Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the Library, 251 South "A" Street and the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Any materials to be presented at this meeting will be made available electronically 24 hours prior to the meeting, at the end of this agenda. The agenda reports are on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY
Council Chambers, 305 West Third Street
October 11, 2016
Regular Meeting - 6:00 PM

A. ROLL CALL/POSTING OF AGENDA

THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: Oxnard City Council and Oxnard Housing Authority.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

At this time, a person may address the legislative body only on matters appearing on the closed session agenda. The presiding officer shall limit public comments to three minutes

C. CLOSED SESSION

D. OPENING CEREMONIES

Pledge of allegiance to the flag of the United States

E. CEREMONIAL CALENDAR

1. SUBJECT: Presentation of a Proclammation Designating October 13, 2016 as "Community Safety and Anti-Violence Day".

2. SUBJECT: Presentation of a Resolution Commending Paul Lemos for Ten Years of Service on the Parks and Recreation Commission.

3. SUBJECT: Presentation of a Commendation to Oxnard Police Activity League Boys Soccer Club.

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of thirty minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. A person not able to address the legislative body at this time because the thirty minutes

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.
City of Oxnard internet address: www.oxnard.org.

expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take any action on any items presented during public comments at this time. Such items may only be referred to the City Manager/ Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing. The presiding officer shall limit public comments to three minutes.

G. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY

The City Manager/Executive Director/Secretary shall report on items of interest to the legislative body occurring since the last meeting. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion.

H. CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY/FINANCING AUTHORITY BUSINESS/COMMITTEE REPORTS

I. REVIEW OF INFORMATION/CONSENT AGENDA

The members of the legislative body will consider whether to remove Information/Consent Agenda items for discussion later during the meeting.

J. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

At this time, a person may address the legislative body only on matters appearing on the information/consent agenda. The presiding officer shall limit public comments to three minutes.

K. INFORMATION CONSENT AGENDA

City Clerk Department

1. SUBJECT: City Council Minutes of September 6, 13 and 20 and October 4, 2016.
   RECOMMENDATION: Approve City Council Minutes of September 6, 13, 20 and October 4, 2016.
   Legislative Body: CC Contact: Daniel Martinez Phone: 385-7803

City Manager Department

2. SUBJECT: Agreements for City Council Review
   RECOMMENDATION: That City Council, pursuant to Ordinance 2835, and Resolution No. 13,932, approve and authorize the City Manager to execute the agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are described on the attached list.

   L. N. Curtis for the purchase of breathing apparatus ($104,464).
   Zumar Industries, Inc., for the purchase of street signage material ($75,000).

   A complete explanation of the agreement and funding sources are attached.
   Legislative Body: CC Contact: Greg Nyhoff Phone: 385-7430

Public Works Department

3. SUBJECT: Approve Plans and Specifications No. GS15-15 for the RiverPark Community Facilities District No. 5 Dog Park at Windrow Park
RECOMMENDATION: That City Council approve the plans and specifications No. GS15-15 for the RiverPark Community facilities District No. 5 Dog Park site at Windrow Park and authorize staff to solicit bids.
Legislative Body: CC Contact: Daniel Rydberg Phone: 385-8055

L. PUBLIC HEARINGS

M. APPPOINTMENT ITEMS

N. REPORTS

City Manager Department

1. SUBJECT: Status Report on the 128 Recommendations Found in the Organizational Assessment and the 111 Internal Control Recommendations from the 2015 Audit (10/30/15)
RECOMMENDATION: That City Council receive a status update on the Organizational Assessment's Implementation Action Plan (IAP) that re-prioritizes the 128 recommendations adopted by Council on July 21, 2015 and the City's plan to address the 111 Internal Control recommendations from the recent 2015 Audit.
Legislative Body: CC Contact: Maria A. Hurtado Phone: 385-7430

Housing Department

2. SUBJECT: Approval of Loan Agreements with Many Mansions for the Vista Pacifica Development (10/30/10)
RECOMMENDATION: Approve and authorize the Mayor to execute a HOME Participation Agreement (A- 7911), an Affordable Housing Agreement (A-7912) and an HOME CHDO Set-Aside and In-lieu Fee Funds Loan Agreement (A-7913) with Many Mansions, providing gap financing in the amount of $800,000 for the construction of thirty-nine (39) very low-income affordable rental units and 1 unrestricted manager's apartment commonly known as the Vista Pacifica Development located at 5527 and 5557 Saviers Road;

   Approve a budget appropriation of $328,694 from the Oxnard Housing In-lieu fees fund and $2,850 from HOME-CHDO Set Aside funds.

   Authorize the City Manager or designee to make necessary corrections or modifications in the attached agreements in order to conform them to each other or to make them consistent with the provisions of the staff report.
Legislative Body: CC Contact: Arturo Casillas Phone: 385-8094

3. SUBJECT: Awarding of 39 Section 8 Program Project Based Vouchers to Many Mansions for the Vista Pacifica Development

RECOMMENDATION: That the Housing Authority of the City of Oxnard Board of Commissioners:

Approve the awarding of 39 Section 8 Project Based Vouchers to Many Mansions for the Vista Pacifica development project and authorize the Housing Director to submit a notice to the U.S. Department of Housing and Urban Development (HUD) of our intent to assign 39 vouchers to the Vista Pacifica Development and to demonstrate that the Oxnard Housing Authority (OHA) has sufficient budget authority to carry-out this planned project-based activity.
Legislative Body: HA Contact: Arturo Casillas Phone: 385-8094

Public Works Department

4. SUBJECT: Approve Amendment with CV Strategies for Public Works Outreach (5/15/10)
RECOMMENDATION: That City Council approve a First Amendment to Agreement No. 7567-16-PW with CV Strategies for a one year total not-to-exceed amount of $73,550 with a total contract amount of $98,250 to implement utility rates outreach services.
Legislative Body: CC Contact: Daniel Rydberg Phone: 385-8055

O. PUBLIC COMMENTS ON REPORTS

At this time, a person may address the legislative body only on matters appearing on the reports. The presiding officer shall permit a person to address the legislative body after the staff presentation on the report and before the consideration of the report by the legislative body. The presiding officer shall limit public comments to three minutes.

P. PUBLIC COMMENTS ON STUDY SESSION

At this time, a person may address the legislative body only on matters appearing on the study session agenda. The presiding officer shall permit a person to address the legislative body after the staff presentation on the item and before the consideration of the item by the legislative body. The presiding officer shall limit public comments to three minutes.

Q. STUDY SESSION

R. ADJOURNMENT

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD COMMENDING PAUL LEMOS FOR HIS COMMITMENT AND SERVICE TO THE PARKS AND RECREATION COMMISSION

WHEREAS, Paul Lemos has served on the City of Oxnard Parks and Recreation Commission for ten years; and

WHEREAS, Paul Lemos has served the City of Oxnard with distinction since May 2005 as a member of the Parks and Recreation Commission, where he served as vice chair; and

WHEREAS, Mr. Lemos' years of service have been marked by exemplary dedication to the best interests of the City of Oxnard; and

WHEREAS, Mr. Lemos has earned the admiration and high regard of those with whom he has come in contact, and the affection of his fellow residents; and

WHEREAS, the City Council wishes to formally express its appreciation to Mr. Lemos for his long and highly dedicated service on the Parks and Recreation Commission and his contributions to the development of College Park and other recreational activities.

NOW, THEREFORE, the City Council of the City of Oxnard hereby commends Paul Lemos for his ten years of outstanding commitment and service to the City of Oxnard and its residents, and wishes him much happiness and good health in his retirement years.

PASSED AND ADOPTED THIS 11th day of October 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

CITY OF OXNARD CALIFORNIA	CITY COUNCIL AGENDA REPORT	TYPE OF ITEM: Info/Consent AGENDA ITEM NO.: 1

DATE: October 11, 2016

TO: City Council

FROM: Daniel Martinez
City Clerk

Daniel Martinez

SUBJECT: City Council Minutes of September 6, 13 and 20 and October 4, 2016.

CONTACT: Daniel Martinez, City Clerk
Daniel.Martinez@oxnard.org, 385-7803

RECOMMENDATION:

Approve City Council Minutes of September 6, 13, 20 and October 4, 2016.

STRATEGIC PRIORITIES

This agenda item is a routine operational item that does not directly relate to the four strategic plans adopted by City Council on May 17, 2016. This agenda item does provide transparency of Council meetings to the public.

FINANCIAL IMPACT

None.

ATTACHMENTS:

Attachment A cc160906

Attachment B cc160913

Attachment C cc160920

Attachment D cc161004

MINUTES
OXNARD CITY COUNCIL
Regular Meeting
September 6, 2016

A. ROLL CALL/POSTING OF AGENDA

At 4:36 p.m., the regular meeting of the Oxnard City Council convened in the Council Chambers. Councilmembers Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Dorina Padilla and Bert Perello were present. The City Clerk stated that the agenda was posted on Thursday at the Oxnard City Hall and the Library. Mayor Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, City Clerk; Greg Nyhoff, City Manager; Maria Hurtado, Assistant City Manager; Scott Whitney, Assistant City Manager and Stephen Fischer, City Attorney.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

Public comment received from: Cyndi Hookstra.

C. CLOSED SESSION

At 4:40 p.m. the City Council recessed to a closed session, pursuant to Government Code section 54956.9(d)(1) to confer with its attorneys. The title and case number of the litigation being discussed are Mladen Buntich Construction Company, Inc. v. City of Oxnard, Ventura County Superior Court Case No. 56-2015-00469185-CU-BC-VTA

The City Council also recessed to a closed session, pursuant to Government Code Section 54957.6(a), to review the status of labor negotiations and to review its available funds and funding priorities for the purpose of providing instructions to the City's negotiators, Maria Hurtado, Assistant City Manager; and Burke Dunphy, City's labor attorney. Employee organizations: International Association of Firefighters, AFL-CIO (**IAFF**), Local No. 1684; Oxnard Peace Officers' Association (**OPOA**); Service Employees International Union CTW, CLC, Local 721 (**SEIU Local 721**); International Union of Operating Engineers AFL-CIO, Local No. 501 (**IUOE Local 501**); Oxnard Public Safety Management Employees' Association (**Police Unit**); Oxnard Public Safety Management Employees' Association (**Fire Unit**); and Oxnard Mid-Managers' Association (**OMMA**); **Unrepresented employees**: Assistant City Manager, Chief Financial Officer, City Clerk, City Treasurer, Deputy City Manager, Development Services Director, Fire Chief, Housing Director, Human Resources Director, Economic Development Director, I.T. Director, Library Director, Police Chief, Utilities Director **(Department Directors)**; Assistant City Attorney, Assistant Director of Human Resources, Community Relations and Public Affairs Manager, Deputy City Attorney, Law Office Manager, Human Resources Manager, Workers' Compensation Manager, Management Analyst III (C) (**Confidential Mid-Managers**); Accountant II (C80), Accounting Technician (C67), Administrative Assistant (C70), Administrative Legal Assistant (C70), Administrative Legal Secretary I (C25), Administrative Legal Secretary II (C35), Administrative Legal Secretary III (C50), Administrative Secretary I (C15), Administrative Secretary II (C30), Administrative Secretary III (C40), Administrative Services Assistant (C70), Administrative Technician (C60), Employee Relations Coordinator (C67), Executive Assistant I (C80), Executive Assistant II (C85), Human Resources Technician (C70), Office Assistant I (C10), Office Assistant II (C20), Paralegal (C75), Safety Specialist (C72), Senior Administrative Legal Secretary (C65), Senior Administrative Secretary (C55), Senior Benefits Coordinator (C75), Senior Human Resources Coordinator (C75), Workers' Compensation Specialist (C69) (**Confidential Employees**); unrepresented Limited Benefit Employees.

At 6:14 p.m. the City Council reconvened and recessed to the evening session.

D. OPENING CEREMONIES

At 6:17 p.m., the regular meeting of the Oxnard City Council reconvened in the Council Chambers, concurrently with the Oxnard Financing Authority. The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence for Ed Ellis and Patrick Barrios. Mayor Flynn presided. Additional staff members present were: Jeri Williams, Police Chief; Kymberly Horner, Economic Development Director; Arturo Castillo, Housing Director; Ingrid Hardy, Cultural and Community Services Director; Ashley Golden, Development Services Director; Daniel Rydberg, Public Works Director; Kathleen Mallory, City Planner; Jefferson Billingsley, Assistant City Attorney; Kenneth Rozell, Assistant City Attorney; Darwin Base, Interim Fire Chief and Raja Bamrungpong, Computer Network Engineer.

E. CEREMONIAL CALENDAR

SUBJECT: Presentation of a Commendation to Chuck Dennis for His Dedication to Promoting the Arts and the Upcoming Oxnard Jazz Festival.
DISCUSSION: Daphne King received commendation on behalf of Chuck Dennis for creating the first Oxnard Jazz Festival at the Oxnard Beach Park.

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from: Peter De Domenico (City Clerk candidate); Larry Stein (meeting with staff, City Treasurer candidate); Phillip Molina (City Treasurer candidate); Steve Huber (budget audit questions, hiring of CFO, Council candidate); Connie Kornenstein (petition regarding “Kiddie” beach safety); Sandra McLaughlin (opposed the proposed development of apartments at Channels Islands & Victoria); Armen Moleian (short-term rentals); Tiffany Lopez (community events, City Clerk candidate); Genevieve Flores-Haro (City Council candidate); Daniel Chavez (selection of Police Chief); George Miller (completion of audit; “whistle-blower” program; harbor development); Celeste Garnino (Southwinds Neighbor lights); Martin Jones (Council listening to the public); and Jack Villa (City Council candidate, tour of the “wasterwater” plant).

G. REPORT OF CITY MANAGER

The City Manager commented: on funding for park improvements; selection of Scott Whitney as Police Chief and future audit report of State Controller’s Office.

H. CITY COUNCIL BUSINESS/COMMITTEE REPORTS

The City Council discussed: development of the Downtown Vision Plan; expanding local train/bus services; upcoming California Coastal Commission meeting regarding placing a “power” plant on the beach and review of the City audit by the State Controller’s Office.

2. SUBJECT: Informational Report on August 12th Meeting with State Controller's Audit Team (Councilmember Perello).
DISCUSSION: Councilmember Perello provided comments regarding meeting with State Controller’s Office.

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1. SUBJECT: League of California Cities Annual Conference Voting Delegate/Alternate 2016.
   RECOMMENDATION: (1) designate a voting delegate and a voting alternate to the League of California Cities Annual Conference business meeting to be held on October 7 and (2) discuss the City's position on the League's resolution committing the League to supporting Vision Zero, Toward Zero Deaths, and other programs or initiatives to make safety a top priority for transportation projects and policy formulation, while encouraging cities to pursue similar initiatives.
   DISCUSSION: The Council discussed who was going to the conference and the City's position on California League conference positions and questioned any "financial" commitments by supporting League positions on issues.

   ACTION: Mayor Flynn moved to appoint Mayor Pro Tem Ramirez as primary designate with Councilmember Perello and Greg Nyhoff as Alternates.

I. REVIEW OF INFORMATION/CONSENT AGENDA

Comments received from: Public Works Director (K-2(g)) and Assistant City Manager (Hurtado) (K-3).

J. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Public comment received from Margaret Cortese (K-3); Larry Stein (K-2); and George Miller (H-1).

K. INFORMATION CONSENT AGENDA

City Clerk Department

1. SUBJECT: City Council Minutes of May 10, 17 and 24, 2016, June 7, 2016. Special Council Minutes of June 6, 2016.
   RECOMMENDATION: Approve regular minutes of May 10, 17 and 24, 2016, June 7, 2016; Special Council Minutes of June 6, 2016.

City Manager Department

2. SUBJECT: Agreements for City Council Review
   RECOMMENDATION: Approve and authorize the City Manager to execute the following agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are further described on the attached list: A) Muni Services, LLC. for financial management assistance with the audit ($10,000); B) Urban Futures for accounting and technical assistance with the audit ($27,095); C) MV Cheng & Associates for assistance with audit, bank reconciliation, capital assets and other general accounting ($146,000); D) Municipal Resources Group for onsite Human Resources leadership and assistance with recruitment ($198,500); E) AppleOne Employment Services for short-term staffing ($175,000); F) Allstar Fire Equipment for purchase of 15 turnouts for academy recruits ($39,491); I) Diversified Minerals Inc. for concrete material for street infrastructure repair ($40,000); H) Vulcan Materials Company for hot asphalt material for street pavement repair ($210,000); G) Granite Construction for hot asphalt material for street pavement repair ($210,000)

Development Services Department

3. SUBJECT: Authorization to Disburse and Appropriate Revenue from the Public Art Fund RECOMMENDATION: 1) authorize the disbursement of Public Art Fund revenues in the amount of $175,000 for the purpose of providing funding to various cultural arts organizations, programs, and artists, and 2) approve a one-time appropriation of revenue in the amount of $175,000 from the Public Art Fund-Fund balance.

4. SUBJECT: Consider Resolution Approving Participation in the Institute for Local Government's Beacon Program
RECOMMENDATION: Adopt **Resolution No. 14,957** approving participation in the Institute for Local Government's Recognition Program, the Beacon Program (Attachment A).

INFORMATION/CONSENT AGENDA ACTION: Approved as recommended. (MacDonald /Ramirez) Ayes: Ramirez, MacDonald, Padilla, Perello and Flynn.

FINANCING AUTHORITY

At 8:19 p.m., the joint meeting with the Oxnard Financing Authority concluded.

L. PUBLIC HEARINGS

ACTION: Mayor Flynn declared the public hearing open.
DISCUSSION: The City Clerk reported on posting, publication and that there were no written communications received.

Development Services Department

1. SUBJECT: Planning and Zoning Permit No. 16-300-02 (Vesting Tentative Subdivision Map for Tract No. 5974) Filed by David Webber, Retail Development Solutions for Property Owner Red Mountain Asset Fund III, LLC, 1234 E. 17Th St., Santa Ana, CA 92701.
RECOMMENDATION: Adopt **Resolution No. 14,958** approving Planning and Zoning Permit No. 16-300-02 (Vesting Tentative Subdivision Map For Tract No. 5974) to subdivide an improved 12.8-acre site containing a commercial shopping center at the northeast corner of S. Ventura Rd. and W. Channel Islands Blvd. into 8 separate parcels ranging from 0.82 to 2.47 acres.

At 8:26 p.m., Mayor Flynn left the meeting and Mayor Pro Tem Ramirez presided.

DISCUSSION: The Development Services Director and City Planner discussed the proposed development of dividing the property, traffic impact fees and Title 24 building (green building) code requirements.

At 8: 29 p.m., Mayor Flynn returned to meeting and presided.

David Weber, Retail Development Solutions, commented there was one sole owner of the property, payment of development fees and transfer of "alcohol" license.

Public comments received from: Larry Stein, Daniel Chavez and Pat Brown.

DRAFT

ACTION: Close the public hearing. (Ramirez/Perello) unanimously.

DISCUSSION: The Council discussed traffic impact; green building practices; hours of construction, alcohol sales and parking requirements.

ACTION: Approved as recommended. (Ramirez/Perello) Ayes: MacDonald, Padilla, Perello, Flynn, and Ramirez.

M. APPPOINTMENT ITEMS

N. REPORTS

City Attorney Department

1. SUBJECT: Smoking Ordinance
RECOMMENDATION: Approve the first reading by title only and subsequent adoption of an ordinance regulating smoking.

DISCUSSION: The Assistant City Attorney reviewed changes to State law, past "smoking" discussions, electronic "smoking" devices and recreation areas.

Public comments received from: Kaz Iwamoto, Primo Castro, Gabriel Teran, Daniel Chavez, George Miller and Pat Brown.

ACTION: The City Council provided comments and directions to staff.

The City Council discussed enforcement of Ordinance and prohibited "non-smoking" areas.

ACTION: Approved as recommended (Perello/Ramirez). Ayes: Padilla, Perello, Flynn, Ramirez and MacDonald.

2. SUBJECT: First Amendment to Attorney Services Agreement with Hunt Ortmann Palffy Nieves Darling & Mah, Inc.
RECOMMENDATION: Approve and authorize the Mayor to execute the First Amendment to Attorney Services Agreement with Hunt Ortmann Palffy Nieves Darling & Mah, Inc. ("Hunt Ortmann") (A-7795) to increase the amount by $500,000 for a total not to exceed amount of $1,000,000.
ACTION: Approved as recommended. (MacDonald/Ramirez). Ayes: Perello and Flynn Ramirez, MacDonald and Padilla.

Fire Department

3. SUBJECT: Agreements with Ventura County Fire Protection for Oxnard Fire Dispatch and Automatic Aid (10/25/20)
RECOMMENDATION: Approve and authorize the Mayor to execute Fire Dispatch Agreement (A-7909) with the Ventura County Fire Protection District (VCFPD) for dispatch services And: Approve and authorize the Fire Chief to execute Automatic Aid Agreement (A-7910) for automatic aid between VCFPD and City of Oxnard Fire Department.

DISCUSSION: The Interim Fire Chief and Computer Network Engineer reviewed the mutual dispatch agreement which included computer upgrades, grants, training and reduction of call for service to County and City.

Public comment received from: Pat Brown.

The City Council discussed: cost savings, "mutual aid" assistance system and regional partnership.

ACTION: Approved as recommended (MacDonald/Perello). Ayes: Flynn, Ramirez, MacDonald, Padilla and Perello.

O. PUBLIC COMMENTS ON REPORTS

P. PUBLIC COMMENTS ON STUDY SESSION

Q. STUDY SESSION

R. ADJOURNMENT

At 10:16 p.m. the City Council concurred to adjourn the meeting.

DANIEL MARTINEZ
City Clerk

TIM FLYNN
Mayor

CARMEN RAMIREZ
Mayor Pro Tem

DRAFT

MINUTES
OXNARD CITY COUNCIL
Regular Meeting
September 13, 2016

A. ROLL CALL/POSTING OF AGENDA

At 4:34 p.m., the regular meeting of the Oxnard City Council convened in the Council Chambers Councilmembers Tim Flynn, Carmen Ramirez, Dorina Padilla and Bert Perello were present. Councilman Bryan A. MacDonald was absent. The City Clerk stated that the agenda was posted on Thursday at the City Hall and the Library, Mayor Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, City Clerk; Greg Nyhoff, City Manager; Maria Hurtado, Assistant City Manager and Stephen Fischer, City Attorney.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

At 4:36 p.m. the City Council recessed to a closed session, pursuant to Government Code section 54956.9(d)(1) to confer with its attorneys. The title and case number of the litigation being discussed was Yolette Peinado v. City of Oxnard Ventura County Superior Court Case No. 56-2015-00468944-CU-PO-VTA

At 5:17 p.m. the City Council reconvened and recessed to the evening session.

D. APPPOINTMENT ITEMS

SUBJECT: Amendment to Audit Services with Eadie & Payne, LLC
RECOMMENDATION: Approve and authorize the Mayor to execute: 1) Third Amendment of the Agreement for Accounting Services with Eadie & Payne, LLP in the amount of $286,695 for a total not to exceed $896,370 for the three (3) year external audit services contract; 2) Engagement letter with Eadie & Payne, LLC; and 3) An appropriation of $193,920 from the General Fund reserves.
DISCUSSION: The Assistant City Manager reviewed the proposed contract, RFP software system and discussions with Union Bank.

The City Manager commented on the extension of letter of credit, the impact of the agreement regarding the whole City and staffing/polices of Finance Department.

Don Ecker and Eden Casareno, Engagement Partners, reviewed the status of past audit and upcoming “annual” status of the City.

Public comment received from: Larry Stein.

The City Council discussed the sudden departure of the Chief Financial Officer, software solutions (including Sunguard), meeting “financial” goals, letter of credit, staffing issues and audit recommendations.

ACTION: Move to approve as recommended (Padilla/Ramirez) Ayes: Ramirez, Padilla, Perello and Flynn. Absent: MacDonald.

E. OPENING CEREMONIES

At 6:19 p.m., the regular meeting of the Oxnard City Council reconvened in the Council Chambers. The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence. Mayor Flynn presided. Additional staff members present were: Jeri Williams, Police Chief; Arturo Castillo, Housing Director; Daniel Rydberg, Public Works Director; Karl Lawson, Compliance Services Manager; Ashley Golden, Development Services Director; Kathleen Mallory, Principal Planner and Mike Adair, Police Commander.

F. CEREMONIAL CALENDAR

1. SUBJECT: Presentation of Donation from Pangasinan Association of Ventura County to Improve Bus Stops/Shelters in Oxnard.
   DISCUSSION: The City Council received a check from Pangasinan Association of Ventura County.

2. SUBJECT: Presentation of a Proclamation Designating September 13, 2016 as "Coastal Clean-Up".
   DISCUSSION: Trish Honigsberg, Outreach & Education Specialist, invited the community to participate in local "clean-up" activities.

3. SUBJECT: Presentation by Ventura County Civic Alliance and Oxnard Union High School District Regarding the Linked Learning Summer at City Hall Program.
   DISCUSSION: Mary Ann Rooney, Project Director, reviewed the summer program to introduce high school students to local government including learning about City careers and participating in City activities.

G. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments received from: Julie Miller Kalbacher (Victoria Avenue construction, dumping issue, landscape district, wine tasting at PAC); Larry Stein (State of City address, balancing of City budget); Maricela Atlatorre (departure of Police Chief); Armen Moleian (Short Term Rental regulations); Daniel Chavez (Council candidate); Linda Braunschweiger (VC Housing Trust); Sofia Rivera (tap "water" quality); Jackie Tedeschi (State of City at Town Hall Meeting); Lauraine Effress (Urban Village development); Diane Delaney (Urban Village development); Debbie Mitchell (Urban Village development); Michelle Ascencion (City Clerk candidate); George Miller ("Fisherman" Urban Village development); Robert Cortez ("street" racing); Jack Villa (Coastal Commission denying the location of the NRG "power" plant); Cynthia Gonzalez (arrests regarding shooting incidents, placement of cameras in the community); Al Jones (City Treasurer candidate); and Martin Jones (supporting "wastewater" rate increase).

H. REPORT OF CITY MANAGER

The City Manager commented on the October 1, Multi-Cultural Festival, median construction on Victoria Avenue, State of City presentation at a City Town Hall meeting, the departure of Police Chief Jeri Williams and "audit" follow up activities.

I. CITY COUNCIL BUSINESS/COMMITTEE REPORTS

The City Council discussed several local activities including Oxnard Jazz Festival, the decision of the Coastal Commission regarding NRG efforts to place "power" plant on a Oxnard beach, downtown "revitalization" meeting and thanked Police Chief Jeri Williams for her service and wished her the best in her new job in Phoenix, AZ.

J. REVIEW OF INFORMATION/CONSENT AGENDA

K. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

L. INFORMATION CONSENT AGENDA

City Clerk Department

1. SUBJECT: Council Minutes of June 14, 2016 and Special Council Minutes of June 13, 14, 15, 20 and 21, 2016
RECOMMENDATION: Approve Regular Council Minutes of June 14, 2016 and Special Council Minutes of June 13, 14, 15, 20 and 21, 2016.

City Manager Department

2. SUBJECT: Agreements for City Council Review
RECOMMENDATION: Approve and authorize the City Manager to execute the following agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are described on the attached list: a) N. Curtis & Sons for purchase of 120 pairs of wildland boots ($29,452); and b) Berry General Engineering for Change Order #2 due to a reduction in the contract ($71,099).

INFORMATION/CONSENT AGENDA ACTION: Approved as recommended (Padilla/Ramirez) Ayes: Padilla, Perello, Flynn and Ramirez. Absent: MacDonald.

M. PUBLIC HEARING

ACTION: Mayor Flynn declared the public hearing open.
DISCUSSION: The City Clerk reported on posting, publication and that there were no written communications received.

Development Services Department

1. SUBJECT: Ordinance Adding Chapter 14, Article XXV to the Oxnard City Code to Establish an Expedited Permit Process for Electric Vehicle Charging Stations.
RECOMMENDATION: Approve the first reading by title only and subsequent adoption of **Ordinance No. 2909** adding Article XXV to Chapter 14 (Building Regulations) of the Oxnard City Code to establish an expedited permitting process for Electric Vehicle Charging Stations and determine that this project is exempt from the California Environmental Quality Act, pursuant to Section 15061(b)(3).

DISCUSSION: The Principal Planner reviewed information regarding charging stations.

Public comments received from: Steve Nash.

ACTION: Close the public hearing (Perello/Flynn). Approved as recommended (Perello/Padilla) Ayes: Perello, Flynn, Ramirez and Padilla. Absent: MacDonald

ACTION: Mayor Flynn declared the public hearing open.
DISCUSSION: The City Clerk reported on posting, publication and that there were no written communications received.

Housing Department

2. SUBJECT: Public Hearing on Issuance of Multifamily Housing Revenue Bonds for Vista Pacifica.
   RECOMMENDATION: 1) Hold a public hearing regarding the issuance of up to $15,000,000 of multifamily housing revenue bonds by the California Municipal Finance Authority to finance the acquisition and construction of Vista Pacifica (also known as Ormond Beach Villas), a 40-unit multifamily rental housing development located at 5527 and 5557 Saviers Road, Oxnard; 2) Adopt **Resolution No. 14959** approving the issuance of bonds; and 3) Approve the attached Budget Appropriation for the issuance fees.
   DISCUSSION: The Housing Director and Compliance Services Manager reviewed the funding of TETRA funds a process for the developer to obtain bond for development.

   Rich Schroeder, Many Mansions, spoke about management of properties.

   Public comments received from: George Miller, Daniel Chavez and Pat Brown.

   ACTION: Close the public hearing (Padilla/Perello). Approved as recommended (Padilla/Perello) Ayes Flynn, Ramirez, Padilla and Perello. Absent: MacDonald.

N. REPORTS.

City Manager Department

1. SUBJECT: Adoption of (I) Successor Memoranda of Understanding Between the City of Oxnard and (A) Service Employees International Union, Local 721, (B) Oxnard Peace Officers Association, (C) the International Association of Fire Fighters, Local 1684, and (D) Oxnard Public Safety Management Association – Police Unit and (II) a Resolution Approving Paying and Reporting the Value of the Employer Paid Member Contribution to CalPERS for Employees in the Bargaining Units Covered by the Successor Memoranda of Understanding.
   RECOMMENDATION: Adopt by **Resolution No. 14,960** the attached successor memoranda of understanding (MOU) with the following bargaining units: a) Service Employees International Union, Local 721 ("SEIU") Oxnard Peace Officers Association ("OPOA"); b) International Association of Fire Fighters, Local 1684 ("IAFF"); c) Oxnard Public Safety Managers Association – Police Union ("OPSMA-Police"); and d) Adopt **Resolution No. 14,961** to approve paying and reporting the value of employer paid member contributions for employees in the bargaining units represented by SEIU, OPOA, IAFF and OPSMA-Police.

DISCUSSION: Burke Dunphy, City Labor Representative, reviewed "contract" negotiations with unions including health care and pension contributions issues.

Public comments received from: Francisco Ayala; Jim Lavery; Daniel Chavez; George Miller; Pat Brown and Mike Johnson.

The City Council discussed: Limited Benefited Employees, holiday schedule, pension benefits, providing "financial" information and the negotiation process.

ACTION: Approved as recommended. (Ramirez/Padilla). Ayes: Padilla, Flynn and Ramirez. Noes: Perello stated for the record "voting "no" because financial numbers not verified" and possible future job cuts. Absent: MacDonald.

Police Department

2. SUBJECT: Amendment to Taser Agreement
RECOMMENDATION: Approve and authorize the Mayor to execute a five-year Amendment to contract number A-7858 with TASER International, Inc. which was approved by the City Council on March 22, 2016. The Amendment will add one hundred (100) cameras for the purchase, implementation, and the additional annual licensing agreements in the amount of approximately $729,808.27. The original Agreement amount was $375,608.65 and the Amendment will adjust the total Agreement amount to $1,105,416.92 over five years.
DISCUSSION: The Police Chief and Police Commander reviewed the purchase of TASER equipment, storage of equipment, assignment of equipment and records 'data" storage.

Public comments received from: George Miller and Jackie Tedeschi.

ACTION: Approved as recommended (Padilla/Perello). Ayes: Padilla, Perello, Flynn and Ramirez. Absent: MacDonald.

O. PUBLIC COMMENTS ON REPORTS

P. PUBLIC COMMENTS ON STUDY SESSION

Q. STUDY SESSION

R ADJOURNMENT

At 10:16 p.m. the City Council concurred to adjourn the meeting.

____
DANIEL MARTINEZ
City Clerk

____
TIM FLYNN
Mayor

MINUTES
OXNARD CITY COUNCIL
Regular Meeting
September 20, 2016

A. ROLL CALL/POSTING OF AGENDA

At 6:06 p.m., the regular meeting of the Oxnard City Council convened in the Council Chambers Councilmembers Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Dorina Padilla and Bert Perello were present. The City Clerk stated that the agenda was posted on Thursday in the Library and City Hall. Mayor Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, City Clerk; Maria Hurtado, Assistant City Manager; Scott Whitney, Police Chief; Stephen Fischer, City Attorney; Kymberly Horner, Economic Development Director; Arturo Castillo, Housing Director; Ashley Golden, Development Services Director; Thien Ng, Interim Wastewater Division Manager and Ingrid Hardy, Cultural and Community Services Director.

ACTION: The City Council concurred to remove Closed Session Item (C-1) and Appointment Item (D-1) from the agenda.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

D. APPPOINTMENT ITEMS

Public Works Department

1. SUBJECT: Ratepayers Assistance Program Implementation Plan (10/30/20)
RECOMMENDATION: Approve a resolution adopting a Ratepayers Assistance Program.
ACTION: Removed from the agenda.

E. OPENING CEREMONIES

The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence.

F. CEREMONIAL CALENDAR

1. SUBJECT: Presentation of a Proclamation Designating October, 2016 as "Multicultural Month".
DISCUSSION: The Council recognized members of the Community Relations Commission who present the Multicultural Festival (George Sorkin, Tiffany Lopez and Helaine Stallion).

G. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from: Larry Stein (town hall meeting, financial reports); Daniel Chavez (past actions of Council); Dan Pinedo (covering City candidates kick-offs); Al Velasquez (legal actions of Measure M initiative); George Miller (financial struggles of the City, candidate forum for City Clerk/City Treasurer positions); Steve Nash (Ormond Beach report); Pat Brown (water “saving” device); Jim Lavery (financials of the City) and Aaron Starr (legal lawsuits).

H. REPORT OF CITY MANAGER

The Assistant City Manager reported on: Oxnard Library being recognized as a top Library in Ventura County, Coastal Cleanup volunteers, grants application being accepted for organizations proving Senior Services; and newly appointed City employees to the Finance Department and Human Resources.

I. CITY COUNCIL BUSINESS/COMMITTEE REPORTS

The City Council discussed: "general fund" finances; "homeless" report; upcoming California Energy Committee meeting; earthquake preparedness; downtown challenges; upcoming Steampunkfest at Heritage Square; downtown "public" facilities and keeping financial records.

J. REVIEW OF INFORMATION/CONSENT AGENDA

Comments received from: City Attorney (L-1) and Assistant City Manager (L-3).

K. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Public comments received from: Al Velasquez (L-3);); Alicia Percell (L-1); Daniel Chavez (L-1, L-2, L-3); Pat Brown (L-3) and Harold Ceja.

L. INFORMATION CONSENT AGENDA

City Attorney Department

1. SUBJECT: Adoption of Smoking Ordinance
RECOMMENDATION: That City Council Waive the Second Reading and Adopt **Ordinance 2908** Regulating Smoking.

City Manager Department

2. SUBJECT: Agreements for City Council Review
RECOMMENDATION: Approve and authorize the City Manager to execute the agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are described on the attached list. A) Voyager/US Bank Voyager Fleet Systems for purchase of compressed natural gas (CNG) for CNG-powered trucks and other vehicles ($100,000); B) Sam Hill & Sons, Inc., for rehabilitation of four upstream sewer manholes ($65,306); and C) Sam Hill & Sons, Inc., for repairs made from May 9 – 13, 2016 to leaking water main on Ventura Road and Beverly Drive ($33,414).

Development Services Department

3. SUBJECT: Second Reading and Adoption of Ordinance 2909 Establishing Expedited Permit Process for Electric Vehicle Charging Station
RECOMMENDATION: That City Council adopt **Ordinance 2909** establishing an expedited permit process for electric vehicle charging stations.

Cultural and Community Service Department

4. SUBJECT: U.S. Fish and Wildlife Service Coastal Program Grant Agreements
RECOMMENDATION: 1) Adopt **Resolution No. 14,962** a) approving and authorizing the City Manager to execute a Coastal Program Participation Agreement with the U.S. Fish and Wildlife Service and the California State Coastal Conservancy (A-7920); b) approving and authorizing the City Manager to execute a Coastal Program Participation Agreement with the U.S. Fish and Wildlife Service and The Nature Conservancy (A-7922); and c) approving and authorizing the Mayor to execute a five year License Agreement (A-7921) with the California State Coastal Conservancy in order to implement the Ormond Beach Clean-up and Restoration Project and 2) Approve budget appropriations to recognize the U.S. Fish and Wildlife Service Coastal Program grant award in the amount of $36,052 ($28,381 for the State Coastal Conservancy property project site, and $7,671 for The Nature Conservancy property project site), with an in-kind match of $31,364.66 (104-5511-805).

INFORMATION/CONSENT AGENDA ACTION: Approved as recommended. (MacDonald / Padilla) Ayes: Ramirez, MacDonald, Padilla, Perello and Flynn.

M. PUBLIC HEARINGS

ACTION: Mayor Flynn declared the public hearing open.
DISCUSSION: The City Clerk reported on posting, publication and that there were no written communications received.

Housing Department

1. SUBJECT: The City of Oxnard's Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2015-2016.
RECOMMENDATION: Accept the City of Oxnard's CAPER for FY2015-2016.
DISCUSSION: The Housing Director reviewed Community Development Block Grant, HOME Investment Partnerships Act, Emergency Solutions Grant,

Public comments received from: George Miller and Al Velasquez.

ACTION: Close the public hearing (Perello/Ramirez) unanimously.

DISCUSSION: The Council discussed "affordable" housing stock; use of grants; economic development opportunities and the creating "housing" measurements.

ACTION: Approved as recommended excepting report. (Padilla/Ramirez) Ayes: MacDonald, Padilla, Perello, Flynn and Ramirez.

N. REPORTS

Economic Development Department

1. SUBJECT: Receive a Report on Ygrene and the Residential and Commercial Property Assessed Clean Energy (PACE) Financing Program.

RECOMMENDATION: 1) Adopt **Resolution No. 14,963** consenting to Inclusion of Properties within the City's Jurisdiction in the California Home Finance Authority (CHF) Community Facilities District No. 2014-1 (Clean Energy) to Finance Renewable Energy Improvements, Energy Efficiency and Water Conservation Improvements and Electric Vehicle Charging Infrastructure and approving associate membership in the CHF joint exercise of powers authority related thereto ("SB 555 PACE Program Resolution"); and 2) Adopt **Resolution No. 14,964** consenting to Inclusion of Properties within the City's Jurisdiction in the California Home Finance Authority AB 811 PACE Program to Finance Renewable Energy Generation, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure ("AB 811 PACE Program Resolution").
DISCUSSION: The Economic Development Director and Emily Goodwin reviewed the Ygrene Program (Pace Program) including financing options, relationship with contractors and being available to the community.

Public comment received from: Marta Brown, local Realtor Association.

The Council discussed financing of a project, relationship with contractors, having "community outreach" program and providing "financing" options to the community.

ACTION: Approved as recommended (Padilla/Perello). Ayes: Padilla, Perello, Flynn and Ramirez. Noes: MacDonald.

Public Works Department

2. SUBJECT: Fourth Amendment to Purchase Order No. 4203 with Kemira Water Solutions for Supply and Delivery of Ferric Chloride to the Wastewater Treatment Plant.
   RECOMMENDATION: That City Council approve and authorize the Mayor to execute a Fourth Amendment to Purchase Order No. 4203 with Kemira Water Solutions (Kemira) for the supply and delivery of Ferric Chloride to the Wastewater Treatment Plant, extending the expiration date from June 30,2016 to October 16, 2016 and adding $125,000 to the amount, increasing the total from $1,529,790 to $1,654,790.
   ACTION: Approved as recommended. (Padilla/Ramirez). Ayes: Perello, Flynn, Ramirez, MacDonald and Padilla.

O. PUBLIC COMMENTS ON REPORTS

P. PUBLIC COMMENTS ON STUDY SESSION

Q. STUDY SESSION

R. ADJOURNMENT

At 9:24 p.m. the City Council concurred to adjourn the meeting.

DANIEL MARTINEZ City Clerk	TIM FLYNN Mayor

MINUTES

OXNARD CITY COUNCIL
Regular Meeting
October 4, 2016

A. ROLL CALL/POSTING OF AGENDA

At 6:07 p.m., the regular meeting of the Oxnard City Council convened in the Council Chambers Councilmembers Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Dorina Padilla and Bert Perello were present. The City Clerk stated that the agenda was posted on Thursday in the Library and City Hall. Mayor Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, City Clerk; Greg Nyhoff, City Manager; Maria Hurtado, Assistant City Manager; Stephen Fischer, City Attorney; Scott Whitney, Police Chief; Chief; Jason Benites, Assistant Police Chief; Eric Sonstegard, Assistant Police Chief; Daniel Rydberg, Public Works Director; James Throop, Interim Chief Financial Officer; William Jefferson, Assistant Chief Financial Officer; Mark Uribe, Assistant Chief Financial Officer; Todd Housley, Environmental Resources Manager; Michael More, Financial Resources Manager and Thien Ng, Wastewater Division Manager.
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B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

D. OPENING CEREMONIES

The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence.

E. CEREMONIAL CALENDAR

1. SUBJECT: Presentation of the California Law Enforcement Challenge Award by Chief Maples from the California Highway Patrol Coastal Division to the Oxnard Police Department.
   DISCUSSION: Chief Maples, California Highway Patrol, presented the Law Enforcement Challenge Award to the Oxnard City Council.

2. SUBJECT: Presentation of a Proclamation Designating the Month of October, 2016 as "Domestic Violence Awareness Month".
   DISCUSSION: Mayor Flynn presented a proclamation to Assistant Police Chief (Sonstegard) who commended the efforts to address "domestic violence" issues.

3. SUBJECT: Swearing in of New Police Chief Scott Whitney.
   DISCUSSION: The City Clerk swore in Scott Whitney, the 21st Oxnard Police Chief. The new Police Chief thanked and recognized his family, community, friends and City staff. Comments were received from Councilmembers, City Manager, Brian E. Wilson and Peter Martinez.

RECESS

At 6:52 p.m., the City Council recessed and at 7:16 p.m., the City Council reconvened.

DRAFT

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments received from: Jerry Lucero (new Police Chief, lifting of sidewalk); Woodrow Thomas (Police arrest); Jackie Tedeschi (Multi-Cultural Festival); Larry Stein (oil well information, financial reports, election pamphlets); Harold Ceja (election information); Lucy Cartagena Martinez (Make a Difference Day); Mike Johnson (use of consultants/budget); Linda Calderon (downtown handicap parking); George Miller (PAC forum regarding City Treasurer and City Clerk position); Peggy Rivera (current "financial" condition of Oxnard); Debbie Mitchell (Channel Islands Harbor task force meeting regarding application process); Diane Delaney (application process to build Harbor apartments); Steve Nash (Ormond Beach report); Cynthia Gonzalez (cameras in the community); Pat Brown (fallen tree branch on Oxnard Boulevard); Kelly Long (election information) and Dana Aten (Oxnard College dog park, seeing trash around town).

G. REPORT OF CITY MANAGER

The City Manager commented on recent discussions with Union Bank and upcoming presentation; receiving the State Controller report; downtown handicap parking and presentation of Link Learning Program at League of California Cities.

H. CITY COUNCIL BUSINESS/COMMITTEE REPORTS

The Council discussed: Oxnard Convention and Visitors Bureau; upcoming Restaurant Week; election forums; Multi-Cultural Festival; development of military simulator at local military base; League of California Conference; addressing the lifting of sidewalk and Channel Islands Task Force meetings. The Development Services Director commented on Channel Islands Task Force Meeting outlining the 2030 General Plan with updates online.

I. REVIEW OF INFORMATION/CONSENT AGENDA

Comments received from City Manager and Assistant City Manager (K-2(a)); Financial Resources Manager (K-2(b)); Environmental Resources Manager (K-2(c)) and Public Works Director (K-2(d)).

J. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Public commented received from: Larry Stein.

K. INFORMATION CONSENT AGENDA

City Clerk Department

1. SUBJECT: City Council Minutes of June 21 and 28, July 12, 19 and 26, 2016. Special Council Minutes of July 11 and 27, 2016.
   RECOMMENDATION: Approve City Council Minutes of June 21 and 28, July 12, 19 and 26, 2016 and Special Council Minutes of July 11 and 27, 2016.

DRAFT

City Manager Department

2. SUBJECT: Agreements for City Council Review.
RECOMMENDATION: Approve and authorize the City Manager to execute the agreements/ contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are described on the attached list A) Dr. Frank Benest for Citywide organizational development training ($29,458); B) Central Coast Engineering for repairs to asphalt pavement at the Transit Center ($513); C) Quinn Company for purchase of forklift truck for Environmental Services ($27,029); D) Earth Systems, Inc., for geotechnical testing and observation services ($30,210).*

Cultural and Community Service Department

3. SUBJECT: Recognize Revenue and Appropriate Funds for the Retired and Senior Volunteer Program (RSVP) One-Time-Only Award, Fiscal Year 2016/2017
RECOMMENDATION: That City Council: 1) Approve a budget appropriation recognizing grant revenue in the amount of $3,500 and appropriating matching funds of $1,500 for the Retired and Senior Volunteer Program grant augmentation; and 2) Authorize the City Manager or designee to execute grant agreements; and the Chief Financial Officer or designee to submit financial reports and grant claims.

Information Technology Department

4. SUBJECT: Approve Agreement for Google Apps for Government License
RECOMMENDATION: That City Council approve and authorize the City Manager to enter into Agreement No. A-7916 with Dito, LLC in the amount of $204,850 for the City's upgrade of its current Google Apps for Government licenses to Google Apps Unlimited.

Public Works Department

5. SUBJECT: Memorandum of Agreement Among City of Fillmore, City of Oxnard, City of Santa Paula, City of Ventura, and County of Ventura (Parties) to Provide Equal Cost Sharing for Santa Clara River Bacteria Monitoring and Reporting Program
RECOMMENDATION: Approve and authorize the Mayor to execute a Memorandum of Agreement among City of Fillmore, City of Oxnard, City of Santa Paula, City of Ventura, and County of Ventura (Parties) to Provide Equal Cost Sharing for Santa Clara River Bacteria Monitoring and Reporting Program (A-7917) for a five year term in an annual amount of $32,026.48 for a total contract amount not to exceed $160,132.40. Authorize a contingency of 5 percent annually and authorize the City Manager to make any amendments to this contract going forward up to the total value of the contract ($32,026.48) per year with a reasonable increase in each year (5%).

INFORMATION/CONSENT AGENDA ACTION: Approved as recommended. (Padilla/Ramirez) Ayes: Ramirez, MacDonald, Padilla, Perello and Flynn. *Noes: MacDonald and Perello (for the record due to "no scope, budget or schedule" only (K-2(a)).

L. PUBLIC HEARINGS

M. APPPOINTMENT ITEMS

DRAFT

N. REPORTS

Housing Department

1. SUBJECT: Report on Homeless Shelter Efforts.
RECOMMENDATION: 1) Accept the report on "Feasible Alternatives to the National Guard Armory Winter Shelter for this Winter and Long Term Solutions Beyond 2016,"; 2) Give direction to staff on short and long-term Winter shelter solutions for the homeless; and 3) Approve staff's recommendation to participate in a partnership with the City of Ventura, and other partners, to find a regional shelter solution for homeless for the 2016-2017 Winter.
DISCUSSION: The Housing Director reviewed: 1) the efforts to find an operator and site for homelessness shelter; 2) possible options for winter shelter; 3) develop long-term plans including a regional shelter solution; and 4) investigate developing master plan with Kingdom Center.

The Interim Fire Chief commented on the zoning of the Community Action of Ventura County building and the location being near industrial buildings.

Public comments received from: David Courtland; Tara Carruth, VC Continuum of Care ; Cindy Wilson, Kingdom Center; Sam Gallucci; Lucy Cartagena Martinez; Peggy Rivera; Francine Castanon; Francisco Jaena; Michelene Moret, Community Action of Ventura County; Sue Brinkmeyer; Karol Schulkin; Eileen Tracy; Barbara Macri-Ortiz and Pat Brown.

Ron Mulvihill, author of local Homeless Shelter analysis, discussed developing a "regional" solution and having partnerships with government & local agencies.

The City Council discussed: funding options; operation of the Kingdom Center; due to safety issues not considering the "Community Action of Ventura County" building; having a "homelessness plan" priority; breaking the homelessness cycle and looking at other possibilities.

ACTION: The City Council provided comments and directions to staff. Move to approve to participate in a partnership with City of Ventura and other partners (MacDonald /Flynn) Ayes: Perello, Flynn, Ramirez, MacDonald and Padilla.

RECESS

At 10:27 p.m., the City Council recessed and at 10::29 p.m., the City Council reconvened.

ACTION: The City Council concurred to hear both items after 10:00 p.m. The City Attorney announced that Councilmember

Public Works Department

2. SUBJECT: Second Amendment to Agreement No. A-7590 with Clean Harbors Environmental Services, Inc. for Household Hazardous Waste Management Services.
RECOMMENDATION: Approve the Second Amendment between the City of Oxnard, the City of Port Hueneme and Clean Harbors Environmental Services, Inc. in an amount not-to-exceed $80,000 for a total contract amount of $320,000 to provide proper disposal of non-recyclable and Class II household hazardous waste program drop-off services, and extending the term from June 30 2016 to October 4, 2017.

DRAFT

ACTION: Approved as recommended. (MacDonald /Padilla). Ayes: MacDonald, Padilla, Perello, Flynn and Ramirez.

3. SUBJECT: Ventura Regional Sanitation District Biosolids Hauling and Disposal Agreement (A-7887).
   RECOMMENDATION: Approve and authorize the Mayor to execute an agreement with Ventura Regional Sanitation District (VRSD) for biosolids hauling and disposal (Agreement No. A-7887) in an estimated amount of $1,500,000 per year, with a termination date of June 30, 2018.
   ACTION: Approved as recommended. (Padilla/MacDonald). Ayes: Padilla, Perello, Flynn, Ramirez and MacDonald.

O. PUBLIC COMMENTS ON REPORTS

P. PUBLIC COMMENTS ON STUDY SESSION

Q. STUDY SESSION

R. ADJOURNMENT

At 10:39 p.m. the City Council concurred to adjourn the meeting.

DANIEL MARTINEZ	TIM FLYNN
City Clerk	Mayor

DRAFT

CITY OF OXNARD CALIFORNIA	CITY COUNCIL AGENDA REPORT	TYPE OF ITEM: Info/Consent AGENDA ITEM NO.: 2

DATE: October 11, 2016

TO: City Council

FROM: Greg Nyhoff
City Manager

Greg Nyhoff

SUBJECT: Agreements for City Council Review

CONTACT: Greg Nyhoff, City Manager
Greg.Nyhoff@oxnard.org, 385-7430

RECOMMENDATION:

That City Council, pursuant to Ordinance 2835, and Resolution No. 13,932, approve and authorize the City Manager to execute the agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000, which are described on the attached list.

A. L. N. Curtis for the purchase of breathing apparatus ($104,464).
B. Zumar Industries, Inc., for the purchase of street signage material ($75,000).

A complete explanation of the agreement and funding sources are attached.

BACKGROUND

On November 16, 2010, the City Council approved changes to the City's Purchasing Procedures reducing the threshold for City agreements/contracts and change orders/amendments requiring City Council approval to $25,000. The agreements/contract and change orders/amendments described on the attached list involve amounts above $25,000 and up to $250,000.

FINANCIAL IMPACT

Funding information is included on the attached list.

NOTE: Copies of the agreement/contracts and change orders/amendments on the list are available in the City Clerk's Office prior to the Council meeting.

ATTACHMENTS:

Attachment A: City Manager Contract List for October 11, 2016

City Manager Contract List for 10/11/2016

Contracts from $25,000 to $250,000

A Purchase 98 Self-Contained Breathing Apparatus with Measure O Augmentation Funds

Vendor:	L.N. Curtis	**Amount to be Approved:**	$104,464
Type:	Purchase Order	**Current FY Amount:**	$104,464
Agreement No.:		**Total Contract Amount:**	$104,464
Amendment No.:	N/A	**Funding Source:**	$100,000 from Measure O; $4,464.08 from General Fund
Purchase Order No.:	2834	**Vendor Selection Process:**	Sole Source
Begin Date:		**# of Bids/Proposals/Quotes:**	1
End Date:		**Project Manager:**	Darwin Base
Term:		**Department:**	Fire Department
		Telephone:	805-385-7701
		Email:	alexander.hamilton@oxnard.org

Purpose: Staff is requesting authorization to replace 98 self-contained breathing apparatus (SCBA) for fire suppression personnel. The current inventory of self-contained breathing apparatus are no longer in compliance with National Fire Protection Association standards and a safety alert has been issued on the equipment. On June 28, 2016, City Council approved the use of $100,000 from Measure O for the purchase of breathing apparatus. LN Curtis is the sole distributor authorized to sell Honeywell, Sperian and Survivair SCBA to the municipal fire service in the state of California. All breathing apparatus used by the Oxnard Fire Department are manufactured by Honeywell.

B Blanket Purchase Order/Street Maintenance-Signage Material

Vendor:	Zumar Industries Inc.	**Amount to be Approved:**	$75,000
Type:	Purchase Order	**Current FY Amount:**	$75,000
Agreement No.:	BPO	**Total Contract Amount:**	$75,000
Amendment No.:	N/A	**Funding Source:**	Gas Tax Funds
Purchase Order No.:	6001	**Vendor Selection Process:**	Request for Bids (RFB)
Begin Date:	07/01/2016	**# of Bids/Proposals/Quotes:**	3
End Date:	06/30/2017	**Project Manager:**	Dan Rydberg
Term:	1 Year	**Department:**	Public Works - Streets
		Telephone:	797-8206
		Email:	raymond.williams@oxnard.org

Purpose: Staff is requesting authorization to enter into a Blanket Purchase Order with Zumar Industries, Inc., for the purchase of street signage material for the Street Division.

Pursuant to the City's Purchasing Policies, the Streets Division solicited three informal bids for signage material and only one out of three bids was received. Zumar Industries, Inc. will be providing signage material for the Streets Division.

CITY OF OXNARD CALIFORNIA	**CITY COUNCIL** **AGENDA REPORT**	**TYPE OF ITEM: Info/Consent** **AGENDA ITEM NO.: 3**

DATE: October 11, 2016

TO: City Council

THROUGH: Greg Nyhoff
City Manager

Greg Nyhoff

FROM: Daniel Rydberg
Public Works Director

Janis Synnes

SUBJECT: Approve Plans and Specifications No. GS15-15 for the RiverPark Community Facilities District No. 5 Dog Park at Windrow Park

CONTACT: Daniel Rydberg, Public Works Director
Daniel.Rydberg@oxnard.org, 385-8055

RECOMMENDATION:

That City Council approve the plans and specifications No. GS15-15 for the RiverPark Community facilities District No. 5 Dog Park site at Windrow Park and authorize staff to solicit bids.

BACKGROUND

The RiverPark Community Facilities District No. 5 Dog Park site at Windrow Park consists of fencing, concrete paving, light fixtures and a message/sign board. The specific work includes 865 linear feet of six-foot high welded wire fence, two double gated entrances with four-foot wide gates (separate entrances for large and small dogs), two sixteen-foot wide double gates for maintenance access, approximately 2,000 square feet of new concrete paving for the entrance, four additional walkway lights and a message board for dog park rules and possible advertising.

On October 9, 2014 the RiverPark Neighborhood Council held a meeting to discuss the possibility of establishing a dog park in the RiverPark community. The vote was 30-yes, 1-no and 1-abstained.
The Neighborhood Council designated a Dog Park Committee and City staff met with them on two occasions to discuss the process, possible locations, design elements, funding, etc. On

January 28, 2015 City staff made a presentation to the Parks, Recreation and Community Services Commission and the concept was approved to go forward to Council by a vote of 6-0. On April 14, 2015 City Council voted to approve this concept and approved the appropriation of design funding.

City staff met with the Dog Park Committee again on multiple occasions and the Neighborhood Council held a community meeting on Saturday, May 23, 2015 at the proposed dog park site at Windrow Park to enable residents that could not make the weekday evening Neighborhood Council Meetings to ask questions and give feedback. On June 23, 2015 at the RiverPark Neighborhood Council monthly meeting, the dog park was on the agenda for discussion and vote. The vote was 68 in favor and 58 against. On June 24, 2015 City Staff made a presentation to the Parks, Recreation and Community Services Commission and dog park design and construction was approved to go forward to Council by a 6-0 vote. On July 21, 2015 Council approved the design of the proposed dog park and authorized the appropriation of funds for the development of plans and specifications and the construction of the dog park.

STRATEGIC PLAN

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

Objective 3b. Empower and connect our Inter-Neighborhood Council Organizations (INCOs), Community Advisory Groups (CAGs) and Neighborhood Watch Program.

Objective 3c. Improve our methods of communicating with residents, businesses and neighborhoods (e.g. leverage social median and tools like Nextdoor).

FINANCIAL IMPACT

Funding for this construction has previously been approved by Council and $162,261 is currently available in Project No. 155701 Account Number 174-5737-805.82-01.

Note: The Plans and Specifications No. GS15-15 RiverPark Community Facilities District No. 5 Dog Park will be available for review at the City of Oxnard Purchasing Division, 300 West Third Street, Suite 202, after 8:00 a.m. on Thursday prior to the City Council meeting.

ATTACHMENTS:

Attachment A - Riverpark Dog Park at Windrow Park Site Map

CITY OF OXNARD CALIFORNIA

GENERAL SERVICES DEPARTMENT

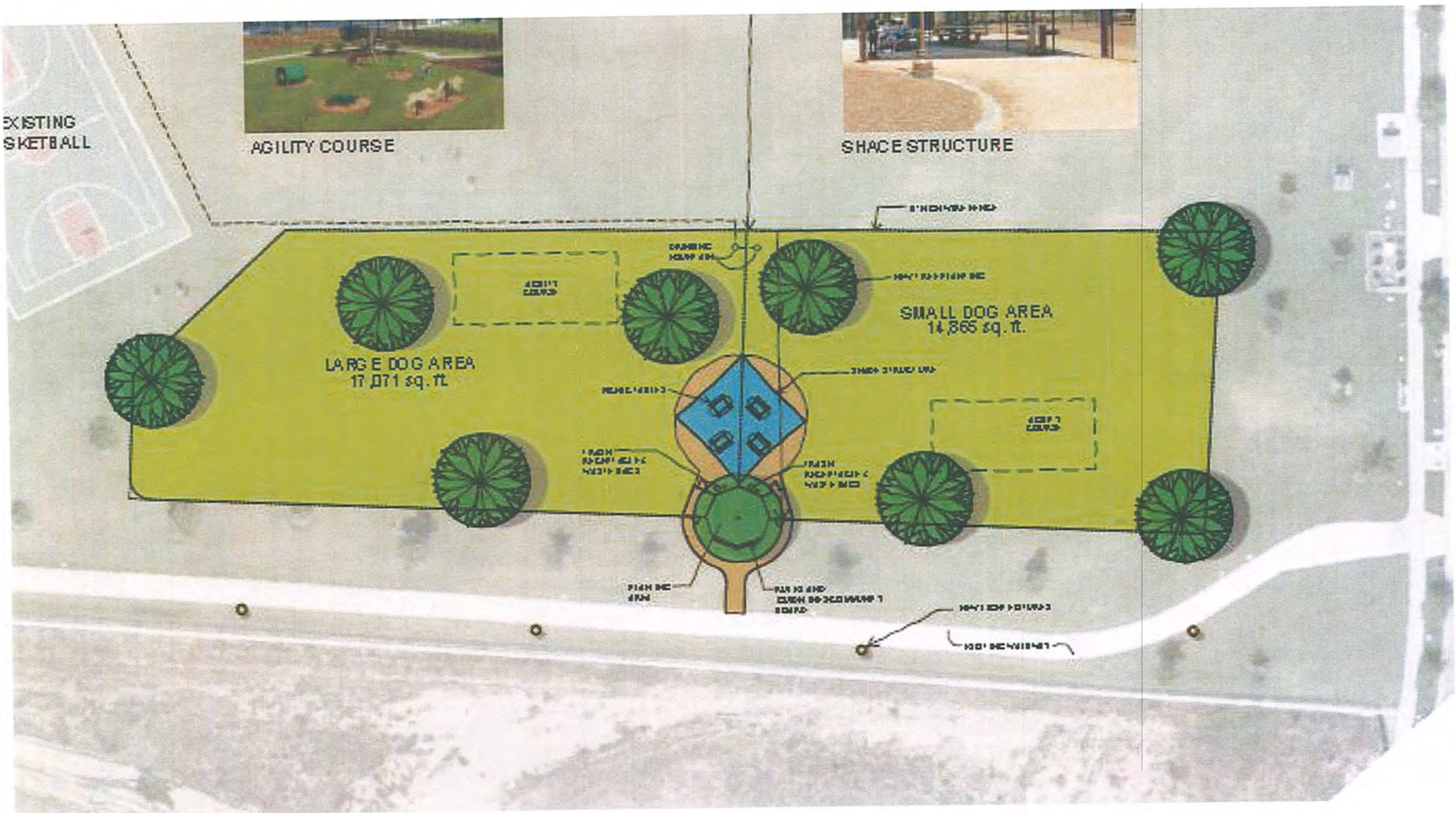
JORDAN, GILBERT & BAIN
LANDSCAPE ARCHITECTS, INC.
3350 LOMA VISTA ROAD, VENTURA CA 93003
(805) 642-3641 FAX (805) 642-9614

PROPOSED DOG PARK AT
WINDROW PARK
RIVERPARK, OXNARD

PRELIMINARY SITE PLAN

LP-1

SHEET 1 OF 1
6-22-15


EXISTING
SKETBALL
AGILITY COURSE
SHACE STRUCTURE
LARGE DOG AREA
17,071 sq. ft.
SMALL DOG AREA
14,865 sq. ft.

CITY OF OXNARD CALIFORNIA	CITY COUNCIL AGENDA REPORT	TYPE OF ITEM: Report AGENDA ITEM NO.: 1

DATE: October 11, 2016

TO: City Council

THROUGH: Greg Nyhoff
City Manager

FROM: Maria Hurtado
Assistant City Manager

SUBJECT: Status Report on the 128 Recommendations Found in the Organizational Assessment and the 111 Internal Control Recommendations from the 2015 Audit (10/30/15)

CONTACT: Maria Hurtado, Assistant City Manager
Maria.Hurtado@oxnard.org, 385-7430

RECOMMENDATION:

That City Council receive a status update on the Organizational Assessment's Implementation Action Plan (IAP) that re-prioritizes the 128 recommendations adopted by Council on July 21, 2015 and the City's plan to address the 111 Internal Control recommendations from the recent 2015 Audit.

DISCUSSION

The organizational assessment was commissioned in order to address a number of fiscal and management issues identified by the City Manager during his initial organizational evaluation upon his arrival to the City over two years ago. The findings of the organizational assessment were presented to City Council on March 17, 2015, and on July 21, 2015, the Council adopted the Priority 1A, 1B, and Priority 2 Implementation Action Plans (IAP) which showed how the 128 recommendations would be implemented. The IAP delineated how the City intended to address the recommendations over the course of the next two years, and reflected the length of time anticipated to complete the implementation steps as the organization's capacity to process the extreme workload was evolving at the same time.

The City has faced several challenges, including fiscal issues, low staffing levels, and most notably critical vacancies. The IAPs are focused primarily on Finance and Human Resources, and since the adoption of the IAPs on July 21, 2015, both of those departments have experienced staffing challenges. The City has operated without the stability needed from several positions, including both the Chief Finance Officer and Human Resources Director. The Council has approved additional resources within both the Finance and Human Resources departments and the Human Resources department has methodically been filling these key positions. Even though the process to fill key managerial positions takes approximately 4-6 months, the City filled the Human Resources Director position, the 2 Assistant CFO positions, and several other vacant positions in both departments. The City has also secured an interim CFO while the recruitment for the Chief Financial Officer position is underway.

The original organizational assessment highlighted a number of concerns in the Finance Department related to the internal controls and a lack of basic professional standards in conducting their work. These concerns were validated by the independent auditors as part of their FY 14-15 audit. The thorough completion of the audit became the highest priority, followed by the need to simultaneously begin the FY 16/17 budget development process, which necessitated the re-prioritization of the 128 recommendations. The completion of the FY 14-15 Audit resulted in the auditors identifying an additional 111 findings related to internal control concerns. These additional findings now necessitate that the original work plan be revisited and reprioritized with consideration of the additional findings resulting from the audit.

Progress to Date:

Several critical milestones have been completed and headway has been made on others even in the midst of continued challenges. Forty-eight (48) of the 128 recommendations and four (4) of the 111 audit recommendations have been completed to date. Some of the key recommendations that have been addressed include:

- The comprehensive audit for FY 14-15 was completed with new auditors consistent with generally accepted auditing and accounting standards;
- An operating budget was developed and adopted by Council, with the incorporation of Council's strategic priorities;
- Human Resources has contracted with a benefits vendor to enhance professional administration of programs;
- The City has created and funded a formal professional development program, and will launch the program on October 14, 2016;

- Over this past year, ten (10) FTE's were added to address the staffing shortages in the Finance Department, including two (2) Assistant Chief Financial Officer positions, one (1) Utilities Finance Officer, one (1) Maintenance District Administrator, three (3) financial analysts, and three (3) accountants.

In previous updates, a 3-phased implementation plan based on priority levels was developed with the understanding that some items may move from one priority to the next, depending on the complexity and/or time it takes to address that recommendation. Over the last 14 months, 48 of the 128 recommendations have been completed and four (4) of the 111 audit recommendations have been completed. Staff has re-prioritized the remaining 80 recommendations from the organizational assessment and the remaining 107 recommendations from the recent Audit to develop a revised workplan that includes 187 recommendations from both the organizational assessment and recent audit. This revised re-prioritized IAP will be the focused workplan over the next three years.

Like the previous IAP, the workplan is divided into Priority 1A, 1B, and 2 priority levels to address the findings in a systematic way as follows:

- **Priority 1A: (To Be Completed within FY 16/17 by June 30, 2017**): 97 of the 187 recommendations/findings are included in the Priority 1A. These recommendations are either important to accomplish without delay and/or easier to accomplish: These tasks include items that may involve non-conformance with state or federal laws, IRS guidelines, labor MOU's or delay that exposes financial risk to the General Fund or the City enterprise. Several of these items are internal control issues identified by the audit.

- **Priority 1B: (To Be Completed within FY 17/18 by June 30, 2018):** 75 of the 187 recommendations/findings are included in Priority 1B. Some Priority 1B items depend upon the completion of Priority 1A items. These items are anticipated to be completed within FY 17/18.

- **Priority 2: (To Be Completed within FY 18/19 by June 30, 2019):** 15 of the 187 recommendations/findings are included in Priority 2. These will be accomplished within 36 months or longer, and may involve some complexity or time to complete but involves less risk to the organization. Items may move from one priority to another as work continues.

While the goal originally was to complete a higher number of recommendations, staff addressed more than one-third (1/3) of the original 128 recommendations, which represent some of the most complex, higher risk items to the City. Stabilizing the Human Resources and Finance departments, while completing an improved budget cycle and a thorough audit of the City's financials, are significant accomplishments. The City is now positioned to continue addressing an expanded list of issues, and will do so with pragmatic timelines.

Staff will provide Council with a progress report every six months to ensure the implementation steps are moving forward and the recommendations are being addressed. These progress reports will provide an opportunity to inform the Council on milestones accomplished in that period or any new issues that may arise, in the event timelines need to be adjusted. The rebuilding and recovery of our corporate support systems is critical to the future success of Oxnard. While staff has adjusted its plans and assumed new work priorities as a result of the audit, the City has not taken its eye off the ball and will continue to improve the capacity of the organization to address Council's strategic priorities for the future.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public.

This agenda item supports the following goals and objectives under the Organizational Effectiveness Strategy:

Goal 1: To help foster a healthy and accountable corporate foundation by strengthening the support functions of the organization, which include Finance, Information Technology and Human Resources.

Objective 1a: Ensure the 128 recommendations outlined in the organizational assessment are implemented through the 3-phased implementation action plans adopted by Council in July, 2015, and provide periodic reports to Council on the status of the implementation plans.

FINANCIAL IMPACT

There is no financial impact to the general fund by accepting this report, other than staff time to develop the report.

ATTACHMENTS:

Attachment A - 10-11-16 Updated/Re-prioritized Implementation Action Plan

Attachment B - 10-11-16 Prioritized FY 14/15 Audit Findings

Attachment C - 10-11-16 List of Completed Recommendations from the Organizational Assessment and Fiscal Year 14/15 Audit

UPDATED RE-PRIORITIZED IMPLEMENTATION ACTION PLAN (IAP)
10/11/16

#	DEPT	RECOMMENDATION	PREVIOUS DEADLINE	REVISED TIMELINE	COMMENTS
PRIORITY 1A: (TO BE COMPLETED WITHIN FY 16/17 BY JUNE 30, 2017)					
1	HR	Create a position control system to allow only funded positions to be filled	02/15/16	02/15/17	Manual process is in place but currently working with IT to contract with Sungard to implement position control within the payroll system.
2	HR	Audit City's compliance with Affordable Care Act and the City's original authorization, including cost implications	12/15/15	12/30/16	The audit has been completed. Staff is now engaging a firm to manage the required tracking of hours and IRS reporting for all City employees. This is the last component needed to bring the City into compliance with the ACA.
3	FIN	Update Internal Service Fund Charges annually to reflect expected operating costs.	04/15/16	06/30/17	Consulting firm and staff are working on updating the Internal Service Fund charges and will be using the new Indirect Cost Allocation model for assistance. Estimated completion date for the new model is Feb 2017, to be used in the FY18 budget.
4	FIN	Update Indirect Cost Allocation Plan for internal indirect cost recovery.	04/15/16	06/30/17	Consulting firm and staff are working updating the model for indirect cost allocation. . Estimated completion date on the model is Feb 2017, and will be used for the FY18 budget.
5	FIN	Allocate workers' compensation costs as a fixed cost, rather than using payroll	02/28/16	06/30/17	Will be allocating cost by budgeted payroll in next year's budget.
6	FIN	Include an explanation of whether adequate reserves are included in the annual budget and whether they conform. (See Review of FMP's)	01/26/16	03/31/17	Will include an explanation of adequate reserves with comparison to budgeted reserves for FY 17/18 budget and include as part of City Council workshop in March 2017.
7	FIN	Prepare annual assessment of debt loads as part of budget review and include accrued leave balances in this evaluation.	02/15/16	03/31/17	Will include an explanation of budgeted debt load compared to proposed CIP for FY 17/18 budget and be part of CC workshop in March 2017.
8	HR	Evaluate Limited Benefit Employee's and unwind into permanent/temporary/Part-Time	03/31/16	06/30/17	Phase one of the three phased project has begun. Anticipate completion of the MRF to occur by January 2017. The balance will be completed before the close of this fiscal year.

#	DEPT	RECOMMENDATION	PREVIOUS DEADLINE	REVISED TIMELINE	COMMENTS
9	CMO	Create Internal Audit Program and conduct a high-level evaluation of key internal control systems of the City	06/30/16	6/30/17	Staff is preparing to reopen the Internal Audit Program RFP and present to the Fiscal Policy Task Force at an upcoming meeting.
10	CMO/FIN	Affirm the City Council's Financial Management Policies are being followed or provides plans to address	01/26/16	03/31/17	The FMP's were brought before Council in FY 15/16, however more work is needed. They will be brought to Council in March 2017, as a City Council workshop item.
11	FIN	Create annual user fee review and adoption process that revolves around Council policy direction on what fees should fully recover the cost of services and what services might be subsidized by the General Fund and at what levels.	04/15/16	06/30/17	Staff will create a process and procedure for review of annual user fees, and with a determination on when/how often a new study will be required.
12	FIN	Identify all cash handling points in the City & schedule audits on rotating basis	01/15/16	06/30/17	Will work with new Treasurer and staff to complete audits.
13	FIN	Review all posting errors and (cash) reconciling items and pursue improvements	01/15/16	03/31/17	Completed on Finance side. Will review and train new Treasurer and their staff.
14	HR	Review Workers Compensation Fund condition and expected results this year	01/15/16	04/30/17	Engaging Aon, Inc. to perform an actuarial assessment of the funding needed to bring the program to a minimum confidence rating which will be folded into the FY 17/18.
15	HR	Review performance of Public Agency Retirement System annually with HR and Finance	01/15/16	12/30/16	Meeting is scheduled with PARS and Finance to discuss investment strategies and to discuss the shrinking number of employees in the supplemental retirement plan.
16	FIN	Review and clarify credit card policy including penalties for violations	05/15/16	12/30/16	Staff has drafted a policy, however it has been determined that additional safeguards are necessary and will be incorporated in current draft policy. Staff will also investigate a Procurement Card version at this time, to help additional safeguarding.
17	FIN	Require staff to coordinate with Finance on accounting for each grant	01/15/16	06/30/17	Guidelines are currently being developed by finance. Once completed City staff will be instructed on the process.
18	HR	Ensure City is accurately reporting unemployment statistics for all classifications	01/15/16	12/31/16	Working with IT to contract with Sungard to implement position control within the payroll system.
19	FIN	Add Asset Management as category in Financial Management Policies	04/15/16	03/30/17	FMP's will be revised and reviewed at March 2017 CC workshop.

#	DEPT	RECOMMENDATION	PREVIOUS DEADLINE	REVISED TIMELINE	COMMENTS
20	CMO	Conduct workload review of PIO functions/streamline program	04/15/16	03/31/17	City has filled the Public Relations and Community Affairs Manager Position. and will review PIO functions and program.
21	CMO	Evaluate Neighborhood support needs, and service delivery options	04/15/16	05/31/17	The City's Public Relations and Community Affairs Manager has begun evaluating neighborhood support needs in an effort to ensure collaboration with the INCO and Neighborhood Councils.
22	CMO	Provide training on customer service best practices	04/15/16	05/31/17	The Leadership Development Team is launching on October 14, and will look at ways to improve customer service training as part of the organizational development initiative.
23	HR	Review and update all personnel-related Policies and Procedures	04/15/16	06/30/17	Draft policies completed. First meeting is scheduled with the bargaining units to begin the meet and confer process over changes in the personnel policies.
24	FIN	Clarify procedures for capital improvement projects to require background information about the overall condition of the City's investment in infrastructure, the impacts of deferring investments and the relative need for each project-funding request.	06/30/16	06/30/17	To be completed as part of FY 17/18 budget process.
25	FIN	Move the Development Services Department budget into its own fund and fund operations with user fees. Other than the General Plan cost center, fees should fund Development Services.	04/15/16	06/30/17	This move is contingent upon the completion of the user fee study. To be completed as part of FY 17/18 budget process, however, if fee study is not completed in time for FY18 budget process, than it will be part of the FY19 budget process.
26	HR	Create process to notify IT when employee leaves employment	10/15/15	12/30/16	Developing an exit interview process which will incorporate the collection of City property as well as notification to IT which will ensure network security is maintained and City property is returned.
27	CMO	Reassign facilities management for Recreation and Performing Arts Center to General Services.	11/15/15	4/30/17	The Cultural and Community Services Director position has been filled, and Cultural and Community Services Department will work with Public Works to determine feasibility of reassignment.
28	HR	Establish standard procedure for reporting employee separation	2/15/16	12/30/16	Developing an exit interview process which will incorporate the collection of City property as well as notification to IT which will ensure network security is maintained.

#	Dept	Recommendation	Previous Deadline	Revised Timeline	Comments
29	FIN	Review water impact fees to ensure they are used timely and consistent with state law	01/15/16	06/30/17	Will be part of the full impact fee review in process. Estimated completion date is subject to change based on consultant's assessment of the DIF program.
30	FIN	Clarify that Financial Management Policies for Capital Improvement Projects covers facilities and parks in addition to utilities.	03/15/16	03/31/17	Will review the Financial Management Policies and benchmark against other entities; and include as March 2017 CC workshop item.
31	CMO	Conduct customer service survey to improve practices on behalf of internal service functions	03/15/16	02/28/17	Staff has identified areas of concern and is currently preparing customer service surveys for Human Resources and Information Technology Departments. IT has launched a survey, however staff will look to make these surveys uniform across the internal service departments.
32	HR	Create process to engage employees in ongoing dialogue about ethics	04/15/16	06/30/17	Staff will develop course content and fold into training cycle with other critical topics.
33	CMO	Provide ethics training for each level of the organization	04/15/16	06/30/17	Staff are preparing a schedule of "Quarterly Management Meetings," and will include staff report writing and presentation training in a future meeting.
34	HR	Audit PARS and review the City's calculation of service credits, actuary costs estimates and future funding requirements	04/15/16	06/30/17	Meeting is scheduled with PARS and Finance to discuss investment strategies and to discuss the shrinking number of employees in the supplemental retirement plan.
35	HR	Develop training program to prevent liability claims such as harassment, hostile work environment, etc.	06/15/16	12/31/16	HR has begun to schedule employee training which will begin to occur in November.
36	FIN	Ensure the Capital Improvement Program process and documents explicitly affirm compliance with CIP Policy A5.	07/15/16	03/30/17	This is a multi-dept. project as input from Public Works will be critical in the preparation of the 10-year or 20-year planning. The initial CIP plan should be completed for FY18 budget.
37	FIN	Include contract management in Internal Audit Program	06/30/16	6/30/17	Will be included as part of the Internal Audit Work Plan.
38	CMO	Develop a take-home vehicle policy that determines when it is in the City's best interest to allow vehicles to be taken home.	12/15/16	06/30/17	Staff will look for best practices among other agencies for guidance in creating new take-home vehicle policy.
39	IT	Create a graduated stipend policy based on usage in lieu of issuing cell phones to minimize management of the cell phone program.	07/15/16	06/30/17	IT is working with staff from various departments to determine feasibility of this program.

#	DEPT	RECOMMENDATION	PREVIOUS DEADLINE	REVISED TIMELINE	COMMENTS
40	CMO	Develop a multi-year plan to implement a system for managing by results.	10/15/16	06/30/17	The City took first steps towards managing by results by establishing performance measures as part of the 16/17 budget. The City will further develop this system as part of the 17/18 budget.
41	HR	Create a performance evaluation system designed to reinforce professional and ethical behaviors and to assist employees who may not understand how the new direction will help the City be successful.	01/15/17	06/30/17	Initial meetings have been held to discuss core competencies for the City, and Department Heads are currently reviewing the performance evaluation process.
42	HR	Train employees on Human Resource issues and maintain appropriate records.	07/15/16	11/30/16	HR has begun to schedule employee training which will begin to occur in November.
43	FIN	Eliminate the Vacancy Management Program	08/15/15	06/30/17	Most unfunded vacancies were eliminated during FY 15/16 Budget process; but this will be completed with the FY18 budget process. Staff is beginning the evaluation process for a new ERP system, which will include a HR module, which will also have a position control report.
44	HR	Review the current recruitment and examination process to identify necessary resources to complete City recruitments in a timely manner	12/15/15	4/30/17	The City has added an additional Recruiter and Sr. recruiter to HR Department as part of FY 15/16 budget process and recently brought in temporary help to "catch up" on backlog of pending recruitments.
45-97	FIN	Address the 53 Priority 1A Audit Findings outlined in Attachment B	N/A	6/30/17	Finance staff will focus on addressing the 53 Priority 1A audit Findings over the remaining 8 months of this fiscal year.
PRIORITY 1B: (TO BE COMPLETED WITHIN FY 17/18 BY JUNE 30, 2018)					
98	CMO	Conduct training for staff who present to City Council	03/15/16	09/30/17	Staff is preparing a schedule of "Quarterly Management Meetings," and will include staff report writing and presentation training in a future meeting.
99	FIN	Review golf operations to ensure the fund is adequately paying for costs associated with recycled water usage.	04/15/16	12/31/17	Assessment will be completed on water usage however, staff will begin analysis of entire golf fund to ensure appropriate expenses/revenue is being captured and it is compliant with the lease agreement. This is estimated to be completed by 12/31/17.

#	DEPT	RECOMMENDATION	PREVIOUS DEADLINE	REVISED TIMELINE	COMMENTS
100	FIN	Prepare a comprehensive Financial Assessment Of Environmental Resources, Golf, PACC, MAD and Development Impact Fee funds.	03/15/16	12/31/17	Assessment of Environmental Resources complete; PACC included in Internal Audit workplan; DIF review in process; MAD Assessment done & implementation in process. Golf assessment will be completed after the analysis of revenue/expense for items such as water usage.
101	FIN	Prepare and Present Overview of collection efforts for Accounts Receivable and treasury	04/30/16	12/31/17	Finance staff will work with new City Treasurer to prepare and present overview.
102	Treasurer	Form Investment Review Committee with at least one member from outside of the City organization	01/15/16	08/31/17	The City currently has an investment committee on paper but it is inactive. This recommendation will be addressed once the Treasurer's position is filled.
103	FIN	Fund full costs of OPEB-Retiree medical benefits.	01/15/16	08/30/17	An updated actuarial valuation needs to be completed as step-one. City will solicit quotes by November 2016. Once the actuarial report is received, it will quantify the Annual Required Contribution (ARC) for OPEB. This is expected to be completed in time for the FY 17/18 budget.
104	HR	Develop consistent policies and practices for compensation across bargaining units	06/15/16	12/30/17	Reviewing responses to the class and compensation RFP. Intending to engage contract by end of October 2016.
105	FIN	Conduct mandatory training for all department staff involved in purchasing goods and services.	07/15/16	12/31/17	The City Attorney's Office has begun contract compliance training. However, Finance will conduct mandatory training for all staff involved in purchasing goods and services as well. Will coincide with updating of the purchasing policies.
106	FIN	Review accumulated impact fees for balances for Stormwater and determine if spent timely	04/15/16	12/31/17	Will be part of the full impact fee review in process. Estimated completion date is subject to change based on consultant's assessment of the Development Impact Fee (DIF) program.
107	FIN	Allocate resources to the treasurer to create an enforcement officer position (or contract for the service) whose responsibility is to ensure the City is getting all the revenues it is due.	07/15/16	07/30/17	This will need to be part of the budget process for FY18 . Financial resources will need to be dedicated to fund the position.
108	FIN	Examine development impact fee (DIF) rates now and every three to five years to ensure fee revenues cover the cost of operations.	07/15/16	12/31/17	RFP being completed for DIF rate review. Will create policy for review timeline. This process is beginning now with an RFP for a consultant to review and project dev. impact fees. Estimated completion date is subject to change based on consultant's assessment of the DIF program.

#	Dept	Recommendation	Previous Deadline	Revised Timeline	Comments
109	FIN	Audit all outstanding accounts receivable and report to the City Council annually.	01/15/17	12/30/17	Will require substantial work with all departments to ensure Finance is capturing/posting all receivables.
110	FIN	Create a new “Bad Debt Policy” for review and approval by the City Council.	07/15/16	08/31/17	Will look for best practices among other agencies for guidance in creating new “Bad Debt Policy.”
111	PW	Conduct a comprehensive fleet management review to increase efficiencies and cost savings.	12/15/17	12/31/17	Fleet master plan is complete and will be used to review fleet management.
112	PW	Develop a Facilities Master Plan, with a priority listing of rehabilitative projects and associated costs.	07/15/16	12/31/17	Public Works staff is working to update and synchronize Public Works master plans. The priority list will be included.
113	PW	Update the Parks Master Plan and/or conduct a comprehensive workshop on progress made to date so the Council understands the current state of the park system.	07/15/16	12/31/17	Parks master plan RFP to be released by 12/31/16.
114	PW	Develop an updated Streets Master Plan with funding strategies in 2015.	07/15/16	8/31/17	Pavement management plan is complete. Funding plan waiting for results of Measure AA.
115	FIN	Review and revise the grant policy to give clear guidance on linking grants to City goals and priorities, performing a cost/ benefit analysis, considering ongoing commitments after the grant has ended, and requiring recovery of overhead costs.	07/15/16	02/28/18	Will look for best practices among other agencies.
116	HR	Review compliance with Fair Labor Standards Act and rules	07/15/16	12/31/17	This is included in the class and compensation study.
117	HR	Conduct a review of the City’s classification and compensation program and determine if classifications are appropriate.	07/15/16	12/31/17	Preparing to engage consultant and kick off project January 2017.
118	HR	Conduct an audit of all benefits programs to ensure compliance	10/15/15	12/31/17	Audit of Affordable Care act to be completed in early 2017. RFP for benefits broker has been completed, and broker has audited benefits for all full-time employees. Staff will continue work on other programs.
119	HR	Conduct an independent audit of the workers’ compensation program to improve practices and identify ways for reducing costs	4/15/16	12/31/17	Staff has recently released an RFP for a new Third Party Administrator (TPA) of the fund.

#	Dept	Recommendation	Previous Deadline	Revised Timeline	Comments
120	FIN	Account for all resources, liabilities and deferred investments in budget	03/15/16	12/31/17	It was expected that the FY 16/17 Budget would include all liabilities and deferred investments, but due to staffing challenges, not all items were able to be included. These items will be included in the 17/18 budget, however, deferred investment may take additional time due to the need to work with other city departments on deferred investment issues.
121	FIN	Review and update purchasing policies.	01/15/17	12/31/17	Best practices will be used. This will require reaching out to other agencies and purchasing associations for best practice examples.
122	FIN	Review purchasing activity across departments that share the same vendor and/or the same goods or services and streamline into one master contract.	07/15/16	12/31/17	In conjunction with the purchasing policy update, purchasing agents will begin reviewing activity/vendor usage to streamline or gain economies of scale in purchasing and contracting.
123	FIN	Prequalify vendors and develop contracts for work that must be directed from the field with short turnaround times.	07/15/16	12/31/17	This will be part of the purchasing policy update, streamlining process.
124	FIN	Develop performance goals and measures for timely payment of invoices to vendors.	07/15/16	12/31/17	This will be part of the purchasing policy update, streamlining process.
125	FIN	Revise the change order threshold levels to a standard percent of the contract costs delegated to the city manager to 10% of the original contract or 10% but not to exceed a specified dollar amount.	01/15/17	12/31/17	This will be part of the purchasing policy update, streamlining process.
126	FIN	Review all non-personnel-related expenditures and determine the extent these activities do not go through the purchasing control process and evaluate for risk exposure.	01/15/17	12/31/17	This will be part of the purchasing policy update, streamlining process.
127	FIN	Increase the purchasing levels of authority for the purchasing agent/city manager to $50,000.	12/15/16	12/31/17	Will be initiated after purchasing policy is updated.
128	FIN	Develop a contract management manual to detail appropriate procedures for administering and monitoring contracts.	07/15/16	03/31/18	Will look for best practices among other agencies and use those to develop manual.

#	DEPT	RECOMMENDATION	PREVIOUS DEADLINE	REVISED TIMELINE	COMMENTS
129-172	FIN	Address the 44 Priority 1B Audit Findings outlined in Attachment B	N/A	6/30/18	Finance staff will focus on addressing the 44 Priority 1B audit Findings over the 12 months of Fiscal Year 17/18.
PRIORITY 2: (TO BE COMPLETED WITHIN FY 18/19, BY JUNE 30, 2019)					
173	CMO	Develop a multi-year plan to evaluate community conditions and needs, and associated service levels to address those needs, including capital master plans.	06/30/16	12/31/18	This must be addressed after staff obtains an understanding of the capacity and needs of the City, as part of Priority 2.
174	PW	Evaluate and pursue a strategy with neighboring residences to fund rehabilitation of the alley system.	01/15/17	12/31/18	This must be addressed after Master Plans are complete.
175	FIN	Revise the review and approval process through an electronic routing form and check sheet that is forwarded to key reviewers.	10/15/16	12/31/19	The process will be part of the new ERP system. The new system will allow for electronic workflow of many different items.
176	FIN	Reevaluate reliance on Measure O and develop strategy to address short-term and long-term impacts	03/15/16	12/31/18	Will require substantial review and input from multiple departments. This will eventually be a multi-year effort to remove ongoing costs from Measure O to the General Fund.
177	FIN	Document processes that lead to creation of accounts receivable from departments and all subsequent activity supporting the collection effort.	07/15/16	08/31/18	Discussion will be needed with all departments detailing the need to have all A/R be sent to Finance for entry into system. Typically, Finance only receives A/R information after the collection has been made by other depts. Creation of the A/R and invoice should be done by Finance to ensure proper posting of all receivables.
178-187	FIN	Address the 10 Priority 2 Audit Findings	N/A	6/30/19	Finance staff will focus on addressing the 10 Priority 2 audit Findings over the 12 months of Fiscal Year 18/19.

PRIORITIZED FY 14-15 AUDIT FINDINGS
10/11/16

#	FINDING	RECOMMENDATION	COMMENTS
PRIORITY 1A: (TO BE COMPLETED WITHIN FY 16/17 BY JUNE 30, 2017)			
1	OMB Circular A-87 requires an after-the-fact Documentation, semi-annual time certification for employees who work solely on a single Federal awards and monthly time certification for employees who worked on multiple activities. These certifications must be signed by the employee. The required after-the-fact documentation is not prepared to support time and effort for employees whose salaries are charged to federal funds. (Fire & Emergency Response) (2015-001)	Establish policies and procedures to maintain after-the-fact certification. The form should reflect an after-the-fact distribution of the actual activity of each employee and be signed by the employee.	City will begin implementation of a comprehensive integrated internal control framework.
2	A pass through entity is responsible for monitoring their subrecipients use of Federal awards to ensure that the subrecipent administers federal awards in compliance with laws, regulations and the provisions of contracts and grants, and that performance goals are achieved. The City does not request or monitor their performance or financial reports. (CDBG) (2015-002)	Establish policies and procedures to monitor their subrecipients during the award period through reporting, site visit, regular contact, or other means.	City will begin implementation of a comprehensive integrated internal control framework.
3	OMB Circular A-87 requires that an after-the-fact documentation, semi-annual time certification for employees who work solely on a single Federal awards and monthly time certification for employees who worked on multiple activities. These certifications must be signed by the employee. The required after-the-fact documentation is not prepared to support time and effort for employees whose salaries are charged to Federal funds. (CDBG) (2015-003)	Establish policies and procedures to maintain after-the-fact certification. The form should reflect an after-the-fact distribution of the actual activity of each employee and should be signed by the employee.	City will begin implementation of a comprehensive integrated internal control framework.

#	FINDING	RECOMMENDATION	COMMENTS
4	A participating jurisdiction may expend for HOME administrative and planning costs an amount of HOME funds that is not more than ten percent of the fiscal year HOME basic formula allocation. During the audit of administrative costs, it was noted that 11.17% was expended for administrative and costs. (Home Investment Partnership) (2015-004)	Establish policies and procedures and proper review process to ensure the program is not expending more than 10 percent of the funds on administrative and planning costs.	City will begin implementation of a comprehensive integrated internal control framework.
5	Beginning fund balances did not agree with prior-year audited financial statements. Audit adjustments were not posted to the general ledger. Journal entries were inappropriately posted to fund balance during the year. (2015-019)	Audit adjustments must be posted to the general ledger at the end of the audit, and beginning fund balances should be agreed with audited financial statements. Controls should be put in place to allow only authorized personnel to approve journal entries that affect beginning fund balances during the year.	System deficiency. Looking at other cities to see how they have created a work-around. This will be corrected with the new ERP system. Training/controls of staff as well.
6	The bank reconciliation for the general account was not performed since November 2014. (2015-020)	Bank reconciliations should be prepared every month. A full-time employee should be assigned to prepare the bank reconciliations. This person should be dedicated to this process until all monthly bank reconciliations are up to date. Bank reconciliations should be reviewed by another person who has sufficient knowledge and skill to perform the task. The process for bank reconciliation should be detailed out in writing.	FY 15/16 bank reconciliations have been completed and currently training new staff to determine dedicated staff member. Written procedures need to be created.
7	Bank accounts were opened without the Treasurer's Office's knowledge. (2015-025)	Only the Treasurer should be allowed to open bank accounts on behalf of the City. All bank statements should be sent directly to the Treasurer's Office. The Treasurer's Office should review the bank statements, retain the original, and send copies to the personnel who prepares the bank reconciliation.	Policy to be created to disallow any accounts opened except by Treasurer.

#	FINDING	RECOMMENDATION	COMMENTS
8	Finance department did not have access to complete monthly bank statements or complete outstanding checklists for all accounts. (2015-026)	The Treasurer's Office should forward copies of all bank statements to the Finance Department. All back-up documentation used in reconciliations prepared by the Treasurer's Office and other departments, i.e., outstanding checklists and deposits in transit listings, should be provided to the Finance Department	Will confer with new Treasurer to ensure compliance. Finance has electronic access to General, CDC, AIMS, and Parking Citation accounts.
9	The Finance Department did not have access and history of prior reports used for reconciliation. All processes and reports needed for the reconciliation process had to be discovered and requested by finance management. (2015-027)	Finance manager needs to have a full understanding of all Treasury activities to assess if there are any procedures or reporting that can be used to make the monthly bank reconciliation more efficient across departments. The Finance Department and Treasurer's Office should establish procedures to enhance cooperation.	Will confer with new Treasurer to ensure compliance. Also need to coordinate with IT to ensure reports are being emailed as they are updated. Currently, Accounting receives certain identified daily reports requested. Other processes and improvements require Finance to sit with Treasury staff to review processes.
10	Check numbers were not in sequential order (Duplication/Skipping). Problem stems from manual assignment of EFT check numbers. (2015-030)	The Treasurer's Office should assign sequential control numbers to each wire. The Finance Department should enter the information into the accounting system.	Will confer with new Treasurer to ensure compliance.
11	Excel listing of EFTs did not list the check number assigned to the payment and did not list the batch/group number posted to the general ledger. (2015-031)	Excel listing of EFTs should include the EFT control number as well as the batch/group number.	Will confer with new Treasurer to ensure compliance. Finance staff to ensure EFT control number and batch/group number on excels listing.
12	The Treasurer did not review all supporting documentation prior to signing the check or wire transfer authorization. (2015-032)	The Treasurer or designated individual in the Treasurer's Office should review all supporting documentation prior to signing the check or wire transfer authorization.	Will confer with new Treasurer to ensure compliance.
13	Proper documentation of wire transfers was not maintained by the Finance Department. (2015-033)	The Finance Department should maintain a complete copy of the wire transfer authorization package, including all supporting documentation.	New wire template created. Need to finalize process.

#	FINDING	RECOMMENDATION	COMMENTS
14	There were no written procedures related to electronic payments and responsibilities of the requesting department, Treasurer's Office, and Finance Department are not clearly defined. The Treasurer's Office did not have a current list of authorized signers. (2015-034)	The Finance Department should review the EFT payment process to improve the current procedures. After approval by appropriate departments, all EFTs should be received by the Finance management. Finance management will review for proper department approvals, general ledger coding, and supporting documentation (including budget support). Finance management will forward to Treasurer's Office for disbursements. No department should send wire requests directly to the Treasurer's Office.	Will confer with new Treasurer to ensure compliance. Finance is currently reviewing for budget, coding, etc.
15	There was no supervisory review of EFT entries. Payment/posting against cash had been inconsistent and made to the wrong accounting period. (2015-035)	Staff needs additional training in handling EFTs and postings should be reviewed regularly. The payment period needs to be distinguished from invoice period.	Staff instructed to follow the Cash when posting EFT. Additional training will be added.
16	Payroll wires recorded through a journal voucher covered two accounting periods. (2015-036)	Split payroll journal voucher according to wire dates.	Payroll needs to separate when posting journal to GL.
17	Payments could not be properly traced to supporting documentation because use of “miscellaneous vendor - #99999”. (2015-037)	Stop using the “miscellaneous vendor” account. All vendors need to be set up individually in the vendor master file. Current vendor master file needs to be reviewed.	In progress.
18	CDC checks and deposits were coded to the wrong pooled cash fund (997 – general vs. 998 – CDC). (2015-038)	Review HTE report against bank EFT posting by accounts payable (AP) personnel needs to be done monthly.	This is a training/review issue. Similar to 2015-034
19	Recording of CDC loan principal repayment wire to the City was inadvertently reversed in the general ledger causing City and CDC pooled cash funds to be out of balance. Journal voucher has been prepared to correct.(2015-039)	Review HTE report against bank EFT posting by accounts payable (AP) personnel needs to be done monthly.	This is a training/review issue. Similar to 2015-034
20	On several occasions during FY 2015, employee contributions for retirement plans were not remitted to the trustees on a timely basis. (2015-093)	Improve processes in place to ensure that employee contributions for retirement plans are remitted to the trustees on a timely basis all the time.	Will work with Payroll to ensure compliance. Will review current policies and provide necessary training.
21	An employee in the purchasing department has the authority to contact Bank of America to issue credit cards in anyone's name under the City of Oxnard's account. (2015-094)	Issuance of credit cards should be approved by an appropriate level of management. The Purchasing Manager should review open credit card listing monthly to ensure that only current active employees have access to credit cards. Also recommend reviewing credit cards with no activity for current employees and deleting accounts if they are not deemed to be necessary to help limit exposure.	Draft credit card policy is being reviewed that will eliminate these issues.

#	FINDING	RECOMMENDATION	COMMENTS
22	Credit cards remained active for a period of 2 months to almost 9 months after employee was terminated before being cancelled. (2015-095)	The City should implement a checklist to include verifying with Purchasing Department if the employee has an active credit card as part of the termination procedures.	Draft credit card policy is being reviewed that will eliminate these issues.
23	Credit card transactions were not processed and reviewed timely by the Finance Department. (2015-096)	The Finance Department should process and review credit card transactions on a timely basis.	Draft credit card policy is being reviewed that will eliminate these issues.
24	Part of the Organizational Assessment implementation was an internal audit function. The internal audit function has not been implemented. (2015-108)	Implement the internal audit function as soon as possible.	Currently in the RFP process. Estimated completion is by end of FY 16/17.
25	HTE system reports are not in a format that can be easily and efficiently used for review. (2015-048)	Obtain technical support from 'HTE' to generate reports that can be utilized for review and analytical procedures.	Will seek support from HTE, but improved reporting likely will not occur until new ERP system is in place.
26	Daily cash receipts posting to the general ledger were not reconciled to cash entries and to bank activities. Therefore deposits in transit were not tracked for bank reconciliation. (2015-028)	The finance department management needs training from current software provider on how the cash related modules should be interacting, reports used to tie out the modules, and if there are keys that links those modules together.	Still needed and possible training occurs sometime in January/February 2017 to assist with FY 16/17 fiscal year-end. This is training on how the different module connects and the keys that connect the modules for reporting and researching purposes.
27	Pooled cash batches are a summary of various batches by module. There are multiple batches per modules: accounts payable, accounts receivable, payroll, and cash receipts batches. Newly-hired finance management have not found logic of how system entries are batched together. Current batching is very labor intensive to review. (2015-029)	Finance department staff needs training from current software provider on how the cash-related modules should be interacting, reports used to tie out the modules, and if there are keys that links those modules together.	Still needed and possible training occurs sometime in January/February 2017 to assist with FY2016-17 fiscal year-end. This is training on how the different module connects and the keys that connect the modules for reporting and researching purposes.

#	FINDING	RECOMMENDATION	COMMENTS
28	The City does not have a cost allocation plan for Federal awards. Only direct payroll is charged against Federal awards. (2015-060)	The City should establish what is considered allowable direct and indirect costs for Federal awards. The City may be able to charge additional payroll in the Finance department for work employees do related to Grants.	Currently with consultant, the "ICAP" or Indirect Cost Allocation Plan is to be approved by a cognizant agency. Once approved, the City can request reimbursement of administrative or indirect costs associated to allowable grants. Estimated completion date on model is Feb. 2017.
29	The City was unable to effectively identify potential technical accounting issues, analyze the relevant facts and circumstances, and respond to auditor inquiries in a timely manner. (2015-016)	Refer to specific recommendations below. III. B., C., G., I., J., K., L., M., N., and O.	Assigning to new Asst. CFO.
30	Reversing journal vouchers are not posted in a timely manner and prior-year reversing accruals are not easily found in following year log. (2015-046)	It is recommended that reversing journal vouchers reference original voucher, original batch number, and posted to period 1 of the following year.	System needs to be set-up to do posting/reversing journal vouchers. Training or assistance from HTE may be needed. Remaining issues will be through training. and oversight of Asst. CFO.
31	A reconciliation of accounts receivable against the general ledger was not performed periodically or at year-end.	The receivable aging/subledger should be reconciled to the general ledger periodically by the Finance Department.	Additional staff and Asst. CFO will ensure compliance.
32	The City has not implemented a process to identify and evaluate all lease agreements to ensure that they are appropriately categorized as operating or capital, and properly reported in the financial statements and related disclosures. (2015-074)	Assign a member of the Finance Department who has sufficient knowledge and skills to identify and evaluate all lease agreements to ensure that they are appropriately categorized as operating or capital, and properly reported in the financial statements and related disclosures.	Will assign process to finance manager.

#	FINDING	RECOMMENDATION	COMMENTS
33	The City did not transfer certain assets from CIP to "in-use" assets in a timely manner. There were no controls in place to identify completed construction projects. (2015-075)	Establish policies and procedures to identify completed construction projects and properly transfer the cost from CIP to capital assets. The policies and procedures should include determining the date placed in service, useful life, and depreciation expense.	Finance commenced the practice of sending List of projects to project managers and requested status updates or project close-out forms. This was done for FY15-16. Need to follow-up with emails sent out, and continue to create annual procedure.
34	CIP amounts that represent discontinued projects were not expensed. (2015-076)	Construction projects that have been discontinued should be properly expensed.	Additional staff will allow for proper accounting of projects.
35	Capital outlay expenditures were not evaluated to determine whether capitalization was appropriate. (2015-077)	Capital outlay expenditures should be routinely evaluated to determine whether capitalization was appropriate.	Procedure will be created to ensure proper capitalization.
36	The rate and method of application of indirect labor cost (Labor markup) to capital projects was dated back to 2012 amounts. Application to projects is currently done through manual entries. Manual entries leave room for error and are often not timely or efficient. (2015-079)	Review and update the process for indirect cost allocation for accuracy. Review is needed to ensure that projects are assigned the appropriate labor cost.	Currently working with consultant to update model. Once developed, the rate will be utilized and updated annually.
37	Department and project managers were not involved in the internal control process. (2015-081)	The capital assets listing should be routed to department and project managers to determine whether assets still physically exist.	Finance commenced the practice of sending list of projects to project managers and requested status updates or project close-out forms. This was done for FY15-16. Need to follow-up with emails sent out. This will be done annually.
38	Depreciation was not properly calculated by the automated system because the inputs were made incorrectly. No review was made by management during the year. (2015-084)	The capital assets system should be reviewed and inputs should be corrected when necessary.	May need assistance from HTE.
39	Reconciliation of accounts payable aging/subledger against the general ledger was not performed at end of year. It was not possible to generate the report after the cut-off date. (2015-086)	We recommend that procedures be put in place to specifically generate an accounts payable aging report at month-end. This report should be agreed to the general ledger and reviewed by an appropriate member of management.	Procedure has been put in place to run report at month end. Needs to be reviewed by appropriate member of management. Will be assigned to Asst. CFO to ensure compliance.

#	FINDING	RECOMMENDATION	COMMENTS
40	The long-term debt liability balances were not adjusted at year-end. Principal and interest payments were not posted to correct accounts and/of funds. Accrued interest was not calculated or recorded. Prior-year accrued interest was not reversed. Amortization of premiums and discounts was not recorded. (2015-088)	A monthly reconciliation of outstanding debt instruments to the general ledger should be prepared and reviewed timely. Statements received from lenders must be reconciled to the subsidiary ledger and differences investigated.	Additional staff have been added to assist with reconciliation. Will assign Asst. CFO to ensure future compliance.
41	Census data used by CalPERS and PARS to calculate the net pension liability was not reviewed. Discrepancies in demographic and compensation data were noted in current year. (2015-092)	Review the census data used by actuaries in calculating the net pension liability and ensure that discrepancies are investigated and resolved appropriately.	Will review data with HR before sending out. New ERP system will correct this item.
42	Clearing funds are not reviewed and closed-out regularly. As a result of City's clean-up of these funds during our audit, material prior-period adjustments were made. (2015-103)	Close-out clearing funds periodically, quarterly, or at least annually.	Additional staff have been added to assist with this process.
43	During FY 2015, the City failed to comply with certain bond covenants: A. The Water Fund's and Wastewater Fund's debt service coverage ratio fell below the ratio required by Bond Covenants. B. The City was unable to meet the continuing disclosure bond covenants. (2015-109)	Improve processes in place to ensure compliance with bond covenants. Part of this process is proactive monitoring by the Financial Resources Division. Any deficiencies noted during the monitoring process should be brought to the attention of top City management.	(a) This will be a function of new water/wastewater rates be upheld at November election. (b)The City could not meet its continuing disclosure obligation to post the CAFR only due to delays in the audit, beyond the control of City staff.
44	The Oxnard Successor Agency incurred administrative costs in excess of approved budget amounts as stated in the ROPS. (2015-110)	Improve processes in place to ensure that the expenses reported in the private purpose trust fund were approved in the ROPS.	Will use consultant to assist with clean-up and creation of future ROPS.

#	FINDING	RECOMMENDATION	COMMENTS
45	The City's 2014 SCO report contained material misstatements. The City had to make material adjustments to reconcile the 2014 SCO report to the 2014 audited financial statements. In addition, the 2015 SCO report did not include all year-end final closing adjustments because the closing process has not been completed when the SCO report was due. The City is expected to make material adjustments to reconcile the 2015 SCO report to the 2015 audited financial statements. (2015-111)	Adjustments needed to reconcile the 2015 SCO report to the 2015 audited financial statements should be explained in detail in the 2016 SCO report.	This will be reviewed by Asst. CFO for future submissions.
46	Significant adjustments for bond issuance and defeasance were not recorded. Bond proceeds of approximately $20 million was not recorded in the general ledger. (2015-089)	Procedures should be established to capture transactions that are infrequent or non-routine in nature on a timely basis. The Financial Resources Division should communicate to the Accounting Department activities such as issuance of debt or defeasance of debt.	Need to create a Policy & Procedure Assigned to Asst. CFO.
47	Compliance with debt covenants particularly rate covenants in the water and wastewater funds were not determined and reviewed in a timely manner. (2015-091)	Procedures should be improved to ensure that debt compliance determinations are prepared and reviewed timely.	New rate structure will determine if covenants will be met, but will need to be adopted by Council. Staff is aware of coverage requirements and will document reporting of covenant violations to senior management.
48	The FY 2015 budget lacked detail, and management did not keep track of its budgeted revenue and expenditures. Department heads are supplied a budget to actual comparison on a monthly basis for review, but there was no formal process for investigating significant variances. (2015-018)	Continue to provide department heads with budget to actual comparison on a monthly basis. Establish an effective process to identify and investigate significant variances from budgets and expected results.	Need to create a written process to share with departments on variance reconciliation. With exception of LMDs which was being assessed at the time, majority of budget line items was developed via department's meetings and augmentation adopted by Council. Details are filed. Going forward, policy will be created to ensure department is responsive and accountable for significant budget variances.

#	FINDING	RECOMMENDATION	COMMENTS
49	Bank reconciliations for the AIMS and Parking Citation bank accounts were not performed. The balances for these accounts were not recorded in the general ledger. (2015-021)	The Finance Department should ensure that all bank accounts are accounted for and reconciled to the general ledger on the monthly basis.	Need to create a written process and training for staff to ensure monthly reconciliation. New staff has been brought in, but will require training. FY14-15 completed. FY15-16 is in progress. Will post journal entry before auditor arrival.
50	Bank reconciliations for the general and CDC Successor Agency accounts for periods prior to November 2014 were prepared but not reconciled to the general ledger. (2015-022)	The Finance Department should ensure that all bank accounts are accounted for and reconciled to the general ledger on the monthly basis.	Need to create a written process and training for staff to ensure monthly reconciliation. New staff has been brought in, but will require training. FY14-15 completed. FY15-16 are in progress.
51	PACC bank account activities were not recorded fully. (2015-023)	The Finance Department should ensure that all bank accounts are accounted for and reconciled to the general ledger on the monthly basis.	Need to create a written process and training for staff to ensure monthly reconciliation. New staff has been brought in, but will require training. FY14-15 completed. FY15-16 are in progress.
52	Cash with fiscal agents accounts were not reconciled monthly to the general ledger. (2015-024)	The bank reconciliation process should include reconciling cash with fiscal agents.	Need to create a written process and training for staff to ensure monthly reconciliation. New staff has been brought in, but will require training. FY14-15 completed. FY15-16 are in progress.
53	Several state grant funds have negative fund balances due to the unallowable costs and expenditures incurred in the past. (2015-062)	The City should take corrective action to cure the negative fund balances in state and federal grants and should establish controls to avoid future negative fund balances.	This process has been in place. Due to staff turnover, FY14-15 was not completed on-time. The correction will be reviewed and processed by fiscal year-end.
PRIORITY 1B: (TO BE COMPLETED WITHIN FY 17/18 BY JUNE 30, 2018)			
54	Performance evaluations were not performed timely at all levels of the City. The City needs to hold individuals accountable for their internal control responsibilities. (2015-006)	Establish a process to evaluate employees' performance and implement regularly.	Initial meeting have been held to discuss core competencies for the city. Department heads have also begun to review and make recommendations for changes to the performance evaluations.

#	FINDING	RECOMMENDATION	COMMENTS
55	There is a lack of oversight over the service concession at the municipal golf course. The privately-owned operator currently controls all finance functions. Only a project manager, who is a City employee, is responsible for oversight. A joint bank account has not been set-up or utilized as stated in the agreement between the City and operator. (2015-100)	The City should create an oversight board to oversee the Municipal Golf Course. The oversight board should review and approve the annual business plan which includes the budgets as well as all monthly financial reports.	Will work with City Manager to create an oversight board to review all financial reports and annual business plan.
56	There is a lack of written policies and procedures over monitoring of internal control over financial reporting. (2015-106)	Design and implement an integrated framework for internal control which includes monitoring of implementation of internal control and evaluating it on a regular basis.	Assigned to Asst. CFO to create Policies and Procedures.
57	Internal control over financial reporting was not sufficiently evaluated during FY 2015 and past years. Significant deficiencies were not communicated to senior management, Fiscal Policy Task Force, and City Council. (2015-107)	Design and implement an integrated framework for internal control, which includes monitoring of implementation of internal control and evaluating it on a regular basis.	Assigned to Asst. CFO to create Policies and Procedures.
58	No policies in procedures in place to capture new debt agreements and capital leases. Debt agreements and lease agreements are not reviewed for appropriate classification of outstanding debt and capitalization of assets on capital lease. Significant notes payable and capital leases were not recorded in the general ledger. (2015-090)	Procedures should be established to capture transactions that are infrequent or non-routine in nature on a timely basis. The Financial Resources Division should communicate to the Accounting Department activities such as issuance of debt or defeasance of debt.	Need to create a Policy & Procedure Assigned to Asst. CFO.
59	There is lack of sufficient controls to track asset acquisitions and compare actual costs incurred to approved capital budgets. CIP costs are allowed to exceed recorded capital budgets. Completed projects are not properly closed on a timely manner. (2015-080)	Establish policies and procedures to track asset acquisitions and construction and compare to approved capital budgets. Recorded capital budgets must be updated for approved change orders, otherwise CIP costs should not be allowed to exceed the approved capital budgets. Projects should be closed when completed. Additional costs must not be incurred on the project when it is complete.	There has been a continuous effort to correct over-budget and re-aligned Public Works' capital projects. Asst. CFO will create policies and procedures.

#	FINDING	RECOMMENDATION	COMMENTS
60	The City does not have policies and procedures in place to properly account for capitalized interest in accordance with GAAP. Capitalized Interest normally begins at the start of preconstruction activities and ends when an asset is substantially complete and ready for use. Our audit procedures revealed that the City did not end their interest capitalization for Historic Enhancement and Revitalization of Oxnard (HERO) Project after an asset was substantially complete and ready for use. Therefore; the amount of asset was overstated by $1,973,770. (2015-078)	Policies and procedures must be developed and implemented to properly account for capitalized interest. In addition, we recommend more effective review procedures.	Will assign to Asst. CFO to create policies and procedures.
61	Notes receivable were not recorded in the general ledger. There were no policies and procedures in place to recognize long-term loan agreements entered into by the various departments with approval from City Council. (2015-063)	Policies and procedures should be established to obtain all long-term agreements entered into by various departments. These agreements must be reviewed for proper accounting treatment by the appropriate level of management.	Policies and Procedures to be created to recognize loan agreements.
62	Notes receivable agreements are not maintained in an orderly manner in the finance department to assist in the complete and accurate recording in the general ledger. (2015-064)	All long-term receivable agreements should be obtained and maintained by the Finance Department. A member of the Finance Department should be assigned to review the minutes of City Council meetings for long-term agreements and obtain such agreements for the Department.	Assigned to Asst. CFO for compliance.
63	The City has not fully established accurate and auditable capital assets and CIP balances as of June 30, 2015. (2015-070)	Continue remediation efforts to establish capital assets and CIP balances in the financial statements and related disclosures.	Employee turnover impacted this progress. The exception will be the value of existing assets. This will require considerable time to evaluate all city assets and their current value.
64	The City does not have a complete listing of capital assets. The City did not have a listing of ongoing and completed construction projects. It has not implemented accurate and complete asset identification, system mapping, and tagging processes that include sufficient detail to clearly differentiate and accurately track capital assets to the fixed assets system. (2015-071)	Implement processes and controls to facilitate identification and tracking of capital assets and CIP.	Will need outside assistance to establish an asset listing and value. Policy will be created to ensure future compliance.

#	FINDING	RECOMMENDATION	COMMENTS
65	The City did not have adequate policies and procedures to ensure that assets acquired, whether constructed, purchased, or on a capital lease, are recorded in the general ledger and the fixed-assets system in a timely manner. (2015-073)	Establish policies and procedures to ensure that assets acquired are recorded in the general ledger and the fixed-assets system in a timely manner.	Will assign process to finance manager.
66	Change orders for public works contracts exceeding $50,000 must be submitted to City Manager for approval. Agreement No. A-7630 with Granite Construction was missing an approved change order from project file in the amount of $82,302. (2015-099)	City needs to establish and follow procedures for approval of change orders. All change orders approval should be documented and kept in the project file with the public works department.	Policies and Procedures will be created using best practices.
67	The City did not bill the company for water used on the municipal golf course. (2015-102)	The City should bill the operator for use of any City services to operate the municipal golf course.	Golf Course prepaid, billing rate was not yet finalized. Complete review of golf course, including current agreement will occur.
68	The process of preparing, reviewing, and approving journal entries was not properly designed. The CFO or acting CFO was responsible to review hundreds of journal entries; many of them affected cash, which rendered the control ineffective. The accounting system is not set up to record standard recurring entries. (2015-043)	Journal entries that affect cash should be thoroughly reviewed. However, the review process should be designed so that there are various levels of review. Recurring journal vouchers pre-approved via an amortization schedule should not need approval by CFO. In addition, monthly journal vouchers should be standardized and supporting documentation should be maintained.	This will be handled by the Asst. CFO and/or Controller. Examples are: standard debt payments based on amortization schedule. This should already be included in the approved budget.
69	An out-of-balance journal entry was found and correction was necessary to balance cash in the CDC Successor Agency Fund. (2015-044)	Journal entries should be reviewed before posting in the general ledger. In addition, cash-related journal entries should be reviewed by the person performing bank reconciliation during the bank reconciliation process.	Oversight will be done by the Asst. CFO.
70	Journal entries were posted to CDC Successor Agency Fund cash without adequate supporting documentation. (2015-045)	Journal entries should be reviewed along with appropriate documentation. Sufficient documentation should be maintained with the journal entry voucher.	Oversight will be done by the Asst. CFO.
71	The Treasurer's Office did not maintain a complete and accurate Treasury ratings report. (2015-049)	Treasury ratings should be monitored to comply with investment policies. The Treasurer's Office should prepare the report quarterly.	Will confer with new Treasurer to ensure compliance
72	Cash and investments were not reported at fair market value. (2015-050)	Fair value adjustments should be determined at least quarterly, included in the Treasurer's quarterly reports, and posted to the general ledger.	Will confer with new Treasurer to ensure compliance.

#	FINDING	RECOMMENDATION	COMMENTS
73	The review of aging and collections for utilities were not centralized in the Finance Department. Review is not tied into the postings to the general ledger. (2015-052)	The receivable aging/subledger reconciliation by Finance Department should include utilities receivable.	Utilities Acct. manager will review on an ongoing basis.
74	Receivable aging reports were not reviewed by the Finance Department management for delinquent amounts. The allowance for uncollectibles was not analyzed or adjusted at year-end. (2015-053)	The receivables aging/subledger should be reviewed for delinquent amounts. Adjustments for allowances and/or write offs need to be approved by authorized personnel.	Additional staff and Asst. CFO will ensure compliance.
75	Journal vouchers and accounts payable check registers are not separated by type of transactions in the pooled cash general ledger detail. Both are currently shown as type "AJ" and description "Journal Summary". Miscellaneous journal vouchers review for accuracy is not efficient. (2015-047)	Obtain technical support from 'HTE' to see if there are options or other processes to separate AP check registers and journal vouchers by type.	Will work with HTE for support on processes.
76	No physical inventory of capital assets and CIP has been performed for many years. (2015-072)	Perform a physical inventory of capital assets and CIP.	Will bring on consultant to assist with physical inventory of all city assets.
77	A separate bank account was maintained for CDC Successor Agency. However, in collapsing of prior RDA funds (421-425) into new Successor Agency fund (429), an error in the journal voucher left balances in City pooled cash fund (997) per general ledger. After further investigation, adjustments had been made to correct the error. (2015-040)	Joint review of prior cash transfers between the City and CDC Successor Agency is needed. Non-standard journal entries especially those affecting cash transactions between City and CDC Successor Agency should be reviewed by CFO, not only to evaluate the accounting treatment, but also to consider compliance with state laws and regulations affecting former RDAs. The Economic Development Department head should be consulted as appropriate.	FY14-15 review completed, working on FY15-16. Will assign to Asst. CFO.
78	There are no written procedures in place for reconciliation of daily cash receipts. (2015-042)	Cash receipts should be reconciled to general ledger postings daily.	This will require all depts. to be trained on proper reporting of cash to finance. Staff needs to reconcile daily cash before posting GL and follow-up needed.
79	There were no written accounting policies and procedures that specify the correct treatment for estimating the allowance for uncollectible accounts and bad debt expense. (2015-054)	Accounting policies and procedures must specify the correct treatment for estimating the allowance for uncollectible accounts and bad debt expense.	Will assign to new Asst. CFO to create Policies and Procedures

#	FINDING	RECOMMENDATION	COMMENTS
80	Accounting for grants was decentralized and no one in Finance was responsible for reviewing grant funds. This condition caused many errors, including unrecorded grants receivable, notes receivable, deferred revenues, and negative fund balances. (2015-055)	A responsible person in the Finance Department should be assigned to oversee the accounting of grants. Detailed policies and procedures should be developed, communicated to all departments who handle grant funds, implemented and monitored to ensure proper accounting and reporting of grants.	Grants accountant has been assigned and will begin to oversee accounting reconciliation of grant funds; However due to de-centralization of grants, there are still other depts. that need training, or all grant accounting and oversight need to be brought back into the Finance Department.
81	Grants receivable were not tracked and reconciled to the general ledger on a monthly basis. (2015-056)	The City should establish procedures to ensure that all reimbursable costs or contract costs are billed and adherence to those procedures must be periodically reviewed by the appropriate level of management.	Grants accountant has been assigned and will begin to oversee accounting reconciliation of grant funds; However due to de-centralization of grants, there are still other depts. that need training, or all grant accounting and oversight need to be brought back into the Finance Department.
82	FEMA - revenue was greater than expenditures due to accounts receivable not being recorded properly prior year. As a result, there is an overstatement of revenue of $600,000 in the current year. (2015-057)	The City should establish procedures to ensure that all reimbursable costs or contract costs are billed and adherence to those procedures must be periodically reviewed by the appropriate level of management.	Will assign to Asst. CFO to create Policies and Procedures.
83	Procedures for grant management in accordance with the new Uniform Guidance have not been adopted. (2015-058)	The City should adopt the new Uniform Guidance and procedures should be put in place to implement the policy.	Will begin process of adopting Uniform Guidance.
84	Grant agreements are not maintained in an orderly manner in the Finance Department to assist in the complete and accurate recording in the general ledger. (2015-059)	All grant agreements should be reviewed and filed in the Finance Department. During review, the person responsible for grants should identify terms and conditions that affect accounting and financial reporting as well as compliance.	Finance has copy of grant agreements maintained for grants Finance managed. Due to de-centralization, Grants accountant will coordinate and retain copy of grant agreements managed by Housing and Public Safety.

#	FINDING	RECOMMENDATION	COMMENTS
85	Notes receivable are not tracked and reconciled to the general ledger. Repayment of HOME and CDBG loans were not properly classified as program income. (2015-065)	Notes receivable should be reconciled to the general ledger periodically by Finance. To assist in the reconciliation, information should be obtained from the Housing Department and Economic Development Department relating to current activity.	Will assign to Asst. CFO to create Policies and Procedures.
86	Interest has not been accrued on any of the notes receivable. (2015-066)	Interest on notes receivable should be calculated and billed, as appropriate. Interest income should be accrued on a modified accrual basis and recorded in the general ledger.	Due to additional staff , this will now occur.
87	Notes receivable schedules were not reviewed by Finance Department management for delinquent amounts. The allowance for uncollectibles was not analyzed or adjusted at year-end. (2015-067)	The notes receivables schedule should be reviewed and reconciled to the general ledger. Adjustments for allowances and/or write offs need to be approved by authorized personnel.	Will be approved by Asst. CFO.
88	The list of FY 2015 approved contracts generated by the Purchasing Department was incomplete because some jobs that were approved by the City Manager or City Council were not updated on the network spreadsheet indicating the contracts were approved. (2015-098)	Establish procedures to ensure that list of approved contracts maintained by the Purchasing Department includes all contracts approved by the City Manager and City Council.	Will work the IT dept. to maintain a current listing of all contracts.
89	The City does not have properly-designed, implemented, and effective policies, procedures, processes and controls surrounding its financial reporting process to completely support beginning balance and year-end close-out related activity in its general ledger. (2015-014)	Refer to specific recommendations below. III. B., C., G., I., J., K., L., M., N., and O.	Will assign to Asst. CFO to create effective policies/procedures to support beginning balances.

#	FINDING	RECOMMENDATION	COMMENTS
90	The City has ineffective controls affecting some key financial reporting processes including weaknesses in transactional and supervisory reviews over cash, receivables, capital assets, and construction in progress, accounts payable, and long-term liabilities. (2015-015)	Refer to specific recommendations below. III. B., C., G., I., J., K., L., M., N., and O.	Will assign to Asst. CFO to create effective policies/procedures to assist in firming reviews/oversight of reporting.
91	The City adopted appropriate policies and new management established proper "tone at the top." However, there is need to establish procedures to communicate and enforce the policies as well as monitor and evaluate implementation (2015-005)	Establish procedures to communicate and enforce the policies as well as to monitor and evaluate the implementation. Responsibilities of each department/division/individual should be detailed in the procedures manual. Internal controls are most effective when responsibility for a given task is assigned to an individual.	CFO will interact with departments to ensure new policies/procedures are adhered to in the future. Asst. CFO will create the policies/procedures.
92	Employees in the Finance Department were not properly trained to perform their tasks. (2015-007)	Establish a training program to improve Finance Department employees' knowledge and skills.	Program will be developed, but current workload to correct all issues has not allowed enough time for staff to train. However, some training has already occurred. In FY 15/16 Intermediate Governmental Accounting and Gas tax training was held and in FY 16/17 Cognos (query based) training was held.
93	City performed Organizational Assessment during the year 2015 and plan to continue implementation of the 3-year process to address the issues. No risk assessment related to accounting and financial reporting has been performed. No fraud risk assessment has been performed. (2015-011)	Establish procedures to perform a risk assessment related to accounting and financial reporting. The risk assessment should include identifying types of accounting errors, policy violations, fraud, or non-compliance with agreements, contracts, laws and regulations, as well as a plan of action to mitigate risks.	Will look for best practices and policies.

#	FINDING	RECOMMENDATION	COMMENTS
94	The City's system of internal control is not designed to reduce the risk that accounting and financial reporting errors or fraud could occur and not be detected. (2015-012)	Develop an integrated system of internal control that defines control activities across the various departments, not just the Finance Department. Policies, procedures, and related internal controls should be documented, communicated to all affected members of City staff, and updated regularly. Implementation should be monitored closely.	Will look for best practices and policies.
95	The City does not have properly-designed, implemented, and effective policies, procedures, processes, and controls surrounding its financial reporting process to ensure that all non-standard adjustments are adequately researched, supported, and reviewed prior to their recording in the general ledger. (2015-013)	Establish new or improve existing policies, procedures, and related-internal controls to ensure that all non-standard adjustments impacting the general ledger are adequately researched, supported, and reviewed prior to their recording in the general ledger.	Will look for best practices and policies.
96	There are individuals designated with responsibility for assuring compliance with the terms of grants and contracts; however, there was insufficient communication between these individuals and the finance department. (2015-082)	Establish policies and procedures relating to capital assets and CIP and communicate such policies and procedures to affected individuals in other departments. The finance department should lead the coordinated efforts of various departments to implement the policies and procedures.	Assign to Asst. CFO to create policies/procedures.
97	Project managers are designated to monitor construction projects; however, there was insufficient communication between the project managers and the finance department. (2015-083)	Establish policies and procedures relating to capital assets and CIP and communicate such policies and procedures to affected individuals in other departments. The finance department should lead the coordinated efforts of various departments to implement the policies and procedures.	Due to turnover of staff as well as training new staff, some existing processes and procedures were missed. Management is in the process of reviewing existing procedures. Communication with Project manager will be increased.
PRIORITY 2: (TO BE COMPLETED WITHIN FY 18/19, BY JUNE 30, 2019)			
98	A supporting analysis was not prepared for calculating deferred balances. (2015-069)	Accounting policies and procedures should specify the correct treatment for calculating deferred amounts. The analysis documents compliance with relevant GAAP and the City's accounting policies.	Will assign to Asst. CFO to create policies/procedures.

#	FINDING	RECOMMENDATION	COMMENTS
99	There are no procedures in place to collect payments from developers based on residual revenues. (2015-068)	Policies and procedures must be developed and implemented to collect payments from developers based on residual revenues.	Consider outsourcing to vendor.
100	There were no procedures in place to perform internal audits of cash receipts in various locations within the City organization. (2015-041)	Random audits of cash receipts should be performed.	Need to develop process for internal audits of cash receipts. With new staffing, this may be accomplished.
101	The City does not have an effective general ledger system. The City uses HTE software, which was developed almost two decades ago. In addition, the City has 176 self-balancing funds and over 8,300 accounts in its chart of accounts; 1,600 of these are balance sheet accounts. This system has severe functional limitations contributing to the City's challenge of addressing systemic internal control weaknesses in financial reporting. (2015-017)	Establish new, or improve the existing, general ledger system to enable it to process, store, and report financial data in a manner that ensures accuracy, confidentiality, integrity, and availability of financial data without substantial manual intervention.	City is in the process of creating and sending out an RFP for new ERP software. This is a priority, but will take two to three years to accomplish.
102	There are no procedures in place to inform the Finance Department what items get capitalized and what items were donated. (2015-061)	Establish procedures for grant coordinators to communicate to the Finance Department when there are items that need to be capitalized and when capital assets are donated.	New grants accountant will assist in the process.
103	There was a severe lapse in the City's financial operations when key Finance Department personnel left due to a lack of qualified successors. (2015-009)	Develop a succession plan for the Finance Department.	Majority of staff is new.
104	There is no process in place for reporting disposals of capital assets. (2015-085)	Policies and procedures should be established to obtain information from various departments regarding any disposals of capital assets.	Due to turnover of staff as well as training new staff, some existing processes and procedures were missed. Management is in the process of reviewing existing procedures. Policy for disposal of assets will be created.
105	No formal process in place to review master vendor file and investigate any exceptions. (2015-087)	The master vendor file should be reviewed periodically. During the review process, the file should be compared to W-9s, addresses should be compared to employees' addresses, and inactive vendors should be removed.	Update purchasing policy and procedures will capture this item.

#	FINDING	RECOMMENDATION	COMMENTS
106	The bidding process is decentralized. All contracts and bids are not being retained by the Purchasing Department so they can have documentation that bids went through the proper channels and contracts were properly prepared. (2015-097)	Bids/proposals greater than $25,000 should be sent to the Purchasing Department to indicate the approved bids were submitted and received according the City policy and to retain a copy for their records for a period of three years, according the Purchasing Manual.	Update purchasing policy and procedures will capture this item.
107	The City has a "trust fund" (Fund 571) to account for contributions or donations from outside parties. The contributions or donations come with various designations. The City does not have procedures in place to classify the fund balances within the general fund as "restricted, committed, assigned, or unassigned" or to account for certain funds as agency funds rather than in the general fund. (2015-104)	Review the various sources of the contributions and donations and designations made by contributors and donors. Establish procedures to classify fund balances within the general fund or to account for other funds in an agency fund.	Will work with HTE to investigate the process for restricted funds.

LIST OF COMPLETED RECOMMENDATIONS FROM THE ORGANIZATIONAL ASSESSMENT AND FISCAL YEAR 14/15 AUDIT
10/11/16

#	DEPT	COMPLETED RECOMMENDATION	COMMENTS
1	HR	Provide broader access to personnel materials	HR policies and forms are now available on the City's shared drive for all employees to access.
2	CMO	Incorporate customer service training into Performance Evaluations.	Current performance evaluations now include customer service ratings. Additionally, Performance Evaluations are being updated to include Organizational Values.
3	HR	Reinstate safety position for Workers Compensation program	As part of the HR restructuring effort, staff has determined that these functions may be combined with an existing position.
4	IT	Develop governance structure for Information Technology	IT has successfully established a "Tech Governance Committee" and has had two quarterly meetings. Staff also established a written Charter and have formed subcommittees for specific technology projects.
5	FIN	Assign manager in department to monitor credit card compliance	Each department has identified a manager to oversee credit card compliance. Ongoing training will continue.
6	IT	Examine the opportunities and benefits of consolidating all or most Information Technology staff in one department after the new Information Technology Department proves itself.	The City's various IT staff have been merged into one IT Department. The City will continue to adjust and look for chances to improve services.
7	HR	Review the Employee Thrift Plan with the assistance of tax counsel and a benefits consultant.	Review of Employee Thrift plan has been completed by Segal Consulting. City will continue negotiation of changes within the "meet and confer" process.
8	Utilities	Complete Stormwater Master Plan and share with CC	The Master Plan is complete. A Funding plan is pending results of ruling that some storm water requirements are unfunded mandates.
9	FIN	Affirm proper role of finance and payroll as "check and balance" to ensure employees are properly compensated consistent with Council authorization and IRS guidelines.	Staff made several changes to ensure proper role was affirmed, such as removing access to the payroll system from individual departments.
10	CMO	Conduct workshop on drivers of budget deficits focusing on understanding and options to manage	Workshop held as part of the 15/16 budget process,

#	DEPT	COMPLETED RECOMMENDATION	COMMENTS
11	FIN	Commission multi-year revenue and expenditure forecast to set the parameters for the next budget cycle.	A 5 year forecast by fund was commissioned and included in the FY 15/16 Budget (Page C-1). The City is currently working on an updated forecast.
12	HR	Acquire services of IRS specialist to ensure compliance with law now and as future changes are contemplated	HR is currently establishing a contract with Trucker Huss to ensure compliance.
13	CMO	Ensure Council understands condition Of City's finances including areas of concern.	Staff began identifying areas of concern during FY 15/16 budget process and workshops, and continued during the FY 16/17 budget process.
14	FIN	Add mid-level manager to Finance to assist FIN	Two Assistant CFO positions have been created and recently filled.
15	CMO	Restructure the budget process to provide greater oversight by the Office of the City Manager.	CMO and Finance took the lead in the preparation of the FY 15/16 Budget and the FY 16/17 Budget.
16	CMO	Create a monitoring process that holds department heads accountable for operating within their budget limitations.	Monthly Expenditure reports are provided to DH's; Finance / DH's meets periodically to review line item over-expenditures, and to make budget adjustments when necessary
17	CMO	Restructure the process for budget preparation to include departments in the development and ongoing monitoring of the budget.	The FY 2015-16 Budget Preparation process was restructured to include Dept. Heads in its development, leading to a better understanding of their respective budgets.
18	CMO	Review and tighten budgetary controls and authority for departments.	Budgetary controls and authority has been reviewed and tightened. Council adopted Resolution # 14839 in FY 15/16 establishing financial management policies. Budget policy D Appropriation Changes, delineates authority when specific appropriation changes are needed. Will be reviewed as part of FY 17/18 budget, at March 2017 CC workshop.
19	CA	Examine case law for the Carman Override tax levy, engage a retirement actuary conversant with this law and make the appropriate budgetary adjustments.	Completed and appropriate adjustments made.

#	DEPT	COMPLETED RECOMMENDATION	COMMENTS
20	IT	Ensure the full functionality of the purchasing technology system is addressed as a component of the NexLevel review.	NexLevel has completed their evaluation of the City's technological needs and has developed a four year master plan; functionality of the purchasing technology system is addressed as part of this evaluation.
21	CMO	Designate specific staff in each department to be accountable for complying with contract policies and procedures.	A memo to Departments requesting a staff lead responsible for compliance with contract policies and procedures was sent and a list of staff representation was developed. The City Attorney's office recently began offering training to staff to ensure compliance.
22	FIN	Clarify the responsibilities and role of the Contract Compliance Review Committee in writing to all senior department staff.	Staff reviewed CCRC documentation and prepared and distributed a memo clarifying objectives and role of CCRC process.
23	FIN	Reaffirm the Contract Compliance Review Committee (CCRC) role in grant review and approval and clarify the responsibilities and roles to all senior department staff	Staff reviewed CCRC documentation and prepared and distributed a memo clarifying objectives and role of CCRC process.
24	CMO	Assign responsibilities in Finance and Human Resources towards fixing the deficiencies found in the RSHS report.	An IAP Implementation Committee has been established. Recurring meetings occur on Thursday's at 10:00 a.m. to discuss progress, barriers, and prepare for report-outs to CM & Council. The project team consists of ACM, HR Director, CFO, CA and others as needed.
25	FIN	Establish a process that ensures the directors of Human Resources and Finance attest that all proper changes are made to pay and benefit rates in conformance with employee group memoranda of understanding.	Completed.
26	CMO	Create two assistant city manager positions, one responsible for operations and one for support and cultural services.	A 2nd ACM was included in the adopted FY 15/16 Budget and position has been filled; roles have been assigned
27	CMO	Reorganize the Executive Board to consist of City Manager's Office staff of the city manager's choosing and department heads.	Executive Board has been reorganized and changes have been communicated to staff.

#	DEPT	COMPLETED RECOMMENDATION	COMMENTS
28	IT	Develop an Information Technology Master Plan with a funding plan to effectuate timely replacement of information technology assets.	The 4 year IT Master Plan was taken to Council for review on December 1, 2015, and a 1-year funding plan was brought to Council in early 2016.
29	HR	Reclassify one vacant Human Resources Manager position to an Assistant Human Resources Director.	The new Assistant Director of Human Resources started on 11/9/15.
30	HR	Analyze staffing requirements for the Employee Benefits Program.	Staff determined that a Sr. Benefits coordinator position was necessary, and included in the FY 15/16 budget process. The position was filled in July, 2015.
31	HR	Fill vacant Human Resources Benefits Manager Position.	The Sr. Benefits coordinator began on July 6, 2015.
32	HR	Conduct a workload analysis of each Human Resources function to determine organizational structure and cost to rebuild the department.	Completed: The Human Resources department shifted and added positions, and positions were filled to rebuild the HR department (including the Asst. HR Director and Benefits Manager positions) as part of the 15/16 budget process. The City continued this process as part of the 16/17 budget process, to ensure HR has needed support.
33	FIN	Contract with an actuary to analyze issues related to CalPERS and Carman Override	Actuary has completed the CalPers and Carman Override analysis, which resulted in the determination of appropriate percentage rates to be charged to Carman Override.
34	FIN	Review the City's compliance with obligations under its existing retirement plans and under applicable law to provide a Social Security alternative to employees not eligible under the City's programs.	Alternative retirement plan (457b) adopted by Council on 10/20/15 and all applicable employees enrolled in plan.
35	FIN	Develop a Citywide policy for controlling access to the payroll systems	Access has been restricted to only payroll and select H.R. staff
36	CMO	Create an I.T. Director position with Department Head Status.	The I.T. Director position has been created and filled, with Department Head Status.
37	CMO	Restructure Recreation and Library Divisions into Cultural and Community Services Department	The Recreation, Library and PACC have been restructured into the Cultural and Community Services Department and a Department Head position has been created and filled.
38	CMO	Restructure Utilities by moving Streets Capital and Major Maintenance program and General Services into newly created Public Works Department	The Public Works Department has been created and the Divisions have been restructured.
39	CMO	Restructure the General Services and Environmental Resources Divisions into a Public Works Department.	The Public Works Department has been created and the Divisions have been restructured.

#	DEPT	COMPLETED RECOMMENDATION	COMMENTS
40	CMO	Conduct a joint workshop with City Council representatives and appropriate City staff to address mutual needs, perceptions, current challenges and expectations for the future.	Council held a Priority-setting workshop with the City's Department Heads on October 29, 2015 and identified the Council's Strategic Priorities.
41	CMO	Incorporate Council goals/priorities into budget process and articulate how the budget incorporates the goals.	As part of the 16/17 budget process, staff incorporated Council's strategic priorities into the budget process and requested augmentations to address those priorities.
42	HR	Establish standard practice for City Council approval of benefits	The HR Director has affirmed that any benefit changes that create a cost to the City must first be approved by Council prior to an implementation date. The resolution from Council must accompany a memo from HR requesting the change in benefits.
43	HR	Create and fund a formal Professional Development Program that defines and rewards desired traits and behaviors of middle and senior managers	City will formally launch its "Oxnard On Course" Leadership Development Program on October 14, 2016, including resources and programs for all employees citywide. Programs will continue to be developed and rolled out over the coming years.
44	CMO/FIN	Appoint an internal control officer for the City	Completed: CFO is now Internal Control Officer
45	HR	Contract with benefits vendor to assist with administration of benefits programs	Completed: City has contracted with benefits vendor and rolled out new information and platform to staff.
46	PW	Complete the Water Master Plan and report to City Council	Completed
47	PW	Complete Wastewater Master Plan and report to City Council	Completed
48	PW/IT	Develop multi-year master plans for the management and replacement of fleet vehicles and information technology.	IT Master Plan has been completed, staff is currently developing replacement plan. Fleet plan options are complete and will be used to develop CIP.
49	FIN	From Audit: The City has previously reported all revenues generated and expenses incurred by the operator in the City's financial statements. However, the City only receives a share of net receipts at the end of each year. (2015-101). Only the share of net receipts should be reported as revenue from the service concession. Gross revenues generated and all expenditures incurred by the private operator should not be included in the City's financial statements.	Already corrected in FY15-16. Annual entry to record net receipts from concessionaire.
50	FIN	From Audit: The City did not have an audit committee. (2015-008). Establish an audit committee, along with a charter to govern its conduct. Members of this committee should be provided training.	The Financial Policy Task Force acts as the City's audit committee, too.

#	DEPT	COMPLETED RECOMMENDATION	COMMENTS
51	FIN	From Audit: The various departments of the City operated in silos. Department heads were not actively involved in the budget and financial reporting process. Communication between the finance department and various departments was not encouraged. (2015-105). Improve communication among departments. The Finance Department should hold meetings with department heads periodically.	The CFO has begun holding meetings with dept. heads and their staff.
52	FIN	From Audit: The Finance Department did not have sufficient staff, particularly in managerial positions. (2015-010). Fill vacancies with qualified staff immediately.	Still three additional positions to hire, but several positions have been filled, remainder are in process and should be completed in the next four months.

CITY OF OXNARD CALIFORNIA	CITY COUNCIL AGENDA REPORT	TYPE OF ITEM: Report AGENDA ITEM NO.: 2

DATE: October 11, 2016

TO: City Council

THROUGH: Greg Nyhoff
City Manager

Greg Nyhoff

FROM: Arturo Casillas
Housing Director

Arturo Casillas

SUBJECT: Approval of Loan Agreements with Many Mansions for the Vista Pacifica Development (10/30/10)

CONTACT: Arturo Casillas, Housing Director
Arturo.Casillas@oxnard.org, 385-8094

RECOMMENDATION:

1. Approve and authorize the Mayor to execute a HOME Participation Agreement (A-7911), an Affordable Housing Agreement (A-7912) and an HOME CHDO Set-Aside and In-lieu Fee Funds Loan Agreement (A-7913) with Many Mansions, providing gap financing in the amount of $800,000 for the construction of thirty-nine (39) very low-income affordable rental units and 1 unrestricted manager's apartment commonly known as the Vista Pacifica Development located at 5527 and 5557 Saviers Road;

2. Approve a budget appropriation of $328,694 from the Oxnard Housing In-lieu fees fund and $2,850 from HOME-CHDO Set Aside funds.

3. Authorize the City Manager or designee to make necessary corrections or modifications in the attached agreements in order to conform them to each other or to make them consistent with the provisions of the staff report.

BACKGROUND

The proposed action will:

1) Provide $471,306 in HOME Investments Partnership Program (HOME) funds to Many Mansions for the construction of thirty-nine (39) affordable rental units for very low-income families and 1 unrestricted manager's apartment; and will

2) Provide $328,694 in City of Oxnard Housing In-lieu Fee (In-lieu) funds to Many Mansions to cover the remaining balance for the construction of forty affordable rental units for very low-income families.

The City has received a request from Many Mansions to support a financial gap of $800,000 for the development of 39 very low-income rental units and 1 unrestricted manager's apartment located at 5527 and 5557 Saviers Road, more commonly known as the Vista Pacifica Development (Vista Pacifica). Many Mansions is a non-profit housing organization that works to provide affordable housing to households with very-low and low-incomes by constructing new or acquiring and rehabilitating existing housing units, in partnership with Cities and other local organizations. Since its founding in 1979, Many Mansions has acquired and managed over 500 units of affordable housing at fourteen properties throughout Ventura County. The organization's portfolio includes several properties that provide supportive housing. Many Mansions will be the developer, and once the project is operational, will also act as the property manager for the Vista Pacifica development.

On May 19, 2015, the Vista Pacifica Development received City Council conditional approval as a 40 unit, mixed income ownership project. Vista Pacifica was approved with a density bonus on the condition that at least 20% or 8 units would be restricted to low-income families earning at or below 80% of the area median income. Once conditional approval was obtained, the original developer, Aldersgate Investment, LLC decided not to proceed with the project. Many Mansions purchased the property on Nov. 24, 2015, to develop the site as a tax credit rental project. An ownership to rental minor modification by the Development Services Department was approved on July 22, 2016.

Vista Pacifica will consist of five separate buildings (8-units in each) totaling 40-units. The development will be comprised of 15 one-bedroom, 20 two-bedroom, and 5 three-bedroom units. The units will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. On-site amenities will include: an interior courtyard, playground, laundry room, a picnic/BBQ area, and a community room (where services will be provided "free of charge"). The site is also walking distance to a park, elementary school, medical clinic, and shopping.

The City of Oxnard receives an annual allocation of HOME funds from the Department of Housing and Urban Development (HUD) for the financing of affordable housing. Fifteen percent (15%) of these funds must be set-aside for the production of affordable housing by a Community Housing Development Organization (CHDO). Many Mansions is a CHDO certified by the City of Oxnard under the HOME program. In-Lieu fees are collected by the City from Developers who do not build the required minimum 10% of affordable housing units in their projects, be it a rental or for-sale product. These In-Lieu fees are used solely for the construction of affordable housing within the City of Oxnard.

The development will have ten (10) HOME restricted units in total and all ten will carry a 20-

year restriction. The City of Oxnard will have five (5) of the restricted units (3 one-bedrooms and 2 two-bedrooms) for use in their HOME affordable housing count, the remaining five (5) restricted units will be attributed to the County of Ventura for use in their affordable housing count. Two (2) units will be tied to the In-lieu Fees funds and will also carry a 20-year restriction. A Density Bonus was granted by the Development Services Department for this project and carries an additional 35 years of restrictions for a concurrent total of 55 years. The restrictions are in place to ensure that the units remain affordable and are provided to eligible income qualified residents. The combined 10 total HOME-assisted units will require financial reporting and analysis annually to comply with HUD regulations. Monitoring fees for the 20 years of the HOME program and In-Lieu Fee loan terms and the 55 years of the Density Bonus term are included in the Developer's Budget/Pro-forma. The City is able to recover the cost of the monitoring.

Through a separate action, Many Mansions is also seeking approval from the Housing Authority Commission of the City of Oxnard for an award of 39 Project Based Section 8 Vouchers (PBV). As part of that proposal, supportive services will be provided on-site in accordance with HUD requirements and the OHA's Administrative Plan for developments where more than 25% of the units receive PBVs. On-site supportive services, will include, but are not limited to, service coordination in order for residents to obtain and retain government and community resources and youth development services such as an after-school tutoring program, career preparation program, and summer camp.

Many Mansions will also seek approval for Deferral of Impact Fees which will be brought forward to City Council on a later date under a separate action.

Several agreements address terms of the proposed transaction. The *HOME Participation Agreement* (Attachment A) provides that the required HOME Program regulations are complied with and as well as all City regulations, ordinances, permits and inspections. The *Affordable Housing Agreement* (Attachment B) provides for an additional period of affordability to cover a period of up to 55 years and spells out the terms for the In-lieu Fee funds. The *HOME CHDO Set-Aside and In-lieu Funds Loan Agreement* (Attachment C) provides for the HOME regulations specific to CHDO's. A *Request for Budget Appropriation* (Attachment D) for the In-Lieu Fee portion of the proposal and the increased allocation of CHDO funds from the 2016 HUD allocation is also attached.

The total cost of the project is estimated to be $13.5 million. The pre-construction phase can last up to one-year from the date that the agreements are signed with the City, and construction is to be completed within two years after that. An assessment of Many Mansions' Proforma (financial information for the project) and company background (for experience and capacity) was conducted by the City in which it was determined that the requested funding equates to 16.84% of the total estimated project costs. This amount is permitted within HUD's regulations and Per Unit Subsidy Limits of $160,615 for one-bedroom, $195,304 for two-bedrooms and $252,662 for three-bedrooms. The total subsidy provided from HOME Program funding is $471,306, which is well below the maximum subsidy amount of $872,453 for the five (5) HOME restricted units (3 one-bedroom and 2 two-bedroom units). Many Mansions is a successful builder and manager of affordable housing throughout Ventura County and has several thriving rental projects, along with the capacity through their staffing to undertake and complete this project.

Permanent Funding Sources (estimated) for the project are as follows:

FHA 221(d) (4) Loan $6,320,223

City of Oxnard (HOME Funds) $471,306

City of Oxnard (In-lieu Fee Funds) $328,694

County of Ventura (HOME Funds) $210,337

4% Tax Credits - Limited Partner $4,973,452

General Partner (Many Mansions) Equity $1,166,569

STRATEGIC PRIORITY – QUALITY OF LIFE

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 2. Address homelessness through the development and implementation of a multi-tiered strategy.

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

FINANCIAL IMPACT

If the proposed recommendations are approved, funds in the amount of $800,000 will be available for the construction of 40 affordable homes for very low-income households. Of the $800,000 required, $468,456 has been budgeted from HUD HOME Fund 295. An additional $331,344 will be required of which $2,850 from HUD Home Fund 295 and $328,694 will be appropriated from Housing In Lieu Fees Fund 371 outlined as follow:

Project No. / Description	Fund / Account	Current Budget	Additional Appropriation	Revised Budget
No. 775211 / 2015 CHDO	HUD HOME Fund 295 / 295-	$255,057	$0	$255,057

Development	5162.804-8602			
No. 775214 / 2016 CHDO Development	HUD HOME Fund 295 / 295-5162.804-8602	$213,399	$2,850	$216,249
No. 175101 / Many Mansions-Vista Pacifica	Housing In Lieu Fund 371 / 371-5135-804-8364	$0	$328,694	$328,694
	Total	**$468,456**	**$331,344**	**$800,000**

The available fund balance in the Housing In-Lieu Fee Fund (371) is $1,941,714.

ATTACHMENTS:

Attachment A - HOME Participation Agreement-Many Manions-Vista Pacifica (6)

Attachment B - Affordable Housing Agreement-Many Mansions-Vista Pacifica (6)

Attachment C - HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement (6)

Attachment D - Request for Budget Appropriation

AGREEMENT FOR HOME PROGRAM PARTICIPATION
(Many Mansions)
(Vista Pacifica Affordable Rental Housing Project – City of Oxnard HOME and In-Lieu Fee Funds)

THIS AGREEMENT is entered into effective as of the 4th day of October, 2016, between the City of Oxnard ("City"), a municipal corporation (hereinafter referred to as the "City") and Many Mansions, a California non-profit corporation, (hereinafter referred to as "Developer").

RECITALS

WHEREAS, In FY2015-16 and FY2016-17, the City received a HOME Investment Partnership allocation from the Department of Housing and Urban Development ("HUD") to carry out eligible activities in accordance with HOME Program requirements set out in 24 CFR 92; of those funds, fifteen percent must be used for Community Housing Development Organization (CHDO) Set-Aside Projects each year, and,

WHEREAS, Developer is a CHDO capable of carrying out elements of City's approved housing strategy and has been encouraged to do so. The Developer has supplied evidence that it continues to meet the requirements for a CHDO and has been certified as a CHDO by the City of Oxnard under the definition used in 24 CFR §92.2 (1) through (10). These requirements for the CHDO certification will be reviewed again prior to release of funding to ensure the Developer maintains the requirements of a CHDO and remains eligible for the funding.

WHEREAS, City**,** acting in the capacity of a lender, will monitor the Project (as defined in Section 2.3 below) to ensure Developer's compliance with all HOME Program requirements, and Developer in its capacity as owner, will comply with all program requirements under 24 CFR 92.

WHEREAS, City recognizes that the County of Ventura has also contributed to the production of the thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit for the Vista Pacifica Affordable Rental Housing Project. The financial contribution is in the form of a recoverable or forgivable loan or grant in the amount of $210,337 of the County of Ventura's HOME funds. The combined total HOME-assisted units will be 10 and will require financial reporting and analysis annually to comply with 24 CFR 92.504 (d) (2).

WHEREAS, City will tentatively award $800,000 of City funds for the project, of which a total of $471,306 will be allocated from HOME Investment Partnership Program funds and $328,694 will be allocated from Housing In-Lieu Fees funds. The HOME funds have $255,057 from FY 2015-2016 and $216,249 will come from FY 2016-2017 entitlement grant-funding years. The Developer will enter into a certain "Affordable Housing HOME CHDO Set Aside Loan Agreement" dated October 4, 2016 (hereinafter "Loan Agreement"), which will require the Developer to develop and manage the rental property in accordance with all HOME Program requirements under 24 CFR 92. Developer will reserve one hundred percent of the City's HOME Investment Partnership funds for new construction of affordable rental housing to be owned by Developer throughout the period of affordability, as evidenced by legal title or a valid contract of sale.

WHEREAS, in order to comply with the requirements of 24 CFR 92, the parties will hereby enter into this Agreement. This Agreement is intended to enable City and Developer to comply with requirements of i) the HOME Partnership Investment Program regulations as stipulated in the 24 CFR 92 currently, and as may be amended throughout the term of this agreement, and ii) applicable federal law and regulations (collectively, the "HOME Regulations"), without modification of the Loan Documents in the future, unless also required.

WHEREAS, City, acting in the capacity of a lender, will monitor the Project (as defined in Section 2.3 below) to ensure Developer's compliance with all HOME Program requirements, and Developer in its capacity as owner, will comply with all program requirements under 24 CFR 92 as written as of July 24, 2013, effective August 23, 2013, and any amendments to the regulations throughout the term of this Agreement.

WHEREAS, Developer shall serve as the developer of the Project (as that term is defined below in Section 1.1.10) under the 2013 HOME Final Rule regulations and guidelines. Acting in this capacity, Developer shall manage, or cause the owner of the Project to manage, the Project and comply with 24 CFR 92 in all aspects.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, City and Developer agree as follows:.

Section 1. DEFINITIONS

1.1 **Definitions.** As used in this Agreement, unless a different meaning is apparent from the context or is specified elsewhere in this Agreement, the following words and terms shall have the same meaning given or attributed to them or similar terms in 24 CFR 92.

1.1.1 **Adjusted income** means adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes according to 24 CFR 92.

1.1.2 **Affordability** means that the total monthly housing expense (rent and utilities or utility allowance) for the participant where the rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program according to 24 CFR 92.252 (b) (2).

1.1.3 **Annual income** means annual income stated in 24 CFR 92.203 which has the same meaning as it is defined at 24 CFR 5.609. Those items listed in 24 CFR 5.611 are excluded from the calculation of annual income.

1.1.4 **Area Median Income** means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development (HUD) pursuant to Section 8 of the United States Housing Act of 1937: the median income for the Ventura County, Oxnard-Thousand Oaks-Ventura area with adjustments for household size, as adjusted from time to time by HUD.

1.1.5 **Commit to a specific local project** means that: if the project consists of rehabilitation or new construction (with or without acquisition) the participating jurisdiction (City) and project owner (Developer) have executed a written legally binding agreement under which HOME assistance will be provided to the owner for an identifiable project for which:

1. All necessary financing has been secured,
2. A budget has been established,
3. A schedule has been established, and
4. Underwriting has been completed and under which construction is scheduled to start within twelve months of the agreement date.
5. Subject to environmental review including review and response by the State Historic Preservation Officer (SHPO), particularly where vacant land is being broken, whether any demolition of existing non-compliant structures will be done.
6. Subsidy layering analysis is done to ensure that the project only uses enough HOME funds to make the project feasible and does not exceed the maximum subsidy allowed by HOME regulations.

1.1.6 **Family** has the same meaning given that term in 24 CFR 5.403 used for the housing choice voucher system and public housing.

1.1.7 **Fee** is hereby defined as the amount of money the City agrees to pay and the Developer agrees to accept as payment in full for the entire professional, technical and construction services rendered pursuant to this Agreement to complete the Work if the Developer will not be sharing in the proceeds of the sale to the homebuyer.

1.1.8 **Household** means one or more persons occupying a housing unit.

1.1.9 **Low-income families** means families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.

1.1.10 **Project** means a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking under this part. The project includes all the activities associated with the site and building.

1.1.11 **Project Completion:** A project is considered complete under HOME regulations 24 CFR 92.2 when it meets certain conditions, including: construction completion, title transfer, property standards met, funds disbursed and drawn, and completion info entered into Integrated Disbursement Information System (IDIS) (homebuyer projects require beneficiary data, while rental projects can be completed as "vacant").

1.1.12 **Recapture** is when the City recoups all or a portion of the direct HOME subsidy when the property is no longer leased to an eligible very-low income family or household at an affordable initial rent or subsequent rent during the period of affordability.

1.1.13 **Uniform Physical Condition Standards (UPCS)** means uniform national standards established by HUD pursuant to 24 CFR 5.703 for housing that is decent, safe, sanitary, and in good repair. Standards are established for inspectable items for each of the following areas: site, building exterior, building systems, dwelling units, and common areas.

1.2 **Other Definitions.** As used in this Agreement, unless a different meaning is apparent from the context or is specified elsewhere in this Agreement, the following words and terms shall have the same meaning given or attributed to them or similar terms in California Health and Safety Code and in Title 25 of the California Code of Administrative Regulations.

1.2.1 **Affordable Housing Cost for Rental Units according to the California Health & Safety Code §50053.** For those units which do not utilize a federally subsidized housing program the following is used. For those units participating in a project-based Section 8 program, those units will use the more stringent of the HOME, project-based Section 8 program, or LIHTC rents for maximum rents, including utility allowance.

1.2.1.1 ***Very Low Income Households***, pursuant to Health and Safety Code §50053 (b) (2), an affordable rent shall not exceed the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit, including a reasonable utility allowance.

1.2.1.2 ***Lower Income Households***, whose gross incomes exceed the maximum income for very-low income households, compliance with this code means that an affordable rent shall not exceed the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit, including a reasonable utility allowance. In addition, for those lower income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

1.2.2 **Monthly adjusted income** has the same meaning given and attributed in the California Health and Safety Code and in Title 25 of the California Code of Administrative Regulations. It does not exceed one-twelfth of the adjusted income of the tenant.

1.2.3 **Monthly income** has the same meaning given and attributed in the California Health and Safety Code and in Title 25 of the California Code of Administrative Regulations. It does not exceed one-twelfth of the annual income of the homebuyer.

Section 2. Term

2.1 Term of Agreement The effective period of this Agreement shall commence on October 4, 2016, and shall be binding on the parties, their successors and assigns, throughout the duration of the period of HOME Program Affordability, through November 30, 2038.

2.2 Timetable. The Developer expressly agrees to complete all work required by this Agreement in accordance with the timetable set forth.

- Developer shall complete all plans and predevelopment activities within one year of the date of this agreement. **On or before October 31, 2017.**
  Developer shall be ready to start construction within one year of the date of this agreement. **On or before October 31, 2017.**
- Developer shall finish all construction on the thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit within two years from the start of construction though the anticipated construction period will take approximately thirteen months, or until approximately ***November 30, 2018.***
- For rental units that are not leased up within six months of construction completion (***approximately May 31, 2019***), the HUD Field office and the City require an updated affirmative marketing plan to lease up units remaining within eighteen (18) months of construction completion (***approximately May 31, 2020***) or the Developer must repay the HOME funds used for the construction of the unleased units back to the City for repayment to HUD.
- The term of this Agreement will end when the last rental unit has completed its compliance with HOME regulations, as may have been amended throughout the term of HOME period of affordability. The approximate term of this Agreement will end **no later than November 30, 2038** subject to changes that might be made due to change orders or delays in the project schedule approved by the Housing Director.

2.3 Compliance during Affordability Period. In addition, this Project is subject to ongoing compliance requirements of HOME for twenty (***20)*** years from the date of initial occupancy and a concurrent ***55*** years under the City of Oxnard Affordable Housing Ordinances for right (8) density bonus affordable units to encourage development of affordable housing, both homeownership and rental. During this compliance period, the Developer will assure continued compliance with HOME requirements for the period attributed to HOME (the first twenty (20) years ending approximately November 30, 2038). For rental units, this includes ongoing property standards, occupancy and rent limits compliance, as well as financial verify that the rental project will remain viable during the period of affordability and reporting the audit results for residual receipts for repayment. The Developer will pay City a monitoring fee for the compliance monitoring of the rental units which includes inspections and review of tenant files. The remaining 35 years of the period of affordability, the units will be monitored under the requirements of 25 CCR Chapter 6.5 Program Operations. (Refer to Section 20 Agreement.) See Exhibit G Schedule of Monitoring Fees for this HOME Participation Agreement. This exhibit explains and lists the fees for this Project.

2.4 Timely completion of the work. Completion of the work within deadlines specified in this Agreement is an integral and essential part of performance. The expenditure of HOME funds is subject to Federal deadlines and could result in the loss of the Federal funds by the City. By the acceptance and execution of this Agreement, it is understood and agreed by the Developer that the Project will be completed as expeditiously as possible and that the Developer will make every effort to ensure that the project will proceed and will not be delayed.

Failure to meet these deadlines can result in cancellation of this contract and the revocation of HOME funds.

2.5 Time is of the Essence. Time is hereby expressly declared to be the essence of this Agreement and of each and every term, covenant and condition hereof which relates to a date or a period of time. Since it is mutually agreed that time is of the essence as regards this agreement, the Developer shall cause appropriate provisions to be inserted in all contracts or subcontracts relative to the work tasks required by this Agreement, in order to ensure that the Project will be completed according to the timetable set forth. It is intended that such provisions inserted in any subcontracts be, to the fullest extent permitted by law and equity, binding for the benefit of the City and enforceable by the City against the Developer and its successors and assigns to the project or any part thereof or any interest therein.

2.6 Notification to City of Delays in Schedule. In the event the Developer is unable to meet the above schedule or complete the above services because of delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction over the Project, or other delays that are not caused by the Developer, the City shall grant a reasonable extension of time for completion of the Project. It shall be the responsibility of the Developer to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and details related to the delay.

2.7 Extensions to Schedule. If the Project is not complete, as evidenced by certificates of occupancy for the units, and if lease up of the units to a very low-income family has not been made on or before two years from the start of construction on the Property by Developer, Developer shall be in default hereunder, provided, however, that the period for completion of the Project date may be extended for a period not to exceed one additional year by written agreement signed by City's Housing Director and concurrence by HUD LA Field Office.

Section 3. Project Description

3.1 Development and Construction of Affordable Very-Low Income Rental Housing: Developer is the owner of the site described in Exhibit "A" which is attached hereto and incorporated herein by this reference, at 5557 & 5527 Saviers Road, Oxnard, CA 93035 [APN NUMBER #: 222-0-011-270, 222-0-011-280] ("Property"), in Oxnard, California. Developer desires to develop and construct thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. Upon construction completion, Vista Pacifica will consist of five (5) separate buildings (eight (8)-units in each) totaling thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. The development will be comprised of fifteen (15) one-bedroom, twenty (20) two-bedroom, and five (5) three- bedroom units. The homes will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. On-site amenities will include: an interior courtyard, playground, community room (where Developer will provide "free" on-site services including but not limited to service coordination in order for residents to obtain and retain government and community resources and youth development services such as an after-school tutoring program, career preparation program, and summer camp), laundry room, and a picnic/BBQ area. The site is also walking distance to a park, elementary school, medical clinic, and shopping. The residential units will not be used for a halfway house, dormitory, or student housing which is not an eligible HOME activity. In accordance with 24 CFR 92.205 (d)(1), HOME funds will only pay for HOME eligible development costs in the multi-unit project.

3.2 Regulatory Agreement. Developer will execute an Agreement Containing Covenants Affecting Real Property ("Regulatory Agreement") in the form and substance referenced and incorporated herein as Exhibit C. Many Mansions Regulatory Agreement for the Vista Pacifica Rental Project of the Affordable Housing CHDO Set-Aside and In-Lieu Fee Loan Agreement, restricting rents of the affordable units to very-low-income families as set forth above. The restrictions of this Regulatory Agreement are in addition to and independent of the restrictions imposed by any other funding or regulatory entity.

3.3 Tasks to be performed, Schedule for Tasks to be Completed, and Project Budget:

a. New construction of forty residential units that meet at a minimum Section 8 Housing Quality Standards ("HQS") and California and local City of Oxnard Building Codes in effect as of July 1, 2016. Of the forty (40) residential units, five (5) units will be designated as HOME-assisted rental housing units for the City of Oxnard and five (5) HOME-assisted units will be for the County of Ventura, which also allocated some of its HOME funds for the project. The number of HOME-assisted units is dependent upon and calculated by the HOME funds for project as a percentage of the Total Development costs that are eligible HOME expenses and costs.

b. The City's five (5) HOME-assisted units will serve tenants as defined in the Affordable Housing Agreement dated October 4, 2016 and as defined by this HOME Program Participation Agreement. The stricter requirements will be used to the benefit of the tenant.

c. The HOME-assisted units will be considered floating and will be treated as described under 24 CFR §92.252 (j).

d. Developer will construct the housing units in accordance with property standards for new construction, Section 504, ADA, and other fair housing building codes and the Model Energy Efficiency Code herein referenced.

e. Project budget: The budget for Developer's new construction of thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit of Property of which there are five (5) HOME-assisted units allotted to the City of Oxnard and 5 HOME-assisted units allotted to the County of Ventura is attached as Exhibit B hereto.

f. Schedule of Performance: The schedule for Developer's performance of the tasks is set forth in Exhibit C of this agreement.

Section 4. Scope of Work.

4.1 The Project shall meet the requirements of all City ordinances, conditions, rules and regulations.

4.2 Construction Management. Developer shall provide all construction management for the Project. Developer will coordinate with neighborhood groups and the City to ensure that the affordable units are constructed according to quality constructions standards, and to ensure that the units are constructed in conformity with the surrounding community.

4.2.1 HOME Requirements for Construction Management. City must ensure the construction contract(s) and construction documents describe the work to be undertaken in adequate detail so that inspections can be conducted according to 24 CFR §92.251.

a. City Affordable Housing staff will review written construction contracts and documents to determine that language for material and workmanship quality based upon HOME property are specific enough for progress inspections to be made.

b. Materials and workmanship quality specifications will consider the following:

i. Materials and workmanship will be able to withstand normal life- cycle estimates based upon normal wear and tear that meets industry standards such as provided by RS Means Construction Cost Estimating Data or equivalent.

ii. Allow for accessibility by persons with mobility disabilities. See Section 5.2.2 Project and Property Standards and Section 5.2.2.d. Accessibility Requirements for Development.

iii. Shall consider disaster mitigation materials and construction methods when preparing plans and specifications as required under 24 CFR §92.251(a) (2) (iii).

iv. Major systems. Major systems consist of: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. Upon project completion, each of the major systems is to have a remaining useful life for a minimum of 5 years or for such longer period specified by the City; City anticipates that the major systems will meet life-cycle estimates of longer than 5 years.

c. Progress Inspections. City Housing Inspector or contract Inspector for City will perform progress inspections at regular intervals to verify that materials and processes that are being submitted for reimbursement meet the specifications of the construction contract and documents and the level of completion the tasks have been accomplished satisfactorily to reimburse Developer appropriately.

d. The scope of work for the construction contract shall be of sufficient detail to allow the City's periodic inspection of the five (5) HOME-assisted units to determine compliance with the City's new construction standards.

i. A progress inspection for the construction only will be done at most, every time the Developer submits requests for payment, but no less than an initial inspection prior to start construction, 25% complete, 50% complete, 75% complete and/or 90% complete.

ii. A final construction inspection is required when the building is 100% completed.

(a) Progress inspections will include review of the permits and any comments that City Building Inspectors have made for the permits and inspections, including the final building inspection by the Building and Safety Division of Development Services.

(b) Progress inspections will compare materials and construction methods with those specified in the construction documents and specifications.

(c) If materials and/or construction methods, and measurements differ from plans and/or specifications, City Housing staff and/or Housing inspector will verify that change orders have been received and approved by the City before work was/is done.

4.3 Marketing and Lease Up of Affordable Rental Units

4.3.1 Affirmative Marketing. As the Project has 10 HOME-assisted units, Developer will prepare an affirmative marketing plan or document which will include information about how Developer will attract eligible persons in the housing market area without regard to race, color, national origin, sex, religion, familial status, or disability. Refer to SECTION 11. OTHER PROGRAM REQUIREMENTS. Section 11.3. Affirmative Marketing for additional requirements for the Affirmative Marketing Plan.

4.3.2 Minority Outreach. To the maximum extent possible, Developer will keep records of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, service providers, maintenance providers, contractors, subcontractors, and in all contracts entered into by the Developer with such persons or entities, public and private, in order to facilitate the activities of the Developer to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 200.321 of title 2 Code of Federal Regulations describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

4.3.3 Tenant Selection. Subject to applicable federal and state fair housing laws, Developer will establish restrictions and preferences for initial lease up of the affordable units as follows:

a. Units will be leased up to very-low income households of Oxnard residents first who qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list.

b. Units will be leased up to very-low income households of residents of Ventura County who work in Oxnard who qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list next.

c. Units will be leased up to other very-low income households of residents of Ventura County not currently working in Oxnard who qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list .

d. Units will be leased up to very-low income households or others from other areas who qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list.

e. The tenant selection policies will be consistent and in accordance with 24 CFR §92.253.

<u>Section 5</u>. **<u>USE OF HOME FUNDS</u>**

5.1 <u>Allocation and use of HOME funds:</u> The parties to this Agreement agree and acknowledge that Developer owns the vacant property located at 5527 and 5557 Saviers Road. Developer desires to construct thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit with thirty-nine (39) units to receive Project-Based Vouchers (PBV) through the Housing Choice Voucher Program (Section 8) and 1 unit to be used as the manager's unit. All thirty-nine (39) units will be designated for very-low income households.

5.1.1 The City is willing to allocate $471,306 of HOME funds conditionally to the project,

5.1.2 Developer will develop and construct the Vista Pacifica Affordable Rental Project consisting of five (5) separate buildings (eight (8)-units in each) totaling thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. The development will be comprised of fifteen (15) one-bedroom, twenty (20) two-bedroom, and five (5) three- bedroom units. The homes will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. A laundry room will be on site for residents to use.

5.1.3 Developer will use HOME funds in the amount of $471,306, which constitutes last "gap financing" to make the Project feasible, along with the other funds that Developer will provide as HOME Matching funds to construct the thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit throughout the "Project" ("HOME-Assisted" Units). City of Oxnard will have five (5) of the ten (10) HOME-Assisted units for its inventory of affordable housing stock and the County of Ventura will have the other five (5) HOME-assisted units to use in its affordable housing stock inventory.

The City shall agree to subordinate the Loan Documents to deeds of trust and any other documents reasonably necessary to secure a lien, encumbrance or regulatory agreement to a conventional lender(s) (bank) or federal or state program (collectively the "Senior Financing") that is providing the initial financing for the Development where such subordination is required by the conventional lender or federal or state program in order to obtain the initial financing needed for the Development. Any such subordination shall be pursuant to the terms of the subordination agreements and/or other intercreditor agreements that may be entered into by the City. The City shall have the right to review and approve the terms of any such Senior Financing, which approval shall not be unreasonably withheld. The City shall have the right to record a request that the City receive notice of any default by the Borrower under the Senior Financing, and any other alternative financing that may be obtained by the Borrower with respect to the Development. To implement any such subordination authorized under this paragraph, the City agrees to cooperate with the Borrower, and the City Manager of the City shall have the authority to execute such subordination agreements and/or intercreditor agreements that may be reasonably required, in form and content approved by City Counsel.

City's obligation to make the loan is conditional upon receipt of information to satisfy Affordable Housing and Rehabilitation staff that requires the following actions prior to committing HOME funds to a specific project, such as:

a. The underwriting and subsidy layering analysis must be completed prior to expending of HOME funds.
b. All necessary financing has been secured.
c. A budget has been established for the project.
d. Receipt of the "Authority to Use Grant Funds" commitment letter by the US Department of Housing and Urban Development (HUD).
e. A schedule for the project including any pre-development activities and/ or pre-construction activities such as submission of plans to the City, Design Analysis Committee review, community workshop, submission of special use permit application and an application for a density bonus, and mobilization, construction, trades, progress inspections, implementation of an affirmative marketing plan, sales, and beneficiary information sent to City for entering into IDIS and completing the Project.
f. Construction must be scheduled to begin (with tasks other than only demolition) within twelve months from the date this agreement and that certain Affordable Housing HOME CHDO Set Aside Loan Agreement with Many Mansions is executed.
g. Finally, the executions of this HOME Participation Agreement with Many Mansions and that certain Affordable Housing HOME CHDO Set Aside Loan Agreement with Many Mansions are conditioned upon approval by the City's HUD-approved Environmental Official in the Planning Department when new construction is part of the project scope of work. The Environmental Review will be done by the Environmental Official; ensuring that the Property does not suffer from or contain any environmental impairments or conditions that would limit in any way the ability to develop the Project in accordance with the terms of this Agreement or which would be harmful to the health, safety or welfare of potential occupants of the Project, and must be approved; as well as a response received from State Historical Preservation Office that the project does not harm any historical sites because the land is mostly vacant.

5.2. <u>Tasks to be performed:</u> As the project has already received entitlement to construct the thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit and is considered to be "shovel-ready", Developer will continue to apply for anticipated funding sources such as Revenue Bonds allotment and 4% low income housing tax credits in January 2017. The development will be constructed according to the project budget and schedule of performance found in Exhibit B and Exhibit C.

5.2.1 Developer owns the land and has received approvals from the City of Oxnard Planning Department so that the project is considered entitled or "shovel-ready" for construction.

5.2.2 Project and Property Standards. The Project shall meet all City ordinances, conditions, rules and regulations. Project shall also be required to meet those requirements of 24 CFR §92.251(a) (2) (i) through (v) involving accessibility, disaster mitigation, written cost estimates, construction contracts, and construction documents, and periodic construction inspections. Property standards shall adhere to the following:

a. Oxnard City Code Chapter 14. Applicable state and city building codes set forth in Chapter 14 of the Oxnard City Code and applicable federal crosscutting regulations;

b. HQS or UPCS. Section 8 Housing Quality Standards ("HQS") or Uniform Physical Condition Standards ("UPCS"), if HUD has released the list of components to be inspected and made effective. The rental units shall pass the inspection done by the Housing Inspector or Housing Inspection Contractor to evidence that the property meets the appropriate property standards (existing standard units) or new construction property standards, as may be applicable.

c. Current Edition Model Energy Code for New Construction. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials,

d. Accessibility Requirements for Development. The housing must 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).

5.2.4 Agreement Containing Covenants Affecting Real Property. Developer will execute an Agreement Containing Covenants Affecting Real Property ("Regulatory Agreement") in the form and substance of Exhibit C in the Affordable Housing CHDO Set-Aside and In-Lieu Fee Loan Agreement, herein referenced and incorporated, restricting the leasing and rental of the affordable units to very-low-income families as set forth above. The restrictions of this Regulatory Agreement are in addition to and independent of restrictions imposed by any other funding or regulatory entity.

5.2.5 Tenant Selection. To the extent allowable and subject to applicable federal and State fair housing laws, Developer will establish a written policy of the restrictions and preferences of tenant selection for initial lease up of the affordable units in accordance with to §92.351(a) as follows:

a. The following provisions shall apply to the affordable units available for lease:
   i. The units will be offered to eligible very-low income Oxnard residents first.

ii. The units will be offered to eligible very-low income Ventura County residents who work in Oxnard second.
iii. The units will be offered to other eligible very-low income Ventura County residents next.
iv. The units will be offered to other eligible very-low income households who are residents of other areas outside of Ventura County.

b. The project must be open to all eligible persons with disabilities who may benefit from the services provided in the project.
c. Do not exclude an applicant with a certificate or voucher under the Section 8 Tenant-Based Assistance Housing Choice Voucher Program (24 CFR part 982) or an applicant participating in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document unless a project –based section 8 voucher would constitute a duplication of assistance.
d. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
e. Give prompt written notification to any rejected applicant of the grounds for any rejection.

5.3 Schedule for Completion of Tasks: The schedule for Developer's completion of the tasks is set out in Exhibit C. Schedule of Performance of this Agreement. It is understood that the Developer shall provide a specific working Project Schedule with milestones, estimated construction dates and completion deadlines, including lease-up of all thirty-nine project-based section 8 affordable units. Completion of entering in beneficiary information into the IDIS system or those units without beneficiary information may not be in compliance with 24 CFR §92.254 and may require the repayment of HUD funds if the rental unit is not leased within eighteen (18) months of the project completion date in IDIS.

(1) Construction will have begun within twelve months of the execution of this Agreement and that certain HOME Participation Agreement for this Project, dated October 4, 2016.

5.4 Projected Budget: Developer will provide a specific working budget as Exhibit F of the Affordable Housing Agreement and as Exhibit B Projected Budget for this agreement prior to execution of this agreement. The working budget relates to: acquisition, demolition of existing structures, construction, soft costs, development fees and other allowable costs/activities prior to any fund usage. Said budget shall identify all sources and uses of funds, and allocate HOME and non-HOME funds to activities or line items, including but not limited to monitoring fees so as to recoup monitoring costs as part of the project.

Section 6. AFFORDABILITY

6.1 Affordability Period. Developer is committing to a twenty (20)-year HOME period of affordability and concurrently committing to a twenty -year affordability period for the purposes of compliance with certain distinct affordability requirements, which do not derive from the HOME Program. Developer agrees that, for the purpose of this HOME Program Participation Agreement, the five (5) HOME-assisted units and two (2) In-Lieu Fee affordable rental units shall meet the twenty (20)-year affordability requirement contained in 24 CFR Section 92.252 and Ordinance 2721 for use of funding from In-Lieu Fees and secured by recorded restrictions.

6.1.1. Developer shall ensure that the five (5) HOME-assisted units throughout the *Vista Pacifica Affordable Rental Development* Project, which are assisted with HOME funds, will meet the twenty (20)-year affordability requirement contained in 24 CFR Section 92.252 and secured by a Deed of Trust incorporating deed restrictions without regard to the term of the mortgage or transfer of ownership. Such deed restrictions shall require earlier repayment of HOME funds if the housing does not meet the affordability requirements for the specified twenty (20)-year period of the HOME period. These restrictions are separate from those required for the eight (8) units restricted for density bonus.

6.1.2. The number of additional years of the affordability period, which is not derived from the HOME program, is in compliance with the City's affordable housing ordinances and due to giving a density bonus. The remaining years of the affordability period will be determined by the approval of a density bonus by the City of Oxnard Planning Commission. If the density bonus is granted, the total period of affordability will be 55 years in compliance with California Code of Regulations §65915-65918 or if denied, the total period of affordability will be a total of twenty (20) years in compliance with the City's code and ordinances regarding affordable housing. The remaining period of affordability will be governed by that certain Affordable Housing Agreement with the Developer dated October 4, 2016 and incorporated by this reference.

1) The HOME affordability period begins on the date that the project is entered into the IDIS system as completed.
   a. The start of the HOME affordability period for HOME-assisted rental units, the project can be entered as complete when the construction is complete with the rental units entered into the system as vacant until there is beneficiary information about the tenants at a later date.
   b. However, beneficiary information must be entered within eighteen (18) months of construction completion date and within 120 days after the final draw down for payment or the HOME funds used for the construction of the unleased unit must be repaid to HUD.
   c. The parties hereby declare their intent and understanding that the affordability period for the purpose of this Agreement is twenty (20) years, and shall run until **on or before November 30, 2038** (hereinafter the "Affordability Period").
   d. The non-HOME affordability period of the twenty (20) years for the two (2) In-Lieu Fee units, set forth in the Affordable Housing Agreement dated October 4, 2016, shall run until on or before December 31, 2038 depending upon the first lease-up date for the property.
   e. The non-HOME affordability period for the eight (8) density bonus affordable rental units is fifty-five (55) years in accordance with Section 65915 of the California

Government Code and the California Health and Safety Code of Section 50105 for very-low income households, adjusted for family size. The end date should be approximately December 31, 2071.

2) Should the date the project is completed in the IDIS system be different from the date listed above, this agreement shall be amended to include the corrected date for the HOME affordability period and the corrected date for the non-HOME affordability period for clarity. Developer agrees that during the Affordability Period the five (5) HOME-assisted rental-housing units shall be occupied by households that are eligible as very-low-income families.
3) Developer agrees that during the HOME Affordability Period the five (5) HOME-assisted rental-housing units shall be occupied by households that are eligible as very-low- income families and two (2) In-Lieu Fee units.
4) Should Developer fail to ensure that the five (5) HOME-assisted units be occupied by households that are eligible as very-low income families and/or fail to restrict the monthly affordable housing costs in relation to the monthly rent less utility allowances of the five (5) HOME-assisted units shall immediately repay City all HOME funds awarded to Developer for the Project that were used to construct the unit(s) that did not remain affordable unless the default was corrected within 30 days of notice.
   a. If part of the project is completed and leased to very-low-income tenants, but a part is not produced and leased to eligible and qualified very-low-income households at an affordable rent as prescribed by this HOME Participation Agreement and the regulatory agreement, Exhibit B of that certain Affordable Housing Agreement, then only the prorated portion of those apartments not produced or not leased in accordance with the Regulatory Agreement of the Affordable Housing Agreement will be repaid to HUD.
5) The obligations of this Section and this Agreement shall be secured by a Deed of Trust that is executed by Developer and recorded against the Property in substantially the form referenced in Exhibit C. *Deed of Trust Securing the HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement* of the Loan Agreement herein incorporated by reference.

6.3 Method of Calculating the Monthly Affordable Rent. Rents shall be calculated using the methodology prescribed in 24 CFR §92.252, including how rents are determined for subsequent rents beyond the initial rent and when a tenant has increased the household income enough to be considered over income yet remain in the affordable rental unit.

(1) Initial Rent limits:

a. On an annual basis, City and Developer shall review applicable affordability requirements of funding sources along with the annual HOME rent limits released by HUD (such as, but not necessarily limited to, Low Income Housing Tax Credit regulations, state or federal rental assistance subsidy regulations, etc.), and applicable state of California Health and Safety regulations governing affordable rental housing, to determine applicable rent and income limits for the very-low income households. The strictest regulation (i.e., that resulting in the lowest rent level) for the household will be used as the maximum rental for the project-based vouchers. The Affordable Housing and Rehabilitation Division must approve the maximum rental limits for those HOME-assisted rental-housing units.

(2) Utility Allowances:

a. As all but the manager's unit will receive project-based housing vouchers, the City will request a waiver for the HOME-assisted rental units to use the Section 8 utility allowances rather than the method required by the 2013 HOME Final Rule. If the units receive Low-Income Housing Tax Credits and utilize the utility allowance IRS requires for the LIHTC units, the waiver will not be needed as it is one of the four methodologies approved for HOME utility allowances is also approved by the IRS for LIHTC units.

Section 7. REPAYMENTS FROM ORIGINAL HOME LOAN DISBURSEMENTS, RESIDUAL RECEIPTS, OR PROGRAM INCOME

7.1 Required Repayment of Ineligible Project Costs. All HOME funds are subject to repayment in the event the Project does not meet the Project Requirements as outlined above.

7.1.1 In the event that HOME funds are utilized for ineligible project costs, Developer shall repay such funds to City, together with interest, and other return on the investment of HOME funds. Any such repayments of funds shall be deposited in the City's HOME account to lower the outstanding principal balance of the HOME loan.

7.1.2. It is understood that upon the completion of the Project, any HOME funds reserved but not expended under this Agreement will revert to the City.

7.2 Initial Occupancy after Project Completion. If a rental unit is not leased up within eighteen (18) months of construction completion, then the CHDO/Developer will be required to repay the prorated portion of the HOME funds used to develop and construct the unleased rental unit back to the City and HUD.

7.3 Program income and Other Proceeds from the Project.

7.3.1 All proceeds from the lease up of rental units are considered to be either:

___________Program Income and must be returned to the City as repayment of the HOME loan in the form of residual receipts until the HOME loan and the In- Lieu funds loan is repaid in full. After that, the CHDO proceeds would then be retained by the Developer and used in conformance with 24 CFR 92.300 (a) (2); or

___XX___CHDO proceeds that may be retained by the Developer and used in conformance with 24 CFR 92.300 (a)(2), 7.3.2. As the Project is rental, funds will remain a deferred loan for the period of twenty (20) years, at which time the loan may be forgiven or extended in the sole discretion of the City for another term.

1) Sale of the property to another party may occur only with the approval of the City, and the purchaser shall assume all obligations of the Developer under this agreement, the note and mortgage, and the deed covenants.

2) If the Purchaser does not assume responsibility for all obligations of the Developer under this agreement, the note and deed of trust with restrictions and the deed covenants, then Developer must retain responsibility for those obligations.

3) Purchaser must also be a CHDO during the period of affordability for HOME Rental Housing Program.

4) Provisions in those documents will provide for the extinguishment of the requirements only in the event of a third-party foreclosure or deed in lieu of foreclosure.

7.4 Access to Financial and Management Records. Developer shall provide access to, and City shall periodically examine, Developer's records for the management and administration of the project. In the event that HOME funds are utilized for ineligible project costs, Developer shall repay such funds to City, together with interest, and other return on the investment of HOME funds. Any such repayments of funds shall be deposited in the City's HOME account to lower the outstanding principal balance of the HOME loan.

(1) Throughout the period of affordability, Developer shall have financial records audited annually to determine residual receipts that will be applied to the HOME loan, first to interest and then to principal, until the loan has been paid off or becomes due and payable upon transfer or end of the term of the loan.

(2) Program income excludes gross income from the use, rental, or sale of real property received by the project owner, developer or sponsor unless Developer pays it to the City, such as through residual receipts. §92.502(a) requires all program income, as defined above, to be reported by the City in the IDIS used by the federal government to monitor grants. This information is obtained from the annual reporting and any payments received by the City from the project or CHDO.

(3) Once all principal and interest on the City loan for this project has been repaid to the City, further proceeds from the rental of these units will go to the Developer. The only regulatory stipulation is that the proceeds from this project be used for HOME-eligible projects in the future. Proceeds from those subsequent projects belong to the Developer and are not subject to restriction of HOME-eligible projects only.

Section 8. UNIFORM ADMINISTRATIVE REQUIREMENTS

As a non-profit organization and a recipient of HOME funds, Developer shall meet the requirements of 2 CFR Part 200, effective March 18, 2015, which supersedes the previous OMB Circulars No. A-122 and the following requirements of OMB Circular No. A-110: Attachment B; Attachment F; Attachment H, paragraph 2; and Attachment O, previously the administrative standards applicable to this rental project.

Section 9. PROJECT REQUIREMENTS

The Developer agrees to comply with all requirements of the HOME Program as stated in 24 CFR Part 92, including but not limited to the following.

9.1 Environmental Review Prior to Commitment of HOME Funds. No HOME project funds will be advanced, and no costs can be incurred, until the City has conducted an environmental review of the proposed project site as required under 24 CFR Part 58. The environmental review may result in a decision to proceed with, modify or cancel the project. Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the City of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part §58.

Further, the Developer will not undertake or commit any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance, and must indicate that the violation of this provision may result in the denial of any funds under the agreement.

9.2 Promissory Note and Deed of Trust. The HOME funds advanced to the Project will be secured by a note and mortgage, and in the case of a rental project, a deed covenant as required by 24 CFR Part 92.

9.3 Reimbursement of Eligible HOME Costs Only. The Developer will ensure that any expenditure of HOME funds will be in compliance with the requirements at 92.206, and acknowledges that HOME funds will only be provided as reimbursement for eligible costs incurred, including actual expenditures or invoices for work completed.

9.4 Beneficiary Information Collected. The designated HOME-assisted units of this Project will meet the affordability requirements as found in 24 CFR 92.252 (rental) or 92.254 (owner-occupied) as applicable. The Developer shall collect and maintain Project beneficiary information pertaining to household size, income levels, racial characteristics, and the presence of Female-Headed Households in order to determine low and moderate-income benefit in a cumulative and individual manner. Income documentation shall be in a form consistent with HOME requirements as stated in the HUD Technical Guide for Determining Income and Allowances under the HOME Program.

9.5 Nondiscrimination Requirements. In the selection of tenants for Project units, the Developer shall comply with all nondiscrimination requirements of 24 CFR 92.350. If the project consists of 5 or more units, the Developer will implement affirmative marketing procedures as required by 24 CFR 92.351. Such procedures are subject to approval of the City.

9.6 Reporting and Retention of Records. The Developer will be monitored by the City for compliance with the regulations of 24 CFR 92 for the compliance period specified above. The Developer will provide reports and access to project files as requested by the City during the Project and for five (5) years after completion and closeout of the Agreement.

9.7 Required Analysis Prior to Commitment of HOME Funds. Developer shall comply with the following HOME Project requirements prior to commitment of HOME funds represented by the execution of the HOME Participation Agreement – Homeownership Units, the HOME CHDO Set Aside Loan Agreement as secured by a Deed of Trust and Agreement Concerning Covenants Restricting Sales.

9.7.1. Maximum per-unit subsidy amount. The amount of HOME funds that a participating jurisdiction may invest on a per-unit basis in affordable housing is not exceeded in this project. As there has been an interim rule requiring the use of the alternative 24 CFR Section 234 Condominium Housing maximum for elevator type units instead of the discontinued 24 CFR Section 221(d) (3) until the proposed rule has been established.

a. Should this project use a combination of HOME funds and the federal low-income tax credit, the alternative 24 CFR section 234 condominium housing maximum per unit for elevator type units dollar limits shall be reduced by the per unit net proceeds from any sale of the tax credit or by the per unit present discounted cash value of the stream of Developer's share of the tax credit based on a discount rate equal to the 10-year Treasury note rate as applicable.

b. These are provided annually by HUD and effective November 18, 2015 the new construction maximum subsidy for a one (1)-bedroom $160,615, for a two (2)-bedroom housing unit is $195,205, and for a three (3)-bedroom is $252,662 for the Oxnard-Thousand Oaks-Ventura metropolitan statistical area (MSA).

9.7.2. CHDO Ownership Requirement. In accordance with applicable regulations regarding the CHDO set-aside fund used to finance the City's HOME loan with the Developer for this project, the following apply to the owner of the rental project:

a. The definition of Community Housing Development Organization (CHDO) as developer is set forth in §92.300 as in effect as of the date of the initial award of HOME funds and the guidelines in CPD Notice 97-11.

b. In accordance with §92.300, any sale or transfer by the Developer must be to another CHDO.
c. Sale of the property to another party may occur only with the approval of the City, and the purchaser shall assume all obligations of the Developer under this agreement, the note and mortgage, and the deed covenants.
d. If the Purchaser does not assume responsibility for all obligations of the Developer under this agreement, the note and deed of trust with restrictions and the deed covenants, then Developer must retain responsibility for those obligations.
e. Purchaser must also be a CHDO during the period of affordability for HOME Rental Housing Program.
f. Provisions in those documents will provide for the extinguishment of the requirements only in the event of a third-party foreclosure or deed in lieu of foreclosure.

9.7.3. Property standards. Throughout the period of affordability, the HOME Project shall meet at least the following standards:

a. Newly constructed multifamily rental housing must adhere to the Uniform Building Code, other State of California Building Codes (as may be applicable or required by other funding sources), and local City of Oxnard Building Codes.
b. The housing units shall meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201; and the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).
c. Prior to occupancy, all health and safety issues must be resolved as evidenced by the completion inspection of the unit(s) according to 24 CFR §92.251(f) (1) (ii).

9.7.4. Standards for Performance of Work. For the purposes of the current construction loan, the new construction work to be performed shall be in accordance with the following standards:

a. Developer will use contractors, licensed by the State of California and in good standing with the Contractors State Licensing Board;
b. All work performed will be of a competent and quality fashion, free of liens or encumbrances, in full compliance with all applicable requirements of the I.B.C., other applicable state building codes and local City of Oxnard building ordinances.
c. All contractors and maintenance workers will comply with the Residential Lead-Based Paint Hazard Reduction Act, as amended. This provides for the lead safe work practices to be used in the rehabilitation of the project (24 CFR 35 Subparts A, B, J or K (as applicable) and R) and other federal crosscutting regulations, as may be applicable.

9.7.5. Qualification as affordable housing and income targeting: rental housing.

a. HOME income limits. The project shall:

i. Provide for households that meet the definition of "low income" as defined in that certain "Affordable Housing and Loan Agreement" dated October 4, 2016 in accordance with Title 25 California Code of Regulations §6932.

ii. Households shall initially have an annual household income as defined in 24 CFR Sec. 92.252 which is determined using the methodology provided in 24 CFR Sec. 92.254 (a)(3) and (b)(2). If the property is also financed with funds requiring different levels of income limitations, the most stringent will be used, but no more than 60 percent of the median income for the area, which allows for a High HOME rent of 30 percent of 60 percent of the median income for the area, as determined by HUD, with adjustments in accordance with the above-referenced regulation.

iii. With reference to 24 CFR §92.2 Low and very low-income families (students), students are not eligible independently for HOME benefits as a low-income household unless:

1. The student(s) can qualify as a low-income family on his/her/their own, or
2. The student(s) are part of a low-income or very-low income household.

iv. City shall provide Developer with the appropriate annual HOME income limits once HUD has released the following year's HOME income limits, per Section E(5)(d)

v. Over-Income Tenants: Tenant households that achieve an income level above the annual income limit set forth in (5) (a) (ii) hereinabove may remain in the unit for HOME Program purposes. However, such tenants must pay as rent the lesser of the amount payable by the tenant under State or local law, or 30 percent of the family's adjusted income; except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by Section 42. Any student that does not meet the requirements of a low-income or very-low income person or household in Section E. Project Requirements (5) (iii) will be treated as an over income tenant. Rents will be calculated as for an over income household.

b. Income Determination.

i. Initial Determination of Household Annual Income.

1. Developer must count the income of all persons in the household (including nonrelated individuals) in order to establish eligibility and determine the initial household annual income.

2. City will review the gross annual household income and approve the rent annually utilizing the Monitoring HOME Checklist 6-D and any other documents necessary to review and approve rents annually per the 2013 HOME Final Rule.
3. Developer shall use at least 2 months' worth of source documentation consistent with those mentioned in 24 CFR 92.203(a) to determine the initial gross household annual income of all members of the household. City will review the source documentation and calculation of household annual income during monitoring using the HOME Monitoring Checklist 6-B: Initial Rent and Occupancy prior to or at the project completion as defined hereinto for.

ii. Subsequent Income Determinations for Rental Housing Units Only. In subsequent years, Developer may utilize one of three methods to determine annual income for families that utilize other assistance programs as outlined in §92.203(d)(1), except for in years 6, 12, and 18 which allow source documentation only to be used in those years.

a. *Source Documentation*: Developer will use at least two (2) months' worth of bank statements, pay check stubs, annual earnings statements for any investments to determine annual income.

b. Certified Statement by the Family: Developer accepts a certified statement of the number of household members (including any non-related persons) and the annual income, a certification on the statement that the information is true and accurate, and that household will produce source documents when asked. (This method is not allowable in the initial, sixth, and twelfth years. If the period of affordability is extended due to additional HOME funds used for maintaining affordability or because the property is converting to homeownership, every sixth year afterwards uses source documentation.)

c. Verification by Government Program Administrator. Developer may request a written statement from a government program which the tenant receives benefits and income is verified annually. The administrator may either state the family size and the annual income for the family or the administrator may list the current very-low income limit and the low-income limit used by the program and certify that the family's annual income does not exceed those limits. (This method is not allowable in the initial, sixth, and twelfth years. If the period of affordability is extended due to additional HOME funds used for maintaining affordability or because the property is converting to homeownership, every sixth year afterwards uses source documentation.)

c. Rent limitation for Low-Income households. For low-income households, the rent shall be not greater than the lesser of:

i. The Fair Market Rent (FMR) for existing housing for comparable units in the area of Oxnard-Ventura-Thousand Oaks, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or

ii. A rent that does not exceed 30 percent of the adjusted income of a family whose gross income equals 60 percent of the median income for the area, as determined by HUD, with adjustments in accordance with 24 CFR section 92.252. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, Developer shall subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant.

d. Rent limitation for Very Low-Income households. For very low-income households, the rent shall be calculated as the lesser of the following two calculation methodologies:

i. Very low-income households shall pay as a contribution toward rent (excluding any federal or state rental subsidy provided on behalf of the family) not more than 30 percent of their adjusted monthly income, in accordance with 24 CFR Section 92.252 (a) (2) (i); or

ii. An amount not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area as reflected Exhibit E.

e. Stricter Rent Limits Apply for Blended Funding Sources. As set forth in Section 6.3(1): Rent limits, if Project is also financed or supported from funding sources with different applicable regulations governing affordable housing cost, the stricter period of affordability and definition of affordable housing cost shall apply.

f. Rent schedule and utility allowances. Developer shall reexamine and recertify the income of each tenant household living in low-income and very-low income units annually. The Developer shall, on an annual basis, submit the proposed maximum monthly rent and the proposed monthly allowances for utilities and services to be paid by the tenants for City's review and approval. City shall provide a Home Monitoring Checklist Project Compliance Report form or other appropriate form, to be utilized for this submission and review. Developer may change the rent as changes in the applicable gross amounts, the income adjustments, or the monthly allowance for utilities warrant. Any increase in rents shall be subject to the provisions of outstanding leases. The Developer shall provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

i. In accordance with the 2013 HOME Final Rule, utility allowances must be project specific and cannot use the Local Housing Authority's averaged utility allowance any longer unless the unit is participating in the Section 8 or Housing Choice Voucher Program. In which case, in order for the HOME-assisted unit to participate in the Section 8/Housing Choice Voucher Program, the CHDO will need to inform the City when a unit is leased through the program and when it no longer is a part of the program. The City will request a waiver for utility allowances to be allowed to be supplied by the City of Oxnard Housing Authority and allow the units to benefit from the Section 8 program as well.

ii. The 2013 HOME Final Rule allows for 5 methods to calculate project specific utility allowances that will meet blended funding sources requirements.

(a) The HUD Utility Schedule Model (HUSM) is allowed to be used for units that are also LIHTC units per IRS regulations at 26 CFR 1.42-10(b)(4)(D).

(b) Multifamily Housing Utility Analysis is allowed by both the USDA for the Rural Housing Program and by the IRS for the LIHTC units per IRS regulations at 26 CFR 1.42-10(b)(3). HUD will provide further instruction and updated procedures through the HOMEfires, HOME Facts, HOME Regulations, as may be amended from time to time and other CPD Notices as those may be released through the HUD Exchange.

(c) Utility Company Estimates are allowed under (26 CFR 1.42-10(b)(4)(B)) if in written form and based upon similar size and construction in a similar geographic area. The written estimate will be maintained in the project file.

(d) LIHTC Agency Estimate may be used if it is based upon the estimated projected utility costs based on site and building characteristics or may be based upon actual usage. If this methodology is used, City must coordinate with the LIHTC agency to obtain a project-specific agency estimate or may accept a utility allowance approved by the LIHTC agency based on its actual usage methodology.

(e) Energy Consumption Model (Engineer Model) is allowed by the IRS under 26 CFR 1.42-10(b)(4)(E) where the analysis is done by a qualified professional or a properly licensed engineer to perform the analysis independent of the property owner(s). The energy model must consider the building factors are to be considered in the model.

(f) HUD will provide guidance as to how the calculations should be done, allowable methodologies for blended funding sources, and the number and size of the sample for the calculation.

g. <u>Increases in tenant income.</u> Units in the HOME-assisted units shall qualify as affordable housing despite a temporary noncompliance with Section 6.3(1) of this Agreement, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected. Developer shall require tenants who no longer qualify as very low or low-income families to pay as rent not less than 30 percent of the family's adjusted monthly income, as recertified annually.

h. Adjustment of qualifying rent. HUD may adjust the qualifying rent established for a project under paragraph 6.3(1) of the Agreement, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain viability of the project. This action is taken by HUD among other possible actions when the rental project is determined to be a "troubled rental project". This may affect Developer's capacity on future HOME-assisted projects should the project become troubled within the HOME period of affordability.

9.7.6 Tenant and participant protections.

a. Lease. The lease between tenant and Developer of rental housing assisted with HOME funds shall be for not less than one year, unless by mutual agreement between the tenant and Developer. The lease shall include a non-discrimination clause, and a grievance procedure, which shall be available to tenants for resolution of disputes regarding the application of the terms of the lease.

b. Prohibited lease terms. No lease of any unit in the HOME-assisted units may contain any of the following provisions:

(1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Developer in a lawsuit brought in connection with the lease;

(2) Treatment of property. Agreement by the tenant that Developer may take, hold, or sell personal property of tenant's household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. Developer may dispose of this personal property in accordance with State law;

(3) Excusing Developer from responsibility. Agreement by the tenant not to hold Developer or Developer's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) Waiver of notice. Agreement of the tenant that Developer may institute a lawsuit without notice to the tenant;

(5) Waiver of legal proceedings. Agreement by the tenant that Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;

(7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with this lease; and

(8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by tenant to pay attorney's fees or other legal costs, even if the tenant prevails in a court proceeding by the Developer against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(9) Mandatory supportive services. Supportive services related to a disability can never be mandatory, even in transitional housing in accordance with Section 504. Supportive services must be voluntary for tenants of HOME-assisted units (except supportive services provided in transitional housing are permissible unless related to a disability according to 24 CFR §92.253(b) (9).)

c. Termination of tenancy. Developer shall not terminate a tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or City law; or for other good cause. Any termination or refusal to renew shall be preceded by not less than 30 days (or greater period as may be required by law) by the Developer's service upon the tenant of a written notice specifying the grounds for the action per California Civil Code.

d. Maintenance and replacement. Developer shall maintain the HOME-assisted unit premises in compliance with all applicable housing quality standards (or uniform physical condition standards, as applicable by current final rule of the HOME Program becomes effective) and City code requirements.

e. Tenant selection. Developer shall adopt written tenant selection policies and criteria for the HOME-assisted units that:

(1) Are consistent with the purpose of providing housing for very low income families. In order to be eligible for initial occupancy, a tenant must qualify as a very-low income household. Holders of Rental Vouchers or a Rental Certificates or comparable document

evidencing participation in a HOME tenant-based assistance program are eligible for tenancy; and

(2) Are reasonably related to HOME program eligibility and the applicants' ability to perform the obligations of the lease; students who do not qualify as very low income themselves or are not part of a very-low income household are not eligible to participate in the HOME rental housing program as an independent very low-income household;

(3) Give reasonable consideration to the housing needs of families that would have a federal preference under section 960.211 of Title II of the Cranston-Gonzalez National Affordable Housing Act of 1992; and,

(4) Provide for:

(A) The selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

(B) the prompt written notification to any rejected applicant of the grounds for any rejection.

f. Tenant Participation Plan. Developer shall adopt and implement a Tenant Participation Plan in accordance with 24 CFR §92.303.

9.7.7 Project Completion Criteria. Project completion is determined by:

(a) Construction completion evidenced by an approved final inspection by City inspectors and a final inspection by the Housing Inspector to determine that all property standards have been met.

(b) Expenditures verified as HOME eligible with funds disbursed and City has drawn down all the funds for the project.

(c) The completion information or beneficiary information for tenants must be entered into IDIS after the completion inspection has been done and documented in the file. In the 2013 HOME Final Rule any funds expended upon units still noted as vacant in IDIS after eighteen (18) months since the Certificate of Occupancy was issued are to be returned to HUD by the Developer and the City (§92.252)).

9.7.4. Project Budget, A project budget showing the sources and uses of the various financing is required prior to commitment of the HOME funds. All financing for the Project should be secured according to 24 CFR §92.2.

9.7.5. Project Schedule. A project schedule must be developed to show that construction and not just maintenance will be start within twelve (12) months of the execution of the HOME Participation Agreement and the HOME CHDO-Set Aside Loan Agreement. The schedule should include the estimated project construction completion, receipt of certificates of occupancy, sale of the property, title transfers, and completion of the project within IDIS

9.7.6. Underwriting and Subsidy Layering Requirements. City must evaluate the following:

a. Developer is able to obtain a reasonable return on investment according to CHDO Homeownership Project Policy.

b. The sources and uses reflects costs that are reasonable, such as comparing to a recent homeownership project done within a year or two or compare with R.S. Means or equivalent cost estimating service.

c. Assess the neighborhood market demand for the Project

d. Assess experience level of Developer's staff and financial capacity to develop, lease-up, and manage the rental affordable housing units within a reasonable amount of time and HOME program deadlines.

e. Developer must provide firm written financial agreements for the other financing for the project.

9.7.7 Match Credit. For every dollar of HOME-funded assistance to the Vista Pacifica Affordable Rental Development Project:

- a. There must be at least a 25 percent made by the City and the Developer according to §92.218, unless repayment of the HOME assistance to Many Mansions is waived by the City.
- b. Acceptable types of match and recognition of match contribution must meet criteria found in §92.219 through §92.221.
- c. If the City determines that the HOME CHDO Set –Aside Loan of $471,306 can be repaid without imperiling the financial stability of the Homeownership project, then match in the amount of $117,827 is required for the project.
- d. If the City determines that the Project will suffer financial impediments if the $471,306 is required to be repaid, then the City may waive the required repayment and forgive the CHDO Set-Aside Loan in order to preserve affordability for the deed restricted affordable rental housing units. In such case, match is not required for the Project.

SECTION 10. HOUSING QUALITY STANDARD OR UNIFORM PHYSICAL CONDITION STANDARD.

Developer shall maintain the HOME-assisted units in compliance with all applicable Housing Quality Standards, including but not limited to the following:

1. Applicable International Building Codes (formerly referred to as the Uniform Building Code),
2. Any applicable and appropriate California Residential Building Codes,
3. Any other applicable state codes,
4. Local City of Oxnard Building Codes
5. Or as HOME or any other federal regulation may require, as may be amended from time to time, throughout the period of affordability.
    a. Under the 2013 HOME Final Rule, HUD will require the use of the Uniform Physical Condition Standard (UPCS) for ongoing inspections during the period of affordability once HUD has determined which elements must be inspected for HOME-assisted units. At that time the City will notify Developer of the change of inspection systems.

Developer will notify City of any proposed rehabilitation or maintenance to be done that requires Developer to comply with a more current building code when the work is performed. Developer will comply with the appropriate and applicable updated building codes for the work throughout the period of affordability.

City will update and note for applicable Housing Quality Standards as needed when updated codes have required compliance for building system components to be inspected by physical inspection.

SECTION 11. OTHER PROGRAM REQUIREMENTS

Developer shall carry out each of the following activities in compliance with all federal laws and regulations contained in subpart H of 24 CFR Part 92 and outlined hereinafter, except that Developer does not assume the City's responsibilities for environmental review contained in section 92.352 or the intergovernmental review process contained in section 92.359:

11.1. Equal opportunity. No person shall be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with HOME funds. In addition, HOME funds shall be made available in accordance all laws and regulations listed in 24 CFR 92.350(a).

11.2 Fair housing. City and Developer agree to take all necessary actions to affirmatively further fair housing.

11.3 Affirmative marketing. Developer shall adopt affirmative marketing procedures and requirements for the HOME Project. These shall include:

11.3.1 Methods for informing the public;

11.3.2 Requirements and practices that Developer shall adhere to in order to carry out affirmative marketing procedures and requirements;

11.3.3 Procedures used by Developer to inform and solicit applications from persons in the housing market area who are not likely to apply without special outreach;

13.4 Records that will be kept describing actions taken by Developer to affirmatively market units and records to assess the results of these actions; and

11.3.5 A description of how Developer will assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

11.4 Displacement, relocation, and acquisition. Consistent with the other goals and objectives of subpart H of 24 CFR Part 92, Developer shall ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations and farms) as a result of the HOME Project. To the extent feasible, residential tenants shall be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit upon Project completion. Developer agrees to minimization of displacement in accordance with 24 CFR §92.353.

11.5 Labor Standards. Developer and City will adhere to the labor standards as described in 24 CFR §92.354.

11.5.1 Davis-Bacon Act. Any contract for the construction or rehabilitation of affordable housing with 12 or more units assisted with funds made available under subpart H of 24 CFR Part 92 shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis Bacon Act (40 U.S.C. 27615), will be paid to all laborers and mechanics employed and such contracts shall also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S. C. 327 332). City, contractors, subcontractors, and other participants shall comply with regulations issued under these Acts and with other federal applicable federal laws. City shall require certification as to compliance with the provisions of 24.CFR §92.354 before making any payment under such contract.

11.5.2. Use of Contractors and Sub-contractors.

a. Developer shall use contractors, licensed by the State of California and in good standing with the Contractors State Licensing Board where volunteers do not have the skill set to perform the necessary trades.
b. Developer and City will confirm that contractors and subcontractors are not on a debarment list. All parties shall not actively have any debarment and/or suspensions, including the Developer. As required in 24 CFR §92.357, Developer shall comply with all debarment and suspension certifications.
c. All work performed shall be of a competent and quality fashion, free of liens or encumbrances, in full compliance with all applicable requirements of the California Building Standards Code codified in Title 24 of the California Code of Regulations and local City of Oxnard building ordinances.

11.5.3. Volunteers. As Developer may utilize volunteers in efforts to assist very-low-income to low-income households afford housing, the prevailing wage provisions of paragraph (a) of § 92.354 (b) do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.

11.6 Lead-based paint. The Project is not subject to 24 CFR Part 35 unless Project includes demolition of existing structures . The cost will be incurred as a rehabilitation/demolition item and disclosed as such should testing and abatement be undertaken.

11.7 Conflict of Interest. Developer shall comply with all requirements set forth regarding conflict of interest provisions in 24 CFR § 92.356.

11.7.1 The Developer warrants and covenants that it presently has no interest and shall not acquire any interest, directly or indirectly, which could conflict in any manner or degree with the performance of its services hereunder. The Developer further warrants and covenants that in the performance of this contract, no person having such interest shall be employed. HOME conflict of interest provisions, as stated in 92.356, apply to the award of any contracts under the agreement and the selection of tenant households to occupy HOME-assisted units.

11.7.2 No employee, agent, consultant, elected official, or appointed official of the Developer may obtain a financial interest or unit benefits from a HOME-assisted activity, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. This prohibition includes the following:

a. Any interest in any contract, subcontract or agreement with respect to a HOME-assisted project or program administered by the Developer, or the proceeds thereunder; or

b. Any unit benefits or financial assistance associated with HOME projects or programs administered by the Developer, including:
   i. Occupancy of a rental-housing unit in a HOME-assisted rental project;
   ii. Receipt of HOME tenant-based rental assistance;
   iii. Purchase or occupancy of a homebuyer unit in a HOME-assisted project;
   iv. Receipt of HOME homebuyer acquisition assistance; or
   v. Receipt of HOME owner-occupied rehabilitation assistance.

11.7.3 This prohibition does not apply to an employee or agent of the Developer. This prohibition does not apply to an employee or agent of the Developer who occupies a HOME-assisted unit as the on-site project manager or maintenance worker.

11.7.4 In addition, no member of Congress of the United States, official or employee of HUD, or official or employee of the City shall be permitted to receive or share any financial or unit benefits arising from the HOME-assisted project or program.

11.7.5 Prior to the implementation of the HOME-assisted activity, exceptions to these provisions may be requested by the Developer in writing to the City. The Developer must demonstrate and certify that the policies and procedures adopted for the activity will ensure fair treatment of all parties, and that the covered persons referenced in this policy will have no inside information or undue influence regarding the award of contracts or benefits of the HOME assistance. The City may grant exceptions or forward the requests to HUD as permitted by 24 CFR 92.356, 85.36 and 84.42, as they apply.

11.8 Flood insurance. Under the Flood Disaster Protection Act of 1973, HOME Funds may not be used with respect to the acquisition or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

a. The community in which the area is situated is participating in the National Flood Insurance Program, or less than a year has passed since FEMA notification regarding such hazards; and
b. Flood insurance is obtained as a condition of approval of the commitment.

11.9 Drug-Free Workplace. Developer shall comply with the Drug-Free Workplace Act of 1988 as implemented by HUD regulations found in 2 CFR Part 2429, as required by the City's Consolidated Plan Certifications, in accordance with 24 CFR §91.225.

11.10 Disclosures. Developer shall comply with the disclosure regulations for HUD programs found at 24 CFR Part 87.

11.11 Lobbying. Developer shall comply with the anti-lobbying requirements as required by Consolidated Plan Certifications and any other applicable provisions which require certification in the Consolidated Plan, in accordance with 24 CFR §91.225.

11.12 Hold Harmless. Developer agrees to indemnify, defend and save hold harmless City, and its officers, agents, and employees from any and all claims and losses accruing or resulting to Developer or any and all contractors, sub-contractors, material men, laborers and any other person, firm or corporation furnishing or supplying work, services or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Developer in the performance of this Agreement.

11.13 Faith Based Activities. Should a CHDO or non-profit housing organization describes itself as faith-based in its mission, it is understood that any Developer that can be considered to be a religious organization shall abide by all portions of 24 CFR 92.257.

11.13.1 *Equal treatment*. Program participants and program beneficiaries shall be treated equally.

11.13.2 *Separation of explicitly religious activities*. Participants wishing to engage in explicitly religious activities must do so, in time and location, separate from the program and facilities funded with federal assistance, away from those not wishing to engage in explicitly religious activities.

11.13.3. *Religious identity*. A faith-based organization that is a recipient or subrecipient of HOME program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HOME program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

11.13.4 *Alternative provider*. If a program participant or prospective program participant of the HOME program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a) (2) (xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.

11.13.5 *Structures*. Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HOME program.

1.13.6. *Supplemental funds*. If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

SECTION 12. REIMBURSEMENT OF EXPENSES & DEVELOPER FEES

12.1 Project expenses (excluding developer fee). Project expenses (excluding developer fee) shall be paid based on vouchers for actual expenses incurred or paid. Requests for payment must be submitted by the Developer on forms specified by the City, with adequate and proper documentation of eligible costs incurred in compliance with §92.206 and necessary for HUD IDIS disbursement requirements. All such expenses shall be in conformance to the approved project budget. Budget revision and approval shall be required prior to payment of any expenses not conforming to the approved project budget.

12.2. Developer Fee (if applicable). The City shall not pay the Developer, as maximum compensation or FEE for the developer services required pursuant to the Scope of Work thereof, ($0.00) of HOME Funds. (Developer fees are not being paid.)

12.2.1 Progress payments of Developer Fees (if applicable) will not exceed the following cumulative maximum percentages of total developer fee at the following stages of project completion:

Milestone	Max. Cumulative Developer Fee %
Construction Mobilization / start of construction	*25%*
50% construction completion	*50%*
Construction completion (certificate of occupancy)	*90%*
Contractor's Punch list Complete	*95%*
Sustaining occupancy (or sale) & completion report	*Last 5% of 100% final payment*

If multiple projects or buildings are involved, the developer fee may be pro-rated to each building or project, and the applicable percentage may be applied to each. This paragraph does not pertain to this project as no developer fees are being paid.

12.2.2. City Review for Reimbursement of Costs. The City reserves the right to inspect records and project sites to determine that reimbursement and compensation requests are reasonable. The City also reserves the right to hold payment until adequate documentation has been provided and reviewed. Developer shall provide access to, and City shall periodically examine, Developer's records for the management and administration of the project.

12.2.3. Construction Progress Inspections Prior to Reimbursement. City will perform a progress inspection of the construction to verify what percentage of each task being performed completed and workmanship of the task prior to payment.

12.2.4. Final Payment. The Developer may submit a final invoice upon completion. Final payment shall be made after the City has determined that all services have been rendered, files and documentation delivered, and units have been placed in service in full compliance with HOME regulations, including submission of a completion report and documentation of eligible occupancy, property standards and long-term use restrictions.

12.2.5. City's Right to Review and Audit Records. The City shall have the right to review and audit all records of the Developer pertaining to any payment by the City. Said records shall be maintained for a period of five (5) years after completion of the project.

SECTION 13. DISBURSEMENT OF FUNDS.

13.1 It is not anticipated that any additional HOME funds above and beyond the $471,306 and $328,694 from In-Lieu Housing Fees will be requested or disbursed. In the event that any such request is made and agreed to by the parties, said request for disbursement of funds under this Agreement may only be made at the time that funds are needed for payment of eligible costs. The amount of any such request shall be limited to completed work or required payment of obligations incurred. Any additional HOME funds that might be added to this project to preserve affordability will be subject to the regulations as amended in the 2013 HOME Final Rule or the effective date of any changes as may be amended from time to time within the current affordability period or any future HOME period of affordability should it be extended.

SECTION 14, REVERSION OF ASSETS.

Upon expiration of this Agreement, Developer shall transfer to City any HOME funds remaining and any accounts receivable attributable to the use of HOME funds.

SECTION 15. RECAPTURE

The City utilizes the recapture option for repayment of HOME funds for a project. In accordance therewith, the occurrence of two (2) uncured defaults, after applicable notice and cure periods, under HOME Partnership Investment Program would trigger recapture by HUD of the CHDO Set-Aside funds used to finance the original acquisition and rehabilitation from the Developer, CHDO and/or the City, less any repayments previously made by Developer.

(1) In addition, if for whatever cause, voluntary or involuntary, the affordability requirements were to be violated or terminated, the entire outstanding unpaid balance of the HOME CHDO Set-Aside funds are required to be repaid by Developer to the City.

(2) If at any time during the period of affordability, the project should cease to be owned by a CHDO, the Developer shall be required to repay the entire outstanding unpaid balance of the HOME CHDO Set-Aside funds to the City.

It is not anticipated that any additional HOME funds above and beyond the $471,306 and $328,694 from In-Lieu Housing Fees will be requested or disbursed. In the event that any such request is made and agreed to by the parties, said request for disbursement of funds under this Agreement may only be made at the time that funds are needed for payment of eligible costs. The amount of any such request shall be limited to completed work or required payment of obligations incurred. Any additional HOME funds that might be added to this project to preserve affordability will be subject to the regulations as amended in the 2013 HOME Final Rule or the effective date of any changes as may be amended from time to time within the current affordability period or any future HOME period of affordability should it be extended.

SECTION 16. ENFORCEMENT OF AGREEMENT.

16.1 Failure to Comply with Agreement. City shall have the right, by prior written notice to Developer, to enforce any deed restriction affordability requirements in 24 CFR § 92.252, or other term or condition of this Agreement. In the event of a breach of any condition or provision hereof, City shall have the right, by prior written notice to Developer, to suspend or terminate this Agreement if Developer materially fails to comply with any term of the Agreement.

16.2 Non-monetary default.

16.2.1. Non-monetary default is defined as non-compliance with those requirements of the HOME Participation Agreement that reflect HOME program requirements, other federal requirements, state requirements, or local City requirements or ordinances, but are not necessarily tied to a monetary performance or payment.

16.2.2. Upon written notice of any non-monetary default, Developer shall have 30 days within which to cure the non-monetary default or non-compliance with HOME Regulations default.

16.2.3 If non-monetary default is such that the action to cure cannot be completed within 30 days from notice of default, Developer must show evidence that Developer has pursued cure of default diligently and in a timely manner.

16.2.4 City shall have the right to utilize available remedies, including but not limited to, compelling compliance or if the issues are those of non-compliance with affordability covenants, may include, but not limited to, foreclosure.

16.3 Monetary default. Monetary default is defined as failure to make required repayments to the loan or keep other loans or liens current.

16.3.1 Upon written notice of any monetary default, Developer shall have seven (7) days from notice of default to cure and make appropriate payment required by defaulting action. If Developer does not make appropriate cure within the seven days, City shall have the right to pursue any and all available remedies available under law.

16.3.2. As stated above in Section 16.3.1, two uncured defaults, after applicable notice and cure periods, require the repayment of the remaining balance of loan to repay HUD for non-compliance of affordability covenants or failure to comply with CHDO Set-Aside requirements of the HOME program for CHDO ownership of property throughout the period of affordability. These two defaults are considered monetary defaults as well as non-compliance defaults because of the required repayment of funds to HUD.

16.4 If Developer is in default under this Agreement, after applicable notice and cure periods, then City, at its discretion, may terminate this Agreement, in whole or in part, by giving Developer written notice in accordance with 24 CFR 85.44.

SECTION 17. PROJECT BECOMES FINANCIALLY TROUBLED DURING PERIOD OF AFFORDABILITY

17.1 Application for Additional HOME Investment. Under the 2013 HOME Final Rule, in the event that the Project no longer becomes financially viable during the Affordability Period (first 15 years), the Project may be deemed "troubled," which would allow City to invest additional HOME funds to the extent that the original maximum per-unit subsidy limit is not reached. Such flexibility was not allowed under the pre-2013 HOME Final Rule.

17.1.1 For purposes of this Agreement, a HOME-assisted project is no longer financially viable if its operating costs significantly exceed its operating revenue and this generally applies to rental housing.

17.1.2 Developer may request additional funds from City in order to preserve affordability pursuant to 24 CFR 92.210 (b), which allows additional HOME funds to be invested in the Project if the original investment plus additional investment does not exceed the per unit subsidy limit in 24 CFR 92.250(a) and funding is available and in the Consolidated Plan. Developer shall also include monitoring costs in its request for additional HOME funds.

17.1.3 To determine eligibility for an additional HOME investment, the City will review the previous two to three financial evaluations that City staff has completed (depending upon amount of additional funds requested) and these evaluations shall demonstrate that the Project was and is still no longer financially viable and that an additional HOME investment is necessary to reverse the situation.

17.1.4 Developer's proposal for an additional HOME investment shall also demonstrate that once the additional HOME investment is made the Project will be viable for the remainder of the Affordability Period or any extended period of affordability.

. 17.1.5 As a condition of any additional HOME investment, Developer and City shall enter into a memorandum of agreement, which will require Developer's compliance with the HOME Regulations and may require that the parties extend the Affordability Period. The memorandum of agreement shall be recorded against the Property in a form acceptable to the City with the County of Ventura Recorder's office.

17.2 HOME Loan Modification. In the event that the Project is no longer financially viable after the Affordability Period has ended but prior to the repayment of the HOME loan, the Developer may request modification of its HOME loan pursuant to the terms set forth above. The loan may be modified only with consent of the City Council with the Affordability Period renewed for an additional 15 years if the loan is to be used for rehabilitation of the HOME-assisted units. The amount of the rehabilitation must be more than the additional assistance for financial viability. If additional funds are used for loan modification, then the loans documents shall be modified and recorded with the Ventura County Recorder's Office.

SECTION 18. CHDO PROVISIONS

In accordance with applicable regulations regarding the CHDO set-aside fund used to finance the City's HOME loan with the Developer for this Project, the following apply to the Developer:

18.1. As developer of the Project, Developer constitutes a Community Housing Development Organization (CHDO) as that term is defined in 24 CFR §92.300 in effect as of the date of the initial award of HOME funds and the guidelines in CPD Notice 97-11.

18.1.1 It is understood that the Developer has certified that it is and will maintain CHDO (Community Housing Development Organization) status for the term of the Project/Agreement in accordance with 24 CFR 92. Developer agrees to provide information as may be requested by the City to document its continued compliance, including but not limited to an annual board rooster and certification of continued compliance.

18.1.2 In accordance with 24 CFR 92.300, any sale or transfer by the Developer shall be to another CHDO.

18.2 Any funds advanced as CHDO pre-development funds must be in compliance with 92.301, and are forgivable only under the terms in 92.301. Any funds advanced to the CHDO as CHDO Operating Expenses must be expended in compliance with 24 CFR 92.208.

18.3 Any funds that the CHDO is permitted to retain as CHDO proceeds from this project shall be used in compliance with 24 CFR 92.300(a) (2) or as specified in this Agreement. If the project is rental, the Developer will create and follow a tenant participation plan as required in 24 CFR 92.303.

SECTION 19. FEES FOR THE RECOVERY OF MONITORING COSTS

19.1 Recovery of Fees for Monitoring Included in Pro Forma. In accordance with 24 CFR 92.214 9(b)(1)(i) of the 2013 HOME Final Rule, City may now recover average actual costs from the Developer for monitoring, on a per unit basis, if that project had monitoring fees incorporated into financing. The Pre-2013 HOME Final Rule did not allow City to charge monitoring fees for HOME-assisted units. As the majority of the funding for this project's construction loan is after the effective date for the 2013 HOME Final Rule, Developer will be charged the monitoring fees for recovery of monitoring costs. The Pro Forma must include the monitoring costs for each year of the HOME period of affordability until the term for the HOME Participation Agreement ends. Any monitoring fees used after the HOME Participation Agreement ends will reflect the monitoring fees for the density bonus units and may not exceed the average actual costs on a per unit basis pursuant to §24 CFR 92.214(b) (1) (i) as amended by the 2013 HOME Final Rule.

19.2 Prohibition for Developer to Pass on Monitoring and Inspection fees to Homebuyers. Developer may not pass along charges for the inspection and monitoring fees onto the tenants or homebuyers. Only regular and usual fees may be charged to tenants by the Developer, such as parking fee if such fee is usual and customary for this market.

19.3 Monitoring Fees for Density Bonus and or Affordable Housing Ordinance Compliance After HOME Period of Affordability. Monitoring requirements for HOME Investment Partnership Program may be similar to, but also different from the requirements of the State of California for the density bonus for affordable housing. As such, the two monitoring fees may be similar in cost depending upon what needs to be monitored by each program. The City will endeavor to not charge for monitoring twice if one set of requirements can be substituted for the other requirements. The more stringent of the requirements would apply.

SECTION 20. PROCUREMENT STANDARDS

20.1 Cost-Effective Procurement. The Developer shall establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner. When procuring for services to be provided under this agreement, the Developer shall comply at a minimum with the nonprofit procurement standards at 24 CFR 84.40 - .48.

SECTION 21. RECORDS, REPORTS, AND MONITORING.

21.1 Developer shall maintain the following records and reports in order to assist City in meeting its record keeping and reporting requirements:

21.1.1. Records to Maintain.

(a) Development and funding of the original HOME Project with regard to total development costs; HOME- assisted units based upon total development costs of the acquisition/rehabilitation project;

(b) Property management and building maintenance logs and reserves;

(c) Annual audit of financial records to determine residual receipts to be paid to City and other loans.

(d) Annual recertification of tenant income.

(e The qualification of affordable rents;

(f) All signed leasehold agreements between tenants and Developer.

21.1.2 Developer shall keep development, project, and tenant files for 5 years beyond the end of the project, including period of affordability.

21.1.3 Developer to maintain tenant files, without purging until after 5 years beyond the end of the project and period of affordability.

21.1.4 Reports to Provide to City and Monitoring by the City.

(a) Annually, throughout the period of affordability, Developer shall submit to City the required HOME Monitoring Checklist Project Compliance Report: Rental Housing or other annual report form as required by regulations, as may be amended from time to time.

(b) Developer shall submit financial reports, scheduled maintenance plan for upcoming major systems repairs or replacement, and other information as may be needed by HUD or City for preparation of required reports or grant applications, as may be applicable.

(c) Developer shall submit an annual certification to City that each building and all HOME-assisted units are suitable for occupancy. (See Attachment #5.)

(d) Developer shall permit inspections of files and HOME-Assisted units for physical condition and compliance with property standards.

i. The first inspection of the property is required within the first twelve (12) months after completion of project.

ii. Subsequent physical inspections will use both units each time for a statistical sample as there are less than 5 HOME-assisted units in the rental project. Inspections will be done on a risk-assessed monitoring basis with physical inspections of property being no more than three (3) years apart or as may be required by HOME regulations or regulations for properties that have units that are HOME –assisted and LIHTC units.

iii. If units are both HOME & LIHTC, then physical inspections shall be on an annual basis. City will monitor HOME-assisted units in accordance with HOME program regulations.

iv. If an inspection shows deficiencies or the unit is failed, Developer shall make corrections (1) first, to health and safety concerns within 24 hours or provide temporary housing for tenants or use an alternative method of correcting the problem to allow tenants to remain in unit by addressing the issue until repairs or replacement is made; (2) second to address all other corrections needed within a reasonable amount of time; (3) schedule another inspection within the time frame given by the Housing inspector. City is required to inspect corrections within twelve (12) months of initial finding of the deficiency.

(e) For monitoring purposes, City shall retain the right inspect tenant files throughout the period of affordability and review source documentation used to determine income eligibility and rents in every sixth year per HOME regulations.

(f) City shall monitor for compliance with other federal regulations which apply and perform an ongoing monitoring of project report in accordance with current HOME regulations, as may be amended from time to time throughout the period of affordability.

(g) City shall supply Developer with a monitoring report of monitoring visit within thirty (30) to forty-five (45) days after finishing the onsite visit and physical inspection of the units.

(h) City reserves the right to change reporting requirements, as needed, either because HOME reporting regulations have changed or been amended, or if a review of the project's activities reveal that the project is potentially no longer financially viable or sustainable throughout the period of affordability.

SECTION 22. CITY RESPONSIBILITIES.

22.1 The City shall furnish the Developer with the following services and information from existing City records and City files:

22.1.1. The City shall provide to the Developer information regarding its requirements for the Project.

22.1.2. The City will provide the Developer with any changes in HOME regulations or program limits that affect the project, including but not limited to income limits, property value limits and rent limits.

22.1.3 The City will conduct progress inspections of work completed to protect its interests as lender and regulatory authority for the Project, and will provide information to the Developer regarding any progress inspections or monitoring to assist it in ensuring compliance.

22.1.4 The City's review and approval of the Work will relate only to overall compliance with the general requirements of this Agreement and HOME regulations, and all City regulations and ordinances. Nothing contained herein shall relieve the Developer of any responsibility as provided under this Agreement.

22.2 Conflicts of Interest. No member, official or employee of City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affect his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested

SECTION 23. EQUAL EMPLOYMENT OPPORTUNITY.

23.1 During the performance of this contract, the Developer agrees as follows:

23.1.1. The Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin(s). The Developer will take affirmative action to ensure the applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin(s). Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer of the City setting forth the provisions of this nondiscrimination clause.

23.1.2. The Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

23.1.3. The Developer will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the City's contracting officer, advising the labor union or worker's representative of the Developer's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

23.1.4. The Developer will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

23.1.5. The Developer will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the City and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and order.

23.1.6. In the event the Developer is found to be in noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Developer may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulations, or order of the Secretary of Labor or as otherwise provided by law.

23.1.7. The Developer will include the provisions of Section 4.2.1(a) through (d) of this Agreement in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Developer will make such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Developer becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the City, the Developer may request the United States to enter into such litigation to protect the interest of the United States.

SECTION 24. LABOR, TRAINING & BUSINESS OPPORTUNITY

24.1 The Developer agrees to comply with the federal regulations governing training, employment and business opportunities as follows:

24.1.1. It is agreed that the Work to be performed under this agreement is on a project assisted under a program providing direct Federal financial assistance from the US Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 u, as well as any and all applicable amendments thereto. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given low and moderate-income residents of the project area, and that contracts for work in connection with the project are awarded to business concerns which are located in, or owned in substantial part by persons residing in the project area.

24.1.2. The Developer shall comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 Code of Federal Regulations and all applicable rules and orders of the Agency of Housing and Urban Development issued thereunder as well as any and all applicable amendments thereto prior to the execution of this contract as well as during the term of this contract. The Developer certifies and agrees that it is under no contractual or other disability, which would prevent it from complying with these requirements as well as any and all applicable amendments thereto.

24.1.3. The Developer will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the City, take appropriate action pursuant to the subcontractor upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, in 24 Code of Federal Regulations. The Developer will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 code of Federal Regulations and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with these requirements as well as with any and all applicable amendments thereto.

24.1.4. Compliance with the provisions of Section 3, the regulations set forth in 24 Code of Federal Regulations and all applicable rules and orders of the Agency of Housing and Urban Development issued thereunder prior to the execution of the contract shall be a condition precedent to federal financial assistance being provided to the Project as well as a continuing condition, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the Developer or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by 24 Code of Federal Regulations as well as with any and all applicable amendments thereto.

SECTION 25. COMPLIANCE WITH FEDERAL, STATE & LOCAL LAWS

25.1 The Developer covenants and warrants that it will comply with all applicable laws, ordinances, codes, rules and regulations of the state local and federal governments, and all amendments thereto, including, but not limited to; Title 8 of the Civil Rights Act of 1968 PL.90-284; Executive Order 11063 on Equal Opportunity and Housing Section 3 of the Housing and Urban Development Act of 968; Housing and Community Development Act of 1974, as well as all requirements set forth in 24 CFR 92 of the Home Investment Partnership Program. The Developer covenants and warrants that it will indemnify and hold the City forever free and harmless with respect to any and all damages whether directly or indirectly arising out of the provisions and maintenance of this contract.

25.2. The Developer agrees to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

25.3 The Developer further warrants and agrees to include or cause to be included the criteria and requirements of this section in every non-exempt subcontract in excess of $100,000. The Developer also agrees to take such action as the federal, state or local government may direct to enforce aforesaid provisions.

SECTION 26. SUSPENSION & TERMINATION.

26.1 In accordance with 24 CFR 85.43, suspension or termination may occur if the Developer materially fails to comply with any term of the award, and that the award may be terminated for convenience in accordance with 24 CFR 85.44.

26.2. If, through any cause, the Developer shall fail to fulfill in timely and proper manner its obligations under this contract, or if the Developer shall violate any of the covenants, agreements, or stipulations of this contract, the City shall thereupon have the right to terminate this contract by giving written notice to the Developer of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, the Developer shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder to the date of said termination. Notwithstanding the above, the Developer shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the contract by the Developer and the City may withhold any payments to the Developer for the purpose of setoff until such time as the exact amount of damages due the City from the Developer is determined whether by court of competent jurisdiction or otherwise.

SECTION 27. TERMINATION FOR CONVENIENCE OF THE CITY

27.1 The City may terminate for its convenience this Agreement at any time by giving at least thirty days' (30) notice in writing to the Developer. If the Agreement is terminated by the City, as provided herein, the City will reimburse for any actual and approved expenses incurred, including those costs involved in terminating the contracts and shutting down the work as of the date of notice, and the Developer will be paid as a fee an amount which bears the same ratio to the total compensation as the services actually performed bear to the total service of the Developer covered by this contract, less payments of compensation previously made. Claims and disputes between the parties will be submitted to the American Arbitration Association for resolution. Award or judgment may be entered in any court having jurisdiction thereof.

SECTION 28. DEFAULT-LOSS OF GRANT FUNDS.

28.1 If the Developer fails in any manner to fully perform and carry out any of the terms, covenants, and conditions of the agreement, and more particularly if the Developer refuses or fails to proceed with the work with such diligence as will insure its completion within the time fixed by the schedule set forth in Exhibit C. Schedule of Performance of this agreement, the Developer shall be in default and notice in writing shall be given to the Developer of such default by the City or an agent of the City. If the Developer fails to cure such default within such time as may be required by such notice, the City, acting by and through the City, may at its option terminate and cancel the contract.

28.2 In the event of such termination, all grant funds awarded to the Developer pursuant to this agreement shall be immediately revoked and any approvals related to the Project shall immediately be deemed revoked and canceled. In such event, the Developer will no longer be entitled to receive any compensation for work undertaken after the date of the termination of this agreement, as the grant funds will no longer be available for this project.

28.3. Such termination shall not effect or terminate any of the rights of the City as against the Developer then existing, or which may thereafter accrue because of such default, and the foregoing provision shall be in addition to all other rights and remedies available to the City under the law and the note and mortgage (if in effect), including but not limited to compelling the Developer to complete the project in accordance with the terms of this agreement, in a court of equity.

28.4 The waiver of a breach of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.

SECTION 29. REPORTING RESPONSIBILITIES.

29.1 The Developer agrees to submit any and all quarterly reports required by HUD or the City to the City on the following due dates: October 1, January 1, April 1, and July 1, next following the date of this agreement. The City will send the Developer one reminder notice if the quarterly report has not been received fourteen (14) days after the due date. If the Developer has not submitted a report fourteen (14) days after the date on the reminder notice, the City will have the option to terminate the contract as described in this agreement. In addition, the Developer agrees to provide the City information as required to determine program eligibility, in meeting national objectives, and financial records pertinent to the project. Additional reporting requirements are required during the HOME period of affordability, such as the Monitoring HOME Checklist 6-D: Annual Performance Report for Rental Housing and an Annual Program Compliance Certificate due by June 30th of each year.

SECTION 30. INSPECTION, MONITORING & ACCESS TO RECORDS.

30.1 The City reserves the right to inspect, monitor, and observe work and services performed by the Developer at any and all reasonable times, including monitoring for homebuyer compliance during the period of affordability.

30.2. The City reserves the right to audit the records of the Developer any time during the performance of this Agreement and for a period of five (5) years after final payment is made under this Agreement.

30.3. If required, the Developer will provide the City with a certified audit of the Developer's records representing the Fiscal Year during which the Project becomes complete whenever the amount listed in SECTION 8 is at or exceeds $300,000, pursuant to the requirements of 2 CFR Part 200.

30.4 Access shall be immediately granted to the City, HUD, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the Developer or its contractors which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

SECTION 31. MISCELLANEOUS PROVISIONS AND GENERAL CONDITIONS.

31.1 **Notices**. All notices or other communication which shall or may be given pursuant to this Agreement shall be in writing and shall be delivered by personal service, or by registered mail addressed to the other party at the address indicated herein or as the same may be changed from time to time. Such notice shall be deemed given on the day on which personally served; or, if by mail, on the third (3rd) day being deposited in the United States mail, certified or registered, postage prepaid, and addressed to the respective Parties at the following addresses: whichever is earlier.

If to City: Housing Director
City of Oxnard
Affordable Housing and Rehabilitation
435 South "D" Street
Oxnard, CA 93030

With copies to: City Attorney
City of Oxnard
Office of the City Attorney
305 W. Third St. Suite 100E
Oxnard, California 93030

Developer address: President
Many Mansions
A Non-profit Affordable Housing & Service Provider
1259 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

31.2. **Construction; References; Captions.** Since the parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any term referencing time, days or period of performance shall be deemed calendar days and not workdays unless otherwise specified. All references to City include all officials, officers, employees, personnel, agents, volunteers, contractors and subcontractors of City, except as otherwise specified in this Agreement. All references to Developer include all officials, officers, employees, personnel, agents, volunteers, contractors and subcontractors of Developer, unless otherwise specified in this Agreement. The captions of the various paragraphs and sections are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

31.3 **Terms Defined by Agreement**. In the event of conflict between the terms of this Agreement and any terms or conditions contained in any attached documents, the terms in this Agreement shall rule.

31.4. **Waiver**. Inaction by City or Developer with respect to a default hereunder shall not be deemed to be a waiver of such default. The waiver by either City or Developer of any default hereunder shall not be deemed to be a waiver of any subsequent default and no waiver shall be effective unless made in writing.

31.5. **Controlling Law.** The parties hereto agree that this Agreement shall be construed and enforced according to the laws of the State of California.

31.6. **Effect of Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of its terms and provisions to persons and circumstances other than those to which it has been held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

31.7 **Authority.** Each individual executing this Agreement on behalf of a corporation, nonprofit corporation, partnership or other entity or organization, represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such entity or organization and that this Agreement is binding upon the same in accordance with its terms. Developer shall, at City's request, deliver a certified copy of it governing board's resolution or certificate authorizing or evidencing such execution.

31.8 **Time for Acceptance of Agreement by City**. This Agreement, when executed by Developer and delivered to City, must be authorized, executed and delivered by City on or before forty-five (45) days after the execution and delivery by Developer or this Agreement shall be void, except to the extent that Developer and City shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

31.9 **Remedies Cumulative**. The remedies given to City and Developer herein shall be cumulative and are given without impairing any other rights given City or Developer by statute or law now existing or hereafter enacted and the exercise on any one (1) remedy by City or Developer shall not exclude the exercise of any other remedy.

31.10. **Anti-Kick-Back Clause**. The Developer shall comply with the provisions of the Copeland Anti-Kick-Back Act (18 U.S.C. 874) as supplemented in the AGENCY of Labor Regulations (29 CFR Part 3), as amended.

31.11 **Work Hours and Safety Standard Clause**. The Developer shall comply with the provisions of sections 103 and 107 of the Contract Work Hours and Safety Standard Act (40 U.S.C. 327-330) as supplemented by AGENCY of Labor Regulations (29 CFR, Part 5), as amended.

31.12. **No Delegation of Developer Obligations**. The obligations undertaken by Developer pursuant to this Agreement shall not be delegated or assigned to any other person or agency unless City shall first consent to the performance or assignment of such service or any part thereof by another person or agency; provided however, that this agreement can be assigned to a limited partnership in which Many Mansions will be the Managing General Partner.

31.13. **Independent Contractors Not City Employees**. Developer and its employees and agents shall be deemed to be independent contractors, and not agents or employees of the City, and shall not attain any rights or benefits under the civil service or pension ordinances of the City, or any rights generally afforded classified or unclassified employee; further they shall not be deemed entitled to state compensation benefits as an employee of the City.

31.14 **Effective Date**. Provided that City has determined in its sole discretion that Developer has complied with all prerequisites to this Agreement, this Agreement shall be effective on October 4, 2016; such date shall be the "Effective Date".

31.15 **Entire Agreement**. This Agreement and the exhibits and agreements referenced and incorporated herein contain the entire agreement of City and the Developer with respect to the matters covered hereby, and no agreement, statement or promise made by any of the parties which is not contained or referenced and incorporated herein, shall be valid or binding. No prior agreement, understanding or representation pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended, modified or added except by an agreement in writing signed by City and Developer

31.16. **Successors and Assigns**. This Agreement and the covenants and conditions contained herein shall be binding upon and inure to the benefit of and shall apply to the successors and assigns of City and to the permitted successors and assigns of Developer, and all references to the "City" or "Developer" shall be deemed to refer to and include all permitted successors and assigns of such party.

31.17. **Funding for this Agreement** is contingent on the availability of funds and continued authorization for program activities and is subject to amendment or termination due to lack of funds, or authorization, reduction of funds, and/or change in regulations.

31.18. Incorporation of Recitals. The City and Developer acknowledge and agree that the recitals set forth above are true and correct and are incorporated into the Agreement as if set forth in full herein.

IN WITNESS WHEREOF, the City of Oxnard and the Developer executed this Agreement effective as of October 4, 2016,

[SIGNATURES ON FOLLOWING PAGE]

[**SIGNATURE PAGE TO HOME PARTICIPATION AGREEMENT**]

CITY OF OXNARD
A Municipal Corporation

By: _______________________________
Arturo Casillas
Housing Director

MANY MANSIONS, A CALIFORNIA
NON-PROFIT CORPORATION

By: _______________________________
Rick Schroeder
President

APPROVED AS TO FORM:

____
Stephen M. Fischer
City Attorney

APPROVED AS TO CONTENT:

____
Ruth E. Johnson
Project Manager

List of Exhibits

Exhibit A. **Legal Description of Property**

Exhibit B. **Development Budget for Vista Pacifica**

Exhibit C. **Schedule of Performance for Vista Pacifica Affordable Rental Project**

Exhibit D. **Requirements for Rental Units**

Exhibit E. **Initial HOME Rent and Income Limits and other Rent Limitations for Low and Very Low Income Households**

Exhibit F. **Certificate of Compliance HOME Participation Agreement**

Exhibit G. **Schedule of Monitoring Fees**

Incorporated by Reference

1. Affordable Housing Agreement A-7912

2. HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement A-7913

EXHIBIT A – LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

A portion of Subdivision 83 of the Rancho El Rio de Santa Clara o'la Colonia, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 14 of Maps, in the Office of the County Recorder of said County, as more particularly described as follows:

Beginning at a point on the West line of Saviers Road distant North 0° 04' West 379.41 feet from the South line of said Subdivision 83; thence,
1st: West 460 feet, more or less, to a point on a line parallel with and distant Easterly 25 links, measured at right angles from the East line of the land conveyed to C.M Robinson by deed dated January 31, 1882, and recorded in Book 11, Page 77 of Deeds; thence, along said parallel line,
2nd: North 0° 04' West 94.85 feet; thence,
3rd: East 460 feet, more or less, to a point on said West line of Saviers Road; thence, along said West line,
4th: South 0° 04' East 94.85 feet to the point of beginning.

EXCEPT that portion of said land as described to the State of California by deed recorded July 13, 1960, Book 1887, Page 482 of Official Records

ALSO EXCEPT that portion of said land as described to the City of Oxnard by deed recorded August 10, 1999, as Document No. 99-151504 of Official Records

PARCEL 2:

A portion of Subdivision 83 of the Rancho El Rio de Santa Clara o'la Colonia, in the City of Oxnard, in the County of Ventura, State of California as the same is designated and delineated upon that certain map entitled Map No. 2 of Lands in Subdivision Numbers 44, 69, 70, 71, 72, 73, 74, 75, 76, 81, 83 and 84 of Rancho El Rio de Santa Clara o'la Colonia, Ventura County, California, recorded in Book 3, Page 14 of Miscellaneous Records (Maps), and particularly described as follows:

Beginning at a 1 inch iron pipe set on the West line of Saviers Road which a Rock marked "S. 108" set at the Southwest corner of said Subdivision bears West 1829.77 feet and South 00° 04' East 284.56 feet; thence,
1st: West 461.34 feet to A 3/4 inch iron pipe; thence,
2nd: North 00° 04' West 94.85 feet to A 3/4 inch iron pipe; thence,
Phase One Site Assessment
5527 and 5557 Saviers Road, Oxnard, California
3rd: East 461.34 feet to a 1 inch iron pipe set on the West line of Saviers Road; thence,
4th: South 00° 04' East 94.85 feet along the West line of Saviers Road to the point of beginning. EXCEPT that portion of said land as described to the State of California in the deed recorded March 9, 1961, Book 1973, Page 69 of Official Records

EXCEPT that portion of said land as described in the deed to the City of Oxnard by deed recorded October 26, 1998, as Document No. 98-183427 of Official Records.
The subject property is a rectangular shaped ±1.81-acre parcel of land that is currently vacant.

EXHIBIT B. *DEVELOPMENT BUDGET*

Many Mansions

Project Name: Saviers-4%LIHTC,TEBond/FHA,City,&100% PBS8 - 40 Units

	Total Cost	Applicant Comment
ACQUISITION		
Lesser of Land Cost or Value	$1,040,000	Based on purchase agreement
Demolition	$25,000	Foundations and site clearance
Legal & Closing Costs	$50,164	Century Housing origination and legal fees and escrow/title
Verifiable Carrying Costs	$157,519	Century Housing Loan - Interest at 5.5% for 20 months; Interest on MM LOC for 20 months
Subtotal	**$1,272,683**	
Existing Improvements Cost	$0	Vacant land
Total Acquisition	**$1,272,683**	
RELOCATION		
Temporary Relocation	$0	Vacant land
Permanent Relocation	$0	Vacant land
Total Relocation	**$0**	
NEW CONSTRUCTION		
Site Work (hard costs)	$1,060,820	Based on recent GC quote
Structures (hard costs)	$5,336,740	Based on recent GC quote
General Requirements	**$436,500**	Based on recent GC quote
Contractor Overhead	$437,812	Based on recent GC quote
Contractor Profit	$0	Included in Overhead
General Liability Insurance	$95,963	Based on recent GC quote
Other: Performance and Payment Bonds	$60,000	Based on recent GC quote
Total New Construction	**$7,427,835**	
ARCHITECTURAL		
Design	$183,770	Per contract + minor mod. work + reimbursable estimate
Supervision	$93,530	Per recent project + reimbursable estimate
Total Architectural Costs	**$277,300**	
SURVEY & ENGINEERING		
Engineering	$106,800	Civil & geotechnical engineering per contract + estimated reimbursable
ALTA Land Survey	$23,000	ALTA per contract and final ALTA/As-built survey estimate
Total Survey & Engineering	**$129,800**	
CONTINGENCY COSTS		
Hard Cost Contingency	$371,392	5% of hard costs
Soft Cost Contingency	$66,854	2.5% of unknown soft costs
Total Contingency Costs	**$438,246**	

CONSTRUCTION PERIOD EXPENSES		
Construction Loan Interest	$273,260	Tax-exempt bond: I = 3.00%, n=18 mths, avg. loan balance = 60%
Origination Fee	$50,604	0.5% of bond amount
Lender Inspection Fees	$10,900	Based on recent quote
Taxes During Construction	$15,600	Based on 1% of purchase price for 18 months
Prevailing Wage Monitor	$25,000	Based on recent projects
Insurance During Construction	$30,354	Builder's Risk
Title and Recording Fees	$31,500	Based on recent projects
Construction Mgmt. & Testing	$109,050	CM + Deputy Inspector & Green consultant (per contract)

Other: Misc. Bank/FHA Fees	$10,000	Based on recent quotes
Other: Utility Company Fees	$20,000	Based on recent projects
Total Construction Expenses	**$576,268**	
PERMANENT FINANCING EXPENSES		
Loan Origination Fee(s)	$31,601	0.5% of perm. loan
Title and Recording	$10,000	Based on recent projects
Property Taxes	$0	Welfare tax exemption
Total Permanent Financing	**$41,601**	
LEGAL FEES		
Construction Lender Legal Expenses	$50,000	Based on recent projects
Permanent Lender Legal Fees	$15,000	Based on recent projects
Sponsor Legal Fees	$25,000	Based on recent projects
Organizational Legal Fees	$7,500	Based on recent projects
Syndication Legal Fees	$40,000	Based on recent projects
Other: Bond Counsel	$35,000	Based on recent projects
Total Legal Fees	**$172,500**	
CAPITALIZED RESERVES		
Operating Reserve	$136,553	3 months OE, DS, RR, taxes
Total Capitalized Reserves	**$136,553**	
REPORTS & STUDIES		
Appraisal(s)	$15,000	Owner and Bank appraisals
Market Study	$6,000	Based on recent projects
Physical Needs Assessment	$0	N/A because vacant land
Environmental Studies	$5,000	Based on recent projects
Other : Geotechnical Study	$7,500	Update of geotech report
Other: *CEQA/NEPA Studies*	$10,000	Based on recent projects
Total Reports & Studies	**$43,500**	
OTHER		
CTCAC App./Alloc./Monitor Fees	$22,682	Application, Reservation Fee & Perf. Deposit
CDLAC Fees	$3,542	Based on CDLAC regulations
Local Development Impact Fees	$1,284,839	Based on recent projects
Other Costs of Bond Issuance	$21,476	Based on recent quotes
Furnishings	$25,000	Comm. Room and Misc. furnishings
Final Cost Audit Expense	$7,000	Based on recent quotes
Marketing	$13,650	Based on recent projects
Financial Consulting	$55,000	Based on a recent quote
Total Other Costs	**$1,433,190**	
SUBTOTAL	**$11,949,476**	
DEVELOPER COSTS		
Developer Fee/Overhead/Profit	$354,536	Based on recent projects
Deferred Developer Fee	$1,166,569	MM contribution to the project
Total Developer Costs	**$1,521,105**	
TOTAL DEVELOPMENT COST	**$13,470,581**	

EXHIBIT C- SCHEDULE OF PERFORMANCE

Table 1: Schedule of Performance

Date	Milestone
2016	
October	➢ Obtain City Council approval for City Funds ➢ City Council (TEFRA) Hearing for the Tax Exempt Bond
October - December	➢ Complete lot merger ➢ Complete NEPA review (City and County HOME Funds and PBS8) ➢ Complete construction drawings ➢ Work on 4% tax credits and tax-exempt bond applications
2017	
January	➢ Submit noncompetitive 4% tax credits and tax-exempt bond applications ➢ Submit construction drawings to the City for feedback and approval
February	➢ Submit noncompetitive FHA 221(d)(4) loan application to HUD
March	➢ Receive an award of 4% tax credits and tax-exempt bond applications
May	➢ Receive final City approval of construction drawings ➢ Receive HUD approval for the FHA 221(d)(4) loan
June -September	➢ Work on closing all construction financing
October	➢ Construction loan closing ➢ Start Construction (assuming 13 months)
2018	
November	➢ Complete construction ➢ Receive Certificate of Occupancy ➢ Start Lease-up
December	➢ Continue lease-up
2019	
January	➢ Complete Lease-up
April	➢ Permanent loan conversion and project close-out

EXHIBIT D -REQUIREMENTS FOR RENTAL UNITS

1. Rental Housing. When a homeownership unit is converted to a rental unit because it has not met the nine-month sell by deadline, it will meet all the requirements of the 2013 HOME Final Rule found in 24 CFR §92.252 and further explained in the City's HOME Rental Housing Policies.
   a. Rent Limits: On an annual basis, City and Developer shall review applicable affordability requirements of funding sources along with the annual HOME rent limits released by HUD (such as, but not necessarily limited to, Low Income Housing Tax Credit regulations, state or federal rental assistance subsidy regulations, etc.), and applicable state of California Health and Safety regulations governing affordable rental housing to determine whether or not HOME rent limits are the strictest affordability requirements for this unit as determined by subsidies used to develop and make the unit affordable appropriate to the correct unit size. City will give the Developer the HOME rental limits and Income limits as provided annually by HUD, though publication by HUD may vary year to year.
      (1) City Approval of Rent required. Not only shall City provide the annual HOME rent limits released by HUD, but shall review and approve the rent increases.
      (2) Income Limits. Households shall initially have an annual household income as defined in 24 CFR §92.252 and the HOME Rental Housing Policies for the City of Oxnard Affordable Housing and Rehabilitation. If the property is also financed with funds requiring different levels of income limitations, the most stringent will be used, but no more than 65 percent of the median income for the area, which allows for a High HOME rent of 30 percent of 60 percent of the median income for the area, as determined by HUD, with adjustments in accordance with the above-referenced regulation.
      (3) Gross Rent. Gross rent is defined to include the cost of utility allowance for utilities paid by the tenant with the exception of telephone, cable television, or internet, and not paid by or through the owner of the building.
      (4) Over-Income Tenants: Tenant households that achieve an income level above the annual income limit set forth hereinabove may remain in the unit for HOME Program purposes. However, such tenants must pay as rent the lesser of the amount payable by the tenant under State or local law, or 30 percent of the family's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by Section 42.
      (5) Rent Determination and Definitions. HOME-Assisted Rent Limits are provided by HUD to the Affordable Housing and Rehabilitation Division annually for the Oxnard-Thousand Oaks-Ventura metropolitan statistical area (MSA) – the Low-HOME Rent, the High- HOME Rent, and the Fair Market Rent for the MSA. The following apply:
         i. Per §92.252(a), HOME rents include both rent and actual utilities or rent and utility allowance. The 2013 HOME Final Rule, effective August 23, 2013, requires that HOME-assisted rental units in service after the effective date have utility allowances that

are determined by the HUD Utility Schedule Model (HUSM) or a project-specific methodology.

ii. For those units that are both HOME and Low-Income Tax Credit (LIHTC) units, utility allowances are calculated by California Utility Allowance Calculator and an initial baseline utility analysis by the authorizing agency must be submitted to City (AHRD);

iii. For those blended with LIHTC and USDA-Rural Housing Section 515/8, City is allowed to use Multifamily Housing Utility Analysis or a Factor-based Utility Analysis as the baseline utility study. The Factor-based Utility Analysis is given by HUD and is used annually to determine the utility allowance;

iv. All other HOME-assisted rental units must use the HUD Utility Schedule Model (HUSM) or an allowed project-specific methodology to determine a project's utility allowance with the City's approval.

v. HOME-assisted units that also receive Section 8 vouchers are required to use the utility allowances provided by the Oxnard Housing Authority, which is not allowed by the 2013 HOME Final Rule. Therefore, a waiver from HUD is required to allow the Section 8 utility allowance to be used and allow HOME-assisted units the ability to receive assistance using the Section 8/ Housing Choice Voucher Program.

vi. Baseline Utility Analysis is required every three (3) years. If the methodology and utility allowance schedule is performed by another agency, then the Baseline Utility Analysis done by the other agency must also be in the monitoring file to show compliance to HUD auditors.

b. Monitoring and Reporting.

(1) City Rental Physical Progress and Initial Inspections. City is required under 24 CFR §92.252 to perform periodic physical inspections during the construction phase and as an initial inspection for the rental unit when the unit is ready for lease-up. CHDO will be required to pay a monitoring inspection fee for the physical inspection performed by the City. As the unit would be an individual unit or a small number, the units would be inspected on an every third year basis unless LIHTC were also used to subsidize the project, in which case the inspections would be annual.

(2) Initial Lease-Up; Income Requirements and Recertification.

i. Ninety percent (90%) of all households assisted must have an initial gross annual income that does not exceed 60% of the AMI.

ii. If more than one homeownership unit is converted to rental housing, the other HOME-assisted households may have gross annual income that does not exceed 80% of the AMI.

iii. If there are more than 5 HOME –assisted rental units, at least 20% must be designated as Low-HOME Rental and reserved for households having gross annual income of 50% or less of the AMI.

iv. The HOME Rental Housing Policies explains how over-income tenants will be handled and how rent will be determined for those households having a gross annual income above 80% of AMI but less than 140% of AMI. The policies also explain if the HOME-assisted unit will remain in compliance or temporarily out of compliance until another eligible tenant moves into the fixed HOME rental unit.

v. Annually, the Developer/property manager will recertify the tenant's income using the standard stipulated in the HOME Participation Agreement for the rental project and found in the Rental Policies.

vi. Leases are required to be for twelve months (12) or may be less if both parties mutually agree and must be between the Owner and the tenant.

vii. Leases are required to include non-discrimination clause and a grievance procedure to settle disputes concerning the lease. There are certain prohibited lease terms which may not be included in any lease of any HOME-assisted units. Those prohibited lease terms are denoted in the Rental Policies.

(3) Records, Reports and Monitoring. The Developer/Owner/Property manager shall keep:

i. Those records and reports required by the Rental Policies for the development, project, and tenant files for five (5) years beyond the end of the project, including the period of affordability (twenty (20) years for new construction).

ii. Tenant files are to be maintained without purging until five (5) years after the end of the project.

iii. Reports to provide to City on an annual basis:

1. HOME Monitoring Checklist Project Compliance Report: Monitoring Checklist 6-D shall be submitted annually to City by Owner/Developer or other report form as may be required by regulations, as may be amended from time to time.
2. Owner shall submit financial reports and scheduled maintenance plan for major systems repairs or replacement or other information as may be needed by HUD or City for preparation of required reports or grant applications, as may be applicable.

iv. City shall monitor the following items in compliance with HOME regulations and the City of Oxnard's Affordable Housing and Rehabilitation Division's Rental Policies:

1. Physical inspection of the property no more than three (3) years apart or sooner if property standards were not upheld or another program, such as the use of HOME and LIHTC together, requires annual inspections.

2. Review of Tenant files. City may review annually or less depending upon the Checklist 6-D. City must review tenant files at initial lease-up, years 6, 12, and 18 to review source documentation of annual income.

3. Shall monitor for compliance with other federal crosscutting regulations which apply and perform ongoing monitoring of project report in

accordance with current HOME regulations, as may be amended from time to time throughout the period of affordability.

4. City shall supply Owner/Developer with a monitoring report of the monitoring visit.
5. Owner/Developer will include monitoring fees in the pro forma so as to have made allowance for the expense and not pass on the cost to a low-income household, which is prohibited under HOME regulations and State of California Housing Law. A schedule of monitoring fees is included as*: Affordable Housing Agreement. Exhibit G-Schedule of Monitoring Fees.*

6.3.4. If Rental Housing Unit Is Converted to Homeownership Unit., If Owner is considering converting affordable apartments to affordable homeownership units the following shall apply according to 24 CFR §92.255. When a tenant is an eligible and qualified low-income family or household *and* requests to become the homebuyer of the unit, the rental unit may be converted to a homeownership HOME-assisted unit through the process required by 24 CFR §92.255.

a. No tenant may be evicted because the tenant did not want to purchase the housing unit.
b. It would remain a rental unit until such time as the tenant desired to purchase the unit or move out because of tenant's desire to move from the unit.

EXHIBIT E - INITIAL HOME RENTS AND HOME INCOME LIMITS

Vista Pacifica Affordable Rental Housing

Once the first building is about 4 months from occupancy, City Affordable Housing and Rehabilitation staff will recalculate initial rents using the 2017 or 2018 HOME Rent Limits and Income Limits. City to provide Rent Limits to

To Determine Annual HOME Rent Limits Compared to Annual Fair Market Rents:

HOME Rents for Very-Low Income Households	*California Health and Safety Codes § 50052.5, 50053*
Project-Based Section 8	*LIHTC*

2016 HOME RENT LIMITS AND 2016 FAIR MARKET RENTS

BDRM Size	Information Used to Calculate HOME Rents for 2016: 50% HOME	65% HOME	*FMR*	HOME Rents effective: 4/2016: Low HOME Rent	High HOME Rent	2016 LIHTC Rents Effective: 3/28/2016: 50% LIHTC	60% LIHTC	Project-Based Sec 8 For 29 units	CA Code 24 CCR §50052.5 For 10 units for very-low income households, 8 density bonus & 2 In-Lieu Housing Fee Funded:	HOME-assisted Unit Rent Limit for Very Low Income Households (50% of AMI)	Rent Limit for Lower Income Households (60% of AMI)
1	$ 876.00	$ 1,183.00	***$ 1,197.00***	$ 876.00	$ 1,051.00	$ 876.00	$ 1,051.00		$ 876.00	$ 876.00	$ 1,051.00
2	$ 1,051.00	$ 1,421.00	***$ 1,602.00***	$ 1,051.00	$ 1,261.00	$ 1,051.00	$ 1,261.00		$ 1,051.00	$ 1,051.00	$ 1,261.00
3	$ 1,214.00	$ 1,633.00	***$ 2,264.00***	$ 1,214.00	$ 1,457.00	$ 1,214.00	$1,457.00		$ 1,214.00	$ 1,214.00	$ 1,457.00

BDRM Size	Income Limit	30% Tenant Contribution Limit	Monthly Rent limit - CA Code 24 CCR § 50052.5	50% LIHTC	60% LIHTC	Rent Limit for Density Bonus Units (50% of AMI)	(60% of AMI)
1	$ 37,400	$ 11,220	$ 935	$ 876.00	$ 1,051.00	$ 876	1051
2	$ 42,050	$ 12,615	$ 1,051	$ 1,051.00	$ 1,261.00	$ 1,051	1261
3	$ 46,700	$ 14,010	$ 1,168	$1,214.00	$1,457.00	$ 1,214	1457

* For HOME rents, the Low HOME rent does not exceed 30% of 50% of AMI for Oxnard-Thousand Oaks-Ventura MSA
For HOME rents, the High HOME rent is the lesser of the 30% of 65% of AMI or the Fair Market Rent for the MSA. The regulatory agreement caps the rents at 30% of 60% of AMI per California Health and Safety Codes. A further limit no more than 30% of tenant's gross annual income less any utility allowance for utilities by the tenant under the Project -Based Section 8 program.
**For HOME rents where LIHTC rent limits are used also, the Rent limit used will be the lesser of the LIHTC or High HOME rent.
*** LIHTC Rent Limits are taken from California Tax Credit Allocation Committee, ***2016 Maximum Rents*** for Projects Placed In Service after 3/28/2016
**(See IRC Section 42- Seciton 13142(c) of the Omnibus Budget Reconciliation Act of 1993)*

If Property is also under Project-based Section 8, will determine from rental limits what the maximum rent will be. Lowest rent is used.

Please review and determine applicable utility allowance for these apartments utlity needs for heating, water, sewer, trash, gas are subtracted from the maximum rent limit to obtain the actual maximum rent that can be charged to the tenants.

Rent Limit for Very Low Income Households (50% of AMI)		***Rent Limit for Lower Income Households (80% of AMI)***	
Bedroom Size	***2***	***Bedroom Size***	***2***
Very-Low Income Households	$ 1,051.00	***Low Income Households***	$ 1,224.00
Less Utility Allowance:	$ 88.00	***Less Utility Allowance:***	$ 88.00
Allowable Max Rent for Very-Low Income Households	$ 963.00	***Allowable Max Rent for Low-Income Households***	$ 1,136.00

Example Only

	Income Level for Household	Low HOME or High HOME unit?	Number of Persons in HH	Tenant's Annual Income	Tenant's Monthly Income [Annual Gross Income /12]	Tenant's 30% limitation Housing Cost	Utility Allowance [from OHA Annual Section 8/HCV Utility Allowance Schedules]	Maximum Rent Based on Tenant's Annual Income & Housing Cost	HOME Rent Limit for Very Low Income HH [50% of AMI]	HOME Rent Limit for Low Income HH [60% of AMI under contract]	**Lesser of the two is the Maximum Rent for this tenant in this unit.**
Unit 1	VL	Low	***1 to 3***	*$31,750 to max $40,800*	*$2,645.83 to $3,400.00*	*$793.75 to $1,020.00*	$ 88.00	*$705.75 to $931.00*	$ 963	$ 1,136	*$705.75 to $931.00*
Unit 2	L	HIGH	***1 to 3***	***$38,100 to max $48,960***	***$3,175 to $4,080***	*$952.50 to $1,224.00*	$ 88.00	*$863.50 to $1,136.00*	$ 963	$ 1,136	*$863.50 to $1,136.00*

Both Units May be High HOME units

	Income Level for Household	Low HOME or High HOME unit?	Number of Persons in HH	Tenant's Annual Income	Tenant's Monthly Income [Annual Gross Income /12]	Tenant's 30% limitation Housing Cost	Utility Allowance* [from OHA Annual Section 8/HCV Utility Allowance Schedules]	Maximum Rent Based on Tenant's Annual Income & Housing Cost	LOW HOME Rent Limit for Very Low Income HH [50% of AMI]	HIGH HOME Rent Limit for Low Income HH [60% of AMI under contract]	**Lesser of the two is the Maximum Rent for this tenant in this unit.**	***Please indicate all that apply to tenant and/or applicant-new tenant.*** *Information is needed at the end of the year for determining how effective the City of Oxnard HOME program has been targeting help to certain groups designated that year by HUD.*				
												Homeless	*Special Needs*	*Veteran*	*Elderly*	*Farm-worker*
Unit 1																
Unit 2																
Unit 3																
Unit 4																
Unit 5																
Unit - In Lieu																
DB Unit #1																
DB Unit #2																
DB Unit #3																
DB Unit #4																
DB Unit #5																
DB Unit #6																
DB Unit #7																
DB Unit #8																
If there is a change in tenants during the year												*Homeless*	*Special Needs*	*Veteran*	*Elderly*	*Farm-worker*
New Tenant 1																
New Tenant 2																

Example Only

	Income Level for Household	Low HOME or High HOME unit?	Number of Persons in HH	Tenant's Annual Income	Tenant's Monthly Income [Annual Gross Income /12]	Tenant's 30% limitation Housing Cost	Utility Allowance [from OHA Annual Section 8/HCV Utility Allowance Schedules]	Maximum Rent Based on Tenant's Annual Income & Housing Cost	HOME Rent Limit for Very Low Income HH [50% of AMI]	HOME Rent Limit for Low Income HH [60% of AMI under contract]	**Lesser of the two is the Maximum Rent for this tenant in this unit.**
Unit 1	VL	Low	***1 to 3***	*$31,750 to max $40,800*	*$2,645.83 to $3,400.00*	*$793.75 to $1,020.00*	$ 88.00	*$705.75 to $931.00*	$ 932	$ 1,136	*$705.75 to $931.00*
Unit 2	L	HIGH	***1 to 3***	***$38,100 to max $48,960***	***$3,175 to $4,080***	*$952.50 to $1,224.00*	$ 88.00	*$863.50 to $1,136.00*	$ 932	$ 1,136	*$863.50 to $1,136.00*

EXHIBIT F –
Certification of Compliance for HOME Participation Agreement

Certificate of Compliance HOME Participation Agreement

According to the §92.504(d)(1)(ii)(C) of the 2013 HOME Final Rule, property owners will submit an annual certification that all buildings in the rental project known as Vista Pacifica located at 5527 and 5557 Saviers Road, Oxnard, CA 93033 and all HOME-assisted rental units are suitable for occupancy. I, _________________, the undersigned, certify that each building and all HOME-assisted housing units in this rental project meet at a minimum Housing Quality Standards and City of Oxnard Building Codes as were in effect when this property was newly constructed of November 2018. This certification indicates that those units are suitable for occupancy.

I further certify that where the HOME-assisted rental units are designated as floating that the non-HOME assisted units, of the same bedroom size, are comparable to the HOME-assisted units in available amenities and comparable features for similar units in accordance with both HOME regulations and the Affordable Housing HOME CHDO Set-Aside and City In-Lieu Funds Loan Agreement dated October 4, 2016.

Many Mansions

By: ______________________________

Its: ______________________________

EXHIBIT G- Schedule for Monitoring Fees for Units under Affordable Housing

City will review monitoring fees annually so that fees will reflect the average actual costs for monitoring per unit. Fees charged by the City to the Developer shall be in accordance with 24 CFR 92.214(9) and 2 CFR part 200, entitled "Cost Principles for State, Local, and Indian Tribal Governments"). City will determine the frequency of certain annual inspections on a risk-assessed basis but will not inspect on less than a three-year interval basis as required by 24 CFR 92. Developer shall not charge homeowners or tenants fees for this monitoring, except as allowable according to 24 CFR 92.214 for HOME-assisted units or applicable California State laws and regulations. Where possible, if the project has more than one type of physical monitoring inspection to be performed for more than one program (other than construction/rehabilitation inspections performed by the City's Building and Safety Program Inspectors or the City's Housing Inspector or Inspection Services Contractor), project managers may incorporate and schedule the inspections at the same time. Where more than one program affects a unit, HOME will be inspected according to HOME standards and the other program, such as LIHTC will be inspected according to its standards.

Physical Inspections:

Progress Inspections during construction/rehabilitation	*Charges*
Monitoring Checklist: Rental Housing: Ongoing Monitoring (6c):	$35.00 per hour on an actual cost basis.
Monitoring Summary: Rental Housing Program	$35.00 per hour on an actual cost basis
Project Monitoring Checklist (6a) Rental Project Completion Checklist	$35.00 per hour on an actual cost basis.
Final Inspection	$55.00 per unit
Physical Periodic Inspections for Monitoring	$55.00 per unit

New construction or rehabilitation of rental units will require a minimum of three inspections throughout the project or as progress payments are made, to verify work has been done and meets standards: initial inspection, at approximately 50% - 85% occupancy, and a final inspection. If units also have various sources of funding from the City, Developer will only be charged once, unless subsequent physical inspections are required if the inspection failed.

Physical Inspection fee initially will be set at $55.00 per unit for regular monitoring inspections for the duration of the period of affordability. City may adjust fees periodically to cover any average actual changes in unit costs.

Other monitoring fees:

The following are examples of when certain monitoring is required for the Participating Jurisdiction to verify compliance with HOME Homeownership Housing Project or HOME Rental Housing Project regulations:

1. **Progress Inspections of New Construction or Rehabilitation of Homeownership Housing**. This is throughout the scope of work to prepare the buildings through new construction or rehabilitation of existing units and may vary depending upon the project size and requirements. Therefore, this will be charged on a per hour basis to verify that HOME Program regulations, other federal, state, and local regulations, property standards and procurement requirements are being adhered to, including verification of eligible HOME costs for payment.

    a. City will also review affirmative marketing, homebuyer selection policies and procedures, and other documentation showing compliance with other crosscutting regulations, as amended throughout the period of affordability.

2. **Initial Rent and Occupancy Checklist**: At the point of 85% lease up or at point when an updated marketing action plan is required to be submitted to the LA HUD Field Office (six months after project completion for those units not leased up), City monitoring representative will set a monitoring appointment to review tenant files, and adherence to the tenant selection plan, affirmative marketing (as applicable), fair housing, and other federal cross-cutting requirements. HUD's HOME Monitoring Checklist 6b requires review of source income verification such as annual wage statements and minimum two months of paychecks or other income source material. Every six years HUD requires the City to ensure that source income verification and back up documentation for the income recertification that is in the files.

    a. Monitoring Checklist: Initial Rent and Occupancy 6b: $ 48.00 per unit.
    b. This monitoring fee may be charged during every sixth year where HOME regulations require review of source income documentation in the tenant

file in accordance with current and future applicable regulations throughout the period of affordability.

3. **Ongoing Monitoring of Converted Rental Property Reports:**
Annually the City will require a listing of all converted fixed HOME rental units which will include the following information: tenant's name, address of HOME-assisted fixed rental unit, High or Low HOME rent is charged, persons in household, bedrooms of unit, max rent, utility allowance, monthly rent, tenant's gross annual income, compliance, and unit status. If the unit is a lease-purchase – has it been conveyed to the homebuyer /tenant within 42 months of construction completion? If it has not, then unit must be converted back to a homebuyer unit first per HOME regulations. After 42 months as rental continues as rental unless converted back to homebuyer unit and sold to low income household.

(REMAINDER OF PAGE LEFT BLANK INTENTIONALLY)

Annual Monitoring Review of Rental	Cost for Monitoring
Desk review monitoring for HOME units entails reviewing the Performance Report and comparing to copies of any change in income reporting or new tenants	$36.00 per unit per year
Every Sixth Year – Source Income documentation review and income and rent calculations	$48.00 per unit per year.
For Complexes with more than 10 HOME-assisted units – Financial Reporting	Cost of Employees actual time
HOME Monitoring Checklist Ongoing Rental Housing 6C	$35.00 per 5 HOME-assisted units listed in the project
Self –certification reports of compliance; List of Density Bonus and/or other affordable rental units by bedroom size and very-low or low income designation	No charge

a. Home also requires the self-certification, as well as the Affordable Housing Program, that affordable rental units are comparable to fair market rental units, having the same amenities and that the affordable rental units do not receive less attention to maintenance as fair market rental units.
b. Affordable Housing self-certification of compliance lists the units that are affordable, tenant name, address, income, affordable rent, number of persons in household, number of bedrooms. Income certification forms for new tenants just moving into the rental are sent also to verify eligibility and rents are correct.

4. **<u>Monitoring fees will be reviewed</u>** every three years with actual costs to provide the monitoring services. Monitoring fees will be adjusted to reflect actual costs for monitoring.

AFFORDABLE HOUSING AGREEMENT
(Developer for Many Mansions.)
(Vista Pacifica Affordable Rental Housing Development)

This AFFORDABLE HOUSING AGREEMENT (the "Agreement") is entered into this 20th day of September, 2016, between the City of Oxnard, a municipal corporation, (hereafter referred to as "City") on the one hand, and Many Mansions, a California non-profit corporation (hereinafter referred to as "Developer") on the other hand.

RECITALS

WHEREAS, Developer is a non-profit affordable housing and service provider that helps low-income persons develop and provides quality affordable housing and life-enriching services for low-income families and individuals in Ventura and Los Angeles counties, with a special focus on those of very low income, who are formerly homeless, veterans, seniors or disabled.

WHEREAS, Developer has been certified by the City as a community housing development organization under the definition used in 24 CFR §92.2 (1) through (10).

WHEREAS, Developer owns the subject property as described below and desires to develop, construct and manage a thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit project (the "Project"), which, except for the manager's unit, will be restricted to very-low income households. The Project meets the goals of Developer's mission statement and assists the City of Oxnard towards meeting one of its goals of providing more affordable rental housing for very-low income families and households.

WHEREAS, The Project is located at 5557 & 5527 Saviers Rd, Oxnard, CA 93035 [APN NUMBERS #: 222-0-011-280222-0-011-270 respectively] ("Property").

WHEREAS, Upon construction completion, Vista Pacifica will consist of five separate buildings (8-units in each) totaling thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. The development will be comprised of fifteen (15) one-bedroom, twenty (20) two-bedroom, and five (5) three- bedroom units. The homes will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, the City and Developer agree as follows:

1. PROJECT SCOPE:

A. Definitions. As used in this Agreement, unless a different meaning is apparent from the context or is specified elsewhere in this Agreement, the following words and terms shall have the same meaning given or attributed to them or similar terms in 24 CFR 92.2 and are also found in that certain HOME Program Participation Agreement dated September 20, 2016 and incorporated herein by reference.

1. Adjusted income
2. Annual income
3. Family, household
4. Low income family or household

B. Other Definitions. As used in this Agreement, unless a different meaning is apparent from the context or is specified elsewhere in this Agreement, the following words and terms shall have the same meaning given or attributed to them or similar terms in California Health and Safety Code and in Title 25 of the California Code of Regulations and in that certain HOME Program Participation Agreement dated September 20, 2016

1. Family size appropriate for the unit
2. Housing cost and affordable housing cost
3. Monthly-adjusted income. It does not exceed one-twelfth of the adjusted household income of the homebuyer.
4. Monthly income. It does not exceed one-twelfth of the annual household income of the homebuyer.
5. Operating expenses.

Affordable Housing Cost as used herein had the following meaning:

- For a lower income household whose gross incomes exceed the maximum income for very low-income households and do not exceed 50 percent of the area median income, an "Affordable Housing Cost" is a monthly housing cost that does not exceed the Affordability Requirements of 24 CFR §92.252 and California Health and Safety Code §50053); for the 5 City of Oxnard HOME-assisted units and the units that are affordable due to approval of a density bonus respectively.

Family size appropriate for the unit has the same meaning given and attributed in the California Health and Safety Code and in Title 25 of the California Code of Regulations § 6924 (b) (1).

Housing Cost has the same meaning given and attributed in the California Health and Safety Code. This is the annual cost of rent and utility allowance or a monthly housing cost where the monthly housing cost for a tenant shall be one twelfth of the annual housing cost calculated as rent and utility allowance in accordance with 25 California Code of Regulations §6918.

Monthly adjusted income has the same meaning given and attributed in the California Health and Safety Code and in Title 25 of the California Code of Regulations. It does not exceed one-twelfth of the adjusted income of the homebuyer.

Monthly income has the same meaning given and attributed in the California Health and Safety Code and in Title 25 of the California Code of Regulations. It does not exceed one-twelfth of the annual income of the homebuyer.

C. Project Description and Affordability Requirements.

(1) Under this Agreement, the City will provide HOME funding for 5 HOME-assisted units for the City of Oxnard, 2 Restricted Deed apartments attributed to Housing In-Lieu fees, and 8 restricted

deed units that are attributed to a density bonus under the California Government Code Section 65915. Developer desires to develop and construct thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. Upon construction completion, Vista Pacifica will consist of five separate buildings (8-units in each) totaling thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. The development will be comprised of fifteen (15) one-bedroom, twenty (20) two-bedroom, and five (5) three- bedroom units. The homes will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. On-site amenities will include: an interior courtyard, playground, community room (where Developer will provide on-site services including but not limited to service coordination in order for residents to obtain and retain government and community resources and youth development services such as an after-school tutoring program, career preparation program, and summer camp), laundry room, and a picnic/BBQ area. The site is also walking distance to a park, elementary school, medical clinic, and shopping.

(2) The Project shall meet all City ordinances, conditions, rules and regulations.

(3) All City restricted apartment units in the project, shall be rented only to persons of very low income, and the units will be rented at rents affordable to such persons under the criteria set forth in California Health and Safety Code section 50053 and 24 California Code of Regulations 6922, for a period of up to fifty-five (55) years following the date of the first occupancy of any restricted unit. The Oxnard Housing Authority will provide Many Mansions with project based section 8 assistance for a total of thirty-nine (39) one, two or three bedroom units.

(4) Developer will execute an Agreement containing Covenants Affecting Real Property ("Regulatory Agreement") in the form and substance attached hereto as Exhibit D of that certain Affordable Housing HOME CHDO Set Aside and In-Lieu Fee Loan Agreement, restricting rental of the affordable units to a very-low income family as set forth above. The restrictions of this Regulatory Agreement are in addition to and independent of restrictions imposed by any other funding or regulatory agency such as the HOME Investment Partnership Program.

(5) Developer will establish restrictions and preferences for initial conveyance of the affordable units as follows:

a. Units will be leased up to very-low income households of Oxnard residents first who qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list.

b. Units will be leased up to very-low income households of residents of Ventura County who work in Oxnard who qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list next.

c. Units will be leased up to other very-low income households of residents of Ventura County not currently working in Oxnard who qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list.

d. Units will be leased up to very-low income households or others from other areas that qualify and are accepted in the City of Oxnard Housing Authority's Housing Choice Voucher (Section 8) program and are placed on the Project Based Voucher or Tenant Based Voucher wait list.

(6) For purposes of paragraph 5 above, a unit shall be considered to have been made available as follows:

a. A unit shall be considered to have been made available if Developer actually notifies a potential tenant and a period of 48 hours elapses after such actual notice is given.

b. At any time during such 48-hour availability period, the potential tenant may notify Developer of his/her election to rent the unit. In such event, Developer and tenant shall negotiate in good faith for rental of the unit.

D. Project Funding. Subject to and in accordance with the terms and conditions hereafter set forth in this Agreement, and that of that certain HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement, the City is loaning and shall loan the following sums to be used solely for the construction of the Project and then shall convert to permanent financing after the project construction has been completed and the certificates of occupancy have been issued.

(1) HOME funds. A portion of the $800,000 total construction loan shall come from $471,306 from HOME CHDO Set Aside Funds from two HOME entitlement grants that the City of Oxnard received. Those amounts are further defined in that certain HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement dated September 20, 2016.

(2) In-Lieu Fee Funds. A portion of the $800,000 total construction loan in the amount of $328,694 shall come from City of Oxnard In-Lieu Fee funds.

E. City Participation. Subject to and in accordance with the terms and conditions set forth in this Agreement and that certain HOME Participation Agreement and HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement, both dated September 20, 2016, City shall do the following:

(1) City shall provide assistance for 5 HOME-assisted affordable rental units for very-low income households, 2 In-Lieu Fee-assisted affordable rental units also for very-low income households.
(2) City will also approve a density bonus to the project of 8 units.
(3) The Oxnard Housing Authority is entering into a contract with Developer for 39 Project-Based Housing Choice Vouchers for an initial period of 15 years. Developer may request an extension of up to an additional 15-year period.

(4) Failure to Complete Project. If the Project is not complete, as evidenced by certificates of occupancy for the units, and if leasing of the units to a low-income family has not been made on or before eighteen months from completion of the Project from Developer, Developer shall be in default hereunder and shall, upon demand by City, repay any and all HOME CHDO Set-Aside Funds or In-Lieu Fee funds for any of the HOME-assisted or In-Lieu Fee-assisted units that have not been leased if the property construction has been completed. If construction has not been completed within expected milestones for the Schedule of Performance, then Developer shall convey the Property together with all improvements thereon to City, provided, however, that the period for completion of the Project date may be extended for

a period not to exceed one (1) year by written agreement signed by City's Mayor or designee in accordance with the City's procurement policies and procedures.

F. Construction Management. Developer shall provide all construction management for the Project. Developer will coordinate with neighborhood groups and the City Planning Department to ensure that the affordable units are constructed according to quality construction standards, and to ensure that the units are constructed in conformity with the surrounding community and those required by that certain HOME Program Participation Agreement dated September 20, 2016, incorporated by reference herein..

Developer will provide a Schedule of Performance, Exhibit C of that certain Affordable Housing and Rehabilitation HOME Program Participation Agreement, incorporated herein by reference prior to the execution of that Agreement The Schedule of Performance shall also be used as the list of items to be completed for this agreement.

Developer has provided a Project Budget, Exhibit B of that certain HOME Participation Agreement with Developer. Said budget identifies all sources and uses of funds. As construction progresses individual line items will be identified, refined and updated. The Pro Forma includes monitoring fees for the period of affordability (including both the period of affordability for HOME (the first 20 years) and the remaining period of affordability (the last 35 years) covered under this agreement, in order to recoup monitoring costs as part of the project and not as an ongoing administrative cost, and is bereby incorporated by reference.

G. Assumption and Assignment. Neither this Agreement nor the Regulatory Agreement may be assigned to any party without City's written consent. Such consent shall not be unreasonably withheld so long as City's interests in the Project are not placed at risk by such assignment; provided however, that this agreement can be assigned to a limited partnership in which Many Mansions will be the Managing General Partner.

1. CONSTRUCTION REQUIREMENTS. Developer desires to develop and construct thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. Upon construction completion, Vista Pacifica will consist of five separate buildings (8-units in each) totaling thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit The development will be comprised of fifteen (15) one-bedroom, twenty (20) two-bedroom, and five (5) three-bedroom units. The homes will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. On-site amenities will include: an interior courtyard, playground, community room (where Developer will provide on-site services including but not limited to service coordination in order for residents to obtain and retain government and community resources and youth development services such as an after-school tutoring program, career preparation program, and summer camp), laundry room, and a picnic/BBQ area. The site is also walking distance to a park, elementary school, medical clinic, and shopping. All work on the Project shall be performed in a workmanlike and quality fashion, free of encumbrances and liens, in full compliance with all applicable requirements of the International Building Code included by reference within the California Building Codes and the Oxnard City Codes. In addition to all other obligations of Developer as set forth in this Agreement, Developer shall seek and obtain all necessary governmental approvals for the Project and, except as provided in paragraph l. D. (2) above, shall pay all permit application fees and development exactions then prescribed by local ordinance or resolution at the time of submittal, unless such fees or exactions are waived by City. Nothing herein excuses compliance by Developer with any or all City ordinances, resolutions, or development procedures

or standards in connection with development of the Project. The units shall be constructed so as to be in conformance with the quality and appearance of the surrounding neighborhood.

City agrees that the Project, as described in this Agreement, may qualify for impact fee deferral as and to the extent provided by City of Oxnard Ordinance No. 2590. Developer may apply for Impact Fee Deferral to the City Planning Department. Pending approval of the City's Planning Department, City may permit deferral of the fees to the extent described in that Ordinance.

3. MAINTENANCE AND REPAIRS. Developer shall, at all times during the term of this Agreement, cause the Property and the Project to be maintained in good condition and repair regardless of cause of the disrepair. Developer shall be fully and solely responsible for costs of maintenance, repair, addition and improvements. City and any of its employees, agents, contractors or designees shall have the right to enter upon the Project at reasonable times and in a reasonable manner to inspect the Project.

4. MONITORING PERFORMANCE.

A. Developer shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which Developer or its agents, or both, perform the actions required of them by the terms of this Agreement for the development of the Project. Developer has and hereby retains the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance of services hereunder. In regard to the development of the Project, Developer acknowledges and agrees to be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. Developer agrees to be solely responsible for its own acts and those of its agents and employees. Notwithstanding the foregoing, at the request of City, its agents, employees, or attorneys, Developer shall (1) promptly provide documents and provide specific answers to questions upon which information is desired from time to time relative to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, (2) provide City a photocopy of the certified financial statements of Developer for the past five years, (3) at all reasonable times during normal business hours, provide access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Developer until five years after the expiration of this Agreement.

B. Developer is also required to monitor the income eligibility of all households for the period of affordability for the HOME requirements as well as the additional period of affordability under Ordinance 2590 of fifty-five years (55) concurrent with the HOME and In-Lieu Fee 20-year period of affordability This also applies to the (8) units under the density bonus.

(1) Prior to the end of the City's fiscal year, June 30th, Developer will provide a report listing the tenant's name and unit address, rent charged, tenant's income after recertification , unit bedroom size in the form or format as may be prescribed by the City unless otherwise directed. City will monitor that the monitoring has been done by way of report and back up provided to Developer by homeowner.

(2) Recertification of Annual Income for HOME-assisted units is addressed in that

certain HOME Program Participation Agreement between Developer and City dated September13,2016 for In-Lieu Fee-assisted units and those 8 under the density bonus program must verify eligibility and incomes under Title 25 of the California Code of Regulations, Chapter 6.5 Program Regulations, Subchapter 2 Program eligibility and Affordability for Lower Income Households and Subchapter 2.5 Applicant Verification Requirements.

(3) Certification of income eligibility will be done annually, while physical inspections may be done once every three years, unless the physical inspection fails. The inspector will be required to return and verify that corrections of deficiencies have been corrected preferably within 30 days but no later than one year.

(4) Report shall include a copy of the signed certification of Owner's Compliance with the program, which shall be returned no later than February 1st of each year. Also all units under the Density Bonus Program and the In-Lieu Fee.

5. ENFORCEMENT OF THE AGREEMENT. The affordability requirements of Paragraph D. (1) of this Agreement, and in the Regulatory Agreement, and in the HOME Participation Agreement herein incorporated by reference, constitute covenants, conditions and restrictions that run with the land and are enforceable by means of the Deed of Trust securing the HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement for performance. For purposes of enforcement of the Deed of Trust, City and Developer agree that City may, at its option, establish damages for breach of the Agreement as the difference between the fair market value of the Property if unrestricted at the date of the breach amount for which the property may be sold as restricted. If Developer fails to perform any obligation under this Agreement or the Regulatory Agreement , the Developer will be under default of this contract, or and fails to cure the default within thirty (30) days after City has notified Developer in writing of the default or if the default cannot be cured within thirty (30) days, or fails to commence to cure within thirty (30) days and thereafter diligently pursue such cure, City may exercise any remedy provided under this Agreement, or Regulatory Agreement, or HOME Participation Agreement or under applicable law.

6. INSURANCE. With respect to any Project activity, and before taking any action under this Agreement, Developer shall obtain and thereafter maintain in full force and effect throughout the period of this Agreement, the minimum insurance coverages set forth in the attached Exhibit INS-B.

a. Developer shall ensure that the City of Oxnard Affordable Housing and Rehabilitation Division shall be named as a lender loss payee.

b. The endorsement will read as follows:

City of Oxnard
Affordable Housing and Rehabilitation Division
Attn: Loan Servicing & Compliance
435 South D Street
Oxnard, CA 93030
Reference: Loan Agreement #7912

7. HOLD HARMLESS, INDEMNIFICATION. During the period commencing with execution of this Agreement by City, and continuing until such time as Developer no longer owns any

portion of the Property with respect to the construction of all the improvements on the Property, Developer agrees to and shall defend, indemnify and hold harmless City and the City of Oxnard Housing Authority, and their respective council members, commissioners, directors, officers, employees, contractors and agents from and against all claims, liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused by any person or to the property of any person which shall occur on or adjacent to the Property, or in connection with the activities of Developer under this Agreement, and which shall be directly or indirectly caused by any acts done or any errors or omissions of Developer or its officer, employees, contractors or agents, save and except claims or litigation arising through the sole negligence or wrongdoing and/or sole willful misconduct of City or any other indemnitee. Developer is not obligated to indemnify City or others for claims based upon their use of information provided by Developer, provided the information itself is accurate. Developer shall at all times indemnify and hold harmless City, its officers and employees, from all loss, litigation, liability, damage, or expense, including, without limitation, potential tenant relocation costs arising under this Agreement and/or any subcontract which Developer enters into relating to implementation of the Project.

8. SALE OF PROPERTY/CHANGE OF USE. Developer agrees and declares that the Property and the Project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, operated, sold, and approved subject to all obligations set forth or incorporated in this Agreement, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property and the Project. All of the obligations set forth or incorporated in this Agreement shall constitute covenants which run with the land and shall be binding on Developer and its successors and assigns, and all parties having or acquiring any right, title or interest in, or to any part of the Property or Project; provided, however, that Developer shall have no liability for transfer in violation of the Agreement by Developer's successors and assigns. Developer shall have the right to sell the Property or Project to a limited partnership in which Many Mansions will be the Managing General Partner.

9. DEVELOPER TRANSFER. Developer shall not assign or transfer all or any part of this Agreement without the prior written approval of City. Developer shall promptly notify City of any and all changes whatsoever in the identity of the parties in control of Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by City if without the prior approval of City; there is any significant change (voluntary or involuntary) in membership, management or control, of Developer or its associates (other than such changes occasioned by the death or incapacity of any individual) prior to issuance of a Certificate of Occupancy for all units to be developed.

I 0. PERMITS AND OTHER APPROVALS. Developer shall obtain all zone changes, permits, licenses and other approvals that may be necessary in order to legally proceed with the Project to develop and construct the affordable housing units according to the project description and the scope of work for the Project. Nothing in this Agreement shall be construed to require or obligate City to approve any zone changes, to issue any conditional use permits, to issue any building permits, or other permits, to approve any tentative or final maps regarding the Project, or to give or issue any other approvals regarding the Project. Any application by Developer for any such permits and/or approvals shall be processed as any other applications for similar permits or approvals are processed under applicable laws.

11. AUTHORITY TO BIND. By entering into this Agreement, Developer certifies it is qualified and licensed to conduct business in the State of California.

12. NOTICE. All notices given or required to be given to this Agreement, shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed as follows:

TO CITY; City of Oxnard Affordable Housing Program
435 South D Street
Oxnard, California 93030
Attention: Affordable Housing Program Manager

With a copy to:

City Attorney
City of Oxnard
300 West Third Street
Oxnard, California 93030

TO DEVELOPER: Many Mansions
Attention: President
1259 East Thousand Oaks Blvd.,
Thousand Oaks, CA 91362

and, when addressed in accordance with this paragraph, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual delivery. Changes may be made in the name and addresses of persons to who notices are to be given by giving notice in the manner prescribed in this paragraph.

13. COMPLIANCE WITH LAW. Developer shall comply with all applicable laws and regulations in the implementation of this Agreement, including laws concerning the payment of prevailing wages or Davis-Bacon wages.

14. CONTRACTUAL RELATIONSHIP. The contractual relationship between City and Developer is independent and under no circumstances shall Developer be considered an agent, partner, or joint venturer of City.

15. ENFORCED DELAY; EXTENSION OF TIMES OF PERFORMANCE. In addition to specific provisions of this Agreement, performance by any of the parties 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, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, terrorist attacks, epidemics, quarantine restrictions, freight embargos, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, acts or omissions of another party, acts or failures to act of any public or governmental agency or entity (other than the acts or failures to act of City which shall not excuse performance by City), or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of

the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Developer. ·

16. BENEFIT OF AGREEMENT. This Agreement and every provision hereof are for the exclusive benefit of Developer and City and not for the benefit of any other party. There shall be no incidental or other beneficiaries of any of Developer's or City's obligations under this Agreement.

17. FORM AND SUBSTANCE OF EXHIBITS. IMPLEMENTATION OF AGREEMENT. The City's Housing Director is authorized to execute such documents as the City Attorney determines are appropriate to implement this Agreement. Documents in the form and substance of the attached Exhibits are an integral part of this Agreement. Such documents, however, may be changed prior to execution, in matters that in the opinion of the City Attorney, do not materially affect the substance of the Agreement contained therein. The City's Housing Director may accept and/or execute any such documents on behalf of the City.

18. ENFORCEMENT OF AGREEMENT. If any terms, provisions, conditions or covenants in this Agreement, or the application thereof to any party or circumstances, shall to any extent be held invalid or unenforceable, the remainder of this Agreement, or the application of such terms, provisions, conditions or covenants to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19. GOVERNING LAW. The terms of this Agreement shall be interpreted according to the laws of the State of California. Should litigation occur, venue shall be in the Superior Court of Ventura County.

20. INCORPORATION OF RECITALS. The City and Developer acknowledge and agree that the recitals set forth above are true and correct and are incorporated into this Agreement as if set forth in full herein.

21. SUPERSEDES PRIOR AGREEMENTS. The provisions of this Agreement supersede all prior agreements and understandings between the parties hereto with regard to the subject matter hereof.

IN WITNESS WHEREOF, the City of Oxnard and the Developer have City and Developer have executed this Agreement effective as of September 20, 2016,

[SIGNATURES ON FOLLOWING PAGE]

[SIGNATURE PAGE TO AFFORDABLE HOUSING AGREEMENT]

CITY OF OXNARD, a municipal corporation

MANY MANSIONS, a California non-profit publ public benefit corporation.

____
Tim Flynn, Mayor

Date: ________________________________

____
Rick Schroeder, President

Date: ______________________________________

ATTEST:

____
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

____
Steven M. Fischer, City Attorney

Date: ____________________________

APPROVED AS TO CONTENT:

____
Arturo Casillas, Housing Director

Date: __________________________

EXHIBIT INS-B

INSURANCE REQUIREMENTS FOR SMALL/MEDIUM CONSTRUCTION AND SERVICES CONTRACTS
(WITHOUT BUILDER'S RISK REQUIREMENT)

1. Contractor shall obtain and maintain during the performance of any services under this Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Contractor, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project location or shall be twice the occurrence amount;

b. Business Automobile Liability Insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than $1,000,000, with neither Contractor nor listed subcontractors having less than $500,000 individually. The Professional Liability/Errors and Omissions Insurance must be project specific with at least a one-year extended reporting period, or longer upon request.

d. Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than $1,000,000 per claimant.

2. Contractor shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-D. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be forwarded to the Risk Manager, addressed as follows:

City of Oxnard
Risk Manager
Reference No. A-7912
300 West Third Street, Suite 302
Oxnard, California 93030

3. Contractor agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Contractor agrees that the Commercial General Liability and Business Automobile Liability

Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-D or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages **(this must be endorsed).** Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number.

Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
CODE SUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE
	COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY** [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE PRODUCTS COMP/OP AGG. PERSONAL & ADV. INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED. EXPENSE (Any one person)	$1,000,000 $1,000,000 $1,000,000 $1,000,000 $ $
A	**AUTOMOBILE LIABILITY** [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE	$1,000,000 $ $ $
A	**EXCESS LIABILITY** UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
A	**WORKERS' COMPENSATION** AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT DISEASE-POLICY LIMIT DISEASE-EACH EMPLOYEE	 $1,000,000 $1,000,000 $1,000,000
A	**OTHER** Errors and omissions insurance or malpractice insurance available for the insured's profession; if architectural, engineering or electrical work will be performed under the Agreement				Minimum coverage Each consultant/ & listed sub-consultant	$1,000,000 $500,000

SAMPLE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER City of Oxnard Attn: Risk Manager Reference No. __________ 300 W. Third Street, Suite 302 Oxnard CA 93030	**CANCELLATION** SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~ AUTHORIZED REPRESENTATIVE

Agreement No. A-7912

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ ____________
with an Aggregate of $____________ applies to ____________
coverage. ☐ Per Occurrence ☐ Per Claim (which)

NAMED INSURED

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY
☐ COMPREHENSIVE GENERAL LIABILITY
☐ OWNERS & CONTRACTORS PROTECTIVE

☐ Claims Made
Retroactive Date ____________
☐ Occurrence

OTHER PROVISIONS

COVERAGES	LIABILITY LIMITS IN THOUSANDS $	
	EACH OCCURRENCE	AGGREGATE
☐ GENERAL		
☐ PRODUCTS/COMPLETED OPERATIONS		
☐ PERSONAL & ADVERTISING INJURY		
☐ FIRE DAMAGE		
☐ ____________		
☐ ____________		

CLAIMS: Underwriter's representative for claims pursuant to this insurance.
Name: ____________
Address: ____________
Telephone: ( ) ____________

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
   b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No. _______
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ ____________

I ____________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____________
(original signature required)

Telephone: ( ) Date Signed ____________

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURER

POLICY INFORMATION:

Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits
☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ ______________ with an Aggregate of $____________ applies to ______________ coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

☐ COMMERCIAL AUTO POLICY

☐ BUSINESS AUTO POLICY

☐ OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ __________________ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: ______________________

Address: ______________________

Telephone: (   ) ______________________

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:

   a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
   b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No. _______
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ ______________________

I ______________________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ______________________

(original signature required)

Telephone: (   ) Date Signed ______________

AFFORDABLE HOUSING HOME CHDO SET ASIDE AND IN-LIEU FEE LOAN AGREEMENT (MANY MANSIONS.) (VISTA PACIFICA AFFORDABLE RENTAL HOUSING DEVELOPMENT

This Affordable Housing HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement (the "Loan Agreement") is entered into this 4th day of October, 2016, between the City of Oxnard, a municipal corporation, (hereafter referred to as "City") on the one hand, and Many Mansions, a California non-profit corporation. (hereafter referred to as "Developer") on the other hand.

RECITALS

WHEREAS, Developer is a non-profit housing organization that develops rental housing units for very low and low income persons.

WHEREAS, Developer is a community housing development organization ("CHDO"), recertified as a CHDO specifically for this project, capable of carrying out elements of City's approved housing strategy and has been encouraged to do so, to develop and construct thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit at The Vista Pacifica Housing *Development* (hereafter referred to as the "Project").

WHEREAS, Developer is the owner of the site described in Exhibit "A", at 5557 & 5527 Saviers Rd, Oxnard, CA 93035 [APN NUMBER #: 222-0-011-270, 222-0-011-280] ("Property"), in Oxnard, California. Developer desires to develop and construct thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. Upon construction completion, Vista Pacifica will consist of five separate buildings (8-units in each) totaling thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. The development will be comprised of 15 one-bedroom, 20 two-bedroom, and 5 three- bedroom units. The homes will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. On-site amenities will include: an interior courtyard, playground, community room (where Developer will provide on-site services including but not limited to service coordination in order for residents to obtain and retain government and community resources and youth development services such as an after-school tutoring program, career preparation program, and summer camp), laundry room, and a picnic/BBQ area. The site is also walking distance to a park, elementary school, medical clinic, and shopping. The residential units will not be used for a halfway house, dormitory, or student housing which is not an eligible HOME activity. In accordance with 24 CFR §92.205 (d) & (1), HOME funds will only pay for HOME eligible development costs in the multi-unit project.

WHEREAS, The purpose of this Agreement is to increase and improve the supply of affordable housing within the City of Oxnard by providing a construction loan ($471,306 CHDO Set Aside Funds and $328,694 In-Lieu Fee Funds) to the Developer to make the development costs of the units affordable to families less than or equal to 50% of the area median income, adjusted for family or household size appropriate for the unit in question, as set forth in California Administrative Code Section §6932. The period of affordability will be 20 years according to the HOME regulations 24 CFR §92.252 under recapture, 20 years according to the In-Lieu Fee Ordinance 2721 and an additional 35 years according to the Density Bonus requirements of Section 65915. The HOME Participation Agreement and the Affordable Housing Agreement will be recorded in the Official Records of the Ventura County Recorder's Office to maintain affordability of the units for 55 years per the State of California Density Bonus Program found at 25 CCR § 6900 through §6932. The period of affordability encompasses the first 20 years for HOME Program and the In-lieu Fee Ordinance (2721) requirements and imposes a concurrent 55-years period of affordability for the 8 affordable units under the density bonus.

WHEREAS, the financial assistance for the development of the Project is to be provided in the form of a construction loan of $471,306 from HOME CHDO Set Aside Funds and $328,694 of City of Oxnard In-Lieu Fee funds. The City's benefit in exchange for the construction loan will be the production of thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. Five units will be HOME Restricted units that consist of (1-) three-bedroom, two-bath unit, (2) two-bedroom, one and a half bath units and (2) one-bedroom, one bath units. These five units will represent the investment of the HOME CHDO Set-aside funds of $471,306 for construction costs from the FY2015-2016 and FY2016-2017 HOME CHDO-Set-Aside allocations. Two of the affordable rental housing units, consisting of (2) two-bedroom, one-bath, will represent the investment of the In-Lieu Fee funds of $328,694 for construction costs. The development of the Project pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of the applicable federal, state and local laws and requirements under which the Project is to be undertaken and is being assisted. The Project cannot be developed without the City's financial assistance using these HOME CHDO-Set Aside and In-Lieu Fee funds.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, the City and Developer agree as follows:

1) PROJECT SCOPE:
   a) Definitions. As used in this Agreement, unless a different meaning is apparent from the context or is specified elsewhere in this Agreement, the following words and terms shall have the same meaning given or attributed to them or similar terms in 24 CFR 92.2
      i) Adjusted income
      ii) Annual income
      iii) Family, household
      iv) Low income family or household

   b) Other Definitions. As used in this Agreement, unless a different meaning is apparent from the context or is specified elsewhere in this Agreement, the following words and terms shall have the same meaning given or attributed to them or similar terms in California Health and Safety Code and in Title 25 of the California Code of Regulations.

i) Family size appropriate for the unit
ii) Housing cost and affordable housing cost
iii) Monthly-adjusted income. It does not exceed one-twelfth of the adjusted household income of the tenant.
iv) Monthly income. It does not exceed one-twelfth of the annual household income of the tenant.

c) Project Description and Affordability Requirements.

i) Under this Agreement, the City will provide a construction loan of $471,306 from HOME CHDO Set Aside funds and a construction loan of $328,694 from In-Lieu Fee funds on the condition that the Property is developed with forty affordable low-income rental restricted units as provided and within the time provided herein (collectively the "affordable units"); construction must begin within twelve months of the execution of this Agreement, the HOME Participation Agreement and the Affordable Housing Agreement for this Project, incorporated herein by reference. The affordable units shall be made available by Developer and shall be rented by Developer only to very low-income families or households at an affordable housing cost to such families as provided in this Agreement.

ii) This project utilizes HOME Investment Partnership Program CHDO Set –Aside funds and City of Oxnard Housing In-Lieu Fee funds for the loan for the project. Therefore, the first twenty years of the period of affordability will be monitored primarily in conjunction with HOME regulations and shall abide by the City of Oxnard In-Lieu Fee Ordinance as well as concurrently with the regulations for the State of California State Density Bonus. Thereafter, Developer shall continue to restrict the 8 units so that the units remain restricted as affordable housing units for an additional 35 years under the requirements of the State Density Bonus Program (25 CCR §6910- §6932. The total period for the restrictions for renting to another eligible and qualified very low-income family or household to remain affordable will be 55 years in accordance with the State of California Density Bonus Program.

iii) These restrictions shall be independent of any restrictions imposed by Developer. Provided that the unit continuously has been occupied by a very low-income family or household in accordance with the agreements between the Developer and City, all income related restrictions for all units will terminate fifty-five (55) years following the date of the issuance of the Certificate of Occupancy for all rental units including entering beneficiary information into IDIS for the HOME Program within 18 months.

iv) The Project shall meet all City ordinances, conditions, rules and regulations and shall be required to have approval of the City of Oxnard Planning Commission and City Council as provided by City ordinances, resolutions, and other applicable requirements.

Nothing in this Agreement requires City to exercise its police or regulatory power in a certain manner.

v) Developer will execute an Agreement Containing Covenants Affecting Real Property ("Regulatory Agreement") in the form and substance attached hereto as Exhibit D, Many Mansions Regulatory Agreement for the Vista Pacifica Rental Project of the Affordable Housing CHDO Set-Aside and In-Lieu Fee Loan Agreement, restricting rents of the affordable units to very-low-income families as set forth above. The restrictions of this Regulatory Agreement are in addition to and independent of the restrictions imposed by any other funding or regulatory entity.

d) City Participation. Subject to and in accordance with the terms and conditions set forth in this Agreement, City shall do the following:

i) Loan Terms and Conditions. City will, subject to and in accordance with the terms and provisions of this Agreement and that certain HOME Participation Agreement and Affordable Housing Agreement for this Project, make a construction loan to Developer in the sum of $471,306 from HOME CHDO Set-aside funds and $328,694 from In-lieu fee funds, totaling $800,000, evidenced by a promissory note in the form of Exhibit B of this HOME CHDO Set-Aside and In-Lieu Fee Loan Agreement. The promissory note will be secured by a second position deed of trust in the form of Exhibit C in accordance with 24 CFR §92.301, the promissory note will be cancelled and the loan forgiven provided Developer complies with the terms of this Agreement, the Affordable Housing Agreement, and that certain HOME Participation Agreement for this Project and provided further that:

(1) Construction will have begun within twelve months of the execution of this Agreement, the Affordable Housing Agreement and that certain HOME Participation Agreement for this Project, dated October 4, 2016.

(a) Units must be leased up no later than 18 months from the date of receipt of the final Certificate of Occupancy for the project, this timeframe includes entering beneficiary information into IDIS;

(2) Otherwise, the HOME assistance for the unit must be repaid by the CHDO to the City for repayment to HUD.

ii) Failure to Complete Project. If the Project is not complete, as evidenced by certificates of occupancy for the units, and if lease up of the units to a very low-income family has not been made on or before eighteen months from the date of receipt of the final Certificate of Occupancy for the project, Developer shall be in default hereunder, and shall, upon demand by City, Developer shall repay loan according to the number of unleased HOME assisted units in pro-rata to amounts attributed to such unleased units, provided, however, that the period for completion of the Project date may be extended for a period not to exceed one year by written agreement signed by City's Housing Director and concurrence by HUD LA Field Office.

e) Construction Management. Developer shall provide all construction management for the project in accordance with the HOME Participation Agreement and the Affordable Housing Agreement dated October 4, 2016 and shall coordinate with the neighborhood groups and City Planning Department to ensure that the affordable units are constructed according to quality construction standards, and to ensure that the units are constructed in conformity with the surrounding community. Affordable Housing Staff will confirm that work has been done according to Building & Safety Inspection Standards by reviewing the inspector's notes on the various rough and final trade inspections as well as have the Housing Inspector confirm the amount of work completed before approval of payments.

f) Additional Agreements.

1. CONSTRUCTION REQUIREMENTS. Developer will construct on the Property forty affordable rental housing units. All work on the Project shall be performed in a workmanlike and quality fashion, free of encumbrances and liens, in full compliance with all applicable requirements of the International Building Code as referenced in the State of California Building Standards and in the City of Oxnard Building Codes. In addition to all other obligations of Developer as set forth in this Agreement, Developer shall seek and obtain all necessary governmental approval for the Project and shall pay all permit application fees and development exactions then prescribed by local ordinance or resolution at the time of submittal, unless such fees or exactions are waived by the City. Nothing herein excuses compliance by Developer with any or all City ordinances, resolutions, or development procedures or standards in connection with the development of the Project.

Developer may apply for a Deferral of Impact Fees through the Development Services Department as all of these homeownership units are affordable to low-income households and may be eligible dependent upon the requirements of the ordinance No. 2960. Those fees may be deferred with approval from City Council permitting the Director of Development Services to receive those impact fees at the time the first building connects to electricity rather than at the issuance of the building permits.

MAINTENANCE AND REPAIRS. Developer shall, at all times during the term of this Agreement, cause the Property and the Project to be maintained in good condition and repair regardless of cause of the disrepair. Developer shall be fully and solely responsible for costs of maintenance, repair, addition, and improvements, City, and its employees, agents, contractors or designees shall have the right to enter upon the Project at reasonable times and in a reasonable manner to inspect the Project.

2. MONITORING PERFORMANCE.

a. During Construction: Developer shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which Developer or its agents, or both, perform the actions required of them by the terms of this Agreement for the development of the Project. Developer has and hereby retains the right to exercise full control of services hereunder. In regard to the development of the Project, Developer acknowledges and agrees to be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding and all other laws and regulations governing such requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. Notwithstanding the foregoing, at the request of the City , its agents, employees, or attorneys, Developer shall (1) promptly provide documents and provide specific expenditures, assets, liabilities, contracts, operations and condition of the Project, (2) provide City a photocopy of certified financial statements of Developer for the past two years, (3) at all reasonable times during the normal business hours, provide access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Developer until five years after the expiration of this Project. With respect to construction, the expiration of this Project is five years after the completion of construction and the issuance of certificates of occupancy for the last housing unit. With respect to monitoring homeownership and compliance with the resale and refinance restriction agreement, the expiration of the project is when the last resale and refinance restriction agreement has terminated restrictions and been released. Records should be kept for five years beyond that date.

b. Compliance during Construction. In addition, this project is also subject to the HOME reporting requirements as outlined in 24 CFR §92.251(a)(2)(iv) and (v); 24 CFR§92.251(b)(2) and (3).

c. Compliance during Affordability Period. In addition, this project is subject to ongoing compliance requirements of the HOME program and In-lieu fee Ordinance for 20 years from the date of initial occupancy. The 8 Density Bonus units shall have an additional 35 years beyond that under the City of Oxnard Affordable Housing Ordinances to encourage development of affordable rental housing, and under the State of California Density Bonus Program for a total of 55 years. During this compliance period, the Developer will assure continued compliance with the HOME program and In-lieu fee Ordinance requirements for the period attributed to the HOME and In-lieu fee funds (the first 20 years). For rental units, this includes ongoing property standards, occupancy and rent limits compliance, financial reporting, physical inspections of City assisted units and non-City assisted units for comparable amenities and quality. The Developer will pay City a monitoring fee for this process. Refer to SECTION 20. FEES FOR THE RECOVERY OF MONITORING COSTS of that certain HOME Participation Agreement dated October 4, 2016 incorporated herein by reference.

3. ENFORCEMENT OF THE AGREEMENT. The affordability requirements of this Agreement, and in the Regulatory Agreement (Exhibit D) constitute covenants, conditions and restrictions that run with the land. If Developer fails to perform any obligation under this Agreement or the Regulatory Agreement (or fails to cause the Regulatory Agreement to be recorded against the Property), and fails to cure the default within thirty (30) days and thereafter diligently pursue such cure, City may exercise any remedy provided under this Agreement, or Regulatory Agreement, or

under applicable law, including, but not limited to, the recovery of all loan proceeds, interest, and other charges due on the loan, and foreclosure of the Deed of Trust.

4. INSURANCE. With respect to any Project activity, and before taking any action under this Agreement,

a. Developer shall obtain and thereafter maintain in full force and effect throughout the period of this Agreement, the minimum insurance coverages set forth in the Affordable Housing Agreement Exhibit INS-B.

b. Developer shall ensure that the City of Oxnard Affordable Housing and Rehabilitation Division shall be named as a lender loss payee.

c. The endorsement will read as follows:

City of Oxnard
Affordable Housing and Rehabilitation Division
Attn: Loan Servicing & Compliance
435 South D Street
Oxnard, CA 93030
Reference: Loan Agreement #7913

5. HOLD HARMLESS, INDEMNIFICATION. Developer agrees to and shall defend, indemnify and hold harmless the City of Oxnard and its councilmembers, commissioners, directors, officers, employees, contractors and agents from and against all claims, liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever to any person or to the property of any person which shall occur on or adjacent to the Property, or in connection with the activities of Developer under this Agreement, and which shall be directly or indirectly caused by any acts done or any errors or omissions of Developer or its officers, employees, contractors or agents, save and except claims arising through the sole negligence or wrongdoing and/or sole willful misconduct of City or any other indemnitee. Developer is not obligated to indemnify the City or others for claims based upon their use of information provided by Developer, provided the information itself is accurate. Developer shall at all times indemnify and hold harmless City, its officers, officials, employees and agents, from all loss, litigation, liability, damage, or expense of any nature, including, without limitation, potential tenant or owner relocation costs or liability relating to environmental impairments or issues of any kind, arising under the Agreement and/or any subcontract which Developer enters into relating to implementation of the Project. In particular and without limitation, such obligation to indemnify applies to any claim pertaining to the condition of the Property, including any claim relating to the presence of any substance in any form whatsoever, which by any governmental requirements requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as "hazardous" or is harmful to the environment or capable of posing a risk of injury to health and safety. The foregoing obligation to indemnify also includes the obligation to indemnify in connection with any claim or action brought against, or any damages or

expenses suffered by, the City in connection with the violation or alleged violation by the Developer or any of its contractors, employees, volunteers, or agents, to comply with any applicable labor law, including any applicable State or federal law concerning the payment of prevailing wages or "Davis-Bacon" wages. Under 24 CFR §92.354 (2), when HOME is used for project costs, construction or non-construction of 12 or more HOME-assisted units requires prevailing wages to be used for the project. Also if the Developer and the City have a written agreement that HOME funds will be available for down payment assistance to more than 12 units, then the project is also required to use prevailing wages or "Davis-Bacon" wages. The labor contracts must cover all employees, contractors, and or subcontractors for the entire project and cannot be divided so as to avoid paying prevailing wages.

6. SALE OF PROPERTY/CHANGE OF USE. Developer agrees and declares that the Property and the Project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, operated, sold, and approved subject to all obligations set forth or incorporated in this Agreement, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property and the Project. All of the obligations set forth or incorporated in this Agreement and the HOME Participation Agreement shall constitute covenants which run with the land and shall be binding on Developer and its successors and assigns, and all parties having or acquiring any right, title, or interest in, or to any part of the Property or Project; provided, however, that Developer shall have no liability for transfer in violation of the Agreement by Developer's successors and assigns who have taken title in compliance with this Agreement. The exception being, that a CHDO must own the land during development and/or be general managing partner in a limited liability partnership during the period of affordability. The Developer shall be allowed to sell this property or project to a limited partnership in which Many Mansions will be the Managing General Partner.

7. DEVELOPER TRANSFER. Developer shall not assign or transfer all or any part of this Agreement without the prior written approval of City, which will not unreasonably be withheld. Developer shall promptly notify City of any and all changes whatsoever in the identity of the parties in control of Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by City if without the prior approval of the City; there is any significant change (voluntary or involuntary) in membership, management or control, of Developer or its associates (other than such changes occasioned by the death or incapacity of any individual) prior to issuance of a Certificate of Occupancy for all units to be developed. The Developer shall be allowed to sell this property or project to a limited partnership in which Many Mansions will be the Managing General Partner.

8. PERMITS AND OTHER APPROVALS. Developer shall obtain all zone changes, permits, licenses and other approvals that may be necessary in order to legally proceed with the Project. Nothing in this Agreement shall be construed to require or obligate City to approve any zone changes, to issue any conditional use permits, to issue any building permits, or other permits, to approve any tentative or final maps regarding the Project, or to give or issue any other approvals

regarding the Project. Any application by Developer for any such permits and/or processed under applicable laws.

9. AUTHORITY TO BIND. By entering into this Agreement, Developer certifies it is qualified and licensed to conduct business in the State of California and the individual signing on behalf of Developer has the authority to bind Developer..

10. NOTICE. All notices given or required to be given to this Agreement, shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed as follows:

TO CITY: City of Oxnard Affordable Housing and Rehabilitation
Attention: Housing Director
435 South "D" Street
Oxnard, CA 93030

With a copy to: City Attorney
City of Oxnard
305 West Third Street
Oxnard, California 93030

TO DEVELOPER: President
Many Mansions
1259 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

And, when addressed in accordance with this paragraph, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual delivery. Changes may be made in the name and addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

11. COMPLIANCE WITH LAW. Developer shall comply with all applicable laws and regulations in the implementation of this Agreement, including labor laws and prevailing wage laws.

12. CONTRACTUAL RELATIONSHIP. The contractual relationship between City and Developer is independent and under no circumstances shall Developer be considered an agent, partner, or joint venturer of City.

13. ENFORCED DELAY, EXTENSION OF TIMES OF PERFORMANCE. In addition to specific provisions of this Agreement, performance by any of the parties 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, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of public enemy, terrorist attacks, epidemics, quarantine restrictions, fright embargos, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, acts or omissions of another party, acts or failures to act of any public or governmental agency or entity (other than the acts or failures to act of City which shall not excuse performance by City), or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Developer.

14. BENEFIT OF AGREEMENT. This Agreement and every provision hereof are for the exclusive benefit of Developer and City and not for the benefit of any other party. There shall be no incidental or other beneficiaries of any of Developer's or City's obligations under this Agreement.

15. FORM AND SUBSTANCE OF EXHIBITS; EXECUTE. Documents in the form of the attached Exhibits are an integral part of this Agreement. Such documents, however, may be changed prior to execution, in manners that in the opinion of the City's general counsel, do not affect the substance of the Agreement contained therein. The City's Housing Director is authorized to execute all such exhibits and any other documents necessary and/or appropriate to implement the transaction described in this Agreement.

16. ENFORCEMENT OF AGREEMENT. If any terms, provisions, conditions or covenants in this Agreement, or the application thereof to any party or circumstances, shall to any extent be held invalid or unenforceable, the remainder of this Agreement, or the application of such terms, provisions, conditions or covenants to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. GOVERNING LAW. The terms of this Agreement shall be interpreted according to the laws of the State of California. Should litigation occur, venue shall be in the Superior Court of Ventura County.

18. SUPERSEDE PRIOR AGREEMENTS. The provisions of this Agreement supersede all prior agreements and understanding between the parties hereto with regard to the subject matter hereof.

[**SIGNATURES ON FOLLOWING PAGE**]

[SIGNATURE PAGE TO HOME CHDO SET ASIDE AND IN-LIEU FEE LOAN AGREEMENT]

CITY OF OXNARD, a municipal corporation public

____
Tim Flynn, Mayor
Date: ______________________________

MANY MANSIONS, a California non-profit benefit corporation

____
Rick Schroeder, Executive Director
Date: ______________________________

APPROVED AS TO FORM:

____
Stephen M. Fischer, City Attorney

Date: ______________________________

APPROVED AS TO INSURANCE:

____
Mike More, Risk Manager

APPROVED AS TO CONTENT:

____
Arturo Casillas, Housing Director

Date: ______________________________

LIST OF EXHIBITS

1. EXHIBIT A – LEGAL DESCRIPTION
2. EXHIBIT B - PROMISSORY NOTE FOR HOME CHDO SET-ASIDE LOAN AGREEMENT
3. EXHIBIT C – DEED OF TRUST SECURING THE HOME CHDO SET-ASIDE AND IN-LIEU FEE LOAN AGREEMENT
4. EXHIBIT D - AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (REGULATORY AGREEMENT FOR VISTA PACIFICA AFFORDABLE RENTAL HOUSING DEVELOPMENT)
5. EXHIBIT INS-B – INSURANCE REQUIREMENTS

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

A portion of Subdivision 83 of the Rancho El Rio de Santa Clara o'la Colonia, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 14 of Maps, in the Office of the County Recorder of said County, as more particularly described as follows:

Beginning at a point on the West line of Saviers Road distant North 0° 04' West 379.41 feet from the
South line of said Subdivision 83; thence,
1st: West 460 feet, more or less, to a point on a line parallel with and distant Easterly 25 links, measured at right angles from the East line of the land conveyed to C.M Robinson by deed dated January 31, 1882, and recorded in Book 11, Page 77 of Deeds; thence, along said parallel line,
2nd: North 0° 04' West 94.85 feet; thence,
3rd: East 460 feet, more or less, to a point on said West line of Saviers Road; thence, along said West line,
4th: South 0° 04' East 94.85 feet to the point of beginning.

EXCEPT that portion of said land as described to the State of California by deed recorded July 13, 1960, Book 1887, Page 482 of Official Records

ALSO EXCEPT that portion of said land as described to the City of Oxnard by deed recorded August 10, 1999, as Document No. 99-151504 of Official Records

PARCEL 2:

A portion of Subdivision 83 of the Rancho El Rio de Santa Clara o'la Colonia, in the City of Oxnard, in the County of Ventura, State of California as the same is designated and delineated upon that certain map entitled Map No. 2 of Lands in Subdivision Numbers 44, 69, 70, 71, 72, 73, 74, 75, 76, 81, 83 and 84 of Rancho El Rio de Santa Clara o'la Colonia, Ventura County, California, recorded in Book 3, Page 14 of Miscellaneous Records (Maps), and particularly described as follows:

Beginning at a 1 inch iron pipe set on the West line of Saviers Road which a Rock marked "S. 108" set at the Southwest corner of said Subdivision bears West 1829.77 feet and South 00° 04' East 284.56 feet; thence,
1st: West 461.34 feet to A 3/4 inch iron pipe; thence,
2nd: North 00° 04' West 94.85 feet to A 3/4 inch iron pipe; thence,
Phase One Site Assessment
5527 and 5557 Saviers Road, Oxnard, California
3rd: East 461.34 feet to a 1 inch iron pipe set on the West line of Saviers Road; thence,
4th: South 00° 04' East 94.85 feet along the West line of Saviers Road to the point of beginning. EXCEPT that portion of said land as described to the State of California in the deed recorded March 9, 1961, Book 1973, Page 69 of Official Records

EXCEPT that portion of said land as described in the deed to the City of Oxnard by deed recorded October 26, 1998, as Document No. 98-183427 of Official Records.
The subject property is a rectangular shaped ±1.81-acre parcel of land that is currently vacant.

EXHIBIT B - PROMISSORY NOTE
(City of Oxnard Affordable Housing & Rehabilitation Loan)

VISTA PACIFICA AFFORDABLE RENTAL HOUSING DEVELOPMENT

$800,000 Oxnard, California
October 4, 2016

FOR VALUE RECEIVED, the undersigned ., Many Mansions a California non-profit public benefit corporation ("Borrower") hereby promises to pay to the order of the City of Oxnard, a municipal corporation,("Lender"), a principal amount of Eight hundred thousand ($800,000), of which $471,306 are from HOME CHDO Set-Aside funds and $328,694 are from Housing In-Lieu Fee funds, with interest on the unpaid balance thereof from the time of this Note set forth above until repaid at the rate of 3% simple interest (except as otherwise provided herein) thereon pursuant to Section 2 below. Both principal and interest are payable as herein provided, to Lender at: City of Oxnard Affordable Housing and Rehabilitation, 435 South "D" Street, Oxnard, California 93030, Attention: Housing Director, or at such other place as from time to time may be designated by the holder of this Promissory Note ("Note"). The term, "Loan", as used herein, means the Loan evidenced by this Note.

1. **PAYMENTS.** Borrower promises to pay interest and principal and any other charges under this Note as follows:

   a. Sums outstanding under this Note shall be due and payable as provided in paragraph C. (1) and (2), of the HOME CHDO Set-Aside Loan Agreement dated October 4, 2016, by and between City and Borrower.

   b. If Borrower complies with all provisions of the Loan Agreement and the Agreement Containing Covenants Affecting Real Property dated October 4, 2016 ("Regulatory Agreement") and the HOME Participation Agreement dated October 4, 2016 and develops, constructs, and leases the affordable units defined therein in compliance with the terms of the Loan Agreement, the Regulatory Agreement, and the HOME Participation Agreement, Borrower shall be deemed to have satisfied its obligations hereunder, and this Note may be forgiven.

   c. All sums outstanding under this Note and unpaid shall become immediately due and payable upon any default under this Note, or upon any transfer of the property securing payment of this Note not permitted by the Agreement or any change in ownership or composition of the Borrower not permitted by the Agreement.

2. **PAST DUE PRINCIPAL AND INTEREST.** Any amount of principal or interest on the Loan or any fee or expense or other amount payable hereunder shall, to the extent permitted by law, bear interest from such payment's due date until paid at the lesser of the rate of 10% per annum or the maximum rate permitted by law, which interest shall be

immediately due and payable.

3. **NO DEDUCTIONS, NO OFFSETS.** All payments of principal and interest hereunder shall be made without deduction of any present and future taxes, levies, duties, imposts, deductions, charges or withholdings imposed by any existing or future law, rule, regulation, treaty, directive or requirement whether or not having the force of law, which amounts shall be paid by Borrower. Borrower will pay the amounts necessary such that the gross amount of the principal and interest received by Lender is not less than that required by this Note. All stamp and documentary taxes shall be paid by Borrower. If, notwithstanding the foregoing, Lender pays any such taxes, Borrower will reimburse Lender for the amount paid, as additional interest, within five (5) days of Lender's demand for payment. Borrower will furnish Lender official tax receipts or other evidence of payment of all such amounts.

4. **ABSENCE OF USURY.** Borrower and Lender intend that the Loan be exempt from the restrictions contained in the California usury law, or if not exempt, that the Loan shall be in compliance with any applicable usury law. In furtherance thereof, Borrower and Lender agree that none of the terms and provisions contained in this Note, or in any other instrument executed in connection herewith, shall ever be construed to create a contract to pay for the use, forbearance or detention of money, interest at a rate in excess of the maximum interest rate permitted to be charged by applicable law. Therefore, if a court ultimately determines that the Loan is not exempt from the California usury law, or if a court determines that the usury law of another jurisdiction should be applied to the Loan: (a) neither Borrower nor any endorsers or other parties now or hereafter becoming liable for payment of this Note shall ever be required to interest on this Note, and as a result thereof the interest received for the actual period of existence of the Loan would be unlawful, the holder of this Note shall refund to Borrower the amount of such excess or shall credit the amount of such excess against the principal balance of the Note then outstanding; and (c) constitute interest which would increase the effective interest rate on the Note to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of the legal rate shall, upon such determination, at the option of the holder of this Note, be first, credited against the principal balance of this Note then outstanding, and second, returned to the Borrower.

1. Borrower's Obligation. This promissory note (the "Note") evidences Borrower's obligation to pay Holder the principal amount of up to Eight hundred thousand Dollars ($800,000) for the funds loaned to Borrower by Holder pursuant to the HOME CHDO Set Aside and In-Lieu Fee Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement") All capitalized terms not otherwise defined in this Note have the meanings set forth in the Loan Agreement.

2. Interest.

(a) Subject to the provisions of Subsection (b) below, this Note bears simple interest at a rate of three percent (3%) per annum from the date of disbursement until full repayment of all principal.

(b) If a Default occurs, interest will accrue on all amounts due under this Note at the Default Rate until such Default is cured by Borrower or waived by Holder.

3. Term and Repayment Requirements. The unpaid principal balance hereunder, together with accrued interest thereon, is due and payable no later than the date that is the Twentieth anniversary of the date of this Note, which is September 13, 2036.

4. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder, except as provided in the Loan Agreement; provided, however, that Borrower may assign this agreement to a limited partnership in which Many Mansions is the General Managing Partner.

5. Security. This Note is secured by the Deed of Trust wherein the Borrower is the Trustor and the Holder is the Beneficiary.

6. Terms of Payment.

(a) All payments due under this Note must be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note must be paid to Holder at the Affordable Housing and Rehabilitation Department, 435 South “D” Street, Oxnard, and CA 93030, Attention: Housing Director, or to such other place as the Holder of this Note may from time to time designate.

(c) All payments on this Note must be without expense to the Holder, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees and other professional service fees and costs of the Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(d) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the Holder may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

(e) Upon recordation of the Deed of Trust this Note will be nonrecourse to the Borrower, pursuant to and except as provided in Section 2.9 of the Loan Agreement.

7. Default.

(a) Upon the occurrence of a Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of a Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

8. Waivers.

(a) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time and that the Holder may accept further security or releases any security for this Note, all without in any way affecting the liability of the Borrower.

(b) No extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note will operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

(c) The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

(a) All notices to the Holder or the Borrower shall be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as the Holder and the Borrower may therein designate.

(b) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees and other professional service fees and costs, incurred by the Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(d) This Note shall be governed by and construed in accordance with the laws of the State of California.

(e) The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

(f) This document, together with the Loan Documents, contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

IN WITNESS WHEREOF, Borrower has executed this Note as of the day and year first above written.

BORROWER:

____

BY: MANY MANSIONS,
a California non-profit public benefit corporation,
its sole member/manager

BY: Rick Schroeder
President

EXHIBIT C - DEED OF TRUST WITH ASSIGNMENT OF RENTS

RECORDING
REQUESTED BY AND
WHEN RECORDED MAIL
TO:

City of Oxnard
Affordable Housing and
Rehabilitation Program
435 South D Street
Oxnard, CA 93030
Attn: Housing Director

Request recording without fee. Record for the benefit of the City of Oxnard pursuant to Section 6103 of the Government Code.

(Space above this line for Recorder's use)

DEED OF TRUST WITH ASSIGNMENT OF RENTS

(This Deed of Trust contains an acceleration clause)

(Secures Agreement Containing Covenants Affecting Real Property, Promissory Note and Affordable Housing Agreement)

This DEED OF TRUST is made on October 4, 2016, between Many Mansions, a California non-profit corporation herein called TRUSTOR, whose address is 1259 E. Thousand Oaks Blvd., Thousand Oaks, CA 91362, Chicago Title Company, herein called (“Trustee”), and the City of Oxnard, a California municipal corporation (the "City"), herein called (“Beneficiary”).

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located in the City of Oxnard, County of Ventura, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property, the rents of the Property if one or more of the five (5) HOME floating rental unit(s) where the property was not leased within the prescribed time period according to 24 CFR §92.252 or;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Section 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security" to have and to hold the Security together with acquaintances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

(a) Payment of just indebtedness of Trustor to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.3 below) until paid or cancelled and any other amounts owing under the Loan Documents (defined in Section 1.2 below). Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced;

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents; and

(d) All modifications, extensions and renewals of any of the Secured Obligations (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan Agreement" means that certain City of Oxnard Affordable Housing and Rehabilitation HOME CHDO Set-Aside and In-Lieu Fee Loan between Trustor and Beneficiary, of even date herewith, providing for the Beneficiary to loan to the Trustor amount of up to Eight hundred thousand Dollars ($800,000) of which $471,306 are from HOME CHDO Set-Aside funds and $328,694 are from Housing In-Lieu Fee funds, for the construction of thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager’s unit on the Property.

Section 1.2 The term "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term "Note" means the Promissory Note in the principal amount of up to

Eight Hundred Thousand Dollars ($800,000) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.)

Section 1.4 The term "Principal" means the amount required to be paid under the Note.

Section 1.5 The term "Regulatory Agreement" means the Regulatory Agreement and Agreement Containing Covenants Affecting Real Property of even date herewith by and between the Beneficiary and the Trustor and recorded against the Property concurrently herewith.

ARTICLE 2
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it, insomuch as the Property is still under the control of the Trustor and has not been sold to a low-income family or household. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Ventura County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities, including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including, but not limited to, rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property if the property is a converted HOME fixed rental unit or proceeds of the sale of the Property shall make such rents, revenues, or proceeds payable to and pay such rents, revenue, or proceeds of a sale of the property to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents or proceeds, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustors covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenants that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues if the property is a converted HOME fixed rental unit or proceeds of the sale of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property which remains unsold to a low income household or family which may or may not have been or will be converted to a HOME fixed rental housing unit in order to perform all acts necessary and appropriate for the operation and maintenance thereof, including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds where applicable, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (i) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (ii) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (ii) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all Secured Obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor annually or at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become part of the Secured Obligations (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (i) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (ii) any damage to or destruction of the Property or in any part thereof by insured casualty, and (iii) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any senior mortgage lender. The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that Trustor (taking into account the Funds) has sufficient funds to rebuild the improvements in substantially the form they existed prior to the casualty or condemnation.

ARTICLE 5

AGREEMENTS AFFECTING THE PROPERTY; FURTHER
ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1. Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2. Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary (including, but not limited to, other professional service fees and costs); and any such amounts paid by the Beneficiary shall be added to the Secured Obligations, and shall bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3. Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4. Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code. The Trustor herby grants the Beneficiary a security interest in such items.

Section 5.5. Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from time to time in order to protect the security interest established pursuant to this instrument. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements, and releases thereof, as the Beneficiary may reasonably require. Without the prior written consent of the Beneficiary, Trustor shall not create or suffer to be created pursuant to the California Commercial Code any other security interest in the Security, including replacements and additions thereto.

Section 5.6. Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7. Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8. Nondiscrimination.

The Trustor herein covenants by and for itself, its 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 race, color, creed, religion, age, sex, sexual orientation, source of income, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6
HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property, including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may customarily be kept and used in the construction or operation of a multifamily residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in California Health and Safety Code Section 25117.4) under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property, including, without limitation: (i) all foreseeable consequential damages; (ii) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (ii) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (i) and (ii), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable or saleable space on the Property; (3) adverse effect on the marketing of any rental space or space for sale on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including, but not limited to, the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgement, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e) (3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California

Code of Civil Procedure Section 726.5(a) to (i) waive its lien on such environmentally impaired or affected portion of the Property and (ii) exercise (1) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (2) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including , but not limited to, attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the Loan Agreement until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

The Trustor is aware that California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following shall constitute events of default ("Events of Default") following the expiration of any applicable notice and cure periods: (i) failure to make any payment to be paid by Trustor under the Loan Documents; (ii) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination; or (iii) failure to make any payment or observe or perform any of Trustor's covenants, agreements, or obligations under any other debt instrument or regulatory agreement secured by the Property, where such failure remains uncured following any applicable notice and cure periods.

Section 7.2 Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Default and Election to Sell (as defined below) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Default and Election to Sell, and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written Notice of Default and election to cause Trustor's interest in the Security to be sold ("Notice of Default and Election to Sell"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Alameda County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure by Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall give Notice of Default and Election to Sell to the Trustee and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of such notice from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and Election to Sell having been given as required by law, sell the Security, at the time and place of sale fixed by it in the Notice of Default and Election to Sell, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary.

Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligations, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Trustee or the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally, by reputable overnight delivery service(which provides a delivery receipt) or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

City of Oxnard
Affordable Housing and Rehabilitation Division
435 South "D" Street
Oxnard, CA 93030
Attention: Housing Director

With a copy to:

City Attorney
City of Oxnard
305 West Third Street
Oxnard, California 93030

and (2) if intended for Trustor shall be addressed to:

Many Mansions
1259 E. Thousand Oaks Blvd
Thousand Oaks, CA 91362
Attn: President

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is affected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligations of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligations of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions.

Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Security encumbered by this Deed of Trust, the following rule contained in 26 U.S.C. Section 42(h) (6) (E) (ii), as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Internal Revenue Code.

WITNESSED: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the County of Ventura, State of California, described as:

[See Attached Exhibit A]

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 from converted HOME fixed rental housing units, issues, and profits or proceeds from the sale of the properties.

For the Purpose of Securing the performance of each agreement of Trustor incorporated by reference or contained herein; and performance of all obligations of that certain Agreement Containing Covenants Affecting Real Property dated on or about October 4, 2016, that certain Affordable Housing Agreement dated October 4, 2016, and that certain Promissory Note of even date herewith ("Promissory Note"), in the face amount of $800,000 made by Trustor. This Deed of Trust secures all obligations of each of the foregoing agreements. Any default in the performance of obligations under any of such agreements is a default under each of the agreements and is a default hereunder, and entitles Beneficiary and Trustee to exercise all rights and remedies herein described.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the **agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is** mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda 1288	*556*		Madera	911	136	San Luis Obispo	1311	137
Alpine	3	130-31	Marin	1849	122	San Mateo	4778	175
Amador	133	438	Mariposa	90	453	Santa Barbara	2065	881
Butte	1330	513	Mendocino	667	99	Santa Clara	6626	664
Calaveras	185	338	Merced	1660	753	Santa Cruz	1638	607
Colusa	323	391	Modoc	191	93	Shasta	800	633
Contra Costa	4684	▮	Mono	69	302	San Diego Series5	1964	149774
Del Norte	101	549	Monterey	357	239	Sierra	38	187
El Dorado	704	635	Napa	704	742	Siskiyou	506	762
Fresno	5052	623	Nevada	363	94	Solano	1287	621
Glenn	469	76	Orange	7182	18	Sonoma	2067	427
Humboldt	801	83	Placer	1028	379	Stanislaus	1970	56
Imperial	1189	701	Plumas	166	1307	Sutter	655	585
Inyo	165	672	Riverside	3778	347	Tehama	457	183
Kern	3756	690	Sacramento	5039	124	Trinity	108	595
Kings	858	713	San Benito	300	405	Tulare	2530	108
Lake	437	110	San Bernardino	6213	768	Tuolumne	177	160
Lassen	192	367	San Francisco	A-804	596	Ventura	2607	237
Los Angeles	T-3878	874	San Joaquin	2855	283	Yolo	769	16
						Yuba	398	693

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 attached hereto), are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby; provided the charge therefore does not exceed the maximum allowed by law.

The Trustor acknowledges receipt of a copy of such provisions of such fictitious deed of trust.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be made to him as his address hereinbefore set forth.

[SIGNATURE TO DEED OF TRUST WITH ASSIGNMENT OF RENTS]

MANY MANSIONS

TRUSTOR:

____

By: _______________________________
Many Mansions, a California non-profit public benefit corporation,
Its sole member/manager

By: ___________________________
Rick Schroeder
President

STATE OF CALIFORNIA)
COUNTY OF VENTURA)

On _____________________, before me, ___________________________, 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.

____
Notary Public

EXHIBIT A – LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

A portion of Subdivision 83 of the Rancho El Rio de Santa Clara o'la Colonia, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 14 of Maps, in the Office of the County Recorder of said County, as more particularly described as follows:

Beginning at a point on the West line of Saviers Road distant North 0° 04' West 379.41 feet from the South line of said Subdivision 83; thence,
1st: West 460 feet, more or less, to a point on a line parallel with and distant Easterly 25 links, measured at right angles from the East line of the land conveyed to C.M Robinson by deed dated January 31, 1882, and recorded in Book 11, Page 77 of Deeds; thence, along said parallel line,
2nd: North 0° 04' West 94.85 feet; thence,
3rd: East 460 feet, more or less, to a point on said West line of Saviers Road; thence, along said West line,
4th: South 0° 04' East 94.85 feet to the point of beginning.

EXCEPT that portion of said land as described to the State of California by deed recorded July 13, 1960, Book 1887, Page 482 of Official Records

ALSO EXCEPT that portion of said land as described to the City of Oxnard by deed recorded August 10, 1999, as Document No. 99-151504 of Official Records

PARCEL 2:

A portion of Subdivision 83 of the Rancho El Rio de Santa Clara o'la Colonia, in the City of Oxnard, in the County of Ventura, State of California as the same is designated and delineated upon that certain map entitled Map No. 2 of Lands in Subdivision Numbers 44, 69, 70, 71, 72, 73, 74, 75, 76, 81, 83 and 84 of Rancho El Rio de Santa Clara o'la Colonia, Ventura County, California, recorded in Book 3, Page 14 of Miscellaneous Records (Maps), and particularly described as follows:

Beginning at a 1 inch iron pipe set on the West line of Saviers Road which a Rock marked "S. 108" set at the Southwest corner of said Subdivision bears West 1829.77 feet and South 00° 04' East 284.56 feet; thence,
1st: West 461.34 feet to A 3/4 inch iron pipe; thence,
2nd: North 00° 04' West 94.85 feet to A 3/4 inch iron pipe; thence,
Phase One Site Assessment
5527 and 5557 Saviers Road, Oxnard, California
3rd: East 461.34 feet to a 1 inch iron pipe set on the West line of Saviers Road; thence,
4th: South 00° 04' East 94.85 feet along the West line of Saviers Road to the point of beginning. EXCEPT that portion of said land as described to the State of California in the deed recorded March 9, 1961, Book 1973, Page 69 of Official Records

EXCEPT that portion of said land as described in the deed to the City of Oxnard by deed recorded October 26, 1998, as Document No. 98-183427 of Official Records.
The subject property is a rectangular shaped ±1.81-acre parcel of land that is currently vacant.

EXHIBIT D- AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (REGULATORY AGREEMENT FOR VISTA PACIFICA AFFORDABLE RENTAL DEVELOPMENT

Recording Requested by and When Recorded Return to:

City of Oxnard
Affordable Housing and Rehabilitation Division
435 South "D" Street
Oxnard, CA 93030

No Recording Fee Required in Accordance
With California Government Code Section 6103

SPACE ABOVE THIS LINE FOR RECORDING USE

AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
(Regulatory Agreement)
(Vista Pacifica Affordable Rental Development Project)

THIS AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY ("Covenants") is entered into on October 4, 2016, by and between **THE CITY OF OXNARD, ("City"),** a public body (hereinafter referred to as the "City") and **MANY MANSIONS, a California Non-Profit Corporation** (hereinafter referred to as "Developer").

WHEREAS, Ormond Beach LLC is the owner of that certain real property in the City of Oxnard, County of Ventura, State of California ("Property") described in Exhibit "A" attached hereto and incorporated herein by this reference; and,

WHEREAS, Developer desires to use the property to design, develop and construct thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. Upon construction completion, Vista Pacifica will consist of five separate buildings (8-units in each) totaling thirty-nine (39) very low-income affordable rental units and one (1) unrestricted manager's unit. The development will be comprised of 15 one-bedroom, 20 two-bedroom, and 5 three- bedroom units. The homes will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. On-site amenities will include: an interior courtyard, playground, community room (where Developer will provide on-site services including but not limited to service coordination in order for residents to obtain and retain government and community resources and youth development services such as an after-school tutoring program, career preparation program, and summer camp), laundry room, and a picnic/BBQ area. The site is also walking distance to a park, elementary school, medical clinic, and shopping. and,

WHEREAS, City agrees to provide a construction loan in the amount of $800,000 from funding sources identified in that certain HOME CHDO-Set-aside and In-Lieu Fee Loan Agreement incorporated herein by this reference, and Developer will develop property for use as very- low-income affordable rental housing property.

NOW, THEREFORE, CITY AND DEVELOPER COVENANT AND AGREE AS FOLLOWS:

1. Developer, its successors and assigns, shall develop, use, lease and maintain the Property as follows:

   a. Developer shall construct upon the Property forty affordable rental units, all in accordance with plans and specifications prepared by Developer and approved by the City. The City restricted units shall be leased to very low-income families, as defined in the Agreement at an affordable housing cost.

   b. Each affordable rental unit in the Property shall remain subject to the affordability restrictions for 20 years for those units that are HOME-Assisted and the two (2) In-Lieu Fee-assisted rental units. Those that are designated as density bonus affordable rental units are subject to affordability restrictions for 55 years.

   c. Developer shall lease the affordable rental units subject to and in conformance with a HOME Participation Agreement and the Affordable Housing Agreement.

   d. Developer shall maintain the improvements on the Property and shall deep the Property free from any accumulation of debris or waste materials, and Developer shall maintain the required landscaping in a healthy condition, until such time that all restrictions of affordability have been released upon completion of and compliance with all restrictions during the 55-year period of affordability.

2. The City, its successors and assigns, is deemed the beneficiary of the covenants herein, without regard to technical classification and designation. The covenants shall run in favor of the City, its successors and assigns, without regard to whether City has been, remains, or is an owner of any land or interest therein. This Agreement may be enforced by any legal means or process including action for specific performance.

3. The provisions contained herein are covenants running with the land and shall bind Developer, its successors and assigns.

4. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, national origin, sex, age, disability, marital status, sexual preference, creed, ancestry, familial status, medical condition, or retaliation for having filed a discrimination complaint, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Developer itself or any person claiming under or through it, establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number use or occupancy of buyer, tenants, lessees, subtenants, sublessees, or vendees of the Property.

5. The Developer shall refrain from restricting the rental, sale or lease of the Property to any person on the basis of race, color, religion, ancestry, familial status, national origin, sex, age, disability, marital status, sexual preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint. All such deeds, leases or contracts shall contain or be subject to substantially the following discrimination or nonsegregation clause: In deeds:

"The transferee 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) and (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, sublesses, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

6. Developer shall perform each and every obligation set forth in these Covenants, and the Agreement respecting the Property. Provided that Developer has complied with all provisions of these covenants of the Agreement with respect to a particular affordable unit and shall be deemed to have satisfied Developer's obligations under these covenants and the Agreement with respect to such affordable unit, City shall, upon request of Developer, provide written evidence of the satisfaction of such obligations and release of such further responsibility. When all obligations under these Covenants have been satisfied, City shall, upon request, provide Developer with written evidence of the satisfaction of such obligations and a release from further responsibility hereunder.

7. Terms used in these Covenants that are used in the Agreement have the same meaning in these Covenants as they do in the Agreement.

[SIGNATURES TO AGREEMENT CONTAINING COVENANTS REAL PROPERTY ON NEXT PAGE]

[SIGNATURE TO AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY]

IN WITNESS WHEREOF, City and Developer have executed this Agreement.

(**NOTARIZATION REQUIRED)**

CITY OF OXNARD, a municipal corporation

____
Timothy B. Flynn, Mayor

ATTEST:

____
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

____
Stephen Fischer, City Attorney

APPROVED AS TO INSURANCE:

____
Mike More, Risk Manager

MANY MANSIONS,
a non-profit corporation

____
Rick Schroeder, President

EXHIBIT INS-B

INSURANCE REQUIREMENTS FOR SMALL/MEDIUM CONSTRUCTION AND SERVICES CONTRACTS (WITHOUT BUILDER'S RISK REQUIREMENT)

1. Contractor shall obtain and maintain during the performance of any services under this Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Contractor, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project location or shall be twice the occurrence amount;

b. Business Automobile Liability Insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than $1,000,000, with neither Contractor nor listed subcontractors having less than $500,000 individually. The Professional Liability/Errors and Omissions Insurance must be project specific with at least a one-year extended reporting period, or longer upon request.

d. Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than $1,000,000 per claimant.

2. Contractor shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-D. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be forwarded to the Risk Manager, addressed as follows:

City of Oxnard
Risk Manager
Reference No. **A-7913**
300 West Third Street, Suite 302
Oxnard, California 93030

3. Contractor agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Contractor agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-D or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages **(this must be endorsed).** Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number.

Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
CODE SUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE
	COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY** [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE PRODUCTS COMP/OP AGG. PERSONAL & ADV. INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED. EXPENSE (Any one person)	$1,000,000 $1,000,000 $1,000,000 $1,000,000 $ $
A	**AUTOMOBILE LIABILITY** [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY	SAMPLE			COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE	$1,000,000 $ $ $
A	**EXCESS LIABILITY** UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
A	**WORKERS' COMPENSATION** AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT DISEASE-POLICY LIMIT DISEASE-EACH EMPLOYEE	 $1,000,000 $1,000,000 $1,000,000
A	**OTHER** Errors and omissions insurance or malpractice insurance available for the insured's profession; if architectural, engineering or electrical work will be performed under the Agreement				Minimum coverage Each consultant/ & listed sub-consultant	$1,000,000 $500,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER City of Oxnard Attn: Risk Manager Reference No. __________ 300 W. Third Street, Suite 302 Oxnard CA 93030	**CANCELLATION** SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~ AUTHORIZED REPRESENTATIVE

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits
☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ ____________
with an Aggregate of $__________ applies to ____________
coverage. ☐ Per Occurrence ☐ Per Claim (which)

NAMED INSURED

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY
☐ COMPREHENSIVE GENERAL LIABILITY
☐ OWNERS & CONTRACTORS PROTECTIVE

☐ Claims Made
Retroactive Date ____________
☐ Occurrence

OTHER PROVISIONS

COVERAGES

	LIABILITY LIMITS IN THOUSANDS $	
	EACH OCCURRENCE	AGGREGATE
☐ GENERAL		
☐ PRODUCTS/COMPLETED OPERATIONS		
☐ PERSONAL & ADVERTISING INJURY		
☐ FIRE DAMAGE		
☐ ____________		
☐ ____________		

CLAIMS: Underwriter's representative for claims pursuant to this insurance.
Name: ____________
Address: ____________
Telephone: ( ) ____________

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
   b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No. _______
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE
☐ Broker/Agent ☐ Underwriter ☐ ____________

I ____________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____________
(original signature required)

Telephone: ( ) Date Signed ____________

SUBMIT IN DUPLICATE

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURER

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits
☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ ____________
with an Aggregate of $__________ applies to ____________
coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

☐ COMMERCIAL AUTO POLICY

☐ BUSINESS AUTO POLICY

☐ OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ ______________ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: ____________

Address: ____________

Telephone: (   ) ____________

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. INSURED. The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:

   a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
   b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No. _______
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ ____________

I ____________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____________

(original signature required)

Telephone: (   )   Date Signed ____________

REQUEST FOR BUDGET APPROPRIATION

Department: HOUSING **Date:** August 24, 2016
Project/Program HOME Investment Partnership-CHDO
Manager: Ruth Johnson **Phone:** (805) 385-7404

Reason for Appropriation:

TO APPROPRIATE $328,694 FROM THE HOUSING IN LIEU FEES FUND AND THE INCREASED ALLOCATION OF CHDO FUNDS FROM 2016 HUD ALLOCATION TO FUND VISTA PACIFICA DEVELOPMENT PROJECT, DEVELOPED BY MANY MANSIONS TO CONSTRUCT 40 VERY LOW-INCOME RENTAL UNITS LOCATED AT 5527 AND 5557 SAVIERS ROAD

Fund: (295) HUD HONE

Revenues/Transfers In		
CHDO SETASIDE		
295-5162-531-72.05	FEDERAL/HUD-HOME LOAN GRANTS	2,850
	Sub-total Revenues	2,850
Expenditures/Transfers Out		
CHDO PROGRAM YEAR 2016 Project 775214		
295-5162-804-86.02	CAPITAL OUTLAY-BUILDINGS	2,850
	Sub-total Expenditures	2,850
	Net Change to Fund Balance	**0**

Accounts and Descriptions		**AMOUNT**
Fund: (371) HOUSING IN LIEU FEES		
Expenditures/Transfers Out		
VISTA PACIFICA DEV PROJ (Project 175101)		
371-5135-804-8364	HOUSING ASSIST LOAN/GRANT	328,694
	Sub-total Expenditures	328,694
	Net Change to Fund Balance	**(328,694)**
	Net Appropriation Change	**331,544**

Approvals

Department Director ______________________

Chief Financial Officer ______________________

BA# (Finance Use Only)______________

BA Doc# (Finance Use Only)

REQUIRES CITY COUNCIL AUTHORIZATION

Revi

City Manager ______________________________

CITY OF OXNARD CALIFORNIA	CITY COUNCIL AGENDA REPORT	TYPE OF ITEM: Report AGENDA ITEM NO.: 3

DATE: October 11, 2016

TO:
Housing Authority

THROUGH: Greg Nyhoff
City Manager

FROM: Arturo Casillas
Housing Director

SUBJECT: Awarding of 39 Section 8 Program Project Based Vouchers to Many Mansions for the Vista Pacifica Development

CONTACT: Arturo Casillas, Housing Director
Arturo.Casillas@oxnard.org, 385-8094

RECOMMENDATION:

That the Housing Authority of the City of Oxnard Board of Commissioners:

> Approve the awarding of 39 Section 8 Project Based Vouchers to Many Mansions for the Vista Pacifica development project and authorize the Housing Director to submit a notice to the U.S. Department of Housing and Urban Development (HUD) of our intent to assign 39 vouchers to the Vista Pacifica Development and to demonstrate that the Oxnard Housing Authority (OHA) has sufficient budget authority to carry-out this planned project-based activity.

BACKGROUND

The proposed recommendation represents an essential part of a funding plan for development of 40 new construction affordable housing apartments by Many Mansions, a non-profit corporation. Many Mansions is carrying out this project in partnership with the City of Oxnard, the Oxnard Housing Authority, and the County of Ventura. Through a separate agenda report, staff will recommend the assignment of City HOME grant funds and "In-lieu fees" to support the project. Other funding sources for the project consist of 4% tax credits, a HUD Fair Housing

Administration loan, and HOME funds awarded by the County of Ventura.

The recommended project consists of the new construction of affordable rental units known as the Vista Pacifica Development (Vista Pacifica). The City Council approved the development project on May 19, 2015. Vista Pacifica will consist of five separate buildings (8-units in each) totaling 40-units. The development will be comprised of 15 one-bedroom, 20 two-bedroom, and 5 three-bedroom units. The units will range from 743 to 1,202 square feet. Each unit will have a patio, storage area, and garage. On-site amenities will include: an interior courtyard, playground, laundry room, a picnic/BBQ area, and a community room, where services will be provided at no cost to residents. The site is also walking distance to a park, elementary school, medical clinic, and shopping.

HUD allows Housing Authorities to utilize up to 20 percent of their Section 8 Program rental assistance voucher budget authority in assistance attached to specific housing dwelling units rather than using the funding for tenant-based assistance. This is referred to as a Project Based Voucher (PBV) program. Presently, the OHA has 1,825 vouchers. Twenty percent of Oxnard Housing Authority's vouchers is 365.

The OHA may only operate a PBV program if it is consistent with the OHA's Annual Plan and its goal of expanding housing and economic opportunities. The OHA's current Annual Plan, which was approved by the Housing Commission and HUD, allows for the issuance of up to 359 PBVs. On June 10, 2014, the Housing Authority Commission approved the use of 260 PBVs, for use with Las Cortes redevelopment project in La Colonia. That project will replace 260 units of deteriorating public housing. Those are the only PBVs approved to date, leaving up to 99 PBVs available for allocation.

PBV's are assigned to the dwelling units and the voucher remains with the unit as long as the landlord is in compliance with the Housing Assistance Payment (HAP) Contract. Residents living within a PBV unit qualify for a *Tenant Based Voucher* upon one-year of residence within the PBV unit. They can choose at that time to relocate using a tenant-assigned Section 8 voucher, if one is available. The PBV unit will still retain its voucher to provide assistance to another household, for a period of 15 years, which is renewable for an additional 15 years. All vacant units that are PBV units will be filled from the OHA waiting list.

In the current proposal, Many Mansions will be awarded 39 PBV's for a 40-unit apartment complex. The Section 8 PBV units will house very-low income families, defined as those at or below 50% of the areas medium income. Some of these families will actually be extremely low-income families, defined as families receiving 30% or less of the area medium income. The remaining apartment will be an unrestricted two-bedroom unit and will house the resident manager.

Generally, a maximum of 25 percent of the apartments in a development project may have PBVs, which in the case of the Vista Pacifica 40 unit project case would be 10 units. However, exceptions are permitted by HUD for projects that serve special populations, such as the elderly or disabled, or where families will receive qualified supportive services as defined in the Housing Authority's Administrative Plan. At Vista Pacifica, on-site supportive services will be provided and will include assistance for residents on how to obtain and retain government and community resources, and youth development services, such as an after-school tutoring program, career preparation program, and summer camp. These on-site services allow the allocation of addition PBVs.

Generally, PBVs are awarded based on a competitive Request for Proposals. However, as permitted by HUD and the OHA's Administrative Plan, "the OHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program." Many Mansions met this requirement when it received an award of $210,337 in County of Ventura HOME funds in May of 2016 through a competitive process.

The proposed project will permit the OHA to increase its voucher utilization and will create additional leasing opportunities for very-low and extremely-low-income residents. The assignment of Section 8 Program PBVs to the project will enable the developer to leverage private funding resources to carry out the project.

STRATEGIC PRIORITY – QUALITY OF LIFE
This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 2. Address homelessness through the development and implementation of a multi-tiered strategy.

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

FINANCIAL IMPACT

There is no financial impact to the City based on the recommendation. If the project is approved, funding will be provided by HUD from funds assigned to the OHA. Funding of the proposed project will increase administrative fee income from HUD to the OHA.

CITY OF OXNARD CALIFORNIA	**CITY COUNCIL** **AGENDA REPORT**	**TYPE OF ITEM: Report** **AGENDA ITEM NO.: 4**

DATE: October 11, 2016

TO: City Council

THROUGH: Greg Nyhoff
City Manager

FROM: Daniel Rydberg
Public Works Director

Daniel Rydberg

SUBJECT: Approve Amendment with CV Strategies for Public Works Outreach (5/15/10)

CONTACT: Daniel Rydberg, Public Works Director
Daniel.Rydberg@oxnard.org, 385-8055

RECOMMENDATION:

That City Council approve a First Amendment to Agreement No. 7567-16-PW with CV Strategies for a one year total not-to-exceed amount of $73,550 with a total contract amount of $98,250 to implement utility rates outreach services.

BACKGROUND

On June 10, 2016 the Public Works Department issued a Request for Proposal (RFP) regarding outreach services for utility rates. The RFP closed on June 24, 2016. Four proposals were submitted. None of the proposals were from Oxnard. Interviews were conducted by a panel of four staff. Staff determined CV Strategies was the best fit for the scope of service and overall success of the project. Some of the utility rates outreach services will include strategic outreach plan development, support city staff for productive public meetings & events, develop a social media program, web resources, digital tools, and crisis communications and issue management. The original Agreement 7567-16-PW with CV Strategies became active in August and with a smaller, more specific scope of work. Staff followed this direction after receiving feedback from City Council on July 19, 2016 during the discussion regarding water rates. In approximately 90 days, staff would come back to City Council with a report on utility rates outreach services progress and examples of community engagement efforts and various media strategies implemented.

Below are some examples of enhanced product that the CV Strategies and staff have increased community awareness of utility rates outreach services.

Draft utilities messaging
- Develop initial FAQ and message plan document
- Identify appropriate messaging vehicles (bill inserts, mailers, handouts, signage, etc.)
- Build initial messaging documents, design, and look
- Finalize and distribute key outreach tools based on needs assessment
- Utilize visual messaging, including infographics
- Translate materials into Spanish

Draft bi-weekly newsletter
- Work with staff to determine initial content
- Develop editorial calendar
- Create newsletter design template, branding, and look
- Create original content in collaboration with staff
- Incorporate visual, and interactive content with clear calls to action
- Build awareness of newsletter through advertising and social media
- Spanish translation of all desired materials
- Distribute to intended audience

Over the next year staff recommends to continue to work with CV Strategies to create stronger content for utility social media pages, maximize outreach strategy and support, and provide metrics for outreach efforts to evaluate the community response to individual messages and feedback requests.

STRATEGIC PLAN

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 1. Ensure Master plans for all City infrastructures are current, synchronized and consistent with the General Plan.

Objective 1a. Complete the Public Works Integrated Master Plan.

Goal 5. Ensure orderly development and long-range conservation and management of our natural resources and coastal assets.

Objective 5a. Develop and implement a sustainability program.

FINANCIAL IMPACT

There are sufficient funds in the Water Fund Account No. 601-6010-842-8209, Wastewater Treatment Fund Account No. 621-6202-842-8209, Wastewater Collection Fund Account No. 611-6103-842-8209 and Solid Waste Fund Account No. 631-6301-842-8209 to cover this expenditure.

ATTACHMENTS:

Attachment A - First Amendment to Agreement No. 7567-16-PW

Agreement No. 7567-16-PW

FIRST AMENDMENT TO AGREEMENT FOR CONSULTING AGREEMENT

This First Amendment ("First Amendment") to the Agreement for Consulting Agreement ("Agreement") is made and entered into in the County of Ventura, State of California, this 11th day of October, 2016, by and between the City of Oxnard, a municipal corporation ("City"), and CV Strategies ("Consultant"). This First Amendment amends the Agreement entered into on July 28, 2016, by City and CV Strategies. City and CV Strategies agree as follows:

1. In Section 1 of the Agreement, the "Services" are supplemented with the "Services" set forth in Exhibit A1 attached hereto and incorporated by this reference in full herein.

2. In Section 8 of the Agreement, the Schedule for the Services is deleted and replaced with Exhibit B1 attached hereto and incorporated by this reference herein.

3. In Section 12 of the Agreement, the date "September 30, 2016" is deleted and replaced with the date "June 30, 2017".

4. Section 14(a) of the Agreement is replaced in its entirety with the following:

   "City agrees to pay Consultant in an amount not to exceed of $98,250 for the Services at rates provided in Exhibit C1 attached hereto and incorporated by this reference in full herein."

5. As so amended, the Agreement remains in full force and effect.

CITY OF OXNARD	CONSULTANT
Greg Nyhoff, City Manager	Erin Gilhuly, President
APPROVED AS TO FORM:	CONSULTANT
for	
Stephen M. Fischer, City Attorney	Robert A. Bernheimer, Chief Financial Officer
APPROVED AS TO INSURANCE:	APPROVED AS TO CONTENT:
Risk Manager	Daniel Rydberg, P.E., Public Works Director

EXHIBIT A1

SCOPE OF SERVICES

TASK 1: Develop initial utilities outreach program **($6,250)**
- Work closely with staff to identify key message points
- Identify target audiences and their points of concern
- Review existing outreach materials, including web site, social media content, brochures, mailers, advertising and bill inserts
- Build work schedule and outreach calendar
- Prioritize outreach methods and messages
- Connect information and messages across different platforms, ensuring consistency

TASK 2: Draft utilities messaging **($20,000)**
- Develop initial FAQ and message plan document
- Identify appropriate messaging vehicles (bill inserts, mailers, handouts, signage, etc.)
- Build initial messaging documents, design, and look
- Finalize and distribute key outreach tools based on needs assessment
- Utilize visual messaging, including infographics
- Translate materials into Spanish

TASK 3: Draft bi-weekly newsletter **($16,000)**
- Work with staff to determine initial content
- Develop editorial calendar
- Create newsletter design template, branding, and look
- Create original content in collaboration with staff
- Incorporate visual, and interactive content with clear calls to action
- Build awareness of newsletter through advertising and social media
- Spanish translation of all desired materials
- Distribute to intended audience

TASK 4: Create content for utilities pages **($25,000)**
- Collaborate with City staff to create and curate digital content
- Build interactive digital engagement tools (polls, online questions, infographics, etc.)
- Work with IT staff to build page look and branding
- Ensure that all materials and messages are posted and up-to-date

TASK 5: Create utilities PowerPoint presentations **($5,000)**
- Design custom template for branding consistency
- Work with City staff to identify and utilize key information
- Populate slides with graphics and content
- Create support materials to accompany presentation (comment cards, signage, handouts, etc.)

TASK 6: Media buys **($3,000)**
- Work with staff to prioritize key media outlets
- Facilitate advertising buys in local media

- Evaluate ROI and customer benefit
- Plan and execute tactical ad buy program

TASK 7: Provide metrics for outreach efforts **($8,000)**

- Incorporate feedback tools into all communications (web polls, comment cards, etc.)
- Create two-way dialog tools with all outreach efforts
- Maintain pulse of community questions and opinions
- Evaluate community response to individual messages and strategies through social media and feedback request
- Track website and social media engagement
- Create online survey tool to discover community priorities

TASK 8: Outreach strategy and support **($15,000)**

- Assist in responding to citizen questions and concerns
- Utilize targeted methodologies listed above (e.g. bill inserts, newsletter, digital tools)
- Assist with the development of rate outreach support materials (e.g.: lobby posters and displays, revised customer bills, etc.)
- Support informational presentations to community groups highlighting progress
- Work with media to further develop relationships and ensure coverage is accurate
- Attend Council Meetings to address any ongoing customer questions/concerns
- Connect customers with conservation information and support
- Perform additional communication services as identified by consultants and staff

EXHIBIT B1

SCHEDULE OF SERVICES

EXHIBIT B1

SCHEDULE

TASK	2016			2017					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
TASK 1: DEVELOP INITIAL UTILITIES OUTREACH PROGRAM									
Work closely with staff to identify key message points	X	X							
Identify target audiences and their points of concern	X	X							
Review existing outreach materials, including web site, social media content, brochures, mailers, advertising and bill inserts	X	X							
Build work schedule and outreach calendar	X	X	X	X	X	X	X	X	
Prioritize outreach methods and messages	X	X	X	X	X	X	X	X	X
Connect information and messages across different platforms, ensuring consistency	X	X	X	X	X	X	X	X	X
TASK 2: DRAFT UTILITIES MESSAGING									
Develop initial FAQ and message plan document	X	X							
Identify appropriate messaging vehicles (bill inserts, mailers, handouts, signage, etc.)		X							
Build initial messaging documents, design, and look		X							
Finalize and distribute key outreach tools based on needs assessment		X							
Utilize visual messaging, including infographics		X	X	X	X	X	X	X	X
Translate materials into Spanish		X	X	X	X	X	X	X	X
TASK 3: DRAFT BI-WEEKLY NEWSLETTER									
Work with staff to determine initial content	X	X	X	X	X	X	X	X	X
Develop editorial calendar	X	X	X	X	X	X	X	X	X
Create newsletter design template, branding, and look	X	X	X	X	X	X	X	X	X
Create original content in collaboration with staff	X	X	X	X	X	X	X	X	X
Incorporate visual, and interactive content with clear calls to action	X	X	X	X	X	X	X	X	X

EXHIBIT B1

SCHEDULE

TASK	2016			2017					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Build awareness of newsletter through advertising and social media	X	X	X	X	X	X	X	X	X
Spanish translation of all desired materials	X	X	X	X	X	X	X	X	X
Distribute to intended audience	X	X	X	X	X	X	X	X	X
TASK 4: CREATE CONTENT FOR UTILITIES PAGES									
Collaborate with City staff to create and curate digital content	X	X	X	X	X	X	X	X	X
Build interactive digital engagement tools (polls, online questions, infographics, etc.)	X	X	X	X	X	X	X	X	X
Work with IT staff to build page look and branding			X	X	X	X	X	X	X
Ensure that all materials and messages are posted and up-to-date		X	X	X	X	X	X	X	X
TASK 5: CREATE UTILITIES POWERPOINT PRESENTATIONS									
Design custom template for branding consistency									
Work with City staff to identify and utilize key information	X	X	X	X	X	X	X	X	X
Populate slides with graphics and content			X	X	X	X	X	X	X
Create support materials to accompany presentation (comment cards, signage, handouts, etc.)		X	X	X	X	X	X	X	X
TASK 6: MEDIA BUYS									
Work with staff to prioritize key media outlets	X	X	X	X	X	X	X	X	X
Facilitate advertising buys in local media	X	X	X	X	X	X	X	X	X
Evaluate ROI and customer benefit			X	X	X	X	X	X	X
Plan and execute tactical ad buy program		X	X	X	X	X	X	X	X
TASK 7: PROVIDE METRICS FOR OUTREACH EFFORTS									

EXHIBIT B1

SCHEDULE

TASK	2016			2017					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Incorporate feedback tools into all communications (web polls, comment cards, etc.)	X	X	X	X	X	X	X	X	X
Create two-way dialog tools with all outreach efforts	X	X	X	X	X	X	X	X	X
Maintain pulse of community questions and opinions	X	X	X	X	X	X	X	X	X
Evaluate community response to individual messages and strategies through social media and feedback request		X	X	X	X	X	X	X	X
Track website and social media engagement	X	X	X	X	X	X	X	X	X
Create online survey tool to discover community priorities		X	X	X	X	X	X	X	X
TASK 8: GENERAL OUTREACH STRATEGY AND SUPPORT									
Assist in responding to citizen questions and concerns	X	X	X	X	X	X	X	X	X
Utilize targeted methodologies listed above (e.g. bill inserts, newsletter, digital tools)	X	X	X	X	X	X	X	X	X
Assist with the development of rate outreach support materials (e.g.: lobby posters and displays, revised customer bills, etc.)	X	X	X	X	X	X	X	X	X
Support informational presentations to community groups highlighting progress	X	X	X	X	X	X	X	X	X
Work with media to further develop relationships and ensure coverage is accurate	X	X	X	X	X	X	X	X	X
Attend Council Meetings to address any ongoing customer questions/concerns	X	X	X	X	X	X	X	X	X
Connect customers with conservation information and support	X	X	X	X	X	X	X	X	X
Perform additional communication services as identified by consultants and staff	X	X	X	X	X	X	X	X	X

EXHIBIT C1

COSTS AND RATE SCHEDULE

TASK	TOTAL
TASK 1: DEVELOP INITIAL UTILITIES OUTREACH PROGRAM	$6,250
TASK 2: DRAFT UTILITIES MESSAGING	$20,000
TASK 3: DRAFT BI-WEEKLY NEWSLETTER	$16,000
TASK 4: CREATE CONTENT FOR UTILITIES PAGES	$25,000
TASK 5: CREATE A UTILITIES POWERPOINT PRESENTATION	$5,000
TASK 6: MEDIA BUYS	$3,000
TASK 7: PROVIDE METRICS FOR OUTREACH EFFORTS	$8,000
TASK 8: GENERAL OUTREACH STRATEGY AND SUPPORT	$15,000
TOTAL	$98,250

RATE SCHEDULE
(Effective 08/01/2016)

Hourly rates for professional and administrative personnel are as follows:

POSITION	HOURLY RATE
President	$200
Senior Vice President	$175
Vice President	$165
Account Executive	$165
Creative Services Personnel (including graphics, video, and photography)	$150
Translation	$125
Administrative Services	$100

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/3/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

MPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to :he terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the :ertificate holder in lieu of such endorsement(s).

ODUCER
/ILLIAM YOUNGBLOOD INSURANCE
:5-400 Bob Hope Dr. Suite 107
:ancho Mirage, CA 92270

CONTACT NAME:
PHONE (A/C, No, Ext): (760)770-2827 FAX (A/C, No): (760)770-0447
E-MAIL ADDRESS: Bill@insurancesuperstore.net

INSURER(S) AFFORDING COVERAGE	NAIC#
INSURER A: UNITED STATES LIABILITY	25895 AH
INSURER B: THE HARTFORD	30104 AH
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

URED CV STRATEGIES, INC.
73-700 Dinah Shore Unit 402
PALM DESERT, CA 92211
( ) -
(760)776-1766

VERAGES CERTIFICATE NUMBER: REVISION NUMBER:

HIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD IDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS ERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, XCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: POLICY; PRO-JECT; LOC; OTHER:			CX 1552086	9/26/2016	9/26/2017	EACH OCCURRENCE	$ 2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
						MED EXP (Any one person)	$ 5,000
						PERSONAL & ADV INJURY	$ 2,000,000
						GENERAL AGGREGATE	$ 2,000,000
						PRODUCTS - COMP/OP AGG	$
							$
AUTOMOBILE LIABILITY; ANY AUTO; X ALL OWNED AUTOS; SCHEDULED AUTOS; X HIRED AUTOS; X NON-OWNED AUTOS			CX 1552086	9/26/2016	9/26/2017	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
							$
UMBRELLA LIAB; X EXCESS LIAB; OCCUR; CLAIMS-MADE; DED; RETENTION $			CX 1552086	9/26/2016	9/26/2017	EACH OCCURRENCE	$ 2,000,000
						AGGREGATE	$ 2,000,000
							$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) X; If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	Y	72WECDX2148	3/05/2016	3/05/2017	PER STATUTE / OTH-ER	
						E.L. EACH ACCIDENT	$ 1,000,000
						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
Professional Errors and Omissions			CX 1552086	9/26/2016	9/26/2017	$2,000,000 Occ; $2,000,000 Agg	

RIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
:tificate holder is named as additional insured.

TIFICATE HOLDER

City of Oxnard
Risk Manager
Reference No.________
300 West Third Street, Suite 302
Oxnard, CA 93030

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
William Youngblood

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UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

AMENDMENT OF OTHER INSURANCE CONDITION: PRIMARY AND NON-CONTRIBUTORY - DESIGNATED PERSON OR ORGANIZATION

SCHEDULE*

Name of Person or Organization:

Effective Date: 07/11/2016 12:00 AM
City of Oxnard
Risk Manager
300 West Third Street, Suite 302
Oxnard, CA 93030

*If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement

SECTION III - COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I - PROPERTY AND SECTION II - LIABILITY), H. Other Insurance is amended by the addition of the following:

This insurance is primary and non-contributory as respects our coverage for the person or organization named in the SCHEDULE. We will not seek contribution from any other insurance policy available to the person or organization named in the SCHEDULE for "bodily injury", "property damage" or "personal and advertising injury" covered under this policy.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

POLICY NUMBER: **CX 1552086**

BUSINESSOWNERS
BP 04 48 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name of Person Or Organization:

Effective Date: 07/11/2016 12:00 AM
City of Oxnard
Risk Manager
300 West Third Street, Suite 302
Oxnard, CA 93030

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **C. Who Is An Insured** in **Section II - Liability:**

4. Any person or organization shown in the Schedule is an insured, but only with respect to liability arising out of your ongoing operations or premises owned by or rented to you.

ISO Properties, Inc., 2001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

Policy Number: 72 WEC DX2148 **Endorsement Number:** 02
Effective Date: 05/05/16 Effective hour is the same as stated on the Information Page of the policy.
Named Insured and Address: CV STRATEGIES, INC.

45025 MANITOU DR STE 13
INDIAN WELLS, CA 92210

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization	Job Description
CITY OF OXNARD RISK MANAGER REFERENCE NO._______ 300 WEST THIRD STREET, SUITE 302 OXNARD, CA 93030	CLERICAL CLIENT COMMUNICATIONS, WRITING STRATEGY SUPPORT, MEDIA RELATIONS, VIDEO SUPPORT

Countersigned by ______________________________
Authorized Representative