsement); and deletion of the paragraph of the conditions relating to arbitration. The City Deed of Trust shall be senior to any deed of trust recorded for the benefit of the County.

2.5 Financing Package. As required herein and as an City Conditions Precedent, as further set forth in Section 4.15 hereof, Developer shall submit to Authority evidence that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing necessary to undertake the development of the Site and the construction of the Improvements in accordance with this Agreement.

2.6 Conveyance of Parcel B. Subject to the satisfaction of the conditions set forth in Section 3.2 hereof, Authority and Developer will arrange, in conjunction with the District, for Authority to convey Parcel B to Developer by the Parcel B Authority Deed, whereupon Developer will immediately convey Parcel B to the District. All proceeds from the sale of Parcel B shall be disbursed to Authority, as more fully set forth in Section 5.3.5 hereof. The procedures for such conveyances shall be established hereafter by Authority.

3. CONDITIONS TO DEVELOPER POSSESSION OF THE SITE

3.1 City Conditions Precedent. Authority shall not effect the Conveyance or disburse any portion of the City Loan, as provided pursuant to this Agreement, and Developer shall not take possession of the Site under the Conveyance (notwithstanding any provision of this Agreement to contrary effect) unless all of the following conditions precedent (the "City Conditions Precedent") has been fully satisfied, as determined in good faith by the Executive Director (which condition, if it requires action by Developer, shall also be a covenant of Developer):

(a) Issuance of Multifamily Housing Bonds. If multifamily housing bonds are to be issued in connection with financing of the Development, Developer shall have satisfied all conditions precedent to the issuance of multifamily housing bonds by City or Authority and such bonds shall have issued by City or Authority.

(b) Recording of Certain Documents. Each of the City Covenants, the Authority Regulatory Agreement, the City Deed of Trust, the Authority Deed and the Notice of Affordability Restrictions has been recorded; any documents determined in connection with the Final Financing Package to be executed and delivered have been so executed and delivered and, where required to be recorded, have been recorded; and Developer has obtained a policy of leasehold title insurance.

(c) Evidence of Financing. Developer shall have provided written proof acceptable to Authority that Developer has sufficient internal funds and/or has obtained one or more loans or financing, subject to customary conditions, for construction of the Development, the entirety of financing is equal to or greater than the level of funding for the Development as provided for in the Base Pro Forma, and Authority has approved such evidence of financing, in accordance with all of Section 4.15 hereof, and Authority shall have approved a Final Development Budget and a Final Financing Package. In the event Developer obtains a loan or financing for the construction of the Development, such construction loan or financing for the Development shall be ready to close, and shall close, and a portion of proceeds from the sale of Tax Credits, as provided for in this Agreement and under the Final Financing Package, shall be immediately available for use in constructing the Improvements.

(d) Construction Contract. Developer shall have provided to Authority a signed copy of a stipulated sum or guaranteed maximum price contract between Developer and the general contractor for the construction of the Development, certified by Developer to be a true and correct copy thereof, and Executive Director shall have approved such contractor or contractors, and the construction contract or contracts, pursuant to Section 4.15 hereof.

(e) Payment, Performance and Completion Bonds. Developer or its general contractor shall have obtained payment bonds and performance and completion bonds for the Development, in an amount and from a surety company reasonably acceptable to the Executive Director. All bonds shall be issued by good and solvent sureties qualified to do business in California and shall have a rating of A or better in the most recent edition of Best's Key Rating Guide.

(f) TCAC Approval. All TCAC approvals required in connection with the preliminary reservation of Tax Credits have been obtained in an amount not less than that set forth therefor in the Base Pro Forma and remain in full force and effect.

(g) CDLAC Approval. If multifamily housing bonds are to be issued in connection with financing the Development, any CDLAC approvals required in connection with the authorization of allocation for private activity bonds have been obtained and remain in full force and effect.

(h) Insurance. Authority shall have received evidence, satisfactory to Executive Director, that all of the insurance policies required by Section 4.5, below, are in full force and effect.

(i) County Loan Approval. County shall have committed a loan of moneys in the amount of not less than One Million Dollars (\$1,000,000.00) with such amount to be repayable only from a ratable portion of fifty percent (50%) of Residual Receipts.

(j) Commitment of HOME Funds by City. City, acting through its City Manager, will commit the HOME Loan Amount after City or Authority approves the Final Financing Package.

(k) Entitlements and Other Governmental Approvals. Developer shall have obtained and shall have provided to the Executive Director evidence satisfactory to the Executive Director that: (i) Developer has obtained all governmental approvals, including without limitation

entitlements, to construct the Development; and (ii) the Two Parcel Area has been divided into Parcel B, and Parcel No. 1 in compliance with the Subdivision Map.

(l) Readiness. Developer shall have provided to the Executive Director evidence satisfactory to the Executive Director that Developer is, subject to the Conveyance occurring, immediately ready, willing, able and committed to construct the Development and thereupon operate the Development in conformity with this Agreement.

(m) Compliance with Enactments. There shall exist no instance of violation of or noncompliance with any laws or regulations, including without limitations interpretations by City, as to land use and zoning matters, by Developer, the Kingdom Parent, or any Related Entity anywhere within the corporate limits of the City.

(n) Representations and Warranties. The representations and warranties of Developer contained in this Agreement shall be correct as of the Conveyance as though made on and as of that date, and Executive Director shall have received a certificate to that effect signed by an officer of Developer.

(o) No Default. No Default by Developer shall have occurred under this Agreement or any other agreement between Authority and Developer and/or its officers or employees, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute a Default by Developer under this Agreement, and Executive Director shall have received a certificate to that effect signed by an officer of Developer.

All conditions set forth in Section 3.1, or to Authority's obligations hereunder, are for Authority's benefit only and Executive Director may waive all or any part of such rights by written notice to Developer. If Executive Director shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to Authority's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, Authority may thereafter terminate this Agreement without any further liability on the part of Authority by giving written notice of termination to Developer.

3.2 Conditions Precedent to Disposition of Parcel B. The conveyance of Parcel B by Authority to Developer shall be subject to the satisfaction of each of the following (to the satisfaction of the Executive Director):

(a) Each of the City Conditions Precedent, as set forth in Section 3.1, shall have been satisfied;

(b) District and Authority shall have agreed on the price to be paid by District for Parcel B, which price shall be not less than the appraised value of Parcel B;

(c) Developer and District shall have executed escrow instructions satisfactory to Authority which provide for the allocation of closing costs and payment for a premium for an owner's policy for District (but not Developer), which does not allow for the payment of any finder's fee or real estate commission, and which allocates all net proceeds of escrow as provided in Section 5.3.5 of this Agreement.

All conditions set forth in Section 3.2 are for Authority's benefit only and Executive Director may waive all or any part of such rights by written notice to Developer. In the event the foregoing conditions are not satisfied, Authority may convey Parcel B directly to District at a time of Authority's choosing.

4. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING

4.1 Scope of Development. Developer shall develop the Improvements in accordance with the Scope of Development, and the approved plans, drawings and documents for the Improvements. In the event of any inconsistency between the Scope of Development and the plans for the Improvements which have been approved by Authority and/or City, the approved Development plans shall control.

4.2 Design Review.

4.2.1 Developer Submissions. Prior to the Date of Agreement, in connection with its application for land use approvals by City, Developer has applied for land use approvals, including environmental clearance required by City or otherwise legally required, for the development of eighty one (81) rental Housing Units on the Site; such land use approvals are more fully described in the Scope of Development. Developer has submitted "Basic Concept Drawings" for the Improvements. The Improvements include site improvements and eighty one (81) rental Housing Units, as well as various amenities, as more particularly described in the Scope of Development. Before commencement of construction of the Improvements or other works of improvement upon the Site, Developer shall submit to City any plans and drawings (collectively, the "Design Development Drawings") which may be required by City with respect to any permits and entitlements which are required to be obtained to develop the Improvements, which City shall comment on and return to Developer within thirty (30) days from the date of receipt thereof. Developer, on or prior to the date set forth in the Schedule of Performance, shall submit to City such plans for the Improvements as required by City in order for Developer to obtain building permits for the Improvements. Within thirty (30) days after City's disapproval or conditional approval of such plans, Developer shall revise the portions of such plans identified by City as requiring revisions and resubmit the revised plans to City.

4.2.2 City Review and Approval. City shall have all rights to review and approve or disapprove all Design Development Drawings and other required submittals in accordance with the City Code, and nothing set forth in this Agreement shall be construed to constitute City's approval of any or all of the Design Development Drawings or to limit or affect City's review and right to approve, approve subject to conditions, or disapprove Design Development Drawings, plans, drawings, applications, or submittals. The "Final Plans" shall be those development plans as approved by City for which building permits are issued.

4.2.3 Revisions. Any and all change orders or revisions required by City and its inspectors under the City Code including without limitation all applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by Developer in its Design Development Drawings and other required submittals and shall be completed during the construction of the Improvements.

4.2.4 Defects in Plans. Authority and City shall not be responsible either to Developer or to third parties in any way for any defects in the Design Development Drawings, nor for any structural or other defects in any work done according to the approved Design Development

Drawings, nor for any delays reasonably caused by the review and approval processes established by this Section 4.2.4.

4.2.5 Land Use Approvals. Before commencement of construction of the Improvements or other works of improvement upon the Site, Developer shall, at its own expense, secure or cause to be secured any and all land use and other entitlements, subdivision and/or subdivided land grounds, permits, and approvals which may be required for the Improvements by City or any other governmental agency affected by or having jurisdiction over such construction or work including without limitation, as to entry onto the Site, if any, prior to the Conveyance, a license agreement between Developer and City allowing entry onto the Site which indemnifies City and Authority from any claims made in connection with the activities of Developer. Developer shall, without limitation, apply for and secure, and pay all costs, charges and fees associated therewith, all permits and fees required by City, County, and other governmental agencies with jurisdiction over the Improvements.

4.2.6 Defects in Development Plans. Neither Authority nor City shall be responsible to Developer or to any third parties in any way for (a) any defects in the Development Plans, (b) any structural or other defects in any work done according to the approved Development Plans, nor (c) any delays caused by the review and approval processes. Developer shall hold harmless, indemnify and defend the Indemnitees from and against any claims or suits for damages to property or injuries to persons (including death) arising out of or in any way relating to defects, latent or patent, in the Development Plans, or the actual construction work and improvements comprising the Project, including, without limitation, the violation of any Governmental Requirements, or arising out of or in any way relating to any defects in any work done and/or improvements completed according to the approved Development Plans.

4.3 Time of Performance; Progress Reports. Developer shall submit all Design Development Drawings, commence and complete all construction of the Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefor in this Agreement. Construction of the Improvements shall be commenced on or before the time established therefor in the Schedule of Performance. Once construction is commenced, it shall continuously and diligently be pursued to completion and shall not be abandoned for more than thirty (30) days except when due to causes beyond the control and without the fault of Developer to the extent provided in Section 7.10. During the course of construction and prior to issuance of the Certificate of Completion, Developer shall provide timely reports of the progress of construction when requested by the Executive Director. Developer shall complete construction of all of the Improvements on or before the time established therefor in the Schedule of Performance.

4.4 Cost of Development. The cost of planning, designing, developing, and constructing the Improvements and the cost of effecting divisions of the Two Parcel Area (excepting the cost of the initial division of the Two Parcel Area into Parcel B and Parcel No. 1) in compliance with the Subdivision Map Act shall be borne solely by Developer. 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 Developer and shall be paid when due by Developer. Developer shall be responsible for and bear the costs, if any, associated with the application of Relocation Laws to the Development to the extent described above within the definition of "Relocation." Developer shall pay to City, or cause to be disbursed by the lender making the Primary Construction Loan to City, all of the City Impact Fees not later than concurrently with the closing of the Primary Construction Loan.

4.4.1 City Loan. The City Loan shall be deemed to be a loan for the benefit of (and payable by) Developer, and shall be repaid as set forth in the City Note. Interest shall accrue on the amounts disbursed as set forth in the City Note. The City Note shall be secured by the City Deed of Trust. The obligation of Developer to repay the City Loan is set forth in the City Note. The City Deed of Trust is to be recorded against the Site (which deed of trust shall be subordinate to liens securing repayment of the Primary Construction Loan and the Primary Permanent Loan).

4.5 Insurance Requirements. Commencing as of Conveyance and continuing throughout the Required Covenant Period, and, in addition at all times during which Developer is conducting work on the Site or any portion thereof, including times prior to the Conveyance, Developer shall maintain at Developer's sole expense, with insurers reasonably approved by Authority, the following policies of insurance in form and substance reasonably satisfactory to Authority:

(a) workers' compensation insurance (if Developer has any employees) and (in addition to such insurance as is described in subsections (b), (c), (d) and (e) of this Section 4.5), additional other insurance to the extent and with limits as 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) prior to the 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 Executive Director from time to time, and in no event less than \$2,000,000.00 for "single occurrence;"

(e) property damage insurance in amounts reasonably required by the Executive Director from time to time, and in no event less than \$2,000,000.00; and

(f) all other insurance reasonably required by the Executive Director 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 Authority. The policies required under subparagraphs (b) and (c) shall include a "lender's loss payable endorsement" (Form 438BFU) in form and substance satisfactory to Authority, showing each of City and Authority as an additional insured and loss payee. Each of City and Authority shall be an additional insured in the policies required under subparagraphs (d) and (e). No such insurance shall include deductible amounts to which Authority has not previously consented in writing. Certificates of insurance for the above policies (and/or original policies, if required by Authority) shall be delivered to Authority 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, Developer shall deliver to Authority evidence of renewal or replacement of such policy reasonably satisfactory to the Executive Director.

Coverage provided hereunder by Developer shall be primary insurance and not be contributing with any insurance maintained by Authority or 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 City and Authority. None of the above-described policies shall require Developer to meet a deductible or self-insured retention amount of more than Ten Thousand Dollars (\$10,000.00) unless approved in writing by the Executive Director. 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 Developer at the time set forth herein.

4.5.2 Waiver of Subrogation. Developer hereby waives all rights to recover against Authority or City (or any officer, employee, agent or representative of Authority or City) for any loss incurred by Developer from any cause insured against or required by any Project 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. Developer 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 Developer, Developer 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 Developer 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 Developer obtains insurance proceeds unless the Executive Director, in his or her sole and absolute discretion, approves a longer period of time. Authority shall cooperate with Developer, at no expense to Authority, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Site do not permit the repair, replacement, or restoration, Developer may elect not to repair, replace, or restore the Improvements by giving notice to Authority (in which event Developer will be entitled to all insurance proceeds after paying to Authority from such proceeds an amount equal to any assistance expended by Authority but Developer shall be required to remove all debris from the Site) or Developer may reconstruct such other improvements on the Site as are consistent with applicable land use regulations and approved by City, Authority, and the other governmental agency or agencies with jurisdiction, and Authority may pursue remedies of its choosing under this Agreement, including without limitation termination.

4.7 Indemnity. Developer shall defend (by counsel satisfactory to Authority), indemnify and save and hold harmless 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) Developer's obligations under this Agreement (including without limitation Section 4.9 hereof); (ii) the disbursement of City Loan; (iii) the disbursement of the City Loan; (iv) the use of federal funds for the Development and compliance, *vel non*, with respect thereto; (v) compliance with applicable laws; (vi) a claim, demand or cause of action that any person has or asserts against Developer; (vii) any act or omission of Developer, any contractor, subcontractor or material supplier, engineer, architect or other person with respect to the Site; (viii) any claims for Relocation benefits or assistance arising from or related to the acquisition, disposition or use of the Site; (ix) the establishment or modification of land use entitlements or land use designations as to the Site; (x) the disposition of the Site by Authority to Developer; (xi) Developer's ownership, occupancy or use of the Site; or (xii) any Relocation claims related in any manner to this Agreement. Notwithstanding the foregoing, Developer shall not be obligated to indemnify the Indemnitees with respect to the consequences of any act of gross negligence or willful misconduct of any of the Indemnitees. Developer'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 Developer under the Authority Deed.

Developer shall reimburse Authority immediately upon written demand for all costs reasonably incurred by Authority (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of Authority) in connection with the enforcement of the Project Documents and all related matters including the following: (a) Authority's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which Authority is indemnified under the Project Documents. Such reimbursement obligations shall bear interest based upon the amounts and times of disbursement by Authority, provided that Authority gives written demand to Developer at the Applicable Interest Rate. Such reimbursement obligations shall survive the issuance of the Certificate of Completion and termination of this Agreement and are in addition to and do not limit the obligations of Developer under the Authority Deed.

Developer shall indemnify each of City and Authority 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 Developer, or the leasing of dwelling units on the Site. Developer represents that it has engaged no broker, agent, or finder in connection with this transaction, and Developer agrees to hold each of City and Authority harmless from any claim by any broker, agent or finder in connection with this Agreement, the activities by Developer, or the Site.

In addition, and without limitation to the foregoing, Developer agrees to indemnify, defend and hold the Indemnitees 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 caused or contributed to by Developer or which occurs after the Closing, or (ii) the violation, or alleged violation, by Developer or anyone acting by or through Developer, 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 which is caused or contributed to by Developer or which occurs after the Closing. 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 Developer, Authority shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that Authority shall not be obligated to incur any expense in connection with such cooperation or assistance. Notwithstanding anything contained herein to the contrary, Developer shall not indemnify Authority for any claims arising from Authority's gross and active negligence or Authority's willful misconduct.

4.8 Rights of Access. Prior to the issuance of the Certificate of Completion, for purposes of assuring compliance with this Agreement, representatives of Authority and 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 Authority representatives comply with all safety rules. Authority representatives shall, except in emergency situations, notify Developer seventy-two (72) hours prior to exercising its rights pursuant to this Section 4.8. In addition, representatives of City shall have access to the Site in connection with the enforcement of laws, including without limitation the City Code to the extent used in connection with the exercise of police powers of City without regard to any limitations otherwise set forth in this Section 4.8.

4.9 Compliance With Laws. Developer shall carry out the design, construction and operation of the Improvements in conformity with all applicable laws, including all applicable state labor standards and federal prevailing wage laws (including without limitation provisions for payment of prevailing wages in connection with all construction of the Improvements to the extent applicable), City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City 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.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, the Federal Program Limitations, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.* Developer, 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 (the "State Prevailing Wage Law") and, if applicable, federal prevailing wage law ("Federal Prevailing Wage Law" and, together with State Prevailing Wage Law, "Prevailing Wage Laws") with regard to the construction of the Improvements, but only if and to the extent such sections are applicable to the development of the Improvements. Developer shall be solely responsible for determining and effectuating compliance with any applicable Prevailing Wage Laws, and Authority or City make no final representation as to the applicability or non-applicability of the Prevailing Wage Laws to the Improvements, or any part thereof. Developer hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold each of Authority and City, and their respective 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 Developer's acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Improvements.

In addition, if Bonds are issued for the Development, Developer shall comply with the Bond Regulatory Agreement.

4.9.1 Prevailing Wage Laws. Developer shall carry out the development of the Site in conformity with all applicable federal, state and local labor laws and regulations, including, without limitation, as applicable, the requirements to pay prevailing wages under federal law (the Davis Bacon Act, 40 U.S.C. Section 3141, *et seq.*, and the regulations promulgated thereunder set forth at 29 CFR Part 1 (collectively, “Davis-Bacon” or the “Federal Prevailing Wage Law”)) and California law (Labor Code Section 1720, *et seq.*). The parties acknowledge that federal and/or state funding sources and financing scenarios may trigger compliance with applicable state and federal prevailing wage laws and regulations.

Developer shall be solely responsible, expressly or impliedly, for determining and effectuating compliance with all applicable federal, state and local public works requirements, prevailing wage laws, labor laws and standards, and Authority (and City) makes no representation, either legally and/or financially, as to the applicability or non-applicability of any federal, state and local laws to the Improvements, either onsite or offsite. Developer expressly, knowingly and voluntarily acknowledges and agrees that Authority (and City) has not previously represented to Developer or to any representative, agent or Affiliate of Developer, or its General Contractor or any subcontractor(s) for the construction or development of the Improvements, in writing or otherwise, in a call for bids or otherwise, that the work and construction undertaken pursuant to this Agreement is (or is not) a “public work,” as defined in Section 1720 of the Labor Code or under Davis Bacon.

Developer knowingly and voluntarily agrees that Developer shall have the obligation to provide any and all disclosures or identifications with respect to the Improvements as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. Developer shall indemnify, protect, pay for, defend (with legal counsel acceptable to Authority and City) and hold harmless the Indemnitees, 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 (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by Developer with any applicable local, state and/or federal law or regulation, including, without limitation, any applicable federal and/or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state and/or federal prevailing wages); (ii) the implementation of Section 1781 of the Labor Code and/or of Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation; and/or (iii) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. It is agreed by the parties that, in connection with the development and construction (as defined by applicable law or regulation) of the Improvements, including, without limitation, any and all public works (as defined by applicable law or regulation), Developer shall bear all risks of payment or non-payment of prevailing wages under applicable federal, state and local law or regulation and/or the implementation of Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, and/or any other similar law or regulation. “Increased costs,” as used in this Section 4.9.1, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Improvements by Developer.

This Agreement, including without limitation the amount of the City Loan, assumes that prevailing wages will be paid in connection with the construction of the Improvements of the greater

of the amounts required (under Federal Prevailing Wage Law or State Prevailing Wage Law, whichever is applicable). In the event Developer contends that Developer is not required to pay prevailing wages under one or both of the State Prevailing Wage Law or the Federal Prevailing Wage Law, Developer shall so inform Authority in writing not less than sixty (60) days before the Closing. Upon receipt of such writing, Authority shall review whether and in what amount the City Loan shall be reduced. Authority, acting through its Executive Director, will consider information submitted by Developer with respect to this matter, but the determination of Executive Director as to the amount of the City Loan in such event, to be made at the sole discretion of Executive Director, shall be final.

Without limitation as to Section 4.7 of this Agreement, Developer shall indemnify, protect, defend and hold harmless Authority and its officers, employees, contractors and agents, with counsel reasonably acceptable to Authority, from and against any and all loss, liability, damage, claim, cost, expense and/or “increased costs” (including reasonable attorney’s 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 Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and/or federal prevailing wages); (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; and/or (3) failure by Developer 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. It is agreed by the parties that, in connection with the development of the Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. “Increased costs,” as used in this Section 4.9, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Improvements by Developer.

4.9.2 Section 3 Compliance. Developer agrees to comply with and to cause the General Contractor, each Subcontractor, and any other contractors and/or subcontractors or agents of Developer to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u, and the implementing regulations, in connection with the construction of the Improvements. Developer shall submit to Authority each Construction Contract with appropriate provisions providing for the construction of the Improvements in conformance with the terms of this Agreement, including the Section 3 Clause. The General Contractor, each Subcontractor, and any other contractors or subcontractors or agents of Developer shall have provided to City the certification in appendix B of 24 CFR Part 24 that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the Project, and Authority shall be responsible for determining whether each contractor has been debarred.

4.9.3 Federal Program Regulations. Developer acknowledges that HOME Funds are being provided as a loan for the Project. Therefore, Developer shall carry out the construction of the Improvements and the operation of the Project in conformity with all requirements of the HOME Program (including the 2013 Final Rule) to the extent applicable to the Project. In the event Developer desires to change the affordable housing or maintenance requirements for the Site

from the specific requirements set forth in this Agreement in order to comply with a subsequently enacted amendment to the HOME Program, Developer shall notify City in writing of such proposed change and the amendment related thereto at least thirty (30) days prior to implementing such change. In the event City disapproves of such change and Developer's interpretation of the amendment related thereto, City shall notify Developer of its disapproval in writing and the parties shall seek clarification from the appropriate HUD Field Office. Only if HUD concurs with Developer's interpretation of the HOME Program shall Developer be permitted to implement the proposed change.

(a) Property Standards. Developer agrees to ensure that the Improvements will comply with all applicable requirements of the HOME Regulations, including 24 CFR §92.251, including the following requirements:

(i) State and Local Requirements. The Improvements and all Housing Units at the Site shall meet all applicable State and local codes, ordinances, and zoning requirements, including all applicable requirements set forth in the City Code and all applicable State and local residential and building codes. The Improvements and all Housing Units at the Site must meet all such applicable requirements upon Project completion.

(ii) HUD Requirements. The Improvements and all Housing Units at the Site shall also meet the requirements described in paragraphs (A) through (D) of this Section 4.9.3(a)(ii):

(A) Accessibility. The Improvements and all Housing Units at the Site shall meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

(B) Disaster Mitigation. Where relevant, the Improvements must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

(C) Written Cost Estimates, Construction Contracts and Construction Documents. The Construction Contract(s) and Final Plans must describe the construction to be undertaken in adequate detail so that the City can conduct inspections in accordance with the HOME Regulations. The Developer shall also provide written cost estimates for construction for City's review; City shall determine whether such cost estimates are reasonable.

(D) Construction Progress Inspections. Developer shall permit and facilitate progress and final inspections of the Improvements by City to ensure that work is done in accordance with the applicable codes, the Construction Contract(s), and the Final Plans.

(iii) Ongoing Property Condition Standards: Rental Housing. City has established property standards for rental housing ("City's Property Standards"), which standards include all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures (Uniform Physical Condition Standards (UPCS)) prescribed by HUD pursuant

to 24 CFR 5.705. Developer shall ensure that the Improvements, including all Housing Units at the Site, shall comply with the City's Property Standards throughout the required Covenant Period. In accordance with the City's Property Standards, Developer shall maintain the Project, including all Housing Units at the Site: (i) as decent, safe, and sanitary housing in good repair, (ii) free of all health and safety defects and life-threatening deficiencies, and (iii) in compliance with the lead-based paint requirements in 24 CFR Part 35.

(iv) Inspections; Corrective and Remedial Actions. In accordance with the HOME Regulations, City shall undertake ongoing inspections of the Project in accordance with §92.504(d). City has developed written inspection procedures and procedures for ensuring that timely corrective and remedial actions are taken by the Developer to address identified deficiencies.

(b) Labor Standards. In addition to compliance with Section 4.9.1, the Construction Contract for the Improvements, as well as any other contract for the Improvements, shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of the United States Department of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §276a-276a-5), will be paid to all laborers and mechanics employed in the Rehabilitation work, and such contract(s) shall also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §3701, *et seq.*). Participating contractors, subcontractors, and other participants must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. Developer shall supply to City certification, in form and substance satisfactory to HUD and City Manager, as to compliance with the provisions of this Section before receiving any disbursement of federal funds for the Improvements. Developer shall require the General Contractor to implement and enforce all applicable prevailing wage and labor laws, including California Labor Code Section 1720, Davis-Bacon, and other applicable labor laws and regulations including, e.g., the requirement that all workers sign in and sign out of the job site.

(c) Handicapped Accessibility. Developer shall comply with (a) Section 504 of the Rehabilitation Act of 1973, and implementing regulations at 24 CFR 8C governing accessibility of projects assisted with federal funds; and (b) the Americans with Disabilities Act of 1990, and implementing regulations at 28 CFR 35-36 in order to provide handicapped accessibility to the extent readily achievable; and (c) the Uniform Federal Accessibility Standards (UFAS) pursuant to the Architectural Barriers Act of 1968, 42 U.S.C. 4151-4157, as amended.

(d) Use of Debarred, Suspended, or Ineligible Participants. Developer shall comply (and cause the General Contractor to comply) with the provisions of 24 CFR 24 relating to the employment, engagement of services, awarding of contracts, or funding of any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status. The Contractor, each subcontractor, and any other contractors or subcontractors or agents of Developer (subject to compliance with 24 CFR part 135) shall have provided to City the certification in appendix B of 24 CFR Part 24 that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from this Project, and Authority shall be responsible for determining whether each contractor has been debarred.

(e) Maintenance of Drug-Free Workplace. Developer shall certify that Developer will provide a drug-free workplace in accordance with 2 CFR 2429.

(f) Lead-Based Paint. City, as a recipient of federal funds, has modified and conformed all of its federally funded housing programs to the Lead-Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. §4800, *et seq.*, specifically §§4821 4846, and the implementing regulations thereto. In this regard, Developer shall comply with all applicable federal requirements relating to lead-based paint.

(g) Affirmative Marketing. Developer shall adopt and implement affirmative marketing procedures and requirements at the Site in accordance with Section 92.351 of the HOME Regulations.

(h) Nondiscrimination, Equal Opportunity and Fair Housing. Developer shall carry out the Improvements and perform its obligations under this Agreement in compliance with all of the federal laws and regulations regarding nondiscrimination equal opportunity and fair housing described in 24 CFR 92.350 and 24 CFR 5.105.

(i) Energy Conservation Standards. As applicable to the Project, Developer shall cause the Site to meet the cost-effective energy conservation and effectiveness standards in 24 CFR 965 and 24 CFR 990.185.

(j) Displacement and Relocation. Developer acknowledges and agrees that, pursuant to Federal Program Limitations and consistent with the other goals and objectives of that part and pursuant to the adopted relocation plan, City must ensure that it has taken all reasonable steps to minimize the displacement of persons as a result of the Project. City shall cause any Relocation of tenants and occupants of the Site to be conducted in accordance with the relocation laws and all Federal Program Limitations. Developer agrees to cooperate with Authority in meeting the requirements of the Federal Program Limitations and shall take all actions and measures reasonably required by the City Manager (or his or her duly authorized representative) in connection therewith.

(k) Requests for Disbursements of Funds. Developer may not request disbursements of funds hereunder until the funds are needed for payment of eligible costs of the Improvements. The amount of each request shall be limited to the amount needed for the acquisition of the Site and the development of the Improvements as set forth in the Base Pro Forma.

(l) Eligible Costs. Developer shall only use HOME Program funds to pay costs defined as “eligible costs” under Federal Program Limitations.

(m) Records and Reports. Developer shall maintain and from time to time submit to City such records, reports and information as Executive Director may reasonably require in order to permit City to meet the recordkeeping and reporting requirements required of them pursuant to 24 CFR 92.508. Without limiting the following, Developer shall maintain records and submit annual reports as required by this Agreement including the attachments hereto.

(n) Conflict of Interest. Developer shall comply with and be bound by the conflict of interest provisions set forth at 24 CFR 570.611.

(o) Religious Organizations. If Developer is a religious organization, as defined by the HOME requirements, Developer shall comply with all conditions prescribed by HUD for the use of HOME funds by religious organizations, including the First Amendment of the United

States Constitution regarding church/state principles and the applicable constitutional prohibitions set forth in 24 C.F.R. 92.257

(p) Conflicts between and among Federal Program Limitations, Housing Asset Fund Requirements and the HAL. If and to the extent applicable for any source of federal revenue expended to implement the Improvements and in the event of any conflict or inconsistency between applicable Federal Program Limitations, and/or the HAL, then the more stringent requirement(s) shall control.

(q) Layering Review. Developer acknowledges that a layering review will be performed in accordance with Federal Program Limitations. In connection with such review Developer acknowledges and agrees it shall be required to represent and certify to City that no government assistance other than the HOME Loan, the Tax Credits, has been obtained or is contemplated to be obtained for the acquisition, construction of the Improvements, and operation of the Site. If such layering review is conducted, Developer agrees to notify City in the event that it applies for or proposes to use governmental funds, other than as listed in the previous sentence, for the Site or the Improvements.

4.10 Nondiscrimination in Employment. Developer 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 (excepting as otherwise provided herein and under the Authority Deed as to restriction of the Required Affordable Units to Eligible Households), pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability.

4.11 Taxes and Assessments. Subject to Developer's right to contest taxes and assessments as provided in Section 7.2(c) of the Authority Deed, Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Site. Developer shall remove or have removed any levy or attachment made on any of the Site or any part thereof which is owned or leased by Developer, or assure the satisfaction thereof within a reasonable time, but in no event to exceed sixty (60) days. Developer shall additionally defend, indemnify, and hold harmless Authority and 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 Developer or (b) the Site.

4.12 Liens and Stop Notices. Developer 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 Developer shall within thirty (30) days of such recording or service or within five (5) days of Authority's demand whichever last occurs:

- (a) pay and discharge the same; or
- (b) affect the release thereof by recording and delivering to Authority a surety bond in sufficient form and amount, or otherwise; or
- (c) provide Authority with indemnification from the Title Company against such lien or other assurance which Authority 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 Authority 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, if requested to do so in writing by Developer, Authority shall furnish Developer with a “Certificate of Completion,” substantially in the form of attached hereto. Authority shall not unreasonably withhold such Certificate of Completion. The Certificate of Completion shall be a conclusive determination of satisfactory completion of the Improvements and the Certificate of Completion shall so state. If Authority refuses or fails to furnish a Certificate of Completion after written request from Developer, Authority shall, within thirty (30) days of receipt of written request therefor, provide Developer with a written statement of the reasons Authority refused or failed to furnish the Certificate of Completion. The statement shall also contain Authority’s opinion of the actions Developer must take to obtain the Certificate of Completion. 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. Developer shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Authority all documents, and take all actions, reasonably required by Authority from time to time to confirm the rights created or now or hereafter intended to be created under the Project Documents or otherwise to carry out the purposes of the Project Documents.

4.15 Financing of the Improvements. Financing shall be provided consistent with the Final Financing Package.

4.15.1 Approval of Financing. As required herein and as an City Conditions Precedent, Developer shall submit to Authority evidence reasonably satisfactory to the Executive Director that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing necessary to undertake the development of the Site and the construction of the Improvements in accordance with this Agreement (“Proof of Financing Commitments”). This requirement shall be implemented as follows: on or before the time set forth in the Schedule of Performance for the recording of documents, but not later than forty-five (45) days prior to Closing, and prior to taking possession of the Site, Developer shall submit to the Executive Director a proposed final financing package (the “Initial Proposed Financing Package”) which identifies all funding, including sources, amounts, timing and mechanics for disbursement, sufficient to finance the development of the Improvements in conformity with this Agreement and is consistent with the Base Pro Forma. It is contemplated that Authority shall not provide financial assistance excepting to the extent expressly provided herein for the provision of financial assistance. Upon receipt of such submittal from Developer of the Initial Proposed Financing Package, the Executive Director (and nominees of his choosing for this purpose) will review the Initial Proposed Financing Package and will confer with Developer regarding the Initial Proposed Financing Package. The Executive Director may make suggestions and propose modifications or substitutions to the Initial Proposed Financing Package. The parties contemplate that more than one submittal may be necessary to achieve a submitted financing package that is approved by the Executive Director, and that a consultative process shall occur in connection with each such submittal. At such point as the Executive Director may determine, in his discretion, to approve a proposed financing package, upon approval by the Executive Director, such financing package shall be referred to as the “Final Financing Package.” Attachments hereto shall be subject to change by the terms of the Final Financing Package.

Without limitation as to other and additional payments as may be required under the terms of the Authority Deed and/or the City Note, each of the Initial Proposed Financing Package and the Final Financing Package shall provide for the payment by Developer to Authority of Residual Receipts at not less than the Applicable Percentage under the Authority Deed and, to the extent

provided therein, the City Note, up to a certain maximum amount as provided under the Authority Deed and for a Developer Fee not in excess of the limitation established with respect thereto under the definition of Developer Fee in this Agreement.

(a) Required Financing Submittals; Submittal of Construction Contract.

Such evidence of financing for the Development and readiness to commence construction of the Development shall include all of the following:

(i) An updated pro forma and final development budget for the Development, including the Initial Proposed Financing Package, showing the projected costs of construction of the Development, including all onsite and offsite improvements to be constructed in connection therewith.

(ii) A copy of the lender's firm commitment obtained by Developer for the Primary Construction Loan for the Development and, when available, copies of all loan documents evidencing the Primary Construction Loan therefor. The Primary Construction Loan commitments for financing shall be in such form and content acceptable to Authority and its financial advisor(s) and its legal advisor(s) and as such reasonably evidences a legally binding, firm and enforceable commitment, subject only to the Lender's customary and normal conditions and terms and subject to the requirements of this Section 4.15. Developer shall provide written certification to Authority that the loan documents submitted are correct copies of the actual loan documents to be executed by Developer concurrently with the Closing. If the Lender requires a subordination agreement between or among Lender, Authority and/or Developer, Authority shall review the form of subordination subject to the reasonable review and approval of the Executive Director and legal counsel(s), subject to one or more of the conditions set forth in Section 4.15.6 necessary for the Primary Construction Loan to be a title insured first monetary lien on the Development.

(iii) A current certified financial statement of Developer (and all partners and members thereof, except the Investor Limited Partner) and/or other documentation satisfactory to Authority as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference, if any, between construction and completion costs, and the financing authorized by the Tax Credits, Primary Construction Loan, and any additional subsidies, sources of funding, or financing obtained by Developer for the development of the Development.

(iv) Copies of the construction contract(s).

Authority, which may act through its Executive Director, shall have the right to approve or disapprove such evidence of financing within fifteen (15) business days of submission by Developer to Authority of all complete items required by this Section 4.15 or as otherwise reasonably imposed by Developer's financing and such approval or disapproval shall be provided not less than fifteen (15) business days prior to the date scheduled for the Closing (so long as Authority has had no fewer than thirty (30) days for review of a complete submittal). Failure by Authority to approve evidence of financing shall constitute disapproval. In this regard, Developer agrees it shall use best efforts to cause its Primary Construction Lender to timely provide complete drafts of documents for review by Authority and its legal counsel(s) to perform within such time frames. Approval shall not be unreasonably withheld or conditioned. If Authority disapproves any such evidence of financing, Authority shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly obtain and submit to Authority new evidence of financing

within reset but equal time periods. If Developer's submission of new evidence of financing is timely and complete and provides Authority with adequate time to review such evidence within the times established in this Section 4.15, Authority shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 4.15 for the approval or disapproval of the evidence of financing as submitted to Authority initially. The Closing shall be extended as necessary to accommodate the time necessary to obtain the Executive Director's approval hereunder.

The evidence of financing shall be deemed to be an ongoing representation by Developer that the sum total of all sources of financing are at least equal to the amount of the approved Project costs as set forth in the Final Development Budget for the Development and that such Final Development Budget conforms to the preliminary reservation of Tax Credits, and any and all updates thereto submitted by Developer to TCAC. Once the complete evidence of financing is approved by Authority, Developer shall promptly notify Authority in writing of any change in, additional conditions to, or additional sources of financing, including without limitation, the award of state or federal Tax Credits, and any updates or additional information material or relevant to such financing and/or the Tax Credits. The representations made by Developer with respect to the budgets and costs for the Development and the sources of funding and method of financing for the Development, inclusive of all submittals and information related to the Tax Credits, were and remain the basis used by Authority to negotiate the financial terms of this Agreement.

(b) Tax Credit Equity. The parties intend that Developer is to obtain equity financing for the construction and operation of the Development including the use of Tax Credits and obtaining capital contributions from limited partners in Developer in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development. In the event a preliminary reservation of Tax Credits is not obtained by Developer by the Tax Credit Deadline, this Agreement shall be subject to termination by Authority. The following requirements must be satisfied in order for the equity financing for Tax Credit funding for the Development to be approved by Authority pursuant to this Section 4.15:

(i) Developer understands and agrees that Developer and/or Kingdom Parent may be required to provide an operating deficit guaranty, tax credit recapture guaranty, and/or other guaranties which may be required with respect to the limited partners' investment in the Development. If required for such financing, the execution of such guaranties shall be an additional Condition Precedent for the purposes of Section 3.1.

(ii) Developer shall submit the following documents as evidence of financing prior to the time set forth in the Schedule of Performance for the recording of documents, but not later than the Closing: (a) a copy of a legally binding, firm and enforceable loan commitment(s) or approval(s) obtained by Developer from unrelated financial institutions for the mortgage loan or loans for financing to fund the construction of the Development, subject to such lenders' reasonable, customary and normal conditions and terms, (b) a limited partnership agreement or funding agreement from the equity investors in the Development which demonstrates that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and a current financial statement of Developer, (c) a copy of a Preliminary Reservation of Tax Credits from the California Tax Credit Allocation Committee for Tax Credits for the construction of the Development, (d) a binding agreement for the purchase of the Tax Credits, and/or (e) other documentation satisfactory to Authority as evidence of other sources of capital, all of which together are sufficient to demonstrate that Developer has adequate funds to construct and complete the Development.

(iii) The equity investment of the limited partners of the limited partnership shall not be less than the approximate prevailing price for 4% Tax Credits at such time, taking into consideration all relevant factors such as timing of required payments and amount of the Tax Credits.

(iv) The identity of the limited partners of the limited partnership shall be reasonably acceptable to the Executive Director, Authority financial advisor(s), and legal counsel(s).

(c) Required Submissions. Developer shall submit the following documents as evidence of Tax Credit financing:

(i) The Partnership Agreement or equivalent funding commitment letter from the equity investors in the Development which demonstrates that Developer has sufficient funds and committed capital/equity for commencement through completion of construction, and that such funds have been committed to construction of the Development, and a current financial statement of Developer.

(ii) A complete copy of each application for Tax Credits and supporting documentation submitted to TCAC by Developer, within five (5) days following Developer's submission thereof to TCAC.

(iii) A copy of a preliminary reservation letter from TCAC notifying Developer that an allocation of 4% Tax Credits for not less than the Tax Credit Amount, has been reserved for construction of the Development, and further documentation demonstrating that Developer remains eligible and qualified to receive such allocation, along with certification that there have not been any material changes to the information provided by Developer in the applications for Tax Credits, as defined and referenced in such reservation letters, and that if there are material changes then such information will be provided to TCAC (and Authority) forthwith.

(d) Approval of Financing. As required herein, Developer shall submit to Authority evidence that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing necessary to undertake the development of the Site and the construction of the Improvements in accordance with this Agreement ("Proof of Financing Commitments").

Authority shall reasonably approve or disapprove such evidence of financing within thirty (30) days of receipt of each of the respective submittals, provided that such submittal is complete. Approval shall not be unreasonably withheld so long as the terms and conditions of the financing are consistent with this Agreement, including without limitation the availability of the Tax Credit Amount and the acknowledgment and consent by such lender to the Authority Regulatory Agreement and the City Covenants as senior encumbrances, with the further proviso that if the Tax Credit Amount exceeds the amount set forth therefor on the Base Pro Forma, Developer shall agree that the excess remaining after applying amounts necessary to defray Cost Overrun Amounts theretofore experienced or the Developer Fee (the "Excess Amount") shall be applied first to fund the Capital Replacement Reserve and, to the extent that any surplus remains, to be treated as Gross Revenues under the Authority Deed; financing terms shall be reasonable and customary. If Authority shall disapprove any such evidence of financing, Authority shall do so by Notice to Developer stating the reasons for such disapproval and Developer shall endeavor to promptly obtain and submit to

Authority new evidence of financing. Authority shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 4.15(e) for the approval or disapproval of the evidence of financing as initially submitted to Authority. Developer shall close the approved Tax Credit financing prior to or concurrently with the Closing.

The Proof of Financing Commitment shall include a copy of a legally binding, firm and enforceable loan commitment(s) obtained by Developer from one or more financial institutions for the mortgage loan or loans for financing to fund the construction and completion of the Improvements.

The parties intend that Developer is to obtain equity financing for the construction and operation of the Development including the use of Tax Credits (in an amount of not less than the Tax Credit Amount) and obtaining capital contributions from limited partners in the Development in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development.

In no event shall Authority be obligated to provide any financial assistance or subsidy to the Development other than as expressly set forth in this Agreement. City shall have no obligation to make any expenditures under this Agreement.

Developer understands and agrees that Developer and/or Kingdom Parent may be required by third party lenders to provide an operating deficit guaranty, tax credit recapture guaranty, and/or other guaranties which may be required with respect to the limited partners' investment in the Development. If required for such financing, the execution of such guaranties shall be an additional condition precedent for the purposes of each of Sections 3.1 and 3.2.

Developer shall submit the following documents as evidence of financing: (a) a copy of a firm loan commitment(s) or approval(s) obtained by Developer from unrelated financial institutions for the mortgage loan or loans for financing to fund the construction of the Development, subject to such lenders' reasonable, customary and normal conditions and terms, (b) a limited partnership agreement or funding agreement from the equity investors in the Development which demonstrates that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and a current financial statement of Developer and Developer's other sources of equity capital, (c) a copy of a preliminary reservation of Tax Credits (and when available, the final reservation of Tax Credits) from the California Tax Credit Allocation Committee for Tax Credits for the construction of the Development (or other evidence satisfactory to the Executive Director that Tax Credits will be available), (d) a binding agreement for the purchase of the Tax Credits, and (e) such other documentation as may be reasonably necessary to satisfy City as to the availability, commitment and adequacy of other sources of capital, all of which together are sufficient to demonstrate that Developer has adequate funds committed for the construction and completion of the Development.

(e) Multifamily Conduit Revenue Bond Financing. Developer has not proposed that multifamily housing bonds be issued in connection with the development of the Site or the operation of the improvements thereon in connection with this Agreement. In the event that multifamily housing bonds are eventually considered in connection with the development of the Site, City and Authority being under no obligation to so consider, then, subject to the satisfaction of those requirements set forth in this Section 4.15(e), an issue of multifamily conduit revenue bonds ("Bonds") may be considered by City or Authority in connection with the financing of the Development.

Developer agrees and acknowledges that: (i) the consideration of the issuance of Bonds requires approval after a public hearing of City or Authority, apart from the approval of this Agreement, and that there is no assurance that such approval will be given; (ii) an allocation process administered by an agency of the State of California is required in connection with the issuance of Bonds, and Developer and not City or Authority would be fully responsible for preparing application with the participation of City or Authority, obtaining approval, and complying with conditions imposed as part of such a process; (iii) if Bonds are issued for the Development, Authority or City (but no other entity) shall be the issuer; (iv) any bonds issued by Authority or City in connection with the Development would only be a conduit issuance, with no liability of City or Authority excepting only the payment of moneys received from Developer in accordance with the state law pursuant to which the Bonds are issued, and with credit support in the form of a letter of credit or other form of credit enhancement reasonably acceptable to Authority or private placement and one of the ten largest banks in California or another lender approved by the Executive Director at his discretion, with Bond Counsel and advisors and/or underwriters acceptable to Authority; (v) any bonds issued by Authority or City privately placed, or if publicly sold would be rated, if applicable, by one of the two largest rating agencies with one of the three highest investment-grade ratings, and on terms customary and reasonably acceptable to the Executive Director; (vi) all costs in connection with the issuance of such bonds, including without limitation costs of issuance, the cost of credit support, ratings, and insurance, shall be borne by Developer directly or as part of the matters funded by the bonds and City or Authority shall be entitled to an issuer's fee of 1/8 of 1% of the initial principal amount of the Bonds as well as 1/8 of 1% outstanding annually thereafter so long as the bonds are outstanding (or such lesser amount as may hereafter be approved by the Executive Director); and (vii) the term of the bond(s) shall not exceed thirty-five (35) years nor be less than twenty (20) years.

4.15.2 No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease-Back for Development. Mortgages, deeds of trust and subleases and subleases-back on the Site shall be permitted before the completion of the Improvements only with Authority's prior written approval, but only for the purpose of securing loans of funds to be used for financing the construction of the Improvements (including architecture, engineering, legal, construction period carrying costs such as property taxes, insurance and interest, and related direct costs as well as indirect costs) on or in connection with the Site, and the obtaining of a permanent loan in the amount of the outstanding balance of the construction loan. In no event, however, shall the amount or amounts of indebtedness secured by mortgages or deeds of trust on the Site exceed the projected Developer's cost, as evidenced by a pro forma and a construction contract which have been approved by the Executive Director in accordance with this Agreement and which set forth such costs, unless the written approval of the Executive Director is first obtained. Developer shall notify Authority in advance of any mortgage, deed of trust or sublease and sublease-back financing, if Developer proposes to enter into the same before completion of the construction of the Improvements. The words "mortgage" and "trust deed" as used hereinafter shall include sublease and sublease-back. No liens shall be permitted on Authority's fee interest in the Site.

4.15.3 Holder Not Obligated to Construct Improvements. The holder of any mortgage or deed of trust on the Site authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct, complete, or operate the Improvements or any portion thereof, or to guarantee such construction, completion or operation; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

4.15.4 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure.

With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever Authority may deliver any notice or demand to Developer with respect to any breach or default by Developer under this Agreement, Authority shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand; provided that the failure to notify any holder of record shall not vitiate or affect the effectiveness of notice to Developer. Each such holder shall (insofar as the rights granted by Authority are concerned) have the right, at its option, within sixty (60) days after the receipt of the notice, or such longer time as expressly provided for a cure under this Agreement, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage or deed of trust. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to Authority by written agreement reasonably satisfactory to Authority. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates, but on a schedule which takes into account the time reasonably required for the holder to obtain title to and possession of the Site, analyze and negotiate amendments to plans, specifications, construction contracts and operating contracts or to negotiate new construction contracts and operating contracts. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 4.13 of this Agreement, to a Certificate of Completion. It is understood that a holder shall be deemed to have satisfied the sixty (60) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such holder has within such sixty (60) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default. The Executive Director is authorized to consent, on behalf of Authority, to the provision of similar cure rights to the limited partner as reasonably requested by the tax credit investor.

4.15.5 Failure of Holder to Complete Improvements.

In any case where, sixty (60) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a notice from Authority of a default by Developer in completion of construction of any of the Improvements under this Agreement, and such holder is not vested with ownership of the Site and has not exercised the option to construct as set forth in Section 4.15, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, in addition to such other rights and remedies as Authority shall have, Authority may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the holder, Authority, if it so desires, shall be entitled to a conveyance from the holder to Authority upon payment to the holder of an amount equal to the sum of the following:

- (a) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);
- (b) All expenses with respect to foreclosure including reasonable attorneys' fees;

(c) The net expense, if any, incurred by the holder as a direct result of the subsequent management of the Site or part thereof;

(d) The costs of any improvements made by such holder;

(e) An amount equivalent to the interest that would have accrued at the rate(s) specified in the holder's loan documents on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by Authority; and

(f) Any customary prepayment charges imposed by the lender pursuant to its loan documents and agreed to by Developer.

The foregoing rights shall supplement and not limit Authority's rights as landlord under the Authority Deed or by operation of law.

4.15.6 Right of Authority to Cure Mortgage or Deed of Trust Default. In the event of a mortgage or deed of trust default or breach by Developer whether prior to or after the completion of the construction of any of the Improvements or any part thereof (continuing until the expiration of the term of the Authority Deed), Developer shall immediately deliver to Authority a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, Authority shall have the right but no obligation to cure the default. In such event, Authority shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by Authority in curing such default.

Developer agrees to provide documentation evidencing the relinquishment of any and all rights to the Development and under the Authority Deed in such event; provided that the failure to provide such documentation shall not be construed to mean that Developer retains any rights under the Agreement or the Authority Deed.

4.15.7 No Subordination of Covenants. The Authority Regulatory Agreement, the City Covenants, and the affordability covenants as contained therein and in the Authority Deed will not be subordinated excepting only to a bond regulatory agreement as may be hereafter approved by Authority.

4.16 Mechanics of Disbursement of the City Loan Amount. Provided that the City Conditions Precedent have first been satisfied, City shall make available to Developer moneys from the City Loan Amount as follows: (i) the City Initial Loan Portion shall be disbursed to Developer upon Closing; and (ii) the remainder, if any, of the proceeds of the City Loan Amount, excepting moneys derived from the HOME Program, will be disbursed to Developer as progress payments based upon the percentage of completion of construction of the Improvements as determined by the City Manager or his or her designee upon consultation with Developer. The further conditions and protocol for payment of the City Loan Amount shall be as follows:

(a) City shall have no obligation to disburse any portion of the City Loan Amount unless and until all of the City Conditions Precedent are first satisfied.

(b) Neither Authority nor City shall provide any assistance or other payment pursuant to this Agreement with respect to the acquisition of the Site and conduct of grubbing

and remediation thereon (the “Preliminary Site Work”). Developer assumes all responsibility for any and all costs for the Preliminary Site Work.

(c) Protocol for Disbursement of the City Loan Amount: City shall make available the City Loan Amount, excepting moneys derived by City from the HOME Program, in installments based upon the progress toward completion of the construction of the Improvements with such moneys to be infused ratably with moneys from the Primary Construction Loan, as determined in good faith by the City Manager; provided that amounts to reimburse Developer for Allowable Closing Costs theretofore paid by Developer may be made concurrent with the initial release of moneys from the Primary Construction Loan. Prior to each disbursement of any portion of the City Loan Amount, Developer shall submit to City an “Application for Disbursement” which shall include:

A written, itemized statement, signed by a representative of Developer which sets forth: (i) a description of the work performed, material supplied and/or costs incurred or due for which disbursement is requested; and (ii) the total amount incurred, expended and/or due for the requested disbursement. All moneys applied for and disbursed pursuant to this Section 4.16 shall be applied only for Allowable Closing Costs or construction and the statement(s) by the representative of Developer shall so affirm. Disbursements may be used only to defray the cost of the Preliminary Site Work, and only where such work is performed by (and disbursements are made to) third parties not related or connected to Developer. The City Manager shall have the right to review, approve or disapprove the necessity or reasonableness of work undertaken and the costs incurred therefor.

Copies of billing invoices, statements, receipts and other documents evidencing the total amount expended, incurred or due for any requested disbursement.

Mechanics lien waivers including: (i) a Conditional Waiver and Release Upon Progress Payment (California Civil Code Section 3262(d)(1)) for itself and each contractor covered by such Request Payment, (ii) an Unconditional Waiver and Release Upon Progress Payment (California Civil Code Section 3262(d)(2)) for itself and each of its contractors covering the full amount of all previous payments made to Developer, and (iii) an Unconditional Waiver and Release Upon Final Payment (California Civil Code Section 3262(d)(4)) for its contractors who have completed their work and for whom Developer has received full payment.

A statement that the percentage and/or stage of construction corresponding to the Application for Disbursement has been substantially completed and substantially conforms to the Plans.

Subject to satisfaction of the requirements of this Section 4.16, City will endeavor to make payments within ten (10) days after the submittals required pursuant to this Section 4.16 are accomplished, review by the City Manager is completed, including without limitation that City Manager shall have had a reasonable opportunity to review the stage of completion. After the approval of this Agreement by City, further approval by the City Council shall not be required to authorize the disbursement of moneys pursuant to this Section 4.16.

That portion of the City Loan Amount consisting of moneys available to City under the HOME Program will be disbursed to Developer following issuance of a Certificate of Completion for the Improvements.

4.17 Cost Savings Obligation and Treatment of Surplus Amounts; Excess Tax Credits Obligation. Developer hereby agrees to apply Cost Savings in connection with the Development in

an amount to be determined based on the Audit to be conducted upon completion of construction for the Development (unless sooner applied to fund the Capital Replacement Reserve). Disbursement of the Cost Savings is to be made at the time set forth therefor in Section 4.17.1, below. In addition, Developer shall cause the Surplus Amounts to be paid to Authority as set forth in Section 4.17.4.

4.17.1 Audit to Determine Cost Savings and Shared Cost Savings. The actual amount of “Cost Savings” (as defined below) to be disbursed upon an Audit, as hereafter defined and described. Developer shall apply the Cost Savings toward the Capital Replacement Reserve, and thereafter any remaining amount as Gross Revenues as defined herein, an amount equal to the Cost Savings remaining after satisfaction of the Developer Fee and the Cost Overrun Amounts (which resulting amount shall constitute the “Shared Cost Savings”). Within one hundred eighty (180) days following the completion of construction of the Development, as evidenced by issuance of the final certificate of occupancy by the City’s building official, Developer shall cause its certified public accountant(s) to perform a draft cost certification of the costs of the Development in accordance with the requirements of the Tax Credits, and generally accepted accounting procedures (GAAP) and generally accepted auditing standards (herein, referred to as “Audit”). If the Audit determines that the total sources of permanent financing for the Development (including long-term permanent debt and equity) exceed the total development cost for the Development (including, without limitation, all hard and soft costs and all onsite and offsite improvements required in connection with the development of the Development, including the Developer Fee), such excess shall be considered the “Cost Savings” for the Development.

4.17.2 Payment of Shared Cost Savings. The Shared Cost Savings, once determined by the Audit pursuant to Section 4.17.1, shall be due and shall be applied by Developer toward the Capital Replacement Reserve, with any excess available evenly to be applied toward (i) any remaining unpaid Deferred Developer Fee and (ii) the City Loan.

4.17.3 Timing of Payment of Shared Cost Savings. Unless sooner disbursed pursuant to the foregoing portion of this Section 4.17, the Shared Cost Savings shall be applied by Developer upon conversion to permanent loan and completion of construction, concurrent with the closing of the Primary Permanent Loan or, if earlier, at such time as Developer receives its final Tax Credit equity payment for the Development.

4.17.4 Surplus Amounts. Developer shall pay to Authority any Surplus Amounts within thirty (30) days as such Surplus Amounts are received from time to time.

5. COVENANTS AND RESTRICTIONS

5.1 Use Covenants. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site or any part thereof, that Developer shall devote the Site to the uses specified in and shall operate in conformity with this Agreement, the City Covenants, the Authority Regulatory Agreement, the Authority Deed and, if applicable, the Bond Regulatory Agreement, whichever is the more restrictive in each case unless expressly provided to contrary effect herein. All uses conducted on the Site, including, without limitation, all activities undertaken by Developer pursuant to this Agreement, shall conform to the Redevelopment Plan and all applicable provisions of the City Code.

5.2 Affordable Housing Requirements.

5.2.1 Number of Required Affordable Units and Other Housing Units.

Developer agrees to make available, restrict occupancy to, and rent all of the Required Affordable Units at Affordable Rent. Subject to modification if mutually approved by the parties and further subject to the possible approval of greater affordability requirements by CDLAC (if applicable) or TCAC, there shall be eighty (80) Required Affordable Units on the Site, with affordability for those units to be provided in conformity with the Prescribed Income Levels and Affordable Rents, plus one additional Housing Unit that shall be maintained on the Site as an on-site manager's unit. The restriction of Housing Units in addition to the Required Affordable Units at limited rent levels, in connection with requirements for tax credits, shall not be deemed to constitute a violation of this Agreement. An example of the calculation of Affordable Rent for the Required Affordable Units is attached hereto as Attachment No. 7 and incorporated herein. In the event TCAC imposes greater affordability requirements, this Agreement and the attachments hereto will be conformed to meet such requirements.

5.2.2 Duration of Affordability Requirements. The Required Affordable Units shall be maintained as rental units available at and rented to Extremely Low Income Households, Very Low Income Households, and Low Income Households throughout the Required Covenant Period, as more particularly set forth in each of the City Covenants and the Authority Regulatory Agreement.

5.2.3 Selection of Tenants; Special Limitations as to Eligible Households. Developer shall be responsible for the selection of tenants for the Required Affordable Units in compliance with the criteria set forth in Sections 5.2 and 5.3 of this Agreement. Developer shall restrict occupancy of all of the Required Affordable Units as Eligible Units occupied by Eligible Households. Developer 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.

5.2.4 Income of Tenants. Each tenant shall be an Extremely Low Income Household, a Very Low Income Household, or, to the extent provided herein a Low Income Household which, in accordance with the Prescribed Income Levels, meets the eligibility requirements established for the corresponding Required Affordable Unit, and Developer shall obtain a certification from each tenant renting or leasing each housing unit which substantiates such fact. Developer shall verify the income certification of each tenant as set forth in Section 5.3 hereof. Prior to the rental or lease of any Unit on the Site to a tenant, and annually thereafter, Developer shall submit to Authority or its designee, at Developer's expense, a completed income computation and certification form, in a form to be provided by Authority.

5.2.5 Determination of Affordable Rent for the Required Affordable Units. Each Required Affordable Unit shall be rented at an "Affordable Rent" as defined in this Agreement.

"Household size appropriate to the unit," for the purpose of the calculation of rent herein (and without regard to actual occupancy), means an amount equal to the number of bedrooms in the unit plus one (i.e., for a two-bedroom unit, 3 people; for a three-bedroom unit, four people); 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.

Notwithstanding the foregoing portion of this Section 5.2.5, Developer agrees that rents for the Required Affordable Units shall be limited as provided in this Agreement.

5.2.6 Relationship to Bond Requirements and Other Requirements.

Notwithstanding any other provisions of this Agreement, to the extent that the regulatory agreement executed by Developer as a requirement of issuance of multifamily housing bonds (the “Bond Regulatory Agreement”) or limitations of the HOME Program relating to rents for HOME Units are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in this Agreement and the City Covenants, the Authority Regulatory Agreement, to the extent required by City or Authority in connection with the issuance of the Bonds, the Bond Regulatory Agreement shall control and Developer’s compliance therewith shall not be a default hereunder.

In the event Developer is required, as a condition of funding imposed by entities other than City or Authority, to cause a greater number of Housing Units to be restricted by rent and/or income qualifications, the attachments to this Agreement will be modified to reflect such greater number of Housing Units limited to rental at Affordable Rent to households of the corresponding income lived as determined in accordance with the Calculation of Affordable Rents.

5.3 Verifications.

5.3.1 Income Verification. Developer shall verify the income of each proposed and existing tenant of the Required Affordable Units and all other Housing Units developed on the Site.

5.3.2 Annual Reports. Following the issuance of the Certificate of Completion, and on or before June 15 of each Year commencing which occurs in whole or in part during the Required Covenant Period after the recording of the Authority Deed, Developer, at its expense, shall submit to Authority or its designee the reports in the manner described by 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 Authority. Each annual report shall cover the immediately preceding Year.

Developer shall maintain on file each tenant’s executed lease and Income Verification and rental records for all Required Affordable Units developed on the Site. Developer shall maintain complete and accurate records pertaining to the Required Affordable Units and will permit any duly authorized representative of Authority to inspect the books and records of Developer pertaining to this Agreement and the Required Affordable Units upon reasonable advance notice of not less than twenty four (24) hours and during normal business hours. Developer shall prepare and submit to Authority (or its designee) annually commencing June 15 following the completion of the Improvements 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.

As part of its annual report, Developer shall include a statement of amounts payable by Developer under this Agreement (including the Authority Deed) supported by an Audited Financial Statement (prepared by an independent accounting firm reasonable acceptable to Authority) which sets forth information in detail sufficient for adequate review by Authority for the purposes of confirming those amounts payable by Developer to Authority as well as showing the general financial performance

of the Affordable Housing Project (“Annual Financial Report”). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Service, Capital Replacement Reserve and Rental Receipts, payments of fees and any other remuneration to Developer 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 determined to be owing upon review of Developer’s submittal, Developer shall reimburse Authority for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amounts payable as Additional Rent under the Authority Deed during the first succeeding Year. Developer agrees to maintain records in businesslike manner, and to maintain such records for the Required Covenant Period. The income and rent restrictions provided for hereunder are intended and shall be maintained in a manner sufficient to satisfy the provisions of Health and Safety Code Section 33413(b) without regard to whether such statute is applicable as a matter of law.

In addition, as part of its annual report and at Authority’s request, but not less frequently than prior to each initial and subsequent rental of each Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to Authority completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by Authority from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household, a Very Low Income Household or a Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household. In order to comply with this Section 5.3.2, Developer shall submit to Authority any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Development; provided, Authority may request (and Developer shall provide) additional documentation to assist Authority’s evaluation of Developer’s compliance with this Agreement, if determined to be necessary in the reasonable discretion of the Executive Director, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with the requirements applicable to funding sources not without to Authority or City, as applicable, and each tenant’s status as to each Required Affordable Unit as an Eligible Household. This requirement is in addition to and does not replace or supersede Developer’s obligation to annually submit the Certificate of Continuing Program Compliance to Authority. Further, Authority has the right, but not the obligation to monitor compliance with respect to each tenant household at the Rental Project, and Authority’s election to monitor some, but not all, of the Required Affordable Units shall not constitute a waiver of Authority’s right to monitor and enforce compliance with respect to all Required Affordable Units in the future.

5.3.3 Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914 or as required by the Tax Credit Rules. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Rental Project and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person’s two (2) most recent pay periods;

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;

(iii) obtain an income verification certification from the employer of the person;

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies;

(v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer; or

(vi) as to the Required Affordable Units obtain verification and supporting documentation of the household as an Eligible Household.

5.3.4 Verification Regarding Eligibility of New Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

5.3.5 Annual Authority Monitoring Charge. Developer shall pay to Authority the sum of Seven Thousand Five Hundred Dollars (\$7,500.00) per Year, payable on or before June 15 of each Year following completion of the Improvements; in addition, and without regard to whether the Improvements have been completed, Developer shall cause all amounts derived from the sale of Parcel B by Developer to the District to be disbursed to Authority within three (3) calendar days after the closing of the sale of Parcel B. The amounts collectively paid to Authority under this Section 5.3.5 collectively constitute the Annual Authority Monitoring Charge.

5.4 Maintenance of Site. Developer agrees for itself and its successors in interest to the Site, to maintain the improvements on the Site in conformity with the City Code and the conditions set forth in the City Covenants and the Authority Regulatory Agreement, and shall keep the Site free from any accumulation of debris or waste materials. During such period, Developer shall also maintain the landscaping planted on the Site in a healthy condition.

Developer and its maintenance staff, contractors or subcontractors shall comply with the following standards as to the Development (collectively, "Maintenance Standards"):

(a) The Site shall be maintained in conformance and in compliance with the approved final as-built plans, and reasonable maintenance standards which comply with the industry standard for comparable first quality affordable housing projects in Riverside County, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curblin. The Site shall be maintained in good condition and in accordance with the industry custom and practice generally applicable to comparable first quality affordable housing projects in Riverside County.

(b) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(c) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

If Authority notifies Developer in writing if the condition of the Site which do not meet with the Maintenance Standards, Authority will specify the deficiencies and the actions required to be taken by Developer to cure the deficiencies. Upon notification of any maintenance deficiency, Developer shall have thirty (30) days within which to correct, remedy or cure the deficiency. If the deficiencies require more than thirty (30) days to cure and Developer diligently commences to cure within the thirty (30) day period, then Developer shall have an additional sixty (60) days to cure. If the written notification states the problem is urgent relating to the public health and safety, then Developer shall have forty-eight (48) hours to rectify the problem. In the event Developer does not maintain the Site in the manner set forth herein and in accordance with the Maintenance Standards, Authority shall have, in addition to any other rights and remedies hereunder, the right to maintain the Site, or to contract for the correction of such deficiencies, after written notice to Developer, and Developer shall be responsible for the payment of all such costs incurred by Authority.

5.4.1 Program Maintenance. In addition to the routine maintenance and repair required pursuant to Section 5.4 Developer shall perform the following minimum programmed maintenance of the Improvements to the Site:

- (a) Interior painting and window covering replacement at least every seven (7) Years, unless such improvements would be substantially disruptive to a vulnerable resident occupant, in which case, Developer shall perform as work at the earliest feasible opportunity;
- (b) Exterior painting at least every ten (10) Years, unless the exterior is of a material which the manufacturer recommends to not be painted;
- (c) Repair and resurfacing of parking areas and walkways at least every ten (10) Years;
- (d) Replacement of all deteriorated or worn landscaping at least every five (5) Years; and
- (e) Replacement of all deteriorated or worn recreational equipment at least every ten (10) Years.

Notwithstanding the foregoing, if the Executive Director reasonably determines that the Development suffers from excess unexpected wear and tear requiring any of the above items of maintenance to be performed sooner than as set forth above, Authority may require that such maintenance actions be performed within a reasonable time, even if sooner than the time periods set forth above. Upon the request of Developer, the Executive Director, at his or her sole and absolute discretion, may grant a waiver or deferral of any program maintenance requirement. Developer shall keep such records of maintenance and repair as are necessary to prove performance of the program maintenance requirements.

5.4.2 Occupancy Limits. To the greatest extent allowed by law, the maximum occupancy of the Housing Units in the Development shall not exceed more than such number of persons as is equal to two persons per bedroom, plus one. Thus, for a one (1) bedroom Unit, the maximum occupancy shall not exceed three (3) persons, and for a two (2) bedroom Unit, the maximum occupancy shall not exceed five (5) persons.

5.5 Nondiscrimination Covenants. Developer 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 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.

Developer 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.”

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 which are the subject of this Agreement, 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.”

Developer hereby covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, to comply with the following laws relating to nondiscrimination and equal opportunity: (1) The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).

Developer further covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, not to inquire about the sexual orientation or gender identity of an applicant for, or occupant of, the Project or any Housing Unit at the Site, for the purpose of determining eligibility for occupancy of such Housing Units or otherwise making such Housing Units available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. Further, determinations of eligibility for occupancy of Housing Units at the Project shall be made in accordance with the eligibility requirements provided for such program by HUD, and such Housing Units shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

The covenants established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority and its successors and assigns, and shall remain in effect in perpetuity.

5.6 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction. Authority 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 Authority 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. Authority shall have the right, if the Agreement or any covenants in any agreement pursuant to this Agreement, including without limitation the Authority Regulatory Agreement and the Authority Deed, 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.

6. DEVELOPER'S GENERAL REPRESENTATIONS AND WARRANTIES.

As a material inducement to each of City and Authority to enter into this Agreement, Developer represents and warrants to each of City and Authority that:

6.1 Formation, Qualification and Compliance. Developer (a) is a California limited partnership 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. Developer 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) Developer 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 Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement; (d) Developer does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of Developer to carry out its obligations hereunder; (e) There are no material pending or, so far as is known to Developer, threatened, legal proceedings to which Developer 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 Developer to Authority and City in this Agreement which could materially adversely affect the ability of Developer to carry out its obligations hereunder; and (f) There is no action or proceeding pending or, to Developer's best knowledge, threatened, looking toward the dissolution or liquidation of Developer and there is no action or proceeding pending or, to Developer's best knowledge, threatened by or against Developer which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of Developer to carry out its obligations hereunder.

Each of the foregoing items (a) to (f), inclusive, shall be deemed to be an ongoing representation and warranty. Developer shall advise each of City and Authority in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (f), inclusive.

6.2 Execution and Performance of Project Documents. Developer has all requisite authority to execute and perform its obligations under the Project Documents. The execution and delivery by Developer of, and the performance by Developer of its obligations under, each Project 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 Developer.

6.3 Covenant Not to Transfer Except in Conformity. Excepting for the rental of individual dwelling units to occupants in the regular course of business (which rental activity shall not

be limited by this Section 6.3), or the sale of a partnership interest to generate proceeds in consideration of the Tax Credits, Developer shall not sell, lease, or otherwise transfer or convey all or any part of the Site, or any interest therein, unless Developer has first obtained the prior written consent of the Executive Director, which consent may be granted or refused in the Executive Director's sole and absolute discretion; except Authority shall upon receipt of written request therefor consent to a sale by Developer of its interest in the Development to Kingdom Parent, the manager of the general partner of Courtyards at Cottonwood, L.P., after the expiration of the tax credit period. In addition, Developer's limited partner and any successor thereto, may, without the prior consent of Authority and except as set forth in the senior permitted liens, sell, transfer, assign, pledge, hypothecate, and encumber some or all of its partnership interests in Developer and the same shall not be a violation of this Agreement. Moreover, Developer's limited partner and any successor thereto, shall have the right, without the prior consent of Authority and except as set for in the senior permitted liens, to remove any or all of Developer's general partners for cause as permitted under Developer's limited partnership agreement and replace any or all removed general partners with a person or entity determined in the limited partner's sole discretion. Any sale, lease, transfer or conveyance without such consent shall, at Authority's option, be void. A change in ownership of Developer resulting in the individuals executing this Agreement on behalf of Developer retaining less than fifty-one percent (51%) ownership of all outstanding shares of Developer shall be deemed to violate this Section 6.3. In connection with the foregoing consent requirement, Developer acknowledges that Authority relied upon Developer's particular expertise in entering into this Agreement and continues to rely on such expertise to ensure the satisfactory completion of all of the Improvements, and the marketing and rental of the Required Affordable Units to Extremely Low Income Households, Very Low Income Households and Low Income Households 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 7.12 of this Agreement, failure by any 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 parties 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 parties 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.

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; provided, that Authority shall have no right, in any event, to impose a lien for monetary damages against the Site or on any improvements erected from time-to-time on the Site. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California.

7.3 Termination by Developer. In the event that as of the time described below (and if no time is described below, the time established therefor in the Schedule of Performance):

(a) by the time set forth therefor in the Schedule of Performance for the Conveyance, Developer is not in default under this Agreement and Authority does not execute the Authority Deed and attempt to effect the Conveyance to Developer in the manner and condition and by the date provided in this Agreement; or

(b) in the event of any Default of Authority prior to the Conveyance 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 Developer (or, with respect to (c), above, by the time set forth therein), then this Agreement may, at the option of Developer, be terminated by Notice thereof to Authority; provided that Developer shall have delivered to Authority the documents required to be delivered to Authority pursuant to Section 4.15 of this Agreement. From the date of the Notice of termination of this Agreement by Developer to Authority and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties.

7.4 Termination by Authority. In the event that Developer fails to obtain one or more of a preliminary reservation of Tax Credits by TCAC and, if bond financing is to be used for the Improvements, an allocation for private activity bonds from CDLAC by the Tax Credit Deadline, or to provide by the Tax Credit Deadline evidence satisfactory to the Executive Director that tax credit proceeds will be available for the Development, or if prior to the time established in the Schedule of Performance for the satisfaction of the Authority's Conditions Precedent:

(a) One or more of the Milestones is not satisfied by the time established therefor as to the applicable Tax Credit Deadline; or

(b) Developer (or any successor in interest) assigns this Agreement or any rights therein or in the Site in violation of this Agreement; or

(c) Authority receives notification from Developer that there are Materially Adverse Conditions at the Site or that the condition of the Site will delay or preclude completion of the Improvements; or

(d) One of more of the City Conditions Precedent is not satisfied; or

(e) Developer fails to execute (as lessee/covenantor/borrower) the Authority Regulatory Agreement, the Authority Deed, the City Note, or the City Deed of Trust; or

(f) Developer is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 7.1 hereof;

then this Agreement and any rights of Developer or any assignee or transferee with respect to or arising out of the Agreement or the Site (including without limitation all attachments to this Agreement), shall, at the option of Authority, be terminated by Authority by Notice thereof to Developer. From the date of the Notice of termination of this Agreement by Authority to Developer and thereafter this Agreement (including without limitations all attachments hereto) shall be deemed terminated and there shall be no

further rights or obligations among the parties, except that Authority may pursue any remedies it has hereunder.

7.5 Acceptance of Service of Process. In the event that any legal action is commenced against City, service of process on City shall be made by personal service upon the Executive Director or in such other manner as may be provided by law. In the event that any legal action is commenced against Authority, service of process on Authority shall be made by personal service upon the Executive Director or in such other manner as may be provided by law. In the event that any legal action is commenced against Developer, service of process on Developer 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.

7.9 Covenant Provisions; Certain Amendments. In the event, as a result of the provision of other financing in connection with the Development, the parties will review and, if appropriate amend covenant and reporting provisions hereof to encompass such other Housing Units as may be regulated by virtue of such other funding. In the event Developer is required by virtue of such other financing to restrict the affordability of Housing Units in a manner more restrictive than as set forth under the form of Authority Regulatory Agreement then, from time to time upon receipt of request therefor from the Executive Director, Developer agrees to consent to modifications to incorporate such greater restrictions into each of the City Covenants and the Authority Regulatory Agreement; such request(s) by the Executive Director can be made at any time(s) during the Required Covenant Period without regard to whether the Authority Regulatory Agreement have been recorded.

7.10 Enforced Delay; Extension of Times of Performance. 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 City or any other public or governmental agency or entity (excepting that acts or failures to act of Authority or City shall not excuse performance by Authority or 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 Authority and Developer. This Section 7.10 shall not be deemed applicable to the Authority Deed unless expressly incorporated by reference therein. The failure of Developer to convey the Site to Authority, the existence of any claim of possessory rights as to the Site or claims for related benefits

or assistance, and the failure to obtain an allocation or reservation of tax credits or financing commitments adequate to finance the Development shall not constitute grounds of enforced delay pursuant to this Section 7.10.

In addition to the foregoing (and without regard to the preceding portion of this Section 7.10), the Executive Director shall have the authority, at his discretion, to approve extensions on behalf of Authority to approve extensions of time not to exceed a cumulative total of three hundred sixty-five (365) days.

7.11 Transfers of Interest in Agreement or of Site. Except as otherwise set forth in Section 6.3 hereof, Section 7.12, and all subsections of this Section 7.12, shall apply to transfers prior to the Conveyance. Any transfers occurring or proposed after the Conveyance are subject to the provisions therefor of the Authority Regulatory Agreement.

7.11.1 Prohibition. The qualifications and identity of Developer are of particular concern to Authority. It is because of those qualifications and identity that Authority has entered into this Agreement with Developer. For the period commencing upon the date of this Agreement and until the end of the Required Covenant Period, except as otherwise set forth in Section 6.3 hereof, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement, nor shall Developer 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 Lease of Housing Units to Occupants) without prior written approval of Authority, except as expressly set forth herein.

7.11.2 Permitted Transfers. In the event of a proposed assignment by Developer under subparagraphs 7.11.2 through 7.11.3, inclusive, Developer agrees that at least thirty (30) days prior to such assignment it shall give written notice to Authority including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Developer the Obligations of this Agreement. In addition, no consent of Authority shall be required in connection with the transfer of the Site that occurs by foreclosure or deed in lieu of foreclosure of any Permitted Senior Lien to respective holder thereof or to their nominees or assignees exclusive of Developer and Kingdom Parent. The provisions of this Section 7.11.2 shall be limited by those transfers permitted in Section 6.3.

(a) Any transfers to an entity or entities in which Developer retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities or relating to the syndication of Tax Credits or after the Tax Credit period, the removal of the Tax Credit investor.

(b) The conveyance or dedication of any portion of the Site to City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Development.

In the event of a proposed assignment by Developer under subparagraphs 7.11.2 through 7.11.3, inclusive, Developer agrees that at least thirty (30) days prior to such assignment it shall give written notice to Authority including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Developer the Obligations of this Agreement. In addition, no consent of Authority shall be required in connection with the transfer of the Site that occurs by foreclosure or deed in lieu of foreclosure of any Permitted Senior Lien to

respective holder thereof or to their nominees or assignees exclusive of Developer and Kingdom Parent.

7.11.3 Authority Consideration of Requested Transfer. Authority agrees that it will consider in good faith a request made pursuant to this Section 7.11 after the achievement of occupancy of ninety percent (90%) or more of the Required Affordable Units in conformity with this Agreement following the issuance by Authority of a Certificate of Completion for the last building to be constructed as part of the Improvements, provided Developer delivers written notice to Authority requesting such approval, the City Covenants and the Authority Regulatory Agreement remain in full force and effect. Such notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, its financial commitments and resources, and the financial terms of such assignment (including the consideration proposed to flow to Developer or Related Entity and/or any of the Principals) in sufficient detail to enable Authority to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 7.11, and as reasonably determined by Authority. Notwithstanding the foregoing, the transfer of limited partnership interests to tax credit investors shall not entitle Authority to receive compensation (in connection with such transfer to tax credit investors). Authority 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 Authority reasonably determines does not possess sufficient qualifications. An assignment and assumption agreement in form satisfactory to Authority's legal counsel shall also be required for all proposed assignments. [Developer agrees and acknowledges that in connection with any such assignment approved by Authority pursuant to this Agreement, Developer shall remain liable for performance pursuant to this Agreement for a period of five (5) Years following such assignment; provided that the five-Year limitation shall not apply (and the ongoing liability of Developer shall not be thereby limited) in connection with the transfer of limited partnership interests to tax credit investors.] Within thirty (30) days after the receipt of Developer's written notice requesting approval of an assignment or transfer pursuant to this Section 7.11, including assignments that do not require Authority/Authority Executive Director approval, Authority shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, Authority 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, Developer shall promptly furnish to Authority such further information as may be reasonably requested. In addition, Authority will not unreasonably withhold its approval of a transfer made at the conclusion of the tax credit period to Developer and affiliates upon the removal of the tax credit investor, so long as there are no defaults under this Agreement and the transferee agrees to be bound by all executory provisions of this Agreement.

7.11.4 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon Developer and its permitted successors and assigns. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

7.11.5 Assignment by Authority. Authority may assign or transfer any of its rights or obligations under this Agreement with the approval of Developer, which approval shall not be unreasonably withheld; provided, however, that Authority may assign or transfer any of its interests hereunder to City at any time without the consent of Developer.

7.12 Non-Liability of Officials and Employees of Authority. No member, official, officer or employee of Authority or City shall be personally liable to Developer, or any successor in interest, in the event of any Default or breach by Authority (or City) or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

7.13 Relationship Among Authority, City and Developer. It is hereby acknowledged that the relationship among Authority, City and Developer is not that of a partnership or joint venture and that Authority, City and Developer 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, neither Authority nor City shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Development.

7.14 Authority and City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by Authority, the Executive Director is authorized to act on behalf of Authority unless specifically provided otherwise or the law otherwise requires. When a reference is made herein to an action or approval to be undertaken by City the City Manager is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires.

7.15 Real Estate Brokers. Authority and Developer 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 [Reserved].

7.17 Non-recourse Liability of Developer. Notwithstanding anything to the contrary in this Agreement or any other Project Document, neither Developer nor any of its partners shall be personally liable for any default, loss, claim, damage, expense or liability to any person and the sole remedy against Developer hereunder shall be limited to its interest in the Development, excepting that Developer will be responsible for those liabilities of Developer referenced in Sections 4.7.

8. MISCELLANEOUS

8.1 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of Authority to Developer, or any other claim by Developer against Authority, in connection with the Site or otherwise, Developer hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Developer'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 Developer of any of its obligations under the Project Documents.

8.2 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by any party to the others shall be in writing and shall be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

If to Developer: Courtyards at Cottonwood, L.P.
27700 Kalmia Avenue
Rancho Belago, CA 92555-5200
Attn: James M. Jernigan
Telephone: (951) 686-6600

If to Authority: Moreno Valley Housing Authority
14177 Frederick Street
Moreno Valley, CA 92552-0805
Attn: Executive Director

If to City: City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: City Manager

and a copy to: (which copy shall not constitute notice to Authority or City)

Office of City Attorney
14177 Frederick Street
Moreno Valley, CA 92552-0805
Attention: City Attorney

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 Project Documents shall survive the Conveyance and the rental of the Required Affordable Units and have been or will be relied on by Authority notwithstanding any investigation made by Authority.

8.4 No Third Parties Benefited Except for City; AB 987. This Agreement is made for the purpose of setting forth rights and obligations of Developer and Authority, and no other person (except for City) shall have any rights hereunder or by reason hereof. Except for City, which shall be deemed to be a third party beneficiary of this Agreement (including without limitation the Attachments hereto), there shall be no third party beneficiaries of this Agreement. Developer acknowledges that, notwithstanding the foregoing portion of this Section 8.4, pursuant to AB 987 and the amendments to Health and Safety Code Section 33334.3 made effective as of January 1, 2008 by that bill, it is possible that violations of the covenants, conditions and restrictions relating to affordable housing contained in the Authority Regulatory Agreement may now be enforceable not only by Authority and City, but also by each of the persons and/or entities listed in Section 33334.3(f)(7) of the Health and Safety Code, specifically (1) residents of affordable units subject to covenants recorded pursuant to Health and Safety Code Section 33334.3(f)(1) (each, a "Covenanted Unit"), (2) the most recent former residents of such a Covenanted Unit, (3) applicants that are Low Income Households, Very Low Income Households, or Extremely Low Income Households that are denied occupancy of such a Covenanted Unit, and (4) persons that are Low Income Households, Very Low Income Households, or Extremely Low Income Households and who are on a waiting list for occupancy of such a Covenanted Unit. The provisions of AB 987 are to be applicable only to the extent required by law. Nothing in this

Section 8.4 or this Agreement (including the Attachments hereto) is intended to provide an enforcement right to any person or entity not specifically made an intended third party beneficiary of this Agreement; any such third party shall be limited in their right to enforce affordability restrictions to the extent provided by Health and Safety Code Section 33334.3(f). Neither Authority nor City make any representation concerning the applicability, *vel non*, of Section 33334.3 as described in the foregoing portion of this Section 8.4.

8.5 Binding Effect; Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, City, Developer and Authority and their respective successors and assigns. Developer shall not assign any of its rights or obligations under any Project Document without the prior written consent of the Executive Director, which consent may be withheld in the Executive Director's sole and absolute discretion; provided that the Executive Director shall reasonably consider an assignment to an entity or entities owned or under majority control by Developer or the Principals where Developer pays Authority's and City's costs to review, estimate, process and document such assignment and no other provisions of this Agreement are amended thereby. Any such assignment without such consent shall, at Authority's option, be void. In connection with the foregoing consent requirement, Developer acknowledges that Authority and City relied upon Developer'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 Option to Acquire. City shall have an option to acquire from Authority all interest of Authority in the Site, together with any improvements thereon, upon payment of the sum of One Dollar (\$1.00), at any time commencing as of the Date of Agreement and continuing throughout the Required Covenant Period. In the event City exercises such option, City shall provide notice thereof to Developer and to Authority. The transfer of the Site, together with any improvements thereon, from Authority to City shall not, ipso facto, modify the rights of Developer under this Agreement, including without limitation the Authority Deed, and City, as landlord shall not disturb possession by lessee under the Authority Deed on account of such transfer to City and lessee shall attorn to City as landlord under the Authority Deed. Accordingly, City is prepared to prepare and execute appropriate documentation evidencing City's obligations to assume the Authority Deed, upon which City shall have the same rights and obligations as Authority had under the Authority Deed prior to such assignment.

8.7 Counterparts. Any Project Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

8.8 Prior Agreements; Amendments; Consents. This Agreement (together with the other Project Documents) contains the entire agreement among City, Authority and Developer 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 Project Documents. No modification of any Project Document (including waivers of rights and conditions) shall be effective unless in writing and signed by the party or parties 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 72, plus signature pages, and Attachments 1 through 20, 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 among 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 Authority, City and Developer, and all amendments hereto must be in writing by the appropriate authorities of Authority, City and Developer. Whenever this Agreement provides for action by Authority, the Executive Director of Authority may act on behalf of Authority unless the context or applicable law requires otherwise. Whenever this Agreement provides for action by City, the City Manager may act on behalf of City unless the context or applicable law requires otherwise.

8.9 Governing Law. All of the Project Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Riverside in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Project Documents. Assuming proper service of process, Developer also waives any objection regarding personal or in rem jurisdiction or venue.

8.10 Severability of Provisions. No provision of any Project Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Project Documents are hereby declared to be severable.

8.11 Headings. Article and section headings are included in the Project Documents for convenience of reference only and shall not be used in construing the Project Documents.

8.12 Conflicts. In the event of any conflict between the provisions of this Agreement and those of any other Project 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.

8.13 Time of the Essence. Time is of the essence of all of the Project Documents.

8.14 Conflict of Interest. No member, official or employee of Authority shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

8.15 Warranty Against Payment of Consideration. Developer 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.

DEVELOPER:

COURTYARDS AT COTTONWOOD, L.P.,
a California limited partnership

By: **RBC Cottonwood, LLC**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan

Its: President

By: **KDI Cottonwood, LLC**, a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach

Its: President

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

CITY:

CITY OF MORENO VALLEY, a municipal corporation

By: _____
Mike Lee, Interim City Manager

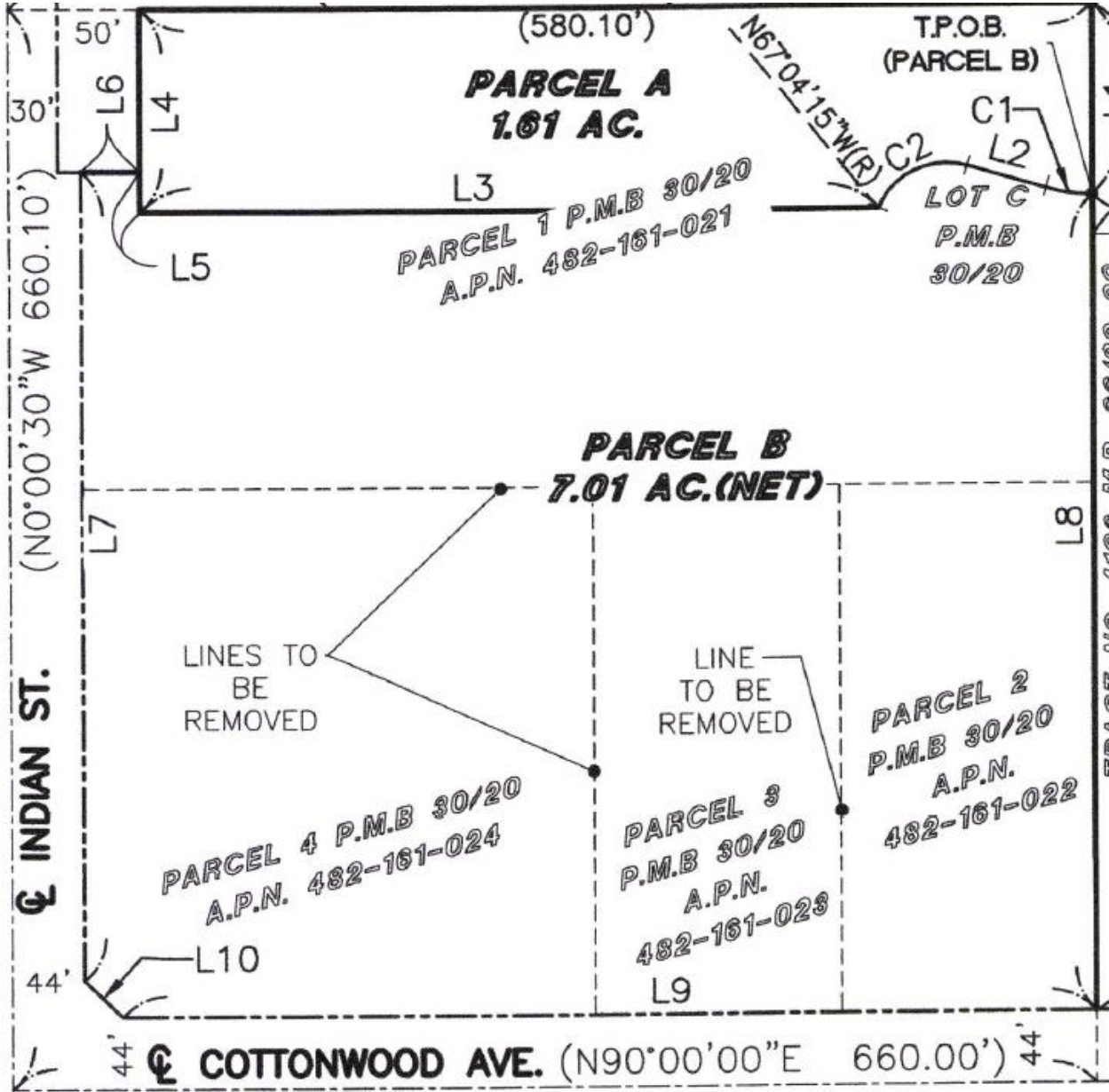
AUTHORITY:

MORENO VALLEY HOUSING AUTHORITY, a public body, corporate and politic

By: _____
Mike Lee, Interim Executive Director

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 1
MAP OF THE TWO PARCEL AREA



Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 2
LEGAL DESCRIPTION OF THE SITE

PARCEL A

THOSE PORTIONS OF PARCEL 1 AND LOT "C" OF PARCEL MAP NO. 8073, IN THE CITY OF MORENO VALLEY, AS RECORDED IN PARCEL MAP BOOK 30, PAGE 20, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LYING WITHIN SECTION 7, TOWNSHIP 3 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL MAP, SAID POINT BEING THE **TRUE POINT OF BEGINNING**:

THENCE SOUTH 00°00'00" EAST ALONG THE EAST LINE OF SAID PARCEL MAP, A DISTANCE OF 117.50 FEET TO A POINT BEING 25.00 FEET, MEASURED ALONG SAID EAST LINE, FROM THE CENTERLINE OF SAID LOT C, SAID POINT IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 100.00 FEET, WITH A RADIAL BEARING OF NORTH 00°00'00" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°23'22", A DISTANCE OF 28.60 FEET;

THENCE NORTH 73°36'38" WEST, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 45.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 83°27'37", A DISTANCE OF 65.55 FEET;

THENCE NORTH 89°59'10" WEST, A DISTANCE OF 449.76 FEET, TO THE INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THAT CERTAIN COURSE OF PARCEL 1 OF SAID PARCEL MAP, WHOSE COURSE BEARS NORTH 00°00'30" WEST, WITH A DISTANCE OF 100.00 FEET;

THENCE NORTHERLY ALONG SAID PROLONGATION NORTH 00°00'30" WEST, A DISTANCE OF 125.00 FEET, TO A NORTHWEST CORNER OF PARCEL 1 OF SAID PARCEL MAP;

THENCE SOUTH 89°59'10" EAST ALONG THE NORTH LINE OF SAID PARCEL 1, A DISTANCE OF 580.10 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL A CONTAINING 70,206 SQUARE FEET, MORE OR LESS.

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 3
SCHEDULE OF PERFORMANCE

For the purposes of this Schedule of Performance, the “Date of Agreement” is April 21, 2020. The Executive Director may extend by not more than three hundred sixty-five (365) days the time under this Schedule of Performance by which any obligation of Developer shall be performed.

- | | |
|---|--|
| 1. <u>TCAC Approval</u> . Developer shall have obtained allocation by TCAC of a preliminary reservation for tax credits for the Development. | Not later than the applicable Tax Credit Deadline. |
| 2. <u>Satisfaction of City Conditions Precedent</u> . Developer shall satisfy the City Conditions Precedent. | Not later than the thirtieth (30 th) day following the applicable Tax Credit Deadline. |
| 3. <u>Recording of Documents</u> . The Authority Deed is recorded; in addition, each and every document required to be executed and delivered in connection with the Conveyance shall have been delivered and each and every document required to be recorded shall have been recorded, including without limitation the City Covenants, the Authority Regulatory Agreement and the City Deed of Trust. | Within thirty (30) days after the earlier to occur of: (i) the satisfaction of the City Conditions Precedent, or (ii) the time established under this Schedule of Performance for the satisfaction of the City Conditions Precedent. |
| 4. <u>Commencement of Construction</u> . Developer shall have commenced construction of the Improvements. | No later than one hundred eighty (180) days following the applicable Tax Credit Deadline. |
| 5. <u>Completion of Construction</u> . Developer shall complete construction of the Improvements. | Within twenty (20) months after the earlier of (i) commencement of construction or (ii) the time set forth in item #4 for the commencement of construction of the Improvements. |
| 6. <u>Rental Units Occupied</u> . Developer causes the Required Affordable Units to be occupied using rents prescribed by and in conformity with the Agreement or held available for such occupancy. | Within one hundred twenty (120) 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: Moreno Valley Housing Authority
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: Executive Director

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of Courtyards at Cottonwood, L.P., a California limited partnership (the "Developer"), hereby represents and warrants that:

1. He has read and is thoroughly familiar with the provisions of that certain unrecorded Disposition and Development/Affordable Housing Agreement (the "DDA") by and among Authority, the City of Moreno Valley (the "City") and Developer dated as of April 21, 2020, including without limitation the City Covenants, and the Authority Regulatory Agreement, the Authority Deed, and other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the DDA; and

2. As of the date of this Certificate, the following number of completed residential units at the Site: (i) are currently occupied by Extremely Low Income Households at Affordable Rent; (ii) are currently occupied by a Very Low Income Households at Affordable Rent; (iii) are currently occupied by Low Income Households at Affordable Rent; (iv) are currently vacant and being held available for occupancy by a Very Low Income Households and Extremely Low Income Household at Affordable Rent; (v) are currently vacant and being held available for occupancy by a Very Low Income Household and have been so held continuously since the date a Very Low Income Households vacated such unit; (vi) are currently vacant and being held available for occupancy by a Low Income Household and have been so held continuously since the date a Low Income Household vacated such unit:

Occupied at an Affordable Rent by:

- i. Extremely Low Income Households (30%) ___ # of Units, Nos.: _____
ii. Very Low Income Households (50%) ___ # of Units, Nos.: _____
iii. Low Income Households (59.5%) ___ # of Units, Nos.: _____

Vacant:

a. Held for occupancy by:

- i. Extremely Low Income Households (30%) ___ # of Units, Nos: _____
ii. Very Low Income Households (50%) ___ # of Units, Nos.: _____
iii. Low Income Households (59.5%) ___ # of Units, Nos.: _____

b. Last occupied by:

- i. Extremely Low Income Households (30%) ___ # of Units, Nos: _____

- ii. Very Low Income Households (50%) ___ # of Units, Nos.: _____
- iii. Low Income Households (59.5%) ___ # 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 Extremely Low Income Households, Very Low Income Households, and/or Low Income Households at an Affordable Rent, not fewer than fourteen (14) of the Required Affordable Units have been occupied with households. All of the Required Affordable Units have been occupied only by Eligible Households or have been held for occupancy by Eligible Households.

4. Developer is not in default under the terms of the Agreement, including without limitation the attachments thereto (such as the Authority Deed, the City Covenants and the Authority Regulatory Agreement).

COURTYARDS AT COTTONWOOD, L.P.,
a California limited partnership

By: **RBC Cottonwood, LLC**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan
Its: President

By: **KDI Cottonwood, LLC**, a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach
Its: President

(DEVELOPER)

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 5

NOTICE OF AFFORDABILITY RESTRICTIONS

Recording Requested By:

When Recorded Return To and
Mail Tax Statements To:

Moreno Valley Housing Authority
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: Executive Director

[Space above for recorder.]

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

**NOTICE OF AFFORDABILITY RESTRICTIONS ON
TRANSFER OF PROPERTY**

This NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY (or “Notice of Affordability Restrictions”) is executed as of _____, 20__ and affects that certain property described in Exhibit “A” hereto (“Site”). The Moreno Valley Housing Authority (“Authority”), the City of Moreno Valley (“City”) and Courtyards at Cottonwood, L.P. (“Developer”) have previously entered into that certain unrecorded Disposition and Development/Affordable Housing Agreement dated as of April 21, 2020 (the “DDA”). The DDA is on file with Authority as a public record.

1. The DDA provides for affordability restrictions and restrictions on the transfer of the Site, as more particularly set forth in the DDA. A copy of the DDA is on file with the Authority as a public record and is deemed incorporated herein. Reference is made to the DDA with regard to the complete text of the provisions of such agreement which provides for affordability restrictions and restrictions on the transfer of the Site.

2. The DDA provides for the Authority to convey the Site to Developer and for Developer to (a) construct eighty one (81) rental dwelling units at the Site and (b) rent all of such thirty (30) dwelling units to households of limited income, paying an affordable rent; such restrictions are set forth at greater length in a

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

document entitled the “Regulatory Agreement,” substantially in the form prescribed by the DDA, which has been entered into by and among the Authority, the City of Moreno Valley (“City”), and the Developer, and which is expected to be recorded substantially concurrently herewith among the official land records of the County of Riverside. The Regulatory Agreement and the DDA are deemed to be incorporated herein by reference.

2.1 Article II, Section 1 of the Regulatory Agreement provides as follows; where the terms “Declaration” and “CC&Rs” are used in the quoted language below, such terms refer to the Regulatory Agreement:

“Uses. The Developer shall develop the Approved Housing Project on the Site in conformity with the DDA. Thereafter, the Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in the DDA and the Authority Deed for the periods of time specified herein. All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to the DDA, shall conform to all applicable provisions of the City Code and the City Approvals.

The Site shall be used, maintained and operated in accordance with the DDA, the Authority Deed, 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 Developer 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.

2.2 Article II, Section 2 of the Regulatory Agreement provides as follows:

“Affordable Housing.

Number of Units. (a) Throughout the Required Covenant Period, the Required Affordable Units shall be rented to households at the following income levels: (i) for sixteen (16) one-bedroom Housing Units, thirty percent (30%) of Median Income; (ii) for four (4) two-bedroom Housing Units, thirty percent (30%) of Median Income; (iii) for four (4) three-bedroom Housing Units, thirty percent (30%) of Median Income; (iv) for four (4) one-bedroom Housing Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Housing Units, fifty percent (50%) of Median Income; (vi) for three (3) three-bedroom Housing Units, fifty percent (50%) of Median Income; (vii) for four (4) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; (viii) four twenty (20) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and (ix) for twenty one (21) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income. Required Affordable Housing Units shall be continuously occupied by or held available for occupancy by Extremely Low Income Household or, as applicable, Very Low Income Households, or Low Income Households, at an Affordable Rent. All Required Affordable Units shall be rented at Affordable Rent. For this purpose, a tenant who qualifies as an Extremely 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 an Extremely Low Income Household. Moreover, a unit previously occupied by an Extremely Low Income Household, and then vacated shall be considered occupied by such Extremely Low Income Household until reoccupied, other than for a

temporary period, at which time the character of the unit shall be redetermined; a similar protocol shall apply with respect to Very Low Income Households, and Low Income Units. In no event shall such temporary period exceed thirty-one (31) days.

(b) At such time as a tenant ceases to qualify as an Extremely Low Income Household, the unit occupied by such tenant shall cease to be an Extremely Low Income Unit. Developer shall replace each such Extremely Low Income Unit by designating the next available unit and any necessary units thereafter as an Extremely Low Income Unit. For purposes of this Agreement, such designated unit will be considered an Extremely Low Income Unit if it is held vacant and available for occupancy by an Extremely Low Income Household, and, upon occupancy, the income eligibility of the tenant as an Extremely Low Income Household is verified and the unit is rented at Affordable Rent. A similar protocol shall apply with respect to Very Low Income Units, and Low Income Units, respectively.

Except to the extent prohibited by federal law, in the event a household's income initially complies with the corresponding income restriction for an Extremely 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 three hundred sixty-five days (measured from the time the income of the household ceases to qualify at the designated affordability level). Developer shall include in its rental agreements provisions which implement this requirement and limitation, and Developer shall expressly inform prospective renters as to this limitation prior to the commencement of a tenancy.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and

occupied by Extremely Low Income Households and, to the extent provided under Prescribed Income Levels, Very Low Income Units, and Low Income Households, at Affordable Rent throughout the Required Covenant Period. All tenants residing in any Unit for which rents are limited by virtue of this Regulatory Agreement or pursuant to other regulation during the last two (2) Years of the Required Covenant Period shall be given notice by Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on such Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Developer shall demonstrate to Authority that the proposed tenants of each of the Required Affordable Units constitutes an Extremely Low Income Household or, to the extent provided herein, Very Low Income Units, or a Low Income Household.

Developer shall restrict occupancy of all of the Required Affordable Units as Eligible Units occupied by Eligible Households.

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, Developer 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 an Extremely Low Income Household or, to the extent provided herein, a Very Low Income Unit Household or a Low Income Household and meet(s) the eligibility requirements established for the Required Affordable Unit. Developer shall verify the income of the tenant(s).

Developer 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.

Developer 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 Required Affordable Units. The Required Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the DDA, Affordable Rent is calculated in accordance with the Affordable Rent Worksheet or, if lower, the Tax Credit Rents. The maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted by Section 50053 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.

Relationship to Tax Credit Requirements. Notwithstanding any other provision of this Regulatory Agreement, to the extent that requirements associated with the provision of financing, other than by Authority, are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in this Regulatory Agreement, whichever is more restrictive in each case, shall control and Developer's compliance therewith shall not be a default hereunder. If, following completion of construction of the Improvements, Developer restricts a greater number of Housing Units as affordable units than is required under this Regulatory Agreement as of the date it is first executed, Developer agrees, upon request therefor by Authority, to execute and record such addendum or supplement to this Regulatory Agreement as would restrict such additional units to be affordable on a similar basis to that set forth herein.

THE DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE DDA, THIS REGULATORY

AGREEMENT AND THE AUTHORITY DEED IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.”

3. The restrictions contained in the Regulatory Agreement expire ninety (90) years following the date the Regulatory Agreement is recorded. The Regulatory Agreement is being submitted for recordation contemporaneously with this Notice of Affordability Restrictions.

4. The commonly known address for the Site is _____ in the City of Moreno Valley.

The Site consists of all or a portion of parcels: _____; such numbers are subject to change.

5. The legal description for the Site is attached hereto as Exhibit A and is incorporated herein by reference.

6. The Regulatory Agreement, which includes the affordability restrictions referenced above, is expected to be submitted for recordation in the Office of the Riverside County Recorder contemporaneously with this Notice of Affordability Restrictions.

7. The DDA and the Regulatory Agreement both remain in full force and effect and are not amended or altered in any manner whatsoever by this Notice of Affordability Restrictions.

8. Capitalized terms shall have the meaning established under the DDA (including all Attachments thereto) excepting only to the extent as otherwise expressly provided under this Notice of Affordability Restrictions.

[Notice of Affordability Restrictions continues on following page.]

9. Persons having questions regarding this Notice of Affordability Restrictions, the DDA or the Attachments thereto (including the Regulatory Agreement) should contact the Authority at its offices (14177 Frederick Street, Moreno Valley, or such other address as may be designated by the Authority from time to time).

DEVELOPER:

COURTYARDS AT COTTONWOOD, L.P.,

a California limited partnership

By: **RBC Cottonwood, LLC**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan

Its: President

By: **KDI Cottonwood, LLC**, a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach

Its: President

[Signatures continue on next page]

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

CITY:

CITY OF MORENO VALLEY, a
municipal corporation

AUTHORITY:

**MORENO VALLEY HOUSING
AUTHORITY**, a public body, corporate
and politic

By: _____
Mike Lee, Interim City Manager

By: _____
Mike Lee, Interim Executive Director

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 6

AUTHORITY DEED

Recording Requested By:

When Recorded Return To and
Mail Tax Statements To:

APN:

(Space above for Recorder's Use.)

DOCUMENTARY TRANSFER TAX

\$_____ * computed on the consideration or value of property conveyed; OR _____ computed on the consideration or value less liens or encumbrances remaining at time of sale.

The undersigned Grantor

Signature of Declarant or Agent determining tax - Firm Name

*The value of the property in this conveyance, exclusive of liens and encumbrances is \$100.00 or less, and there is no additional consideration received by the Grantor(s), R & T 11911

GRANT DEED CONTAINING RESALE RESTRICTIONS

For a valuable consideration receipt of which is hereby acknowledged,

The **MORENO VALLEY HOUSING AUTHORITY**, a public body, corporate and politic herein called "Grantor" (or "Authority") hereby grants to **COURTYARDS AT COTTONWOOD, L.P.**, a California limited partnership, herein called "Grantee" or "Developer," the real property hereinafter referred to as "Property", described in Exhibit A attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants or record described there.

1. Said Property is conveyed in accordance with and subject to that certain unrecorded Disposition and Development/Affordable Housing Agreement entered into among Grantor, Grantee, and the City of Moreno Valley, a municipal corporation ("City") dated as of April 21, 2020 (the "DDA"), a copy of which is on file with the Grantor at its offices as a public record. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the DDA.

2. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that the Grantee shall restrict the Property and the improvements thereon in accordance with this Grant Deed Containing Resale Restrictions to preserve its value for the benefit of Grantee, its successors and the surrounding neighborhood.

3. The Property is conveyed to Grantee at a purchase price, herein called "Purchase Price," which has been determined taking into account the restrictions imposed on the Property by the

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

DDA, including the attachments thereto. Therefore, Grantee hereby covenants and agrees that the Grantee shall maintain and use the Property in conformity with the provisions of this Authority Deed as well as (i) that certain agreement recorded of even date hereof by and among Authority, City and Developer entitled “Authority Regulatory Agreement,” and (ii) that certain agreement recorded of even date hereof by and among Authority, City and Developer entitled “City Regulatory Agreement” (and, together with the Authority Regulatory Agreement, the “Moreno Valley Regulatory Agreements”).

For a period (“Required Covenant Period”) commencing upon the date this Grant Deed containing Resale Restrictions is recorded and terminating on the [sixty-sixth (66th)] anniversary of that date (“Affordability Period Termination Date”), the Property may be used for affordable rental housing for households of limited income in accordance with the “Prescribed Income Levels” (as defined below), as more particularly set forth in the City Regulatory Agreement, and subject to the following:

“**Prescribed Income Levels**” means the following throughout the Required Covenant Period: (i) for sixteen (16) one-bedroom Housing Units, thirty percent (30%) of Median Income; (ii) for four (4) two-bedroom Housing Units, thirty percent (30%) of Median Income; (iii) for four (4) three-bedroom Housing Units, thirty percent (30%) of Median Income; (iv) for four (4) one-bedroom Housing Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Housing Units, fifty percent (50%) of Median Income; (vi) for three (3) three-bedroom Housing Units, fifty percent (50%) of Median Income; (vii) for four (4) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; (viii) four twenty (20) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and (ix) for twenty one (21) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income.

4. **Limitation or Transfer of the Property.** Excepting for the rental of individual dwelling units to occupants in the regular course of business (which rental activity shall not be limited by this Section 4), Developer shall not sell, lease, or otherwise transfer or convey all or any part of the Site, or any interest therein, unless Developer has first obtained the prior written consent of the Executive Director of Authority (the “Executive Director”), which consent may be granted or refused in the Executive Director’s sole and absolute discretion. In addition, Developer’s limited partner and any successor thereto, may, without the prior consent of Authority and except as set forth in the senior permitted liens, sell, transfer, assign, pledge, hypothecate, and encumber some or all of its partnership interests in Developer and the same shall not be a violation of this Agreement. Moreover, Developer’s limited partner and any successor thereto, shall have the right, without the prior consent of Authority and except as set for in the senior permitted liens, to remove any or all of Developer’s general partners for cause as permitted under Developer’s limited partnership agreement and replace any or all removed general partners with a person or entity determined in the limited partner’s sole discretion. Any sale, lease, transfer or conveyance without such consent shall, at Authority’s option, be void. A change in ownership of Developer resulting in the individuals executing this Agreement on behalf of Developer retaining less than fifty-one percent (51%) ownership of all general partner interests in Developer shall be deemed to violate this Section 4. In connection with the foregoing consent requirement, Developer acknowledges that each of Authority and City relied upon Developer’s particular expertise in entering into the DDA and continue to rely on such expertise to ensure the satisfactory completion of all of the Developer Improvements, and the marketing and rental of the Required Affordable Units to Very Low Income Households and Low Income Households to afford the community a long-term, quality affordable housing resource.

5. **Encumbrances.**

a. **No Subordination.** The provisions of this Grant Deed Containing Resale Restrictions shall not be subordinated.

b. **Request for Notice of Default.** Grantor may cause a Request for Notice to be recorded on the Property subsequent to the recordation of a deed of trust or mortgage requesting a statutory notice of default as set forth in California Civil Code Section 2924b.

6. **Uses.** The Grantee covenants and agrees to devote, use and maintain the Property in accordance with this Grant Deed Containing Resale Restrictions. All uses conducted on the Property, including, without limitation, all activities undertaken by the Grantee pursuant to this Grant Deed Containing Resale Restrictions, shall conform to all applicable provisions of the City Code, and the recorded documents pertaining to and running with the Property. Grantee further agrees to not oppose the inclusion of the Property in a homeowners association should one be formed.

7. **Nondiscrimination Covenants.** Developer 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 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.

Developer 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.”

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 which are the subject of this Agreement, 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 addition, Developer hereby covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, to comply with the following laws relating to nondiscrimination and equal opportunity to the extent applicable to the Site or the Housing Project: (1) The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise), the Federal Program Limitations, and the Unruh Act, Civil Code Section 51, *et seq.*

The covenants established in this Section 7 shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority and its successors and assigns, and shall remain in effect in perpetuity.

8. **Maintenance of Property.** Grantee shall maintain the improvements and landscaping on the Property in a manner consistent with the Moreno Valley Regulatory Agreements, in accordance with the City Code. Grantee also agrees to comply with all applicable federal, state and local laws.

9. **Effect of Violation of the Terms and Provisions of this Grant Deed Containing Resale Restrictions.**

a. **In General.** The covenants established in this Grant Deed Containing Resale Restrictions shall, without regard to technical classification and designation, be binding for the benefit and in favor of Grantor, its successors and assigns, as to those covenants which are for its benefit. The covenants contained in this Grant Deed Containing Resale Restrictions shall remain in effect for the periods of time specified herein. The covenants against discrimination shall remain in effect in perpetuity. Grantor is deemed the beneficiary of the terms and provisions of this Grant Deed Containing Resale Restrictions and of the covenants running with the land, for and in its own rights 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 Grant Deed Containing Resale Restrictions and the covenants running with the land have been provided. This Grant Deed Containing Resale Restrictions and the covenants therein shall run in favor of Grantor, without regard to whether Grantor has been, remains or is an owner of any land or interest therein in the Property or in the Project Area. Grantor shall have the right, if the Grant Deed Containing Resale Restrictions or covenants 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 Grant Deed Containing Resale Restrictions and covenants may be entitled.

10. **Indemnification.** Grantee shall pay for, defend, indemnify and hold harmless Grantor and its officers, officials, agents, employees, representatives, and volunteers from and against any loss, liability, claim, or judgment relating in any manner to the Grantee's use of the Property or Grantee's violation of this Grant Deed Containing Resale Restrictions. The Grantee shall remain fully obligated for the payment of taxes, liens and assessments related to the Property. There shall be no reduction in taxes for Grantee, nor any transfer of responsibility to Grantor to make such payments, by virtue of this Grant Deed Containing Resale Restrictions.

11. **Insurance.** Grantee shall maintain, during the Required Covenant Period, all insurance policies, conveyances and endorsements as set forth in Section 4.5 of the DDA.

12. **Defaults.** Failure or delay by either party to perform any term or provision of this Grant Deed Containing Resale Restrictions which is not cured within thirty (30) days after receipt of notice from the other party constitutes a default under this Grant Deed Containing Resale Restrictions; provided, however, if such default is of the nature requiring more than thirty (30) days to cure, the defaulting party shall avoid default hereunder by commencing to cure within such thirty (30) day period, and thereafter diligently pursuing such cure to completion. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

13. **Non Waiver.** Failure to exercise any right Grantor may have or be entitled to, in the event of default hereunder, shall not constitute a waiver of such right or any other right in the event of a subsequent default.

14. **Further Assurances.** The Grantee shall execute any further documents consistent with the terms of this Grant Deed Containing Resale Restrictions, including documents in recordable form, as Grantor shall from time to time find necessary or appropriate to effectuate its purposes in entering into this Grant Deed Containing Resale Restrictions.

15. **Governing Law; Interpretation.** The Grantee hereby agrees to comply with all ordinances, rules and regulations of Grantor and the City. Nothing in this Grant Deed Containing Resale Restrictions is intended to be, nor shall it be deemed to be, a waiver of any City ordinance, rule or regulation. This Grant Deed Containing Resale Restrictions shall be governed by the laws of the State of California. Any legal action brought under this Grant Deed Containing Resale Restrictions must be instituted in the Superior Court of the County of San Bernardino, State of California.

This Grant Deed Containing Resale Restrictions shall be interpreted in a manner to favor Grantor's interest in maintaining the long term affordability of the Property.

16. **Amendment of Grant Deed Containing Resale Restrictions.** No modification, rescission, waiver, release or amendment of any provision of this Grant Deed Containing Resale Restrictions shall be made except by a written agreement executed by the Grantee and Grantor.

17. **Covenants Running With the Land.** All covenants contained in this Grant Deed Containing Resale Restrictions shall be covenants running with the land. Grantee's obligation to maintain and use the improvements constructed as provided herein shall continue in effect until the expiration of the Affordability Period. Every covenant contained in this Grant Deed Containing Resale Restrictions against discrimination contained in paragraph 7 of this Grant Deed Containing Resale Restrictions shall remain in perpetuity.

18. **Covenants Binding.** All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized, this __ day of _____, 202_.

MORENO VALLEY HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Mike Lee
Its: Interim Executive Director

The Grantee agrees to be bound by the covenants set forth above.

COURTYARDS AT COTTONWOOD, LP,
a California limited partnership

By: RBC Cottonwood, LLC
a California limited liability company company,
its Administrative General Partner

By: _____
James M. Jernigan
President

By: **KDI Cottonwood, LLC,** a California limited liability company

By: Kingdom Development, Inc.
a California nonprofit public benefit corporation, its Managing General Partner

By: _____
William Leach
Its: President

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

**EXHIBIT "A"
TO ATTACHMENT NO. 6**

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL A

THOSE PORTIONS OF PARCEL 1 AND LOT "C" OF PARCEL MAP NO. 8073, IN THE CITY OF MORENO VALLEY, AS RECORDED IN PARCEL MAP BOOK 30, PAGE 20, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LYING WITHIN SECTION 7, TOWNSHIP 3 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL MAP, SAID POINT BEING THE **TRUE POINT OF BEGINNING**:

THENCE SOUTH 00°00'00" EAST ALONG THE EAST LINE OF SAID PARCEL MAP, A DISTANCE OF 117.50 FEET TO A POINT BEING 25.00 FEET, MEASURED ALONG SAID EAST LINE, FROM THE CENTERLINE OF SAID LOT C, SAID POINT IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 100.00 FEET, WITH A RADIAL BEARING OF NORTH 00°00'00" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°23'22", A DISTANCE OF 28.60 FEET;

THENCE NORTH 73°36'38" WEST, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 45.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 83°27'37", A DISTANCE OF 65.55 FEET;

THENCE NORTH 89°59'10" WEST, A DISTANCE OF 449.76 FEET, TO THE INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THAT CERTAIN COURSE OF PARCEL 1 OF SAID PARCEL MAP, WHOSE COURSE BEARS NORTH 00°00'30" WEST, WITH A DISTANCE OF 100.00 FEET;

THENCE NORTHERLY ALONG SAID PROLONGATION NORTH 00°00'30" WEST, A DISTANCE OF 125.00 FEET, TO A NORTHWEST CORNER OF PARCEL 1 OF SAID PARCEL MAP;

THENCE SOUTH 89°59'10" EAST ALONG THE NORTH LINE OF SAID PARCEL 1, A DISTANCE OF 580.10 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL A CONTAINING 70,206 SQUARE FEET, MORE OR LESS.

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Title Or Type Of Document

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 7
CALCULATION OF AFFORDABLE RENTS

Riverside County
Affordable Rent Worksheet
(2019 Income Figures)

Method of Determining Rents¹

1. Income Eligibility^{2,3}

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>	\$15,100	\$17,250	\$21,330	\$25,750	\$30,170	\$34,590	\$39,010	\$43,430
<i>Very Low</i>	\$25,150	\$28,750	\$32,350	\$35,900	\$38,800	\$41,650	\$44,550	\$47,400
<i>Lower</i>	\$40,250	\$46,000	\$51,750	\$57,450	\$62,050	\$66,650	\$71,250	\$75,850
<i>Median</i>	\$48,800	\$55,750	\$62,750	\$69,700	\$75,300	\$80,850	\$86,450	\$92,000
<i>Moderate</i>	\$58,550	\$66,900	\$75,300	\$83,650	\$90,350	\$97,050	\$103,750	\$110,400

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.

¹ Based on currently effective median income of Riverside County, as released by the Department of Housing and Community Development (“HCD”) by memorandum dated as of May 6, 2019 as posted to the HCD website. These median income numbers are revised annually; accordingly, affordable rents are revised annually as well. Developer is responsible for charging rents in the amounts allowable under this Agreement. Developer is encouraged to annually confirm proposed rents with the Authority.

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).

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 **Extremely Low Income Households**:⁴

- renting a **0 bedroom** unit, monthly rent may not exceed **\$366.00**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$418.13**
- renting a **2 bedroom** unit, monthly rent may not exceed **\$470.63**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$522.75**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$564.75**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$606.38**

For **Very Low Income Households**:⁵

- renting a **0 bedroom** unit, monthly rent may not exceed **\$610.00**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$696.88**
- renting a **2 bedroom** unit, monthly rent may not exceed **\$784.38**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$871.25**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$941.25**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$1,010.63**

For **Lower Income Households**:⁶

- renting a **0 bedroom** unit, monthly rent may not exceed **\$732.00**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$836.25**

⁴ 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).

⁵ 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)(3).

⁶ Affordable Rent for Lower Income Households, for purposes of this Agreement, is the product of 30 percent times 59 percent of the area median income adjusted for family size appropriate to the unit; in this regard, Worksheet D (as attached to this Attachment No. 7) should be used as to Lower Income Households. While the computations above would generally be consistent with Health and Safety Code Section 50053(b)(3), the factor of 60% is replaced by 59.5%; Worksheet D adjusts for 59.5%. Please note that the numbers reflected in this Attachment No. 7 (other than Worksheet D) are based upon 60% (not 59.5%): the Developer is urged to confer and consult with Authority staff regarding which figures would apply for 59.5%.

- renting a **2 bedroom** unit, monthly rent may not exceed **\$941.25**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$1,045.50**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$1,129.50**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$1,212.75**

In addition, for any Lower Income Household whose income falls within the following guidelines, it is **optional** for Authority to require that **affordable rent not exceed 30 percent of the gross income of the household**:⁷

- **1 person households** whose income is between **\$29,280 and \$40,250**
- **2 person households** whose income is between **\$33,450 and \$46,000**
- **3 person households** whose income is between **\$37,650 and \$51,750**
- **4 person households** whose income is between **\$41,820 and \$57,450**
- **5 person households** whose income is between **\$45,180 and \$62,050**
- **6 person households** whose income is between **\$48,510 and \$66,650**
- **7 person households** whose income is between **\$51,870 and \$71,250**
- **8 person households** whose income is between **\$55,200 and \$75,850**

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.

⁷ Health and Safety Code Section 50053 (b)(3).

⁸ 25 California Code of Regulations Section 6918.

[Placeholder: to be updated by KMA to show 2019 affordable rents for project using applicable rents for Riverside County]

WORKSHEET A

RESTRICTED RENTS - 30% AMI, 2017

**THE GROVE
CITY OF VISTA**

Number of Bedrooms	1	2
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A. California Redevelopment Law

Percent of AMI	30%	30%
Assumed Family Size	2.0	3.0
Household Income (Rounded)	\$19,035	\$21,405

Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$476	\$535
(Less) Utility Allowance ⁽¹⁾	(\$47)	(\$60)

Maximum Monthly Rent	\$429	\$475
-----------------------------	--------------	--------------

B. Low Income Housing Tax Credit (LIHTC) Program

Percent of AMI	30%	30%
Assumed Family Size	1.5	3.0
Household Income	\$20,475	\$24,570

Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$512	\$614
(Less) Utility Allowance ⁽¹⁾	(\$47)	(\$60)

Maximum Monthly Rent	\$465	\$554
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C. Maximum Monthly Rent (Lesser of A or B)	\$429	\$475
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(1) Utility allowance per the San Diego County Department of Housing and Community Development 2017 Utility Allowance Schedule, July 1, 2017.

<u>Monthly Utility</u>	<u>One</u>	<u>Two</u>
Electric Heating	\$7	\$9
Electric Cooking	\$4	\$5
Other Electric	\$23	\$30
Air Conditioning	\$1	\$1
Gas Water Heater	\$12	\$15
Total	\$47	\$60

Prepared by: Keyser Marston Associates, Inc.
 Filename i:\Vista_The Grove Alternatives_v5_33433.xlsx;1/29/2018;rsp

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

WORKSHEET B

RESTRICTED RENTS - 45% AMI, 2017
THE GROVE
CITY OF VISTA

Number of Bedrooms	1	2
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A. California Redevelopment Law

Percent of AMI	50%	50%
Assumed Family Size	2.0	3.0
Household Income (Rounded)	\$31,725	\$35,675
Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$793	\$892
(Less) Utility Allowance (1)	(\$47)	(\$60)
Maximum Monthly Rent	\$746	\$832

B. Low Income Housing Tax Credit (LIHTC) Program

Percent of AMI	45%	45%
Assumed Family Size	1.5	3.0
Household Income	\$30,713	\$36,855
Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$768	\$921
(Less) Utility Allowance (1)	(\$47)	(\$60)
Maximum Monthly Rent	\$721	\$861

C. Maximum Monthly Rent (Lesser of A or B)	\$721	\$832
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(1) Utility allowance per the San Diego County Department of Housing and Community Development 2017 Utility Allowance Schedule, July 1, 2017.

<u>Monthly Utility</u>	<u>One</u>	<u>Two</u>
Electric Heating	\$7	\$9
Electric Cooking	\$4	\$5
Other Electric	\$23	\$30
Air Conditioning	\$1	\$1
Gas Water Heater	<u>\$12</u>	<u>\$15</u>
Total	\$47	\$60

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Vista_The Grove Alternatives_v5_33433.xlsx;1/29/2018;rsp

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

WORKSHEET C

RESTRICTED RENTS - 50% AMI, 2017
THE GROVE
CITY OF VISTA

Number of Bedrooms	1	2
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A. California Redevelopment Law

Percent of AMI	50%	50%
Assumed Family Size	2.0	3.0
Household Income (Rounded)	\$31,725	\$35,675
Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$793	\$892
(Less) Utility Allowance (1)	(\$47)	(\$60)
Maximum Monthly Rent	\$746	\$832

B. Low Income Housing Tax Credit (LIHTC) Program

Percent of AMI	50%	50%
Assumed Family Size	1.5	3.0
Household Income	\$34,125	\$40,950
Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$853	\$1,024
(Less) Utility Allowance (1)	(\$47)	(\$60)
Maximum Monthly Rent	\$806	\$964

C. Maximum Monthly Rent (Lesser of A or B)	\$746	\$832
---	--------------	--------------

(1) Utility allowance per the San Diego County Department of Housing and Community Development 2017 Utility Allowance Schedule, July 1, 2017.

Monthly Utility	One	Two
Electric Heating	\$7	\$9
Electric Cooking	\$4	\$5
Other Electric	\$23	\$30
Air Conditioning	\$1	\$1
Gas Water Heater	\$12	\$15
Total	\$47	\$60

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Vista_The Grove Alternatives_v5_33433.xlsx;1/29/2018;rsp

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

WORKSHEET D

**RESTRICTED RENTS - 59% AMI, 2017
THE GROVE
CITY OF VISTA**

Number of Bedrooms	1	2
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A. California Redevelopment Law

Percent of AMI	59%	59%
Assumed Family Size	2.0	3.0
Household Income (Rounded)	\$37,436	\$42,097
Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$936	\$1,052
(Less) Utility Allowance (1)	<u>(\$47)</u>	<u>(\$60)</u>

Maximum Monthly Rent	\$889	\$992
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B. Low Income Housing Tax Credit (LIHTC) Program

Percent of AMI	59%	59%
Assumed Family Size	1.5	3.0
Household Income	\$40,950	\$49,140
Income Allocation to Housing	30%	30%
Monthly Housing Cost	\$1,024	\$1,229
(Less) Utility Allowance (1)	<u>(\$47)</u>	<u>(\$60)</u>

Maximum Monthly Rent	\$977	\$1,169
-----------------------------	--------------	----------------

C. Maximum Monthly Rent (Lesser of A or B)	\$889	\$992
---	--------------	--------------

(1) Utility allowance per the San Diego County Department of Housing and Community Development 2017 Utility Allowance Schedule, July 1, 2017.

<u>Monthly Utility</u>	<u>One</u>	<u>Two</u>
Electric Heating	\$7	\$9
Electric Cooking	\$4	\$5
Other Electric	\$23	\$30
Air Conditioning	\$1	\$1
Gas Water Heater	<u>\$12</u>	<u>\$15</u>
Total	\$47	\$60

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Vista_The Grove Alternatives_v5_33433.xlsx;1/29/2018;rsp

**ATTACHMENT NO. 8
REQUEST FOR NOTICE OF DEFAULT**

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Moreno Valley Housing Authority
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Exempt from recording fees pursuant to Government Code § 6103.

Request for Notice Under Section 2924b Civil Code

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. _____ on _____, 20____, in Book _____, Page _____, Official Records of Riverside County, California, and describing land therein as

See Exhibit A attached hereto

executed by _____, as Trustor, in which _____ is named as Beneficiary, and _____ as Trustee, be mailed to Moreno Valley Housing Authority, at 14177 Frederick Street, Moreno Valley, California 92552-0805, Attention: Executive Director.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A REQUEST MUST BE RECORDED.

Mike Lee
Interim Executive Director

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Title Or Type Of Document

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 9
SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The Site is specifically delineated on the Site Map and the Legal Description of the Site.

II. DEVELOPMENT

Developer shall construct eighty one (81) Housing Units on the Site, together with all on-site and off-site features described in this Scope of Development (consistent with the conceptual drawings as presented to the City Council of the City on April 21, 2020, including without limitation landscaping. All such improvements, including all conditions of deposit now or hereafter imposed by City (including without limitation and mitigation measures) collectively constitute the “Improvements.” The number of bedrooms for the Required Affordable Units (80 Housing Units) is set forth within the definition, Required Affordable Units. Three-bedroom Housing Units shall be a minimum of one thousand (1,000) square feet, two-bedroom Housing Units shall be a minimum of eight hundred (800) square feet, and one-bedroom Housing Units shall be a minimum of six hundred twenty eight (628) square feet, or as otherwise approved by City’s Planning Authority. All development shall be consistent with and implement all conditions of approval, including without limitation mitigation measures, in connection with the Entitlements.

[to come: detailed description of, and description of parking, other project features; is there any common access with Parcel B/District]

The quality of construction shall be of a high level. The Improvements shall conform to such plans as are approved by City and maintained on file with City as supplemented by the Design Development Drawings (the “Approved Plans”).

Developer shall commence and complete the Improvements by the respective times established therefor in the Schedule of Performance.

III. DEVELOPMENT STANDARDS

The Improvements shall conform to all applicable state laws and regulations and to local zoning, applicable provisions of the City Code and the following development standards:

A. General Requirements:

1. Vehicular Access. The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow as approved by City. In the interest of minimizing traffic congestion, City will control the number and location of curb breaks for access to the Site for off-street parking and truck loading. All access driveways shall require written approval of City staff.

2. Building Signs. Signs on the Site shall be limited in size, subdued and otherwise designed to contribute positively to the environment. Signs identifying the building use will be permitted, but their height, size, location, color, lighting and design will be subject to City staff approval, and signs must conform to the City Code.

3. Screening. All outdoor storage of materials or equipment shall be enclosed or screened to the extent and in the manner required by City staff.

4. Landscaping. Developer shall provide and maintain landscaping within the public rights-of-way and within setbacks along all street frontages and conforming with the plans as hereafter approved by City.

Landscaping shall consist of trees, shrubs and installation of an automatic irrigation system adequate to maintain such plant material. The type and size of trees to be planted, together with a landscaping plan, shall be subject to City staff approval prior to planting.

5. Utilities. All utilities on the Site provided to service the units rehabilitated or reconstructed by Developer shall be underground at Developer's expense.

6. Building Design. Buildings shall be constructed such that the Improvements shall be of high architectural quality, and shall be effectively and aesthetically designed and in conformance with City approvals.

7. Mitigation Measures. Mitigation measures approved for the Development under the California Environmental Quality Act (CEQA).

B. Design Features:

The following design features are considered essential components to the Improvements:

Security - The details of security will be reviewed upon submission of the detailed plans.

Overall Design Quality, Materials, Colors, Design Features - Quality of design is important, materials and colors are to be approved by City.

Housing Type - Rental housing for occupancy by eighty one (81) Housing Units, [consisting of twenty four (24) one-bedroom Housing Units, twenty eight (28) two-bedroom Housing Units, and twenty eight (28) three-bedroom Housing Units.]

Mobility/Agility - All facilities shall comply, to the extent feasible, with "New Horizon Accessible, Adaptable Apartments for the Physically Disabled" published by HCD dated July 1989, and shall comply with those portions of Title 24 of the California Code of Regulations that have been adopted by HCD relating to handicapped units, and the requirements of the federal Department of Housing and Urban Development, Part VI, 24 C.F.R. Ch. 1, Vol. 56, No. 44, as published in the Federal Register March 6, 1991.

IV. DEMOLITION AND SOILS

Developer assumes all responsibility for surface and subsurface conditions at Parcel B, and the suitability of the Site for the Improvements. Developer will undertake all investigation of the Site as it shall deem necessary and has not received or relied upon any representations of Authority, City, or their respective officers, agents and employees.

V. SPECIAL AMENITIES

Developer shall undertake all improvements required by City as a condition of development of the Site, and specifically resident amenities to include features as hereafter designated by the City. In addition, Developer shall provide services under a program of services to be approved by City, from time to time, at the City's reasonable discretion; the program of services shall be periodically updated by Developer and shall be subject to approval by the City.

ATTACHMENT NO. 10

CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

APN: _____

(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 **MORENO VALLEY HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), in favor of **COURTYARDS AT COTTONWOOD, L.P.**, a California limited partnership (the “Developer”), as of the date set forth below.

RECITALS

A. Authority, the City of Moreno Valley, a Charter city duly organized and acting under and by virtue of the Constitution and laws of the State of California (the “City”), and Developer have entered into that certain unrecorded Disposition and Development/Affordable Housing Agreement (the “DDA”) dated as of April 21, 2020 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 DDA, Authority is required to furnish Developer or its successors with a Certificate of Completion upon completion of construction of the “Improvements” (as defined in Section 1.1 of the DDA), 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 DDA.

C. Authority has conclusively determined that the construction and development of the Development has been satisfactorily completed.

NOW, THEREFORE, Authority hereby certifies as follows:

1. Authority does hereby certify that the Improvements to be constructed by Developer has been fully and satisfactorily completed in full conformance with the DDA.

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of Developer 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 Developer’s compliance with those covenants in the DDA that survive the issuance of this Certificate or without certain unrecorded agreement by and among Authority, City, and Courtyards at CottonwoodI, L.P., a California limited partnership entitled “Affordable Housing Agreement” dated as of April 21, 2020 (the “AHA”), a copy of which is on file with City as a public record.

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 DDA (including without limitation the attachments thereto).

IN WITNESS WHEREOF, Authority has executed this Certificate of Completion this ____ day of _____, 20__.

MORENO VALLEY HOUSING AUTHORITY, a public body, corporate and politic

By: _____
Mike Lee, Interim Executive Director

ATTEST:

Pat Jacquez-Nares, Secretary

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

EXHIBIT "A" TO ATTACHMENT NO. 10

LEGAL DESCRIPTION

PARCEL A

THOSE PORTIONS OF PARCEL 1 AND LOT "C" OF PARCEL MAP NO. 8073, IN THE CITY OF MORENO VALLEY, AS RECORDED IN PARCEL MAP BOOK 30, PAGE 20, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LYING WITHIN SECTION 7, TOWNSHIP 3 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL MAP, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 00°00'00" EAST ALONG THE EAST LINE OF SAID PARCEL MAP, A DISTANCE OF 117.50 FEET TO A POINT BEING 25.00 FEET, MEASURED ALONG SAID EAST LINE, FROM THE CENTERLINE OF SAID LOT C, SAID POINT IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 100.00 FEET, WITH A RADIAL BEARING OF NORTH 00°00'00" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°23'22", A DISTANCE OF 28.60 FEET;

THENCE NORTH 73°36'38" WEST, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 45.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 83°27'37", A DISTANCE OF 65.55 FEET;

THENCE NORTH 89°59'10" WEST, A DISTANCE OF 449.76 FEET, TO THE INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THAT CERTAIN COURSE OF PARCEL 1 OF SAID PARCEL MAP, WHOSE COURSE BEARS NORTH 00°00'30" WEST, WITH A DISTANCE OF 100.00 FEET;

THENCE NORTHERLY ALONG SAID PROLONGATION NORTH 00°00'30" WEST, A DISTANCE OF 125.00 FEET, TO A NORTHWEST CORNER OF PARCEL 1 OF SAID PARCEL MAP;

THENCE SOUTH 89°59'10" EAST ALONG THE NORTH LINE OF SAID PARCEL 1, A DISTANCE OF 580.10 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL A CONTAINING 70,206 SQUARE FEET, MORE OR LESS.

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 11

AUTHORITY REGULATORY AGREEMENT

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

Moreno Valley Housing Authority
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: Executive Director

(Space above for Recorder's Use.)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

AUTHORITY REGULATORY AGREEMENT

These Covenants, Conditions and Restrictions, herein sometimes referred to as these "CC&Rs" or "Declaration" or "Authority Regulatory Agreement" or "Regulatory Agreement" are made by the signatories hereto.

RECITALS

WHEREAS, each of the **MORENO VALLEY HOUSING AUTHORITY**, a public body, corporate and politic ("Authority"), the **CITY OF MORENO VALLEY**, a municipal corporation ("City"), and **COURTYARDS AT COTTONWOOD, L.P.**, a California limited partnership ("Developer") is a party to this Declaration. Authority, City and Developer are sometimes collectively referred to herein as the "Declarants."

WHEREAS, Authority, City and Developer have entered into that certain unrecorded Disposition and Development/Affordable Housing Agreement dated as of April 21, 2020 (the "DDA") for the improvement and development of certain real property described in Exhibit "A" (to which these CC&Rs are attached) as the "Site", which DDA provides for the recordation of this Regulatory Agreement following conveyance of the Site to Developer by a grant deed (the "Authority Deed"). The DDA is incorporated herein by this reference and any capitalized term not defined herein shall have the meaning established therefor in the DDA. City is a third party beneficiary of the DDA.

WHEREAS, this Regulatory Agreement establishes a plan for the improvement, development and maintenance of the Site, for the benefit of City and Authority.

WHEREAS, the DDA sets forth certain restrictive covenants applicable to the Site, particularly the use of the Site for the provision of rental housing units available to Extremely Low Income Households, Very Low Income Households and Low Income Households at Affordable Rents as those terms are defined therein.

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

WHEREAS, Authority, City, and Developer wish to adopt this Regulatory Agreement to further govern the use of the Site in conjunction and along with the DDA and to ensure that Authority achieves credit for production of affordable housing units in the manner described by Section 33413 of the California Health and Safety Code.

NOW, THEREFORE, Authority and City each of Developer (as owner of real property interests described hereinabove), in City, declares 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 Authority and 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. “Affiliated Person” means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of, a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

Section 2. “Affordable Housing Project” means an affordable housing project operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

Section 3. “Affordable Rent” has the meaning set forth in Health and Safety Code Section 50053. For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one-twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of Median Income for a household size of appropriate to the Unit or, if lower, 50% Tax Credit Rent. For a Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty nine and one half percent (59.5%) 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 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 4. “Approved Housing Project” means all improvements as provided to be developed by Developer under the DDA. The Approved Housing Project must be completed in strict conformity with all specifications contained in or referred to in the DDA.

Section 5. “Area” means the Riverside Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 6. “Authority” means the Moreno Valley Housing Authority and its successors in interest.

Section 7. “Authority Deed” means a deed substantially in the form of Attachment No. 6 to the DDA.

Section 8. “Calculation of Affordable Rents” means the worksheet substantially in the form of Attachment No. 7 to the DDA.

Section 9. “Capital Replacement Reserve” means a reserve fund to be established by Developer and maintained throughout the Required Covenant Period as a capital replacement reserve; amounts shall initially be in the minimum amount of Three Hundred Dollars (\$300.00) per Housing Unit per Year and may be increased annually following the issuance of a Certificate of Completion for the Improvements by three and one-half percent (3.5%) per Year, or such other amount as the Executive Director and the Developer shall mutually approve. Interest earned on moneys held in the Capital Replacement Reserve shall be retained in the Capital Replacement Reserve unless otherwise directed by the Permanent Lender. To the extent Developer is required to maintain a Capital Replacement Reserve by any Approved Construction and/or Permanent Lender or the Limited Partner, Developer shall receive a credit hereunder for such amounts maintained by it in compliance such Approved Construction and/or Permanent Lender or Limited Partner capital replacement reserve requirement. It is contemplated that the Capital Replacement Reserve will be held by the Permanent Lender.

Section 10. “Certificate” or “Certification” is defined in Section 3(a).

Section 11. “City”, as defined in the first Recital hereof, means the City of Moreno Valley, a municipal corporation.

Section 12. “City Code” means and refers to the City of Moreno Valley Municipal Code as revised from time to time, including without limitation the Uniform Codes.

Section 13. “City Covenants” means that instrument referenced as Attachment No. 13 to the DDA.

Section 14. “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 15. “Conveyance” means the date the Authority conveys the Site to Developer by the Authority Deed.

Section 16. “Eligible Household” means a household having an income which conforms to the Prescribed Income Levels as more particularly set forth in the DDA.

Section 17. “Eligible Unit” means a Housing Unit restricted to occupancy by an Eligible Household as provided under this Authority Regulatory Agreement.

Section 18. “Extremely Low Income Households” means households earning not greater than thirty percent (30%) of Median Income for the Area pursuant to Health and Safety Code Section 50106.

Section 19. “Extremely Low Income Unit” or “Extremely Low Income Unit” means a Housing Unit occupied at Affordable Rent by an Extremely Low Income Household.

Section 20. “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 21. “Housing Unit” means a dwelling unit on the Rental Project.

Section 22. “Low Income Household” or “Lower Income Household” means a household earning not greater than fifty nine and one half percent (59.5%) of median income for the Area.

Section 23. “Low Income Unit” or “Lower Income Unit” means a Housing Unit occupied at Affordable Rent by a Low Income Household.

Section 24. “Map of the Site” means Exhibit B hereto.

Section 25. “Median Income for the Area” means the median income for the Sites 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 26. “Prescribed Income Levels” means following throughout the Required Covenant Period: (a) for sixteen (16) one-bedroom Housing Units, thirty percent (30%) of Median Income; (ii) for four (4) two-bedroom Housing Units, thirty percent (30%) of Median Income; (iii) for four (4) three-bedroom Housing Units, thirty percent (30%) of Median Income; (iv) for four (4) one-bedroom Housing Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Housing Units, fifty percent (50%) of Median Income; (vi) for three (3) three-bedroom Housing Units, fifty percent (50%) of Median Income; (vii) for four (4) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; (viii) four twenty (20) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and (ix) for twenty one (21) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income.

Section 27. “Regulatory Agreement” means this Regulatory Agreement and any amendments, modifications or supplements which may also be referred to herein as this “Declaration.”

Section 28. “Rental Project” means the eighty one (81) Housing Unit residential rental development on the Site.

Section 29. “Required Affordable Unit” means eighty (80) of the eighty one (81) Housing Units all of the thirty (30) dwelling units in the Rental Project, as constructed under the DDA, and available to, occupied by, or held vacant for occupancy only by tenants qualifying as Extremely Low Income Households, Very Low Income Households, and Low Income Households and rented at Affordable Rent.

Section 30. “Required Covenant Period” means the period commencing on the date this Regulatory Agreement is recorded and ending as of the fifty-sixth (56th) anniversary thereof.

Section 31. “Site” means all of the real property and appurtenances as described in the Recitals above, including all structures and other improvements thereon, and those hereafter constructed.

Section 32. [Reserved].

Section 33. “Tax Credit Rent” means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this agreement (such as 30% or 50% of Median Income) under the Tax Credit Rules.

Section 34. “Tax Credit Rules” means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, including without limitation the program regulations promulgated by TCAC.

Section 35. “Tax Credits” means 9% Low Income Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

Section 36. “Required Covenant Period” means a period of fifty-six (56) years commencing as of the Conveyance.

Section 37. “Uniform Codes” means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for Abatement of Dangerous Buildings.

Section 38. “Year” means a calendar year, excepting that the last Year hereunder shall be deemed to end as of the expiration of this Regulatory Agreement.

Section 39. “Very Low Income Households” means households earning not greater than fifty percent (50%) of the Median Income for the Area pursuant to Health and Safety Code Section 50105.

Section 40. “Very Low Income Unit” means a Housing Unit occupied at Affordable Rent by a Very Low Income Household.

ARTICLE II LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. Developer shall develop the Approved Housing Project on the Site in conformity with the DDA. Thereafter, the Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in the DDA and the Authority Deed for the periods of time specified herein. All uses conducted on the Site, including, without limitation, all activities undertaken by Developer pursuant to the DDA, shall conform to all applicable provisions of the City Code and the City Approvals.

The Site shall be used, maintained and operated in accordance with the DDA, the Authority Deed, 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 Developer 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 Housing Units. Throughout the Required Covenant Period, the Required Affordable Units shall be rented to households at the following income levels: During the Required Covenant Period: (i) for sixteen (16) one-bedroom Housing Units, thirty percent (30%) of Median Income; (ii) for four (4) two-bedroom Housing Units, thirty percent (30%) of Median Income; (iii) for four (4) three-bedroom Housing Units, thirty percent (30%) of Median Income; (iv) for four (4) one-bedroom Housing Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Housing Units, fifty percent (50%) of Median Income; (vi) for three (3) three-bedroom Housing Units, fifty percent (50%) of Median Income; (vii) for four (4) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; (viii) four twenty (20) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and (ix) for twenty one (21) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income. Required Affordable Units shall be continuously occupied by or held available for occupancy by Extremely Low Income Household or, as applicable, Very Low Income Households, or Low Income Households, at an Affordable Rent. All Required Affordable Units shall be rented at Affordable Rent. For this purpose, a tenant who qualifies as an Extremely 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 an Extremely Low Income Household. Moreover, a unit previously occupied by an Extremely Low Income Household, and then vacated shall be considered occupied by such Extremely Low Income Household until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined; a similar protocol shall apply with respect to Very Low Income Households, and Low Income Units. In no event shall such temporary period exceed thirty-one (31) days.

(b) [Five (5) of the Units shall be HOME units (specifically, two (2) of the one-bedroom units, two (2) of the two-bedroom Units, and one (1) of the three-bedroom Units) which Developer shall designate as HOME Units and which shall be subject to all applicable HOME Regulations. One of the HOME Units shall be a "Low HOME" unit pursuant to the HOME Regulations; the remaining HOME Units shall be "High HOME" units pursuant to the HOME

Regulations. The HOME Units must be “fixed” HOME Units, such that the specific Housing Units designated as HOME Units may not change. The designation of Housing Units as HOME Units shall terminate at the end of the HOME Compliance Period, unless extended by agreement of the Authority and the Developer.]

At such time as a tenant ceases to qualify as an Extremely Low Income Household, the unit occupied by such tenant shall cease to be an Extremely Low Income Unit. Developer shall replace each such Extremely Low Income Unit by designating the next available unit and any necessary units thereafter as an Extremely Low Income Unit. For purposes of this Agreement, such designated unit will be considered an Extremely Low Income Unit if it is held vacant and available for occupancy by an Extremely Low Income Household, and, upon occupancy, the income eligibility of the tenant as an Extremely Low Income Household is verified and the unit is rented at Affordable Rent. A similar protocol shall apply with respect to Very Low Income Units, and Low Income Units, respectively.

Except to the extent prohibited by federal law, in the event a household’s income initially complies with the corresponding income restriction for an Extremely 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 three hundred sixty-five days (measured from the time the income of the household ceases to qualify at the designated affordability level). Developer shall include in its rental agreements provisions which implement this requirement and limitation, and Developer shall expressly inform prospective renters as to this limitation prior to the commencement of a tenancy.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and occupied by Extremely Low Income Households and, to the extent provided under Prescribed Income Levels, Very Low Income Units, and Low Income Households, at Affordable Rent throughout the Required Covenant Period. All tenants residing in any Unit for which rents are limited by virtue of this Regulatory Agreement or pursuant to other regulation during the last two (2) Years of the Required Covenant Period shall be given notice by Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on such Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Developer shall demonstrate to Authority that the proposed tenants of each of the Required Affordable Units constitutes an Extremely Low Income Household or, to the extent provided herein, Very Low Income Units, or a Low Income Household.

Developer shall restrict occupancy of all of the Required Affordable Units as Eligible Units occupied by Eligible Households.

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, Developer 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 an Extremely Low Income Household or, to the extent provided herein, a Very Low Income Unit Household or a Low Income Household and meet(s) the eligibility requirements established for the Required Affordable Unit. Developer shall verify the income of the tenant(s).

Developer 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. Developer 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 Required Affordable Units. The Required Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the DDA, Affordable Rent is calculated in accordance with the Affordable Rent Worksheet or, if lower, the Tax Credit Rents. The maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted by Section 50053 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.

Relationship to Tax Credit Requirements. Notwithstanding any other provision of this Regulatory Agreement, to the extent that requirements associated with the provision of financing, other than by Authority, are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in this Regulatory Agreement, whichever is more restrictive in each case, shall control and Developer's compliance therewith shall not be a default hereunder. If, following completion of construction of the Improvements, Developer restricts a greater number of Housing Units as affordable units than is required under this Regulatory Agreement as of the date it is first executed, Developer agrees, upon request therefor by Authority, to execute and record such addendum or supplement to this Regulatory Agreement as would restrict such additional units to be affordable on a similar basis to that set forth herein.

DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE DDA, THIS REGULATORY AGREEMENT, THE CITY REGULATORY AGREEMENT AND THE AUTHORITY DEED IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.

Section 3. Developer Verification and Program Compliance.

Income Verification and Certification. Developer will obtain and maintain on file an Income Verification from each tenant (for every Unit on the Site), dated immediately prior to the initial occupancy of such tenant in the Rental Project.

On June 15 following the completion of the Improvements, Developer shall file with Authority or its designee a Certificate, containing all information referenced under Health and Safety Code Section 33418, in a form prescribed by Authority. Each Certificate shall cover the immediately preceding Year.

Developer shall maintain on file throughout the Required Covenant Period each tenant's executed lease and Income Verification and rental records for the Rental Project and the Housing Units. Developer shall maintain complete and accurate records pertaining to the Extremely Low Income Units, the Very Low Income Units, the Low Income Units and any other Housing Units, and will permit any duly authorized representative of City to inspect the books and records of Developer pertaining to the Rental Project, including those records pertaining to the occupancy of the Extremely Low Income Units, the Very Low Income Units, Low Income Units and any other Housing

Units. Developer shall prepare and submit to City annually commencing the June 15 first following the recording of the Authority Deed and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each unit in the Rental Project 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 determined compliance with the terms of this Regulatory Agreement and the DDA.

As part of its annual report, Developer shall include a statement of amounts payable by Developer under this Regulatory Agreement supported by an Audited Financial Statement (prepared by an independent accounting firm reasonably acceptable to Authority) which sets forth information in detail sufficient for adequate review by Authority for the purposes of confirming those amounts payable by Developer to Authority, including without limitation amounts payable under the City Note, as well as showing the general financial performance of the Rental Project (“Annual Financial Report”). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Services, Capital Replacement Reserve, 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 Developer’s submittal, Developer shall reimburse Authority for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amount payable under the City Note.

In addition, as part of its annual report, at Authority’s request, but not less frequently than prior to each initial and subsequent rental of each Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to Authority completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by Authority from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household, a Very Low Income Household or a Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household. In order to comply with this Section 3, Developer shall submit to Authority any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Rental Project; provided, Authority may request (and Developer shall provide) additional documentation to assist Authority’s evaluation of Developer’s compliance with this Agreement, if determined to be necessary in the reasonable discretion of the Executive Director, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with all requirements from all funding sources, and each tenant’s status as to each Required Affordable Unit as an Eligible Household. This requirement is in addition to and does not replace or supersede Developer’s obligation to annually submit the Certificate of Continuing Program Compliance to Authority. Further, Authority has the right, but not the obligation to monitor compliance with respect to each tenant household at the Rental Project, and Authority’s election to monitor some, but not all, of the Required Affordable Units shall not constitute a waiver of Authority’s right to monitor and enforce compliance with respect to all Required Affordable Units in the future.

Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Rental Project and by at least one of the following methods as appropriate to the proposed tenant:

- (i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;
- (ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;
- (iii) obtain an income verification certification from the employer of the person;
- (iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies;
- (v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer; or
- (vi) as to the Required Affordable Units obtain verification and supporting documentation of the household as an Eligible Household.

Verification Regarding Eligibility of New Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

Reporting Amounts. Authority is required by Section 33418 of the California Health and Safety Code to require Developer to monitor affordability of the Required Affordable Units and submit the annual reports required by Section 3 of Article II of this Declaration. Authority relies upon the information contained in such reports to satisfy its own reporting requirements and to provide certain information described at Sections 33080 and 33080.1 of the California Health and Safety Code. In the event Developer fails to submit to Authority or its designee the Certification as required by Section 3(a), Developer shall be in noncompliance with this Regulatory Agreement. In the event Developer remains in noncompliance for thirty (30) days following receipt of written notice from Authority of such noncompliance under Sections 3(a) and 3(b) of Article II hereinabove, then Developer shall, without further notice or opportunity to cure, pay to Authority Two Hundred Fifty Dollars (\$250.00) per Required Affordable Unit for each Year Developer fails to submit a Certificate covering each and every housing unit on the Site.

Section 4. Nondiscrimination. Developer 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.”

(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 which are the subject of this Agreement, 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.”

Developer hereby covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, to comply with the following laws relating to nondiscrimination and equal opportunity: (1) The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority

Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

Developer further covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, not to inquire about the sexual orientation or gender identity of an applicant for, or occupant of, the Project or any Housing Unit at the Site, for the purpose of determining eligibility for occupancy of such Housing Units or otherwise making such Housing Units available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. Further, determinations of eligibility for occupancy of Housing Units at the Project shall be made in accordance with the eligibility requirements provided for such program by HUD, and such Housing Units shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

The covenants established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority and its successors and assigns, and shall remain in effect in perpetuity.

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 Authority, its successors and assigns, City and any successor in interest to the Site, together with any property acquired by Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 1 of Article II shall remain in effect in perpetuity.

Section 5. Management of the Rental Project.

Maintenance and Repair; Capital Replacement Reserve. Developer agrees to assume full responsibility for the management, operation and maintenance of the Improvements and the Site throughout the Required Covenant Period without expense to Authority, and to perform all repairs and replacements necessary to maintain and preserve the Improvements and the Site in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to Authority and in compliance with all applicable laws. Developer agrees that Authority shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Improvements and the Site. Developer hereby waives all rights to make repairs or to cause any work to be performed at the expense of Authority as provided for in Section 1941 and 1942 of the California Civil Code.

Developer shall maintain the Capital Replacement Reserve throughout the Required Covenant Period in the amounts designated in this Declaration.

The following standards shall be complied with by Developer and its maintenance staff, contractors or subcontractors:

(1) Developer shall maintain the Improvements, including individual Required Affordable Units, all common areas, all interior and exterior facades, and all exterior project site areas, in a safe and sanitary fashion suitable for a high quality, rental housing project. Developer agrees to provide utility services, administrative services, supplies, contract services, maintenance, maintenance reserves, and management for the entire project including interior tenant spaces, common area spaces and exterior common areas. The services provided by Developer shall include, but not be limited to, providing all common area electricity, gas, water, television, cable television, property, fire and

liability insurance in the amounts set forth in this Regulatory Agreement, all property taxes and personal property taxes, any and all assessments, maintenance and replacement of all exterior landscaping, and all administration and overhead required for any property manager.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing, edging, and trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and optimum irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all private paths, parking areas, driveways and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(4) The Improvements shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of Authority.

(5) All maintenance work shall conform to all applicable federal and state Occupation Safety and Health Act standards and regulations for the performance of maintenance.

(6) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons in strict accordance with all governing regulations.

(7) Parking lots, lighting fixtures, trash enclosures, and all areas shall be kept free from any accumulation of debris or waste materials by regularly scheduled maintenance.

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.

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.

Front and Side Exteriors. Developer 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. Developer 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.

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 Developer.

Driveways. All driveways must be paved and maintained with impervious material in accordance with the City Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

Exterior Illumination. Developer shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means 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.

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 Authority and shall be maintained by Developer. The landscaping shall meet minimum standards set from time to time by Authority.

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.

Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Site without the approval of Authority and appropriate City departments if any as required by the City Code.

Gross Mismanagement. During the Required Covenant Period, and in the event of "Gross Mismanagement" (as defined below) of the Development, Executive Director shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, if such condition(s) is/are not ceased and/or corrected after expiration of thirty (30) days from the date of written notice from Executive Director. If Developer or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 20th day from the date of written notice (with evidence of such submitted to the Executive Director), but has failed to complete such cure by the 30th day (or such longer period if the cure cannot reasonably

be accomplished in thirty (30) days as reasonably determined by the non-defaulting party), then Developer shall have an additional thirty (30) days to complete the cure of Gross Mismanagement condition(s).

For purposes of this Agreement, the term “Gross Mismanagement” means management of the Development in a manner which violates the terms and/or intention of this Agreement to operate a first quality affordable housing complex, and shall include, but is not limited to, any one or more of the following:

- (a) Leasing to tenants who exceed the Prescribed Income Levels;
- (b) Leasing of a Required Affordable Unit to a household that is not an Eligible Household;
- (c) Subject to fair housing laws, allowing tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;
- (d) Under-funding required reserve accounts;
- (e) Failing to submit timely and/or adequate annual reports to Authority as required herein;
- (f) Failing to comply with the City Covenants;
- (g) Failing to comply with this Regulatory Agreement;
- (h) Failing to comply with the Tax Credit Regulatory Agreement;
- (i) Fraud or embezzlement of Development funds, including without limitation funds in the reserve accounts;
- (j) Failing to fully cooperate with the Moreno Valley Police Department or other local law enforcement agency(ies) with jurisdiction over the Development, in maintaining a crime-free environment within the Development;
- (k) Failing to fully cooperate with the Moreno Valley Fire Department or other local public safety agency(ies) with jurisdiction over the Development, in maintaining a safe and accessible environment within the Development; and
- (l) Failing to fully cooperate with the Moreno Valley Planning and Building and Safety Department, or other local health and safety enforcement agency(ies) with jurisdiction over the Development, in maintaining a decent, safe and sanitary environment within the Development.

Developer is obligated and shall use its best efforts to correct any defects in property management or operations at the earliest feasible time.

Code Enforcement. Developer acknowledges and agrees that Authority and its employees and authorized agents, shall have the right to conduct code compliance and/or code enforcement inspections of the Development and the individual dwelling units at the Development

(and not limited to the Required Affordable Units), both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice, except in an emergency) to Developer and/or an individual tenant. If such notice is provided by Authority representative(s) to Developer, then Developer shall immediately and directly advise any affected tenant of such upcoming inspection and cause access to the area(s) and/or Housing Units at the Development to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the lease/rental agreements for each Unit in the Development in order for each and every tenant and tenant household to be aware of this inspection right. The foregoing portion of this Section 5 is without limitation as to the exercise of police powers by City.

Section 6. 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 Developer 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 Developer to further restrict keeping of pets.

Section 7. Parking of Vehicles. Developer shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated for the Required Affordable Units. Developer 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.

Developer 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. Developer 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, Developer 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 8. Maximum Occupancies. No persons shall be permitted to occupy any Apartment within the Rental Project in excess of applicable limit of maximum occupancy set by the City Code and the laws of the State of California.

Section 9. Signs Required. "No loitering" signs will be posted at each building and enforced by Developer. "Illegally parked vehicles will be towed" signs in compliance with California Vehicle Code requirements will be posted and enforced by Developer.

Section 10. Fences and Electronic Installations. Developer 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 11. Structural Change. Nothing shall be done on the Site in, on or to any building which would materially 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 Developer 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 12. Compliance with Laws. Developer 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.*). Developer shall also comply with the Tax Regulatory Agreement. Developer 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. Developer 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 DEVELOPER: 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. Developer 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. Developer 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 Developer.

Section 4. Driveways. All driveways must be paved and maintained with impervious material in accordance with the City 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. Developer shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means 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 City and shall be maintained by Developer. The landscaping shall meet minimum standards set from time to time by 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 sign of any kind shall be displayed to the public view on or from any portion of the Site without the approval of City and appropriate City departments if any as required by the City Code.

ARTICLE IV OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

Section 1. Maintenance by Developer. Developer 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 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 these CC&Rs and by all applicable City Code provisions, including without limitation Uniform Code provisions. Developer shall also maintain the landscaping required to be planted in a healthy condition. If, at any time, Developer fails to maintain the Rental Project or any portion thereof, and said condition is not corrected after the expiration of forty-five (45) days from the date of written notice from Authority, either Authority or City may perform the necessary maintenance and Developer 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 Authority or City.

Section 2. Damage and Destruction Affecting Project - Developer’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 Developer 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, Developer shall keep the construction on the Site insured by carriers at all times satisfactory to Authority 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, Developer shall give prompt notice to the insurance carrier and to Authority.

If the Site is abandoned by Developer, or if Developer fails to respond to Authority within thirty (30) days from the date notice is mailed by Authority to Developer that the insurance carrier offers to settle a claim for insurance benefits, Authority is authorized to collect and apply the insurance proceeds at Authority’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, Developer may apply to City 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, Developer 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 and completed at the earliest feasible time.

ARTICLE V ENFORCEMENT

Section 1. Remedies. Breach of the covenants contained in this Declaration may be enjoined, abated or remedied by appropriate legal proceeding by Authority or City.

This Declaration does not in any way infringe on the right or duties of City to enforce any of the provisions of the City Code including, but not limited to, the abatement of dangerous buildings.

City shall be deemed to be a third party beneficiary of this Regulatory Agreement. Except for City, there shall be no third party beneficiaries of this Regulatory Agreement.

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 City's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, 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 City, and for maintenance and/or repair of any or all publicly owned utilities. In addition, City has the right of entry at reasonable hours and upon and after reasonable attempts to contact Developer, on any lot to effect emergency repairs or maintenance which Developer has failed to perform. Subsequent to sixty (60) days written notice to Developer specifically outlining Developer's noncompliance, City shall have the right of entry on the Site at reasonable hours to enforce compliance with this Declaration which Developer has failed to perform. Authority shall additionally have rights of entry as a landlord under the Authority Deed. This Section 3 is without limitation as to the exercise of police powers of City.

Section 4. Costs of Repair. The costs borne by City or Authority of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Developer 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. City or Authority may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Declaration. However, neither Authority nor City will 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, Developer 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 Developer, 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 Developer 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 City, for a term equal to the Required Covenant Period as defined in the DDA, 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 Extremely Low Income Households, Very Low Income Households and, to the extent provided herein, Low Income Households in conformity with the Prescribed Income Levels. 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.

Developer shall be obligated by this Declaration to comply with the provisions hereof, as well as the Authority Deed. In the event of conflict, Developer shall comply with the most stringent requirements, in each case.

Section 5. Amendments. This Declaration may be amended only by the written agreement of Developer, Authority and City.

Section 6. Encroachments. None of the rights and obligations of Developer 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 Developer if said encroachment occurs due to the willful conduct of said Developer.

Section 7. Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered either personally or by certified mail. Notice to Authority shall be made by certified mail to the Executive Director or his or her designee at 14177 Frederick Street, Moreno Valley, California 92552-0805 (with a copy to Office of the City Attorney,

14177 Frederick Street, Moreno Valley, California 92552-0805), and shall be effective upon receipt. Notice to Developer shall be made by certified mail to Courtyards at Cottonwood, L.P., a California limited partnership, 27700 Kalmia Avenue, Riverside, California 92101, and shall be effective upon receipt. Such addresses may be changed from time to time by notice in writing.

DEVELOPER:

COURTYARDS AT COTTONWOOD, L.P.,
a California limited partnership

By: **RBC Cottonwood, LLC**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan

Its: President

By: **KDI Cottonwood, LLC,** a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach

Its: President

CITY:

CITY OF MORENO VALLEY, a
municipal corporation

By: _____
Mike Lee, Interim City Manager

AUTHORITY:

MORENO VALLEY HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Mike Lee, Interim Executive Director

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

EXHIBIT A
LEGAL DESCRIPTION OF THE SITE

PARCEL A

THOSE PORTIONS OF PARCEL 1 AND LOT "C" OF PARCEL MAP NO. 8073, IN THE CITY OF MORENO VALLEY, AS RECORDED IN PARCEL MAP BOOK 30, PAGE 20, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LYING WITHIN SECTION 7, TOWNSHIP 3 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL MAP, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 00°00'00" EAST ALONG THE EAST LINE OF SAID PARCEL MAP, A DISTANCE OF 117.50 FEET TO A POINT BEING 25.00 FEET, MEASURED ALONG SAID EAST LINE, FROM THE CENTERLINE OF SAID LOT C, SAID POINT IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 100.00 FEET, WITH A RADIAL BEARING OF NORTH 00°00'00" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°23'22", A DISTANCE OF 28.60 FEET;

THENCE NORTH 73°36'38" WEST, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 45.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 83°27'37", A DISTANCE OF 65.55 FEET;

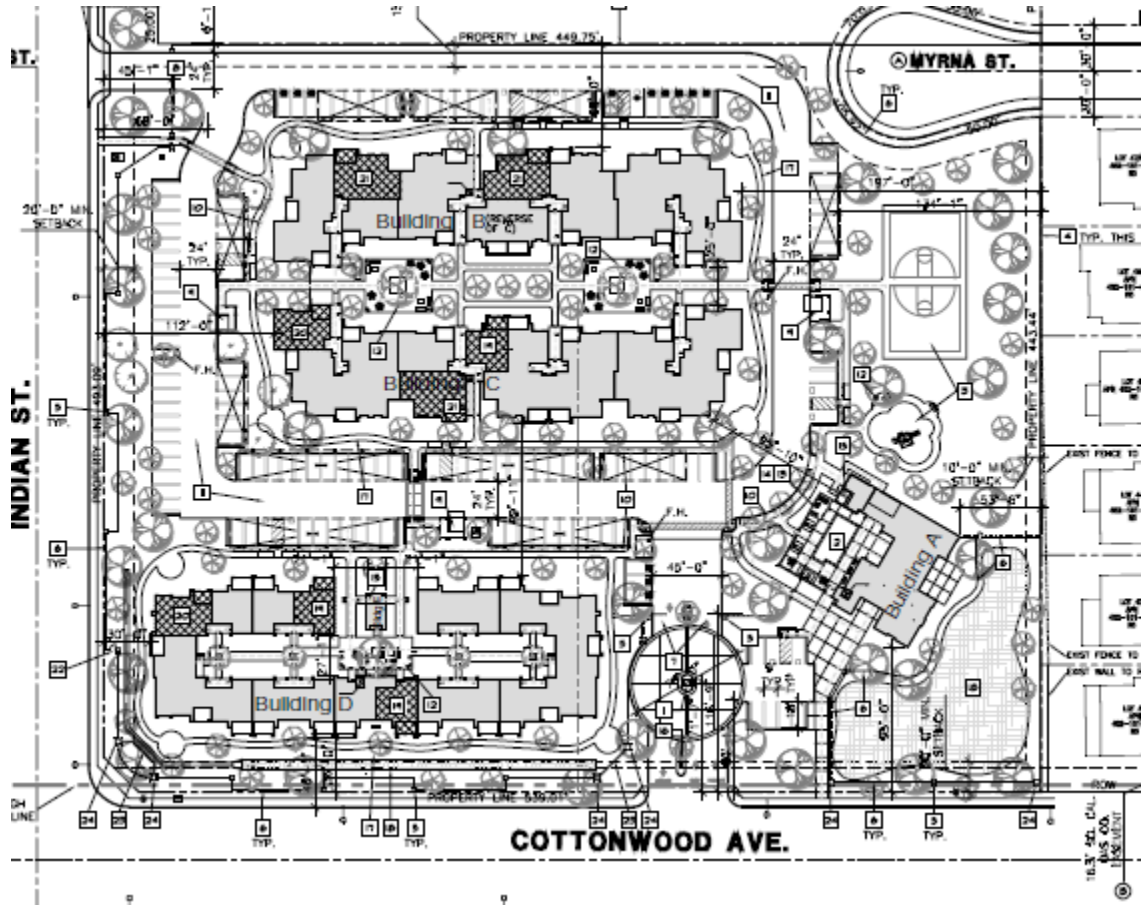
THENCE NORTH 89°59'10" WEST, A DISTANCE OF 449.76 FEET, TO THE INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THAT CERTAIN COURSE OF PARCEL 1 OF SAID PARCEL MAP, WHOSE COURSE BEARS NORTH 00°00'30" WEST, WITH A DISTANCE OF 100.00 FEET;

THENCE NORTHERLY ALONG SAID PROLONGATION NORTH 00°00'30" WEST, A DISTANCE OF 125.00 FEET, TO A NORTHWEST CORNER OF PARCEL 1 OF SAID PARCEL MAP;

THENCE SOUTH 89°59'10" EAST ALONG THE NORTH LINE OF SAID PARCEL 1, A DISTANCE OF 580.10 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL A CONTAINING 70,206 SQUARE FEET, MORE OR LESS.

EXHIBIT B
MAP OF THE SITE



Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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

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- Partner(s) Limited General
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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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.

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Signer(s) Other Than Named Above

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ATTACHMENT NO. 12
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 thirty percent (30%)** of the median income for the Riverside Primary Metropolitan Statistical Sites 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. I/we certify that I/we constitute a "Eligible Household" as defined as [_____].

Tenant(s)' Initials

B. (My/Our) gross income (anticipated total annual income) **does not exceed fifty percent (50%)** of the median income for the Riverside Primary Metropolitan Statistical Sites 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. I/we certify that I/we constitute a "Eligible Household" as defined as [_____].

Tenant(s)' Initials

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

C. (My/Our) gross income (anticipated total annual income) exceeds fifty percent (50%) but **does not exceed fifty nine and one half percent (59.5%)** of the median income for the Riverside Primary Metropolitan Statistical Sites 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. I/we certify that I/we constitute a “Eligible Household” as defined as [_____].

Tenant(s)' Initials

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

1. All tenants 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 and/or the Moreno Valley Housing Authority 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: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 13

CITY COVENANTS

RECORDING REQUESTED BY:

AND WHEN RECORDED RETURN TO:

City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attn: Executive Director

(Space above for Recorder's Use.)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

CITY REGULATORY AGREEMENT

These Covenants, Conditions and Restrictions, herein sometimes referred to as these "CC&Rs" or "Declaration" or "City Regulatory Agreement" or "City Covenants" are made by the signatories hereto.

RECITALS

WHEREAS, each of the MORENO VALLEY HOUSING AUTHORITY, a public body, corporate and politic ("Authority"), the CITY OF MORENO VALLEY, a municipal corporation ("City"), and COURTYARDS AT COTTONWOOD, L.P., a California limited partnership ("Developer") is a party to this Declaration. Authority, City and Developer are sometimes collectively referred to herein as the "Declarants."

WHEREAS, Authority, City and Developer have entered into that certain unrecorded Disposition and Development/Affordable Housing Agreement dated as of April 21, 2020 (the "DDA") for the improvement and development of certain real property described in Exhibit "A" (to which these CC&Rs are attached) as the "Site", which DDA provides for the recordation of this City Regulatory Agreement following the conveyance of the Site by a grant deed from Authority to Developer (the "Authority Deed"). The DDA is incorporated herein by this reference and any capitalized term not defined herein shall have the meaning established therefor in the DDA. City is a third party beneficiary of the DDA.

WHEREAS, this City Regulatory Agreement establishes a plan for the improvement, development and maintenance of the Site, for the benefit of City and Authority.

WHEREAS, the DDA sets forth certain restrictive covenants applicable to the Site, particularly the use of the Site for the provision of rental housing units available to Extremely Low Income Households, Very Low Income Households, and Low Income Households at Affordable Rents as those terms are defined therein.

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

WHEREAS, Authority, City and Developer wish to adopt this City Regulatory Agreement to further govern the use of the Site in conjunction and along with the DDA and to ensure that Authority achieves credit for production of affordable housing units in the manner described by Section 33413 of the California Health and Safety Code.

WHEREAS, City has approved and granted to Developer land use approvals for the Affordable Housing Project, which comprises all discretionary actions approved by City, and any and all conditions of approval related thereto and mitigation measures related thereto as may be hereafter amended (together, “Entitlement”). As a part of such actions, City complied with all requirements of the California Environmental Quality Act (“CEQA”). Any other or additional modifications to the Entitlement, if any, shall be appended to and deemed a part of the DDA and this City Regulatory Agreement.

WHEREAS, separate and apart from the DDA, including the “Authority Regulatory Agreement” (as defined below), pursuant to the requirements of, and as one of the conditions of approval in, the Entitlement, Developer consented and agreed that City and Developer shall enter into this City Regulatory Agreement. A part of this City Regulatory Agreement includes certain covenants that cause the Site to be subject to certain affordable housing restrictions for a period that will commence on the date of issuance of the first certificate of occupancy for the Rental Project and thereafter continue until the fifty-sixth (56th) anniversary of the recording of this City Regulatory Agreement, as further provided herein.

WHEREAS, provided that Developer complies with the requirements of Government Code Sections 65915-65918 (the “State Density Bonus Law”) and the corresponding provisions of the “City Code” (as defined below), including without limitation Title 9, Chapter 9.03 thereof, implementing the State Density Bonus Law (the “City Density and Concessions Provisions”), Developer is eligible to obtain certain incentives as a matter of right and other incentives as a matter of discretionary action by City. The restrictions giving rise to density bonuses and other concessions are a fundamental basis of the Entitlement.

WHEREAS, as part of the entitlement process, Developer has agreed by contract with City to control rents in consideration of a direct contribution or any other form of assistance identified in Section 65915 of the Government Code.

WHEREAS, this City Regulatory Agreement is entered into pursuant to the requirements of the State Density Bonus Law and the City Density and Concessions Provisions and pursuant to the requirements of, and as one of the conditions of approval in, the Entitlement. This City Regulatory Agreement shall be deemed to constitute a density bonus housing agreement within the meaning of Title 9, Chapter 9.03 of the City Code; in connection with such provisions, City has granted density bonuses and other concessions for the “Affordable Housing Project” (as defined below). This City Regulatory Agreement shall be recorded, prior to the issuance of building permits for the Rental Project, in the Official Records of Riverside County, California as a senior, non-subordinate covenants and an encumbrance running with the land for the full Required Covenant Period. In no event shall these Restrictions be made junior or subordinate to any deed of trust or other documents providing financing for the construction or operation of the Rental Project, or any other lien or encumbrance whatsoever for the period that this City Regulatory Agreement remains in effect.

WHEREAS, City has approved density bonuses and concessions as contemplated pursuant to the State Density Bonus Law and the City Density and Concessions Provisions.

WHEREAS, this City Regulatory Agreement establishes a plan for the improvement, development and maintenance of the Site for the benefit of City.

WHEREAS, the DDA 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, and Low Income Households at Affordable Rents as those terms are defined therein.

WHEREAS, Authority, City, and Developer wish to adopt this City Regulatory Agreement to further govern the use of the Site in conjunction and along with the DDA and to ensure that Authority achieves credit for production of affordable housing units as generally described at Section 33413 of the California Health and Safety Code.

NOW, THEREFORE, Authority and City each of Developer (as owner of real property interests described hereinabove), in City, declares 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 Authority and 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 City Regulatory Agreement throughout the Required Covenant Period.

Section 2. “Affordable Rent” has the meaning set forth in Health and Safety Code Section 50053. For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the unit. For a Very Low Income Household, Affordable Rent means 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 or, if lower the Tax Credit Rent for such Unit as described herein. For a Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty nine and one half percent (59.5%) 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 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. “Approved Housing Project” means all improvements as provided to be developed by Developer under the DDA. The Approved Housing Project must be completed in strict conformity with all specifications contained in or referred to in the DDA.

Section 4. “Area” means the Riverside Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 5. “Authority” means the Moreno Valley Housing Authority and its successors in interest.

Section 6. “Authority Deed” means a deed substantially in the form of Attachment No. 6 to this Agreement.

Section 7. “Authority Regulatory Agreement” means that certain regulatory agreement as so designated in the DDA. The Authority Regulatory Agreement is to be recorded concurrently herewith.

Section 8. “Calculation of Affordable Rents” means the worksheet substantially in the form of Attachment No. 7 to the DDA.

Section 9. “Capital Replacement Reserve” means a reserve fund to be established by Developer and maintained throughout the Required Covenant Period as a capital replacement reserve; amounts shall initially be in the minimum amount of Three Hundred Dollars (\$300.00) per Housing Unit per Year and may be increased annually following the issuance of a Certificate of Completion for the Improvements by three and one-half percent (3.5%) per Year, or such other amount as the Executive Director and the Developer shall mutually approve. Interest earned on moneys held in the Capital Replacement Reserve shall be retained in the Capital Replacement Reserve unless otherwise directed by the Permanent Lender. To the extent Developer is required to maintain a Capital Replacement Reserve by any Approved Construction and/or Permanent Lender or the Limited Partner, Developer shall receive a credit hereunder for such amounts maintained by it in compliance such Approved Construction and/or Permanent Lender or Limited Partner capital replacement reserve requirement. It is contemplated that the Capital Replacement Reserve will be held by the Permanent Lender.

Section 10. “Certificate” or “Certification” is defined in Section 3(a).

Section 11. “City” means and refers to the City of Moreno Valley, a municipal corporation.

Section 12. “City Code” means and refers to the City of Moreno Valley Municipal Code as revised from time to time, including without limitation the Uniform Codes.

Section 13. “City Regulatory Agreement” means this City Regulatory Agreement and any amendments, modifications or supplements which may also be referred to herein as these “CC&Rs” or this “Declaration.”

Section 14. [Reserved].

Section 15. “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 16. “Conveyance” means the date the Authority conveys the Site to Developer by the Authority Deed.

Section 17. “Eligible Household” means a household having an income which conforms to the Prescribed Income Levels as more particularly set forth in the DDA.

Section 18. “Eligible Unit” means a Housing Unit restricted to occupancy by an Eligible Household as provided under this City Regulatory Agreement.

Section 19. “Extremely Low Income Households” means households earning not greater than thirty percent (30%) of Median Income for the Area pursuant to Health and Safety Code Section 50106.

Section 20. “Extremely Low Income Unit” or “Extremely Low Income Unit” means a Housing Unit occupied at Affordable Rent by an Extremely Low Income Household.

Section 21. “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 22. “Housing Unit” means a dwelling unit on the Rental Project.

Section 23. “Low Income Household” or “Lower Income Household” means a household earning not greater than fifty nine and one half percent (59.5%) of median income for the Area.

Section 24. “Low Income Unit” or “Lower Income Unit” means a Housing Unit occupied at Affordable Rent by a Low Income Household.

Section 25. “Map of the Site” means Exhibit B hereto.

Section 26. “Median Income for the Area” means the median income for the Sites 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 27. “Prescribed Income Levels” following:

(a) (i) for sixteen (16) one-bedroom Housing Units, thirty percent (30%) of Median Income; (ii) for four (4) two-bedroom Housing Units, thirty percent (30%) of Median Income; (iii) for four (4) three-bedroom Housing Units, thirty percent (30%) of Median Income; (iv) for four (4) one-bedroom Housing Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Housing Units, fifty percent (50%) of Median Income; (vi) for three (3) three-bedroom Housing Units, fifty percent (50%) of Median Income; (vii) for four (4) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; (viii) four twenty (20) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and (ix) for twenty one (21) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and

(b) [Reserved].

Section 28. “Rental Project” means the eighty one (81) Housing Unit residential rental development on the Site.

Section 29. “Required Affordable Unit” means eighty (80) of the eighty one (81) Housing Units in the Rental Project, as constructed under the DDA, and available to, occupied by, or held vacant for occupancy only by tenants qualifying as Extremely Low Income Households, Very Low Income Households, Low Income Households and rented at Affordable Rent.

Section 30. “Required Covenant Period” means the period commencing on the date this City Regulatory Agreement is recorded and ending as of the fifty-sixth (56th) anniversary thereof.

Section 31. “Site” means all of the real property and appurtenances as described in the Recitals above, including all structures and other improvements thereon, and those hereafter constructed.

Section 32. [Reserved].

Section 33. “Tax Credit Rent” means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this agreement (such as 30% or 50% of Median Income) under the Tax Credit Rules.

Section 34. “Tax Credits” means 9% Low Income Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

Section 35. “Required Covenant Period” means a period of fifty-six (56) years commencing as of the Conveyance.

Section 36. “Uniform Codes” means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for Abatement of Dangerous Buildings.

Section 37. “Year” means a calendar year, excepting that the last Year hereunder shall be deemed to end as of the expiration of this City Regulatory Agreement.

Section 38. “Very Low Income Households” means households earning not greater than fifty percent (50%) of the Median Income for the Area pursuant to Health and Safety Code Section 50105.

Section 39. “Very Low Income Unit” means a Housing Unit occupied at Affordable Rent by a Very Low Income Household.

ARTICLE II LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. Developer shall develop the Approved Housing Project on the Site in conformity with the DDA. Thereafter, the Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in the DDA and the Authority Deed for the periods of time specified herein. All uses conducted on the Site, including, without limitation, all activities undertaken by Developer pursuant to the DDA, shall conform to all applicable provisions of the City Code and the City Approvals.

The Site shall be used, maintained and operated in accordance with the DDA, the Authority Deed, and this City 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 Developer 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 Housing Units. (a) Throughout the Required Covenant Period, the Required Affordable Units shall be rented to households at the following income levels: During the Required Covenant Period: (i) for sixteen (16) one-bedroom Housing Units, thirty percent (30%) of Median Income; (ii) for four (4) two-bedroom Housing Units, thirty percent (30%) of Median Income; (iii) for four (4) three-bedroom Housing Units, thirty percent (30%) of Median Income; (iv) for four (4) one-bedroom Housing Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Housing Units, fifty percent (50%) of Median Income; (vi) for three (3) three-bedroom Housing Units, fifty percent (50%) of Median Income; (vii) for four (4) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; (viii) four twenty (20) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income; and (ix) for twenty one (21) three-bedroom Housing Units, fifty nine and one half percent (59.5%) of Median Income. Required Affordable Units shall be continuously occupied by or held available for occupancy by Extremely Low Income Household or, as applicable, Very Low Income Households, or Low Income Households at an Affordable Rent. All Required Affordable Units shall be rented at Affordable Rent. For this purpose, a tenant who qualifies as an Extremely 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 an Extremely Low Income Household. Moreover, a unit previously occupied by an Extremely Low Income Household, and then vacated shall be considered occupied by such Extremely Low Income Household until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined; a similar protocol shall apply with respect to Very Low Income Household, and Low Income Units. In no event shall such temporary period exceed thirty-one (31) days; and

(b) [Five (5) of the Units shall be HOME units (specifically, two (2) of the one-bedroom units, two (2) of the two-bedroom Units, and one (1) of the three-bedroom Units) which Developer shall designate as HOME Units and which shall be subject to all applicable HOME Regulations. One of the HOME Units shall be a "Low HOME" unit pursuant to the HOME Regulations; the remaining HOME Units shall be "High HOME" units pursuant to the HOME

Regulations. The HOME Units must be “fixed” HOME Units, such that the specific Housing Units designated as HOME Units may not change. The designation of Housing Units as HOME Units shall terminate at the end of the HOME Compliance Period, unless extended by agreement of the Authority and the Developer.]

At such time as a tenant ceases to qualify as an Extremely Low Income Household, the unit occupied by such tenant shall cease to be an Extremely Low Income Unit. Developer shall replace each such Extremely Low Income Unit by designating the next available unit and any necessary units thereafter as an Extremely Low Income Unit. For purposes of this Agreement, such designated unit will be considered an Extremely Low Income Unit if it is held vacant and available for occupancy by an Extremely Low Income Household, and, upon occupancy, the income eligibility of the tenant as an Extremely Low Income Household is verified and the unit is rented at Affordable Rent. A similar protocol shall apply with respect to Very Low Income Household, and Low Income Units, respectively.

Except to the extent prohibited by federal law, in the event a household’s income initially complies with the corresponding income restriction for an Extremely 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 City Regulatory Agreement concerning limitations upon income of occupants, provided that the occupancy by such household is for a reasonable time of not to exceed three hundred sixty-five days (measured from the time the income of the household ceases to qualify at the designated affordability level). Developer shall include in its rental agreements provisions which implement this requirement and limitation, and Developer shall expressly inform prospective renters as to this limitation prior to the commencement of a tenancy.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and occupied by Extremely Low Income Households and, to the extent provided under Prescribed Income Levels, Very Low Income Household, and Low Income Households, at Affordable Rent throughout the Required Covenant Period. All tenants residing in any Unit for which rents are limited by virtue of this City Regulatory Agreement or pursuant to other regulation during the last two (2) Years of the Required Covenant Period shall be given notice by Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on such Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Developer shall demonstrate to Authority that the proposed tenants of each of the Required Affordable Units constitutes an Extremely Low Income Household or, to the extent provided herein, Very Low Income Household, or a Low Income Household.

Developer shall restrict occupancy of all of the Required Affordable Units as Eligible Units occupied by Eligible Households.

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, Developer 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 an Extremely Low Income Household or, to the extent provided herein, a Very Low Income Unit Household or a Low Income Household and meet(s) the eligibility requirements established for the Required Affordable Unit. Developer shall verify the income of the tenant(s).

Developer 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. Developer 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 Required Affordable Units. The Required Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the DDA, Affordable Rent is calculated in accordance with the Affordable Rent Worksheet or, if lower, the Tax Credit Rent. The maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted by Section 50053 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.

Relationship to Tax Credit Requirements. Notwithstanding any other provision of this City Regulatory Agreement, to the extent that requirements associated with the provision of financing, other than by Authority, are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in this City Regulatory Agreement, whichever is more restrictive in each case, shall control and Developer's compliance therewith shall not be a default hereunder. If, following completion of construction of the Improvements, Developer restricts a greater number of Housing Units as affordable units than is required under this City Regulatory Agreement as of the date it is first executed, Developer agrees, upon request therefor by Authority, to execute and record such addendum or supplement to this City Regulatory Agreement as would restrict such additional units to be affordable on a similar basis to that set forth herein.

DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE DDA, THIS CITY REGULATORY AGREEMENT, THE AUTHORITY REGULATORY AGREEMENT AND THE AUTHORITY DEED IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.

Section 3. Developer Verification and Program Compliance.

Income Verification and Certification. Developer will obtain and maintain on file an Income Verification from each tenant (for every Unit on the Site), dated immediately prior to the initial occupancy of such tenant in the Rental Project.

On June 15 following the completion of the Improvements, Developer shall file with Authority or its designee a Certificate, containing all information reference at Health and Safety Code Section 33418, in a form prescribed by Authority. Each Certificate shall cover the immediately preceding Year.

Developer shall maintain on file throughout the Required Covenant Period each tenant's executed lease and Income Verification and rental records for the Rental Project and the Housing Units. Developer shall maintain complete and accurate records pertaining to the Extremely Low Income Units, the Very Low Income Units, the Low Income Units and any other Housing Units, and will permit any duly authorized representative of City to inspect the books and records of Developer pertaining to the Rental Project, including those records pertaining to the occupancy of the Extremely Low Income Units, the Very Low Income Units, Low Income Units and any other Housing

Units. Developer shall prepare and submit to City annually commencing the June 15 first following the recording of the Authority Deed and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each unit in the Rental Project 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 determined compliance with the terms of this Regulatory Agreement and the DDA.

As part of its annual report, Developer shall include a statement of amounts payable by Developer under this Regulatory Agreement supported by an Audited Financial Statement (prepared by an independent accounting firm reasonably acceptable to Authority) which sets forth information in detail sufficient for adequate review by Authority for the purposes of confirming those amounts payable by Developer to Authority, including without limitation amounts payable under the City Note, as well as showing the general financial performance of the Rental Project (“Annual Financial Report”). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Services, Capital Replacement Reserve, 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 Developer’s submittal, Developer shall reimburse Authority for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amount payable under the City Note.

In addition, as part of its annual report, at Authority’s request, but not less frequently than prior to each initial and subsequent rental of each Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to Authority completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by Authority from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household, a Very Low Income Household or a Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household. In order to comply with this Section 3, Developer shall submit to Authority any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Rental Project; provided, Authority may request (and Developer shall provide) additional documentation to assist Authority’s evaluation of Developer’s compliance with this Agreement, if determined to be necessary in the reasonable discretion of the Executive Director, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with all requirements from all funding sources, and each tenant’s status as to each Required Affordable Unit as an Eligible Household. This requirement is in addition to and does not replace or supersede Developer’s obligation to annually submit the Certificate of Continuing Program Compliance to Authority. Further, Authority has the right, but not the obligation to monitor compliance with respect to each tenant household at the Rental Project, and Authority’s election to monitor some, but not all, of the Required Affordable Units shall not constitute a waiver of Authority’s right to monitor and enforce compliance with respect to all Required Affordable Units in the future.

Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Rental Project and by at least one of the following methods as appropriate to the proposed tenant:

- (i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;
- (ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;
- (iii) obtain an income verification certification from the employer of the person;
- (iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies;
- (v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer; or
- (vi) as to the Required Affordable Units obtain verification and supporting documentation of the household as an Eligible Household.

Verification Regarding Eligibility of New Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

Reporting Amounts. Authority is required by Section 33418 of the California Health and Safety Code to require Developer to monitor affordability of the Required Affordable Units and submit the annual reports required by Section 3 of Article II of this Declaration. Authority relies upon the information contained in such reports to satisfy its own reporting requirements and to provide certain information described at Sections 33080 and 33080.1 of the California Health and Safety Code. In the event Developer fails to submit to Authority or its designee the Certification as required by Section 3(a), Developer shall be in noncompliance with this City Regulatory Agreement. In the event Developer remains in noncompliance for thirty (30) days following receipt of written notice from Authority of such noncompliance under Sections 3(a) and 3(b) of Article II hereinabove, then Developer shall, without further notice or opportunity to cure, pay to Authority Two Hundred Fifty Dollars (\$250.00) per Required Affordable Unit for each Year Developer fails to submit a Certificate covering each and every housing unit on the Site.

Section 4. Nondiscrimination. Developer 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.”

(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 which are the subject of this Agreement, 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.”

Developer hereby covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, to comply with the following laws relating to nondiscrimination and equal opportunity: (1) The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority

Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

Developer further covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, not to inquire about the sexual orientation or gender identity of an applicant for, or occupant of, the Project or any Housing Unit at the Site, for the purpose of determining eligibility for occupancy of such Housing Units or otherwise making such Housing Units available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. Further, determinations of eligibility for occupancy of Housing Units at the Project shall be made in accordance with the eligibility requirements provided for such program by HUD, and such Housing Units shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

The covenants established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority and its successors and assigns, and shall remain in effect in perpetuity.

The covenants established in this Declaration and the deeds, if any, for conveyance for the Site shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority, its successors and assigns, City and any successor in interest to the Site, together with any property acquired by Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 1 of Article II shall remain in effect in perpetuity.

Section 5. Management of the Rental Project.

Maintenance and Repair; Capital Replacement Reserve. Developer agrees to assume full responsibility for the management, operation and maintenance of the Improvements and the Site throughout the Required Covenant Period without expense to Authority, and to perform all repairs and replacements necessary to maintain and preserve the Improvements and the Site in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to Authority and in compliance with all applicable laws. Developer agrees that Authority shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Improvements and the Site. Developer hereby waives all rights to make repairs or to cause any work to be performed at the expense of Authority as provided for in Section 1941 and 1942 of the California Civil Code.

Developer shall maintain the Capital Replacement Reserve throughout the Required Covenant Period in the amounts designated in this Declaration.

The following standards shall be complied with by Developer and its maintenance staff, contractors or subcontractors:

(1) Developer shall maintain the Improvements, including individual Required Affordable Units, all common areas, all interior and exterior facades, and all exterior project site areas, in a safe and sanitary fashion suitable for a high quality, rental housing project. Developer agrees to provide utility services, administrative services, supplies, contract services, maintenance, maintenance reserves, and management for the entire project including interior tenant spaces, common area spaces and exterior common areas. The services provided by Developer shall include, but not be limited to,

providing all common area electricity, gas, water, television, cable television, property, fire and liability insurance in the amounts set forth in this Regulatory Agreement, all property taxes and personal property taxes, any and all assessments, maintenance and replacement of all exterior landscaping, and all administration and overhead required for any property manager.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing, edging, and trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and optimum irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all private paths, parking areas, driveways and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(4) The Improvements shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of Authority.

(5) All maintenance work shall conform to all applicable federal and state Occupation Safety and Health Act standards and regulations for the performance of maintenance.

(6) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons in strict accordance with all governing regulations.

(7) Parking lots, lighting fixtures, trash enclosures, and all areas shall be kept free from any accumulation of debris or waste materials by regularly scheduled maintenance.

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.

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.

Front and Side Exteriors. Developer 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. Developer 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.

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 Developer.

Driveways. All driveways must be paved and maintained with impervious material in accordance with the City Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

Exterior Illumination. Developer shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means 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.

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 Authority and shall be maintained by Developer. The landscaping shall meet minimum standards set from time to time by Authority.

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.

Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Site without the approval of Authority and appropriate City departments if any as required by the City Code.

Gross Mismanagement. During the Required Covenant Period, and in the event of "Gross Mismanagement" (as defined below) of the Development, Executive Director shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, if such condition(s) is/are not ceased and/or corrected after expiration of thirty (30) days from the date of written notice from Executive Director. If Developer or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the

20th day from the date of written notice (with evidence of such submitted to the Executive Director), but has failed to complete such cure by the 30th day (or such longer period if the cure cannot reasonably be accomplished in thirty (30) days as reasonably determined by the non-defaulting party), then Developer shall have an additional thirty (30) days to complete the cure of Gross Mismanagement condition(s).

For purposes of this Agreement, the term “Gross Mismanagement” means management of the Development in a manner which violates the terms and/or intention of this Agreement to operate a first quality affordable housing complex, and shall include, but is not limited to, any one or more of the following:

- (a) Leasing to tenants who exceed the Prescribed Income Levels;
- (b) Leasing of a Required Affordable Unit to a household that is not an Eligible Household;
- (c) Subject to fair housing laws, allowing tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;
- (d) Under-funding required reserve accounts;
- (e) Failing to submit timely and/or adequate annual reports to Authority as required herein;
- (f) Failing to comply with this City Regulatory Agreement;
- (g) Failing to comply with the Authority Regulatory Agreement;
- (h) Failing to comply with the Tax Credit Regulatory Agreement;
- (i) Fraud or embezzlement of Development funds, including without limitation funds in the reserve accounts;
- (j) Failing to fully cooperate with the Moreno Valley Police Department or other local law enforcement agency(ies) with jurisdiction over the Development, in maintaining a crime-free environment within the Development;
- (k) Failing to fully cooperate with the Moreno Valley Fire Department or other local public safety agency(ies) with jurisdiction over the Development, in maintaining a safe and accessible environment within the Development; and
- (l) Failing to fully cooperate with the Moreno Valley Planning and Building and Safety Department, or other local health and safety enforcement agency(ies) with jurisdiction over the Development, in maintaining a decent, safe and sanitary environment within the Development.

Developer is obligated and shall use its best efforts to correct any defects in property management or operations at the earliest feasible time.

Code Enforcement. Developer acknowledges and agrees that Authority and its employees and authorized agents, shall have the right to conduct code compliance and/or code enforcement inspections of the Development and the individual dwelling units at the Development (and not limited to the Required Affordable Units), both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice, except in an emergency) to Developer and/or an individual tenant. If such notice is provided by Authority representative(s) to Developer, then Developer shall immediately and directly advise any affected tenant of such upcoming inspection and cause access to the area(s) and/or Housing Units at the Development to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the lease/rental agreements for each Unit in the Development in order for each and every tenant and tenant household to be aware of this inspection right. The foregoing portion of this Section 5 is without limitation as to the exercise of police powers by City.

Section 6. 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 Developer 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 Developer to further restrict keeping of pets.

Section 7. Parking of Vehicles. Developer shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated for the Required Affordable Units. Developer 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.

Developer 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. Developer 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, Developer 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 8. Maximum Occupancies. No persons shall be permitted to occupy any Apartment within the Rental Project in excess of applicable limit of maximum occupancy set by the City Code and the laws of the State of California.

Section 9. Signs Required. "No loitering" signs will be posted at each building and enforced by Developer. "Illegally parked vehicles will be towed" signs in compliance with California Vehicle Code requirements will be posted and enforced by Developer.

Section 10. Fences and Electronic Installations. Developer 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 11. Structural Change. Nothing shall be done on the Site in, on or to any building which would materially 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 Developer 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 12. Compliance with Laws. Developer 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.*). Developer shall also comply with the Tax Regulatory Agreement. Developer 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. Developer 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 DEVELOPER: 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. Developer 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. Developer 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 Developer.

Section 4. Driveways. All driveways must be paved and maintained with impervious material in accordance with the City 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. Developer shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means 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 City and shall be maintained by Developer. The landscaping shall meet minimum standards set from time to time by 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 sign of any kind shall be displayed to the public view on or from any portion of the Site without the approval of City and appropriate City departments if any as required by the City Code.

ARTICLE IV OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

Section 1. Maintenance by Developer. Developer 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 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 these CC&Rs and by all applicable City Code provisions, including without limitation Uniform Code provisions. Developer shall also maintain the landscaping required to be planted in a healthy condition. If, at any time, Developer fails to maintain the Rental Project or any portion thereof, and said condition is not corrected after the expiration of forty-five (45) days from the date of written notice from Authority, either Authority or City may perform the necessary maintenance and Developer 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 Authority or City.

Section 2. Damage and Destruction Affecting Project - Developer’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 Developer 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, Developer shall keep the construction on the Site insured by carriers at all times satisfactory to Authority 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, Developer shall give prompt notice to the insurance carrier and to Authority.

If the Site is abandoned by Developer, or if Developer fails to respond to Authority within thirty (30) days from the date notice is mailed by Authority to Developer that the insurance carrier offers to settle a claim for insurance benefits, Authority is authorized to collect and apply the insurance proceeds at Authority’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, Developer may apply to City 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, Developer 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 and completed at the earliest feasible time.

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 Authority or City.

This Declaration does not in any way infringe on the right or duties of City to enforce any of the provisions of the City Code including, but not limited to, the abatement of dangerous buildings.

Authority shall be deemed to be a third party beneficiary of this Regulatory Agreement. Except for Authority, there shall be no third party beneficiaries of this Regulatory Agreement.

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 City's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, 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 City, and for maintenance and/or repair of any or all publicly owned utilities. In addition, City has the right of entry at reasonable hours and upon and after reasonable attempts to contact Developer, on any lot to effect emergency repairs or maintenance which Developer has failed to perform. Subsequent to sixty (60) days written notice to Developer specifically outlining Developer's noncompliance, City shall have the right of entry on the Site at reasonable hours to enforce compliance with this Declaration which Developer has failed to perform. Authority shall additionally have rights of entry as a landlord under the Authority Deed. This Section 3 shall be without limitation as to the exercise of police powers of City.

Section 4. Costs of Repair. The costs borne by City or Authority of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Developer 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. City or Authority may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Declaration. However, neither Authority nor City will 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, Developer 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 Developer, or the burdens running with the land as a result of this City 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 Developer 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 City, for a term equal to the Required Covenant Period as defined in the DDA, 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, to the extent provided herein, Low Income Households in conformity with the Prescribed Income Levels. 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.

Developer shall be obligated by this Declaration to comply with the provisions hereof, as well as the Authority Deed. In the event of conflict, Developer shall comply with the most stringent requirements, in each case.

Section 5. Amendments. This Declaration may be amended only by the written agreement of Developer, Authority and City.

Section 6. Encroachments. None of the rights and obligations of Developer 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 Developer if said encroachment occurs due to the willful conduct of said Developer.

Section 7. Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered either personally or by certified mail. Notice to Authority shall be made by certified mail to the Executive Director or his or her designee at 14177 Frederick Street, Moreno Valley, California 92552-0805 (with a copy to the Office of City Attorney, 14177 Frederick Street, Moreno Valley, California 92552-0805), and shall be effective upon receipt. Notice to Developer shall be made by certified mail to Courtyards at Cottonwood, L.P., a California limited partnership, 27700 Kalmia Avenue, Rancho Belago, CA 92555-5200, and shall be effective upon receipt. Such addresses may be changed from time to time by notice in writing.

(signature are on following page)

DEVELOPER:

COURTYARDS AT COTTONWOOD, L.P.,
a California limited partnership

By: **RBC Cottonwood, LLC**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan

Its: President

By: **KDI Cottonwood, LLC**, a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach

Its: President

CITY:

CITY OF MORENO VALLEY, a municipal corporation

By: _____
Mike Lee, Interim City Manager

AUTHORITY:

MORENO VALLEY HOUSING AUTHORITY, a public body, corporate and politic

By: _____
Mike Lee, Interim Executive Director

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

EXHIBIT A
LEGAL DESCRIPTION OF THE SITE

PARCEL A

THOSE PORTIONS OF PARCEL 1 AND LOT "C" OF PARCEL MAP NO. 8073, IN THE CITY OF MORENO VALLEY, AS RECORDED IN PARCEL MAP BOOK 30, PAGE 20, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LYING WITHIN SECTION 7, TOWNSHIP 3 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL MAP, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 00°00'00" EAST ALONG THE EAST LINE OF SAID PARCEL MAP, A DISTANCE OF 117.50 FEET TO A POINT BEING 25.00 FEET, MEASURED ALONG SAID EAST LINE, FROM THE CENTERLINE OF SAID LOT C, SAID POINT IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 100.00 FEET, WITH A RADIAL BEARING OF NORTH 00°00'00" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°23'22", A DISTANCE OF 28.60 FEET;

THENCE NORTH 73°36'38" WEST, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 45.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 83°27'37", A DISTANCE OF 65.55 FEET;

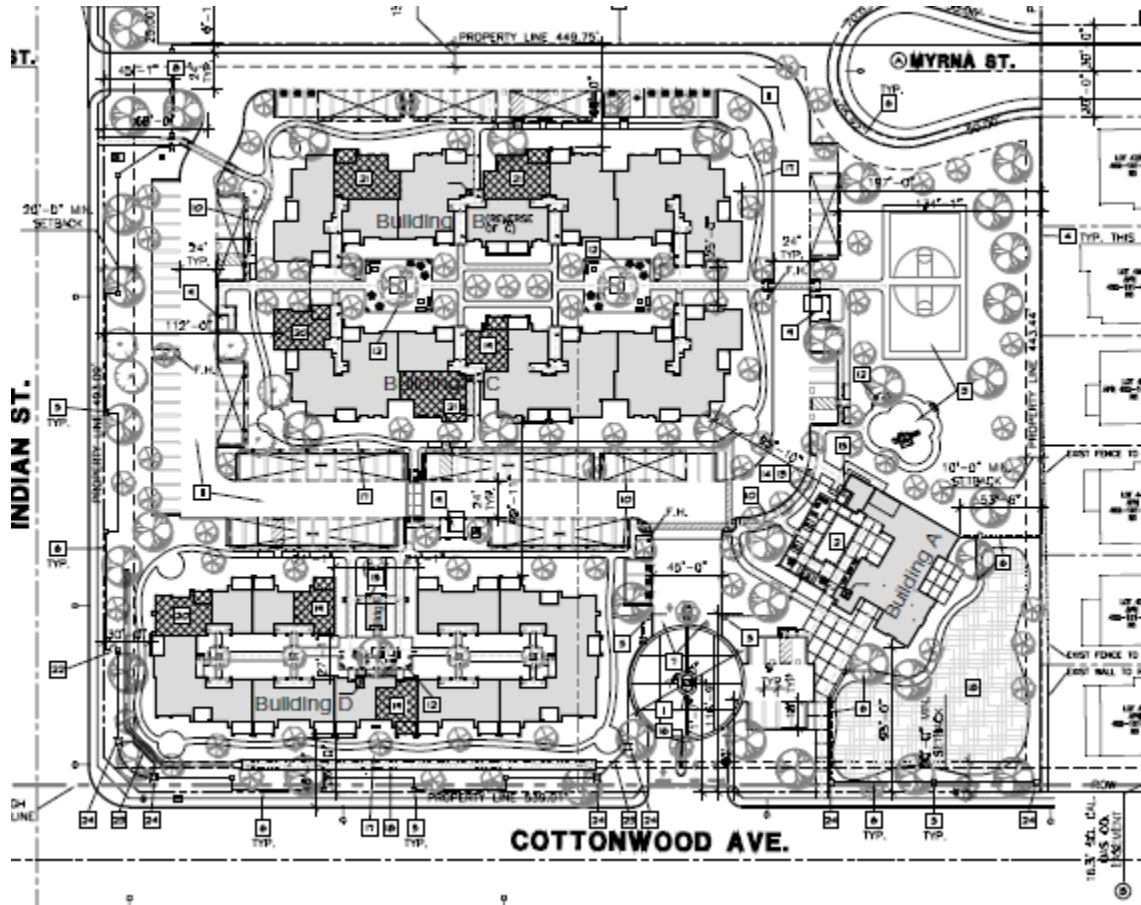
THENCE NORTH 89°59'10" WEST, A DISTANCE OF 449.76 FEET, TO THE INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THAT CERTAIN COURSE OF PARCEL 1 OF SAID PARCEL MAP, WHOSE COURSE BEARS NORTH 00°00'30" WEST, WITH A DISTANCE OF 100.00 FEET;

THENCE NORTHERLY ALONG SAID PROLONGATION NORTH 00°00'30" WEST, A DISTANCE OF 125.00 FEET, TO A NORTHWEST CORNER OF PARCEL 1 OF SAID PARCEL MAP;

THENCE SOUTH 89°59'10" EAST ALONG THE NORTH LINE OF SAID PARCEL 1, A DISTANCE OF 580.10 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL A CONTAINING 70,206 SQUARE FEET, MORE OR LESS.

EXHIBIT B
MAP OF THE SITE



Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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.

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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.

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DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title Or Type Of Document

- Partner(s) Limited General
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- Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 14

CITY NOTE

_____, 20__ (“Date of Promissory Note”) \$4,500,000.00
Moreno Valley, California

FOR VALUE RECEIVED, the undersigned COURTYARDS AT COTTONWOOD, L.P., a California limited partnership, (“Maker” or “Developer”), having its principal place of business at 27700 Kalmia Avenue, Riverside, California 92101, promises to pay to the order of the MORENO VALLEY HOUSING AUTHORITY, a public body, corporate and politic (“Payee” or “Authority”), at 14177 Frederick Street, Moreno Valley, California 92552-0805, or at such other place as the holder of this Note from time to time may designate in writing, the principal sum of Four Million Five Hundred Thousand (\$4,500,000.00) (the “Original Principal Amount”), as well as additional amounts described in Section 1 below, together with interest on the unpaid principal amount of this Promissory Note (“Promissory Note”) from time to time outstanding at the “Applicable Interest Rate,” as defined in that certain unrecorded Disposition and Development/Affordable Housing Agreement dated as of April 21, 2020 by and among Authority, the City of Moreno Valley, a municipal corporation (“City”), and Developer (the “DDA”) in lawful money of the United States of America. This Promissory Note is being delivered pursuant to the DDA. The loan evidenced by this Promissory Note shall be governed by such provisions of the DDA (including without limitation the attachments thereto) as shall be applicable. Interest shall accrue on the Original Principal Amount at the Applicable Interest Rate commencing as of the Date of Promissory Note. All capitalized terms used herein shall have the meanings set forth therefor in the DDA. Interest shall accrue only on the City Loan Amount and such additional amounts as may become payable under Section 1 of this Promissory Note. The Original Principal Amount is funded using Three Million Five Hundred Thousand Dollars (\$3,500,000.00) in NSP moneys of the City and One Million Dollars (\$1,000,000.00) of the City. The allocation of payments made by Developer to City under this Promissory Note is within the discretion of City and is a matter with which Developer is not concerned.

1. Additional Amounts. The principal due under this Promissory Note shall be increased by: (a) any “Reporting Amounts” (as defined in Article II, Section 3 of the Authority Regulatory Agreement; (b) an amount equal to one hundred fifteen percent (115%) of the amounts paid by Authority for insurance premiums or costs to repair and maintain the Development upon the failure by Developer to timely and fully provide insurance at the times and for the amounts provided therefor in the DDA; (c) any Cost Savings and Surplus Amounts which become payable to City from time to time under Section 4.17 of the DDA; and (d) in the event an Audited Financial Statement shows an underpayment to Authority of five percent (5%) or greater of the amount paid to Authority for the corresponding Year, Developer shall pay to Authority: (i) Authority’s costs (including accountant and consultant fees, attorneys’ fees, and a reasonable estimation of the cost of staff time) incurred in connection with Authority’s audit of Developer, and (ii) an amount equal to ten percent (10%) of the shortfall.

2. Payments.

(a) Payments of Additional Amounts due pursuant to Section 1 hereof shall be due and payable as of the last day of the Year during which an obligation therefor first arises;

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

(b) Excepting to the extent earlier times apply to the payment of Additional Amounts pursuant to paragraph (a) of this Section 2, payments under this Promissory Note shall be due and payable as follows: payments of the Applicable Percentage [fifty percent (50%)] of Residual Receipts payable on the first anniversary of the Date of the Promissory Note, and each anniversary thereafter until this Promissory Note has been satisfied in full. In addition, the entire amount of the City Loan together with accrued interest and any additional amounts which become owing hereunder shall be paid by maker to Payee as of the fifty sixth (56th) anniversary of the Date of the Promissory Note (which seventieth anniversary date constitutes the “Maturity Date”).

(c) Payments to Authority may, at the option of Payee, be accelerated and shall be due and payable hereunder in the event of the occurrence of any default under the DDA, the City Deed of Trust, this Promissory Note, the Authority Regulatory Agreement, or the City Covenants, which default continues past such notice or cure period as may be applicable under the DDA.

Notwithstanding anything to the contrary contained herein, to the extent not sooner paid hereunder, payment of all amounts accrued as of the Maturity Date shall be due and payable as of the Maturity Date.

3. Other Loan Documents; Limitation Upon Refinancing. Repayment of this Promissory Note is secured by a deed of trust (the “City Deed of Trust”) of this date executed by Maker for the benefit of Payee encumbering the property described in the Deed of Trust (the “Property” or “Site”).

Developer may not process a cash out refinancing during the Required Covenant Period which would, in the good faith judgment of Payee, adversely affect payments (including without limitation the amount thereof) to Payee during the Required Covenant Period; any such refinancing constitutes a breach hereunder.

4. Prepayment. Maker shall have the right to prepay amounts owing under this Promissory Note at any time.

5. Due on Sale or Encumbrance. In the event of any Transfer (as defined below) of the Property, 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. 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 Property, 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 Property, granting of an option to purchase any portion of or interest in the Property or any interest therein, or the lease of all or substantially all of the Property or of all or substantially all of the improvements located thereon. Transfer shall not include the sale, transfer, assignment, pledge, hypothecation or encumbrance by Developer’s limited partner of its partnership interest to the extent permitted by the DDA nor shall Transfer include the removal of any general partner of Developer 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 Developer’s partnership agreement to the extent permitted by the DDA. “Transfer” shall not include a Transfer permitted in the DDA or the leasing of individual Housing Units on the Property so long as Trustor complies with the provisions of the City Covenants, the Authority Deed and the DDA relating to such leasing activity. 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.

6. Subordination to Multifamily Note. Developer and the Payee each makes the following representations and warranties to [name of lender's agent: to come], as Agent ("Agent"):

"The indebtedness evidenced by this Promissory Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Multifamily Note of even date herewith in the original principal amount of [approximately \$_____] issued by Courtyards at Cottonwood, L.P. and payable to [to come] ("Senior Lender"), or order, to the extent and in the manner provided in that certain Subordination Agreement, dated as of _____, 20__, between the payee of this Promissory Note, and the Senior Lender and the maker of the Promissory Note (the "Subordination Agreement"). The mortgage or deed of trust securing this Promissory Note is and shall be subject and subordinate in all respects to the Assignment of Rents, Security Agreement and Fixture Filing securing the rights and remedies of the payee and each subsequent holder of this Promissory Note under the mortgage or deed of trust securing this Promissory Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Promissory Note shall be deemed, by virtue of such holder's acquisition of the Promissory Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement."

In the event of the refinancing of the senior loan for an amount not in excess of the outstanding principal balance of the existing senior loan and reasonable and customary closing costs, City will execute an instrument or instruments evidencing the subordination of the indebtedness evidenced by this Promissory Note to such new senior loan.

7. Miscellaneous.

(a) Governing Law. All questions with respect to the construction of this Promissory Note and the rights and liabilities of the parties to this Promissory Note shall be governed by the laws of the State of California.

(b) Binding on Successors. This Promissory Note shall inure to the benefit of, and shall be binding upon, the successors and assigns of each of the parties to this Promissory Note.

(c) Attorneys' Fees.

(i) Maker shall reimburse Payee for all reasonable attorneys' fees, costs and expenses, incurred by Payee in connection with the enforcement of Payee's rights under this Promissory Note, including, without limitation, reasonable attorneys' fees, 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, 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 Promissory Note into any judgment on this Promissory Note.

(d) Entire Agreement. This Promissory Note and the relevant provisions of the DDA 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) Time of the Essence. Time of the essence with respect to every provision hereof.

(f) Waivers by Maker. Except as otherwise provided in any agreement executed in connection with this Promissory 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 Promissory Note or in any proceeding against any of the rights or interests in or to properties securing payment of this Promissory Note.

(g) Non-waivers. No previous waiver and no failure or delay by Maker in acting with respect to the terms of this Promissory Note or the City Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this Promissory Note, the City Deed of Trust or the obligations secured thereby. A waiver of any term of this Promissory Note, the City 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 Promissory Note and the terms of any other document related to the loan evidenced by this Promissory Note, the terms of this Promissory Note shall prevail.

(h) Non-recourse Liability of Developer. Notwithstanding anything to the contrary of this Promissory Note, neither Developer nor any of its partners shall be personally liable for any default, loss, claim, damage, expense or liability or any person and the sole remedy against Developer hereunder shall be limited to its interest in the Development.

(signature on following page)

COURTYARDS AT COTTONWOOD, L.P.,
a California limited partnership

By: **Rancho Belago Developers, Inc.**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan

Its: President

By: **KDI Cottonwood, LLC**, a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach

Its: President

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 15

CITY DEED OF TRUST

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:

Moreno Valley Housing Authority
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)**

This DEED OF TRUST, made as of _____, 20__, among

COURTYARDS AT COTTONWOOD, L.P., a California limited partnership, herein called TRUSTOR, whose address is:

27700 Kalmia Avenue, Riverside, California 92101

FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and

the CITY OF MORENO VALLEY, a municipal corporation, 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 \$4,500,000.00 with interest thereon 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 and every obligation, covenant, promise or agreement of Trustor contained in the Loan Agreement between Beneficiary and Trustor, the Authority Regulatory Agreement, the City Covenants recorded as to the Property of even date herewith, and that certain unrecorded Disposition and Development/Affordable Housing Agreement by and among the Beneficiary, the Moreno Valley Housing Authority, a public body corporate and politic ("Authority") and the Trustor dated as of April 21, 2020 (the "DDA"), which is on file with the Beneficiary as a public record and is incorporated herein by reference, or contained herein, and (3) 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. A breach or default under the promissory note or a breach or default under the "Agreement" or any instrument referenced in Exhibit B hereto, or under any obligation to which this deed of trust is subordinated, shall be deemed to constitute a default hereunder.

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

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 on August 18, 1964, in Book 3778, Page 347 of Official Records of said 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.

COURTYARDS AT COTTONWOOD, L.P.,
a California limited partnership

By: **RBC Cottonwood, LLC**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan

Its: President

By: **KDI Cottonwood, LLC**, a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach

Its: President

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

EXHIBIT A
LEGAL DESCRIPTION

PARCEL A

THOSE PORTIONS OF PARCEL 1 AND LOT "C" OF PARCEL MAP NO. 8073, IN THE CITY OF MORENO VALLEY, AS RECORDED IN PARCEL MAP BOOK 30, PAGE 20, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LYING WITHIN SECTION 7, TOWNSHIP 3 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL MAP, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 00°00'00" EAST ALONG THE EAST LINE OF SAID PARCEL MAP, A DISTANCE OF 117.50 FEET TO A POINT BEING 25.00 FEET, MEASURED ALONG SAID EAST LINE, FROM THE CENTERLINE OF SAID LOT C, SAID POINT IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 100.00 FEET, WITH A RADIAL BEARING OF NORTH 00°00'00" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°23'22", A DISTANCE OF 28.60 FEET;

THENCE NORTH 73°36'38" WEST, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 45.00 FEET;

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THENCE SOUTH 89°59'10" EAST ALONG THE NORTH LINE OF SAID PARCEL 1, A DISTANCE OF 580.10 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL A CONTAINING 70,206 SQUARE FEET, MORE OR LESS.

EXHIBIT B

RIDER TO DEED OF TRUST

Exhibit B to Deed of Trust with Assignment of Rents dated as of _____, 20__, executed by Courtyards at Cottonwood, L.P., a California limited partnership, as “Trustor”, to First American Title Insurance Company, a California corporation, as Trustee, for the benefit of the 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, upon continuance thereof following the applicable notice and cure period under the DDA, at Beneficiary’s option, constitute a default under this Deed of Trust:
 - (a) A default under the DDA or any default under any City Note 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 “Authority Regulatory Agreement” (as executed and recorded pursuant to the DDA);
 - (c) A default under the “City Covenants” (as executed and recorded pursuant to the DDA);
or
 - (c) A default under the Authority Deed (as entered into pursuant to the DDA).

2. **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.

3. **DUE ON SALE OR ENCUMBRANCE.** In the event of any Transfer (as defined below) of the Property, 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 Property, 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 Property, granting of an option to purchase any portion of or interest in the Property or any interest therein, or the lease of all or substantially all of the Property or of all or substantially all of the improvements situated on the Property. “Transfer” shall not include a Transfer permitted in the DDA or the leasing of individual dwelling units on the Property so long as Trustor complies with the provisions of the Agreement relating to such leasing activity and such transfers as are permitted under the Authority Regulatory Agreement. 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.

4. **PRIORITY OF DEED OF TRUST.** This Deed of Trust is subject and subordinate to the following:

(i) the Authority Regulatory Agreement; (ii) the City Covenants; (iii) a bond regulatory agreement dated as of _____, 20__ by and among _____, _____ and _____, a copy of which is on file with the Authority; and (iv) deeds of trust securing senior loans as approved by the Authority between _____ and _____ (a copy of each of which is on file with the Authority).

5. **NOTICE AND CURE RIGHTS BY LIMITED PARTNERS.** Notwithstanding anything to the contrary contained in the Authority Deed, Authority hereby agrees that any cure of any default made or tendered by Developer's limited partners shall be deemed to be a cure by Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer. Copies of all notices which are sent to Developer under the terms of the Authority Deed shall also be sent to Developer's Limited Partner, _____.

CERTIFICATE OF ACCEPTANCE

This is to certify that the fee interest in real property conveyed under the foregoing Deed of Trust by Courtyards at Cottonwood, L.P., a California limited partnership, as to the following property:

Real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

PARCEL A

THOSE PORTIONS OF PARCEL 1 AND LOT "C" OF PARCEL MAP NO. 8073, IN THE CITY OF MORENO VALLEY, AS RECORDED IN PARCEL MAP BOOK 30, PAGE 20, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, LYING WITHIN SECTION 7, TOWNSHIP 3 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL MAP, SAID POINT BEING THE **TRUE POINT OF BEGINNING**:

THENCE SOUTH 00°00'00" EAST ALONG THE EAST LINE OF SAID PARCEL MAP, A DISTANCE OF 117.50 FEET TO A POINT BEING 25.00 FEET, MEASURED ALONG SAID EAST LINE, FROM THE CENTERLINE OF SAID LOT C, SAID POINT IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 100.00 FEET, WITH A RADIAL BEARING OF NORTH 00°00'00" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°23'22", A DISTANCE OF 28.60 FEET;

THENCE NORTH 73°36'38" WEST, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 45.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 83°27'37", A DISTANCE OF 65.55 FEET;

THENCE NORTH 89°59'10" WEST, A DISTANCE OF 449.76 FEET, TO THE INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THAT CERTAIN COURSE OF PARCEL 1 OF SAID PARCEL MAP, WHOSE COURSE BEARS NORTH 00°00'30" WEST, WITH A DISTANCE OF 100.00 FEET;

THENCE NORTHERLY ALONG SAID PROLONGATION NORTH 00°00'30" WEST, A DISTANCE OF 125.00 FEET, TO A NORTHWEST CORNER OF PARCEL 1 OF SAID PARCEL MAP;

THENCE SOUTH 89°59'10" EAST ALONG THE NORTH LINE OF SAID PARCEL 1, A DISTANCE OF 580.10 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL A CONTAINING 70,206 SQUARE FEET, MORE OR LESS.

is hereby accepted by the Interim City Manager of the City of Moreno Valley (the "City") on behalf of the City Council of the City pursuant to authority conferred by action of the City Council on April 21, 2020, and the Grantee consents to recordation thereof by its duly authorized officer.

CITY OF MORENO VALLEY,
a municipal corporation

By: _____
Interim City Manager

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)

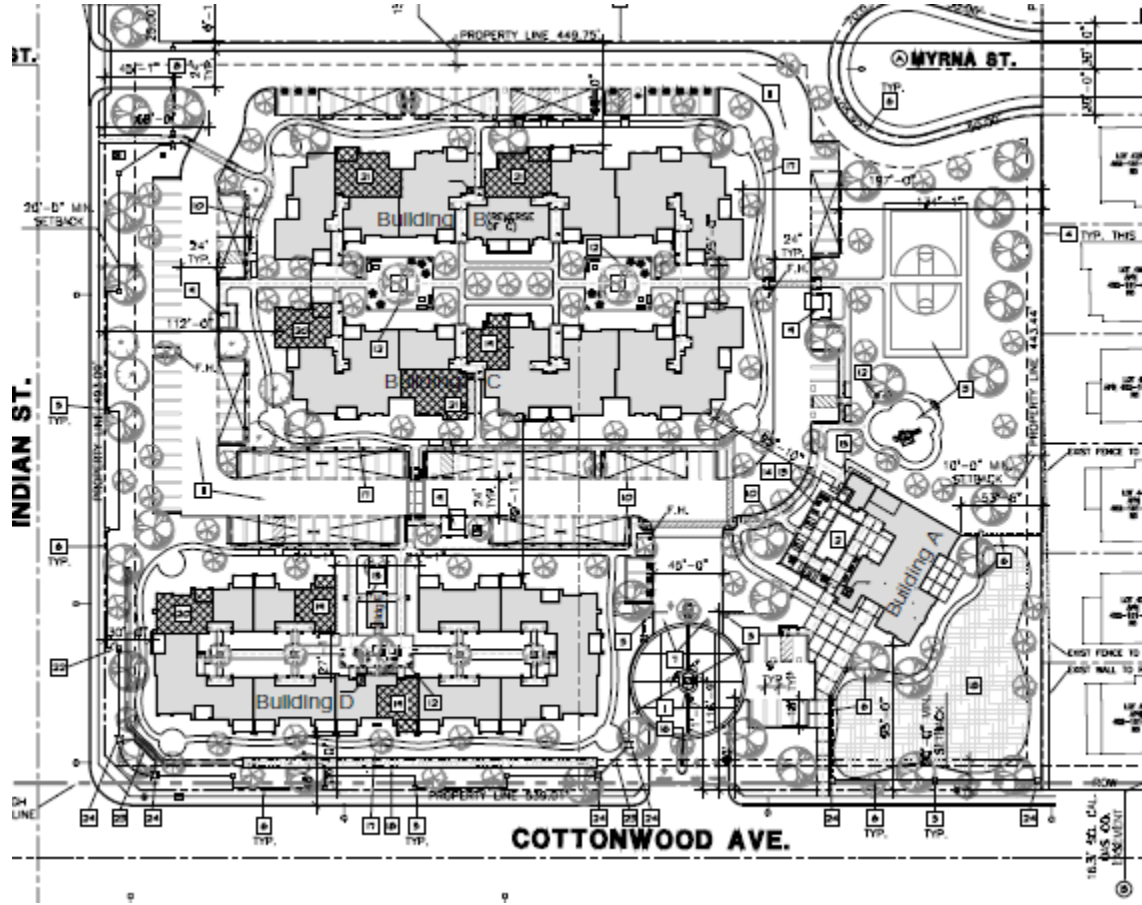
Date Of Documents

Signer(s) Other Than Named Above

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 16

SITE MAP



Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 17
HOME DOCUMENTATION, RECORDKEEPING, REPORTING
AND MONITORING REQUIREMENTS

[to come]

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 18

SECTION 3 PLAN

[to come]

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 19
BASE PRO FORMA

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

ATTACHMENT NO. 20

PARCEL B AUTHORITY DEED

Recording Requested by:

When Recorded Return to and
Mail Tax Statements to:



(Space Above for Recorder's Use Only)

DOCUMENTARY TRANSFER TAX

\$ _____ computed on the
consideration or value of property conveyed; OR _____
computed on the consideration or value less liens or
encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED

For a valuable consideration, receipt of which is hereby acknowledged,

The **MORENO VALLEY HOUSING AUTHORITY**, a housing authority duly established and operating pursuant to Chapter 1 of Part 2 of Title 24 of the California Health and Safety Code ("Grantor"), hereby grants to **COURTYARDS AT COTTONWOOD, L.P.**, a California limited partnership, herein called ("Grantee"), the real property hereinafter referred to as the "Property," described in Exhibit A attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants or record described there.

1. 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,

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

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. Both before and after recordation of a Certificate of Completion, both Grantor, its successors and assigns, and Grantee and the successors and assigns of Grantee in and to all or any part of the fee title to the Property shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, easements or restrictions contained in this Grant Deed without the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized, this ____ day of _____, 202_.

MORENO VALLEY HOUSING AUTHORITY, a public body corporate and politic

By: _____
Mike Lee
Its: Interim Executive Director
“GRANTOR”

The Grantee agrees to be bound by the covenants set forth above.

COURTYARDS AT COTTONWOOD, L.P., a California limited partnership

By: **RBC Cottonwood, LLC**
a California limited liability company

Its: Administrative General Partner

By: _____
James M. Jernigan
Its: President

By: **KDI Cottonwood, LLC**, a California limited liability company

By: **Kingdom Development, Inc.**
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
William Leach
Its: President

“GRANTEE”

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Title Or Type Of Document

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

EXHIBIT A
LEGAL DESCRIPTION

[to come]

APN(s): _____

Attachment: Cottonwood Apartments I, LP- Draft Disposition and Development Agreement (4002 : DISPOSITION AND

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA SUPPORTING THE COURTYARDS AT COTTONWOOD AFFORDABLE HOUSING DEVELOPMENT AND AFFIRMING ITS INTENTION TO PROVIDE FINANCIAL ASSISTANCE TO COURTYARDS AT COTTONWOOD, L.P.

WHEREAS, the Housing Authority of the City of Moreno Valley (“Authority”) is a housing authority duly established and operating as a local housing authority pursuant to the California Housing Authority Law, Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (“Housing Authority Law”); and

WHEREAS, a general plan amendment and zone change for the Site was reviewed and approved by the Planning Commission at the October 10, 2019 Planning Commission Meeting; and

WHEREAS, Courtyards at Cottonwood, L.P., proposes to develop eight-one (81) dwelling units on certain vacant property located generally at the northeast corner of Cottonwood Avenue and Indian Street (the “Site”) ; and

WHEREAS, Courtyards at Cottonwood, L.P., proposes that dwelling units on the Site shall be restricted to rental to households of limited income, including very low income households and low income households for a period of at least fifty-six (56) years under covenants to be recorded as to the Site, which covenants would be enforceable by the City of Moreno Valley (the “City”); and

WHEREAS, Courtyards at Cottonwood, L.P., proposes to submit an application for land use approvals to develop eighty one (81) rental units (the” Development”). The Development is proposed to be constructed in one phase and will consist of eighty (80) rental units, composed of a mix of one-bedroom, two-bedroom, and three-bedroom units, plus a manager’s unit; and

WHEREAS, Courtyards at Cottonwood, L.P., proposes to restrict twenty (20) of the eighty (80) dwelling units as age-restricted units on the Site for senior households, the units shall be restricted to households of limited income, including very low income households and low income households for a period of at least fifty-six (56) years under covenants to be recorded as to the Site, which covenants would be enforceable by the City ; and

WHEREAS, in connection with the proposed development and use of the Site, Courtyards at Cottonwood, L.P., has requested that the City provide financial support for the proposed project (using moneys from the City’s HOME and NSP funds) in the amount of NSP funds is not to exceed three million four hundred twenty thousand six hundred eighty two dollars and 47 cents (\$3,420,682.47) and HOME funds in the

1

Resolution No. 2020-_____
Date Adopted: April 21, 2020

amount not to exceed one million dollars (\$1,000,000.00), and transfer of four (4) parcels of vacant land located at the northeast corner of Cottonwood Avenue and Indian Street, in the City of Moreno Valley, County of Riverside, State of California, identified as Assessor's Parcel Numbers 482-161-021, 482-161-022, 482-161-023, and 482-161-024 (as aggregated, the "Requested Amount"), to accrue interest at the rate of 1% simple interest, per annum over the term of fifty-six (56) years until repaid, repayment to be subject to deferral to the extent necessary to dray debt service; and

WHEREAS, the Authority, a public body, corporate and politic holds fee title to the Site; and

WHEREAS, a public meeting of the City Council and the Housing Authority on the proposed Affordable Housing Agreement was duly noticed; and

WHEREAS, the proposed Affordable Housing Agreement, 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 Affordable Housing Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Housing Authority has duly considered all of the terms and conditions of the proposed Affordable Housing Agreement and believes that the development of the Site pursuant to the Affordable Housing Agreement is in the best interests of the Housing Authority as well as the City 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, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

APPROVED AND ADOPTED this 21st day of April, 2020.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

2
Resolution No. 2020-_____
Date Adopted: April 21, 2020

Attachment: Resolution 2020- xx_City (4002 : DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2020-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2020- 3
Date Adopted: April 21, 2020

Attachment: Resolution 2020- xx_City (4002 : DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MORENO VALLEY HOUSING AUTHORITY, CALIFORNIA SUPPORTING THE COURTYARDS AT COTTONWOOD AFFORDABLE HOUSING DEVELOPMENT AND AFFIRMING ITS INTENTION TO PROVIDE FINANCIAL ASSISTANCE TO COURTYARDS AT COTTONWOOD, L.P.

WHEREAS, the Housing Authority of the City of Moreno Valley (“Authority”) is a housing authority duly established and operating as a local housing authority pursuant to the California Housing Authority Law, Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (“Housing Authority Law”); and

WHEREAS, a general plan amendment and zone change for the Site was reviewed and approved by the Planning Commission at the October 10, 2019 Planning Commission Meeting; and

WHEREAS, Courtyards at Cottonwood, L.P., proposes to develop eight-one (81) dwelling units on certain vacant property located generally at the northeast corner of Cottonwood Avenue and Indian Street (the “Site”) ; and

WHEREAS, Courtyards at Cottonwood, L.P., proposes that dwelling units on the Site shall be restricted to rental to households of limited income, including very low income households and low income households for a period of at least fifty-six (56) years under covenants to be recorded as to the Site, which covenants would be enforceable by the City of Moreno Valley (the “City”); and

WHEREAS, Courtyards at Cottonwood, L.P., proposes to submit an application for land use approvals to develop eighty one (81) rental units (the” Development”). The Development is proposed to be constructed in one phase and will consist of eighty (80) rental units, composed of a mix of one-bedroom, two-bedroom, and three-bedroom units, plus a manager’s unit; and

WHEREAS, Courtyards at Cottonwood, L.P., proposes to restrict twenty (20) of the eighty (80) dwelling units as age-restricted units on the Site for senior households, the units shall be restricted to households of limited income, including very low income households and low income households for a period of at least fifty-six (56) years under covenants to be recorded as to the Site, which covenants would be enforceable by the City ; and

WHEREAS, in connection with the proposed development and use of the Site, Courtyards at Cottonwood, L.P., has requested that the City provide financial support for the proposed project (using moneys from the City’s HOME and NSP funds) in the amount of NSP funds is not to exceed three million four hundred twenty thousand six

1
Resolution No. 2020-_____
Date Adopted: April 21, 2020

Attachment: Resolution 2020- xx_Housing Auth v1 (4002 : DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT BY AND

hundred eighty two dollars and 47 cents (\$3,420,682.47) and HOME funds in the amount not to exceed one million dollars (\$1,000,000.00), and transfer of four (4) parcels of vacant land located at the northeast corner of Cottonwood Avenue and Indian Street, in the City of Moreno Valley, County of Riverside, State of California, identified as Assessor’s Parcel Numbers 482-161-021, 482-161-022, 482-161-023, and 482-161-024 (as aggregated, the “Requested Amount”), to accrue interest at the rate of 1% simple interest, per annum over the term of fifty-six (56) years until repaid, repayment to be subject to deferral to the extent necessary to dray debt service; and

WHEREAS, the Authority, a public body, corporate and politic holds fee title to the Site; and

WHEREAS, a public meeting of the City Council and the Housing Authority on the proposed Affordable Housing Agreement was duly noticed; and

WHEREAS, the proposed Affordable Housing Agreement, 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 Affordable Housing Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Housing Authority has duly considered all of the terms and conditions of the proposed Affordable Housing Agreement and believes that the development of the Site pursuant to the Affordable Housing Agreement is in the best interests of the Housing Authority as well as the City and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED BY THE GOVERNING BOARD OF THE MORENO VALLEY HOUSING AUTHORITY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

APPROVED AND ADOPTED this 21st day of April, 2020.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2020-2
Date Adopted: April 21, 2020

Attachment: Resolution 2020- xx_Housing Auth v1 (4002 : DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT BY AND

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2020-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2020- 3
Date Adopted: April 21, 2020

Attachment: Resolution 2020- xx_Housing Auth v1 (4002 : DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT BY AND