

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 City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AMENDED AGENDA
Reports Item L.4 Attachment #2 Revised

AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY

Meeting Location: Council Chambers, 305 West Third Street

May 17, 2022

Appointment Items - 5:00 PM

Regular Meeting - 6:00 PM

Zoom details to call-in for public comment during a meeting:

- 1. Dial Phone Number: (888) 475-4499**
- 2. Enter Meeting ID: 816 6547 0992**
- 3. Passcode: 026847**

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom calling in steps listed above. Once the Mayor calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.
2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING
 - a. Submit a request to speak by no later than 3 p.m. on the day of the meeting by using the form available at www.oxnard.org/citymeetings.
 - b. Submit an email to cityclerk@oxnard.org no later than 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the City Council prior to the start of the meeting and made part of the legislative record.
 - c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.
3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING
 - a. To provide public comment during the meeting dial (888) 475-4499 and enter the Meeting ID and Passcode listed above as the Zoom details for this meeting. When the Mayor announces the particular item on the agenda you want to speak on, press *9 to raise your hand while in the zoom waiting room. Once called on, press *6 to unmute your phone.

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.

Agenda Item time estimates: (Presentation / Council Discussion / Public Comment)

- b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Detailed participation instructions can be found at www.oxnard.org/city-meetings.

* The City has filed pre-election and post-election lawsuits regarding the validity of Measure M.

A. ROLL CALL, POSTING OF AGENDA

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

B. APPOINTMENT ITEMS (5:00 PM)

1. SUBJECT: Virtual Presentation by BEACON's Executive Director, Mr. Marc Beyeler on BEACON's Structure, Projects and Recent Activities and Accomplishments.
2. SUBJECT: Presentation by the Channel Islands Neighborhood Council on Water Quality.

C. OPENING CEREMONIES (6:00 PM)

Pledge of allegiance to the flag of the United States.

D. CEREMONIAL ITEMS

1. SUBJECT: Presentation of a Proclamation Designating the Month of May, 2022 as "Mental Health Awareness Month."
2. SUBJECT: Presentation of a Proclamation Designating the Week of May 24 - 31, 2022 as "Beach Safety Week."
3. SUBJECT: Presentation of a Proclamation Designating June 18, 2022 as the "31st Annual Juneteenth Celebration."
4. SUBJECT: Recommitment to Resolution No. 15,430 Condemning Racism, Xenophobia, Violence, and Hate Crimes Against Asian Americans and Pacific Islanders.

E. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

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. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take 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.

F. 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.

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

At this time, a member of the legislative body may make a brief announcement, or make a brief report on his or her activities. Further, members of the legislative body may request to schedule consideration of whether to place an item on a future agenda. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. The member's report shall not exceed three minutes, unless additional time is granted by the presiding officer.

1. City Manager Department

SUBJECT: Appointment of Members to Serve on the City's Mobilehome Park Rent Review Board. (0/5/5)

RECOMMENDATION: That the Mayor, with the concurrence of the City Council, make the following appointments to Mobilehome Park Rent Review Board: Felipe Flores, Cynthia Daniels, and Martin Lee Remmen.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/_fh8rTn3g

Legislative Body: City Council

Contact: Shiri Klima, (805) 385-7487

H. 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.

I. 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.

J. INFORMATION/CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the City Council approve the minutes of the March 29, 2022 and April 5, 2022 regular meetings as presented.

Legislative Body: City Council

Contact: Rose Chaparro, (805) 385-7805

2. Cultural & Community Services Department

SUBJECT: Ventura County Area Agency on Aging Senior Nutrition Program.

RECOMMENDATION: That City Council adopt a resolution authorizing:

1. The Cultural and Community Services Director or designee to submit an application for the next Ventura County Area Agency on Aging (VCAAA) Older Senior Nutrition Program grant cycle (July 2022 to June 2023); and
2. If funding is received, authorize the City Manager or designee to execute grant agreements; the Chief Financial Officer or designee to submit financial reports and grant claims and approve or amend budget appropriations for the use of the grant funds; and the City Manager or designee to submit non-financial reports. (This item did not originate in

Committee.)

Legislative Body: City Council

Contact: Terrel Harrison, (805) 385-7994

3. Police Department

SUBJECT: First Amendment to the Agreement between the City and the Oxnard Union High School District for Police School Resource Officer Services and Cost Sharing.

RECOMMENDATION: That the City Council execute a First Amendment to the Agreement for Police School Resource Officer ("SRO") Services between the City of Oxnard ("City"), and the Oxnard Union High School District ("OUHSD" or "District"), to extend the term of the agreement for one year from June 30, 2022 to June 30, 2023.

Legislative Body: City Council

Contact: Jason Benites, (805) 385-7624

4. Finance Department

SUBJECT: Adoption: Revisions to Procurement Ordinance Reflecting Preparation of the new Tyler Munis Enterprise Resource Planning (ERP) Financial System.

RECOMMENDATION: That the City Council adopt an ordinance amending and replacing portions of Chapter 4 of the Oxnard City Code regarding purchasing and contracting authority titled:

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA, AMENDING AND REPLACING PORTIONS OF CHAPTER 4 OF THE OXNARD CITY CODE, RELATING TO PURCHASING AND CONTRACTING

Legislative Body: City Council

Contact: Betsy George, (805) 200-5400

5. Public Works Department

SUBJECT: Agreement A-8459 with HORNE LLP for California Low Income Household Water Assistance Program.

RECOMMENDATION: That the City Council:

1. Receive and file a report about the California Low Income Household Water Assistance Program (LIHWAP); and
2. Authorize the Public Works Director to execute Agreement A-8459 with HORNE LLP to enroll in this financial assistance program, in substantial conformance with the attached template, subject to the final approval of the City Attorney for any final modifications.

(Public Works and Transportation Committee approved 3-0)

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

6. Public Works Department

SUBJECT: Amend Purchase Order #8552 with SiteOne Landscape Supply, LLC for Citywide Irrigation Parts and Supplies.

RECOMMENDATION: That the City Council approve and authorize the Purchasing Agent to amend Purchase Order #8552 with SiteOne Landscape Supply to increase the not to exceed amount from \$100,000 to \$1,000,000 and extend the term from June 30, 2022 to February 27,

2025, for the purchase of irrigation parts and supplies.

(Public Works and Transportation Committee approved 3-0.)

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

7. Public Works Department

SUBJECT: Approve Seventh Amendment to Agreement 7167-15-CM with Ventura Regional Sanitation District.

RECOMMENDATION: That the City Council approve and authorize the Mayor to execute a Seventh Amendment to Agreement 7167-15-CM with Ventura Regional Sanitation District (VRSD) in the amount of \$431,441.09 for a total not-to-exceed amount of \$1,150,000 and to extend the term from June 30, 2022 to June 30, 2023, with the option to exercise two (2) one-year extensions through June 30, 2025, for monitoring and reporting of the closed Santa Clara Landfill.

(Public Works and Transportation Committee approved 3-0)

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

8. Housing Department

SUBJECT: The Oxnard Housing Authority Education Scholarship Program.

RECOMMENDATION: That the Board of Commissioners approve the Oxnard Housing Authority's new privately funded education scholarship program benefitting Section 8 participants and Public Housing tenants.

Legislative Body: Housing Authority

Contact: Emilio Ramirez, (805) 385-8094

K. PUBLIC HEARINGS

1. Housing Department

SUBJECT: Adoption of the Annual Action Plan for Fiscal Year 2022 - 2023 and amending the Annual Action Plans for Fiscal Years 2021 – 22 and 2020 - 2021. (0/10/15)

RECOMMENDATION: That the City Council:

1. Conduct a public hearing regarding 2020 and 2021 Annual Action Plan Amendments, and the Plan Year 2022 Annual Action Plan draft document with funding recommendations for the third year of the 2020 - 2024 Ventura County Regional Consolidated;

2. Approve the 2022 Annual Action Plan with the recommended use of funds for selected activities that conform with City of Oxnard consolidated plan goals as defined in the Ventura County Regional Consolidated Plan for the three entitlement grants, Community Development Block Grant, Home Investments Partnership grant and the Emergency Solutions Grant to be submitted to the United States Department of Housing and Urban Development, as prescribed;

3. Approve the updated changes in activities pertinent to the 2021 Annual Action Plan Amendment and Plan Year 2020 Annual Action Plan Amendment related to HEARTH Emergency Solutions Grant;

4. Authorize the City Manager and his designees, to incorporate the actual HUD grant allocation in the 2022 Annual Action Plan including increasing or decreasing approved activities by 10% of approved recommendation based on the actual HUD grant allocation;
5. Authorize the City Manager and his designees, to incorporate any recommended changes resulting from the public input to the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment, as directed by the City Council, including amending any budget appropriations approved by the City Council;
6. Authorize the City Manager and his designees, to execute the required applications, certifications, and other pertinent documents for the submission of the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment to the United States Department of Housing and Urban Development, Office of Community Planning and Development;
7. Authorize the City Manager, and his designees, to execute HUD agreements and sign all agreements for the implementation of the Annual Action Plan including subrecipients, interdepartmental, and intradepartmental agreements.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/oBXl5QCoz_4

Legislative Body: City Council

Contact: Emilio Ramirez, (805) 385-8094

L. REPORTS

1. Human Resources Department

SUBJECT: Agreement for Third Party Administration of Workers' Compensation Claims. (0/5/5)

RECOMMENDATION: That the City Council approve and authorize the Mayor to execute Agreement No. A-8455 with CorVel Enterprise Comp., Inc. in an amount not to exceed \$1,515,000 for a 5-year term for workers' compensation claims administration and adjustment services.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/eiQVFwcV4Js>

Legislative Body: City Council

Contact: Steve Naveau, (805) 385-7947

2. Public Works Department

SUBJECT: Public Works Department Update. (0/10/10)

RECOMMENDATION: That the City Council receive and file an update report from the Public Works Department with respect to an overview of department operations, programs, activities, challenges, opportunities and staffing.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/VxgZE8gMFZo>

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

May 17, 2022

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3. Public Works Department

SUBJECT: Declaration of a Local Emergency Due to Drought Conditions and a Lack of Adequate Water Supply, Authorizing the City Manager to Take Appropriate Actions, and Adoption of a Resolution Amending Water Conservation Restrictions. (0/10/5)

RECOMMENDATION: That the City Council:

1. Adopt a resolution proclaiming the existence of a local emergency due to water shortage emergency conditions; and
2. Adopt a resolution rescinding Resolution No. 14,741 and adopting new mandatory water conservation measures.

Additional information will be provided live by Calleguas Municipal Water District.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/ZCqeSRLFCww>

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

4. Housing Department

SUBJECT: Central Terrace Apartments located at 217 – 235 East Sixth Street in Downtown Oxnard. (0/5/5)

RECOMMENDATION: That the City Council:

1. Adopt a resolution of the City Council of the City of Oxnard approving and authorizing the City Manager or designee to execute and take all needed actions in consultation with City Attorney relative to entering into an Assignment of City loan documents; loan rider and subordination agreement in connection with that certain loan provided by City to Many Mansions for the development of Central Terrace Apartments affordable housing project;
2. Authorize the City Manager or designee to execute an Assignment, Assumption and Modification Agreement and Loan Rider by and between the City of Oxnard, Many Mansions, a California nonprofit public benefit corporation, and Central Terrace LP, a California limited partnership;
3. Authorize the City Manager or designee to execute a Subordination Agreement by and among Banner Bank, a Washington corporation, the City of Oxnard, and Central Terrace LP, California limited partnership; and
4. Authorize the City Manager or designee to execute the First Amendment to the Affordable Housing and Sustainable Communities (AHSC) Implementation Agreement by and between the City of Oxnard and Many Mansions, a California nonprofit public benefit corporation.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/LIH4_SPLr40

Legislative Body: City Council

Contact: Emilio Ramirez, (805) 385-8094

5. Housing Department

SUBJECT: Homeless Solutions Center, 241 West Second Street. (0/5/5)

RECOMMENDATION: That the City Council:

1. Adopt a resolution of the City Council of the City of Oxnard approving and authorizing the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura and further authorizing the City Manager or Designee to execute and take all needed actions relative to entering into a Permanent Local Housing Allocation loan agreement and a Measure O loan agreement with Mercy House Living Centers for the construction of the tenant improvements for the navigation center located within the proposed Homeless Solutions Center project;
2. Authorize the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura for the financial sharing arrangement for the development and operation of the permanent year-round navigation center to be located on the ground floor of the Homeless Solutions Center;
3. Approve and authorize the City Manager or designee to execute the First Amendment to the Disposition and Development Agreement by and between the City of Oxnard and Housing Trust Fund Ventura County and CDP Developers, LLC;
4. Adopt a resolution of the City Council of the City of Oxnard declaring 241 W. Second Street to be exempt surplus land pursuant to Government Code Section 54221(f)(1)(a) and Authorizing the City staff to take related actions;
5. Accept, recognize, and deposit a lump sum contribution of \$2,935,265 from the County of Ventura to pay for the County's share of the cost to construct tenant improvements for development of the City's new permanent year-round navigation center on the ground floor of the Homeless Solutions Center; and
6. Approve a budget appropriation of \$160,000 from the Low-and-Moderate Income Housing Fund of the former redevelopment agency.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/TTTguD2WrUc>

Legislative Body: City Council

Contact: Emilio Ramirez, (805) 385-8094

6. Public Works Department

SUBJECT: Fiscal Year 2022-23 Landscape Maintenance Districts Initiation of Proceedings, Declaration of Intention to Levy and Collect Assessments, and Scheduling of Public Hearing. (0/5/5)

RECOMMENDATION: That the City Council acting as the legislative body of the City of Oxnard Landscape Maintenance Districts (LMDs):

1. Adopt a resolution initiating proceedings for the annual levy and collection of assessments for Fiscal Year 2022-23 within the City's LMDs; and

2. Adopt a resolution declaring intention to levy and collect assessments for Fiscal Year 2022-23 within the City's LMDs pursuant to the Landscaping and Lighting Act of 1972.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/B_qZ9BCQd_g

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

7. City Attorney Department

SUBJECT: Setting November Election for Term Limits Measure; and Selecting Members of City Council to Sign the Argument Against the Measure. (0/10/10)

RECOMMENDATION: That the City Council:

1. Adopt a resolution titled as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ORDERING AN ELECTION TO BE HELD ON NOVEMBER 8, 2022 TO CONSIDER THE ADOPTION OF A MEASURE TITLED "TERM LIMITS FOR THE MAYOR AND COUNCILMEMBERS, EXTENSION OF MAYOR'S TERM FROM TWO YEARS TO FOUR YEARS STARTING IN 2022", REQUESTING THE COUNTY CLERK CONDUCT THE ELECTION, AND AUTHORIZING THE BOARD OF SUPERVISORS TO CANVASS THE RETURNS

2. Authorize one or more members of the City Council to sign the argument against the initiative measure.

Legislative Body: City Council

Contact: Stephen Fischer, (805) 385-7483

M. ADJOURNMENT

Understanding the Water Situation in and around Channel Islands Harbor

May 17, 2022

Channel Islands Neighborhood Council (CINC)

Marine Advisory Committee (MAC)

5/6/2022



60 years of Mandalay Generating Station pumping 1.5 billion gallons of water helped sustain water quality in the harbor

In early 2018 pumping operations stopped!



Goals

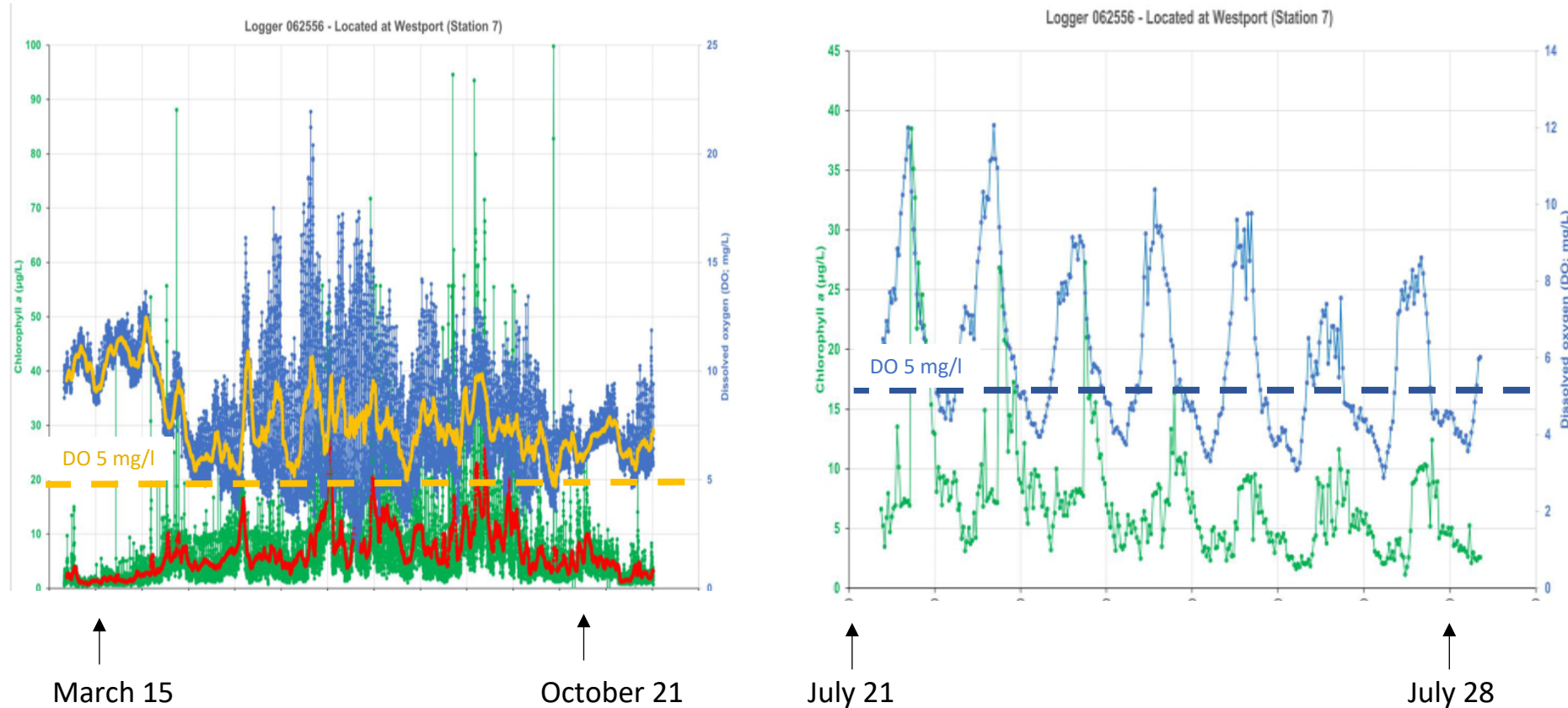
MAC has two parallel goals:

- Safe swimmable and fishable water in the harbor **for all to enjoy**, and
- **Conservation of water** for agricultural and residential usage



Remote Sensors for Dissolved Oxygen and Chlorophyll (2021)

Westport



- Dissolved Oxygen lower than 5 mg/L can be stressful to marine organisms
- Daily cycle during summer often drops below this level at night, but usually recovers during the day
- Risk if an extensive algae bloom and then die-off depletes oxygen levels that don't recover

Data from - <https://www.oxnard.org/city-department/publicworks/channel-islands-harbor-water-quality/>

Toxicity

Ability of organisms to survive and reproduce

- Specifically, the test measures the survival of small shrimp in water sample for one week



Moderate Rain (0.82")

% of shrimp that did not survive on Dec 15, 2021



Heavy Rain (1.36")

Significant Challenges During Wet Weather

March 29, 2022 1.09 inches rain

Sampling of Bacteria 2022-03-29 104 is the maximum acceptable value.



Heavy rain caused extremely high bacteria levels in Edison Canal, adjacent to storm drains, and throughout the harbor. Values significantly **exceed the 104 MPN/100ml** threshold for impaired waters established by the water board.

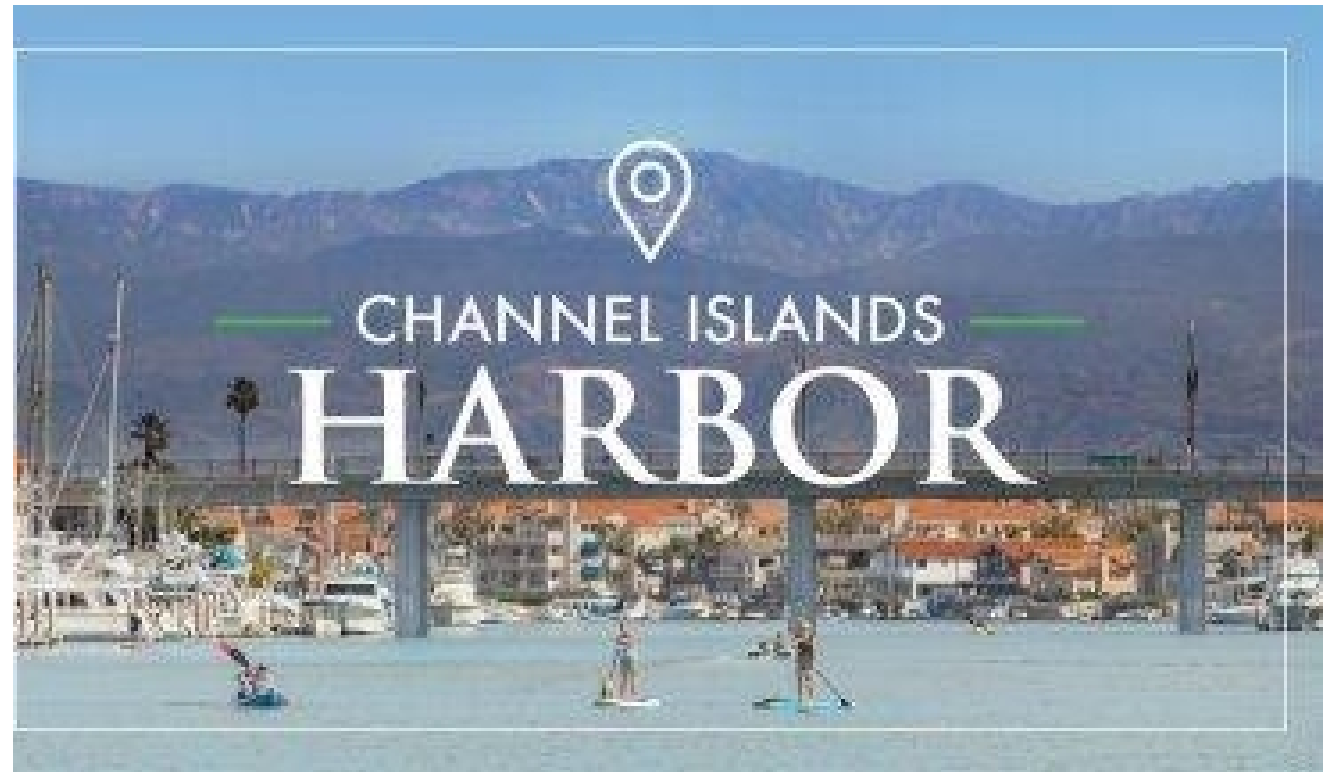
Triple Threat to the Harbor

- ❖ Elevated bacteria levels makes swimming and water activities unsafe
- ❖ Diminished dissolved oxygen levels are fatal to fish and other sea life
- ❖ Toxins are fatal to aquatic life and may impact the food chain



Appreciation

- The ARPA designated funding for
 - ✓ Feasibility Study \$300,000
 - ✓ Remediation \$1 million
- Requested \$500k from State Budget
- Grant applications submitted by Eric Humel
- City staff efforts and recently formed Harbor Water Quality Task Force, including
 - Michael Wolfe
 - Steve Howlett
 - Heather D'Anna Nichols
 - Eric Storrie
 - Lyn McGraw



Support for Safe Water in the Harbor

1. Please provide funding for continuing water testing (\$150,000)
2. Please authorize city staff to initiate RFP for the Feasibility Study **now**
3. Please empower and authorize City employees on the Harbor Water Quality Task Force
4. Please support grant applications



CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. 15,430

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
CONDEMNING RACISM, XENOPHOBIA, VIOLENCE, AND
HATE CRIMES AGAINST ASIAN AMERICANS AND PACIFIC ISLANDERS (AAPI)

WHEREAS, the City of Oxnard supports inclusion and belonging for people of all races, genders, national origins, and ethnicities; and

WHEREAS, since the beginning of the COVID-19 pandemic, across the nation, inflammatory and xenophobic rhetoric has put AAPI persons, families, communities, and businesses at risk; and

WHEREAS, such statements have promoted unfounded fears and perpetuated stigma, which have contributed to increasing rates of bullying, harassment, violence, hate crimes and killings against AAPI persons; and

WHEREAS, women and elderly AAPI persons have been especially targeted in racially-motivated violent attacks causing great bodily harm or death; and

WHEREAS, despite these increasing acts of violence, Asian American Pacific Islanders have provided undeniably crucial contributions to the history of our nation; and

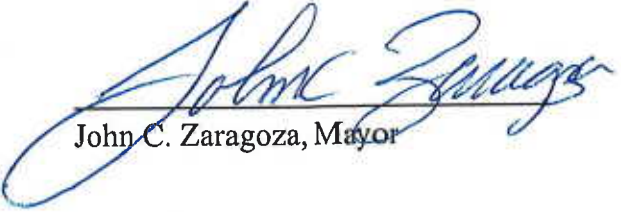
WHEREAS, numerous individuals of AAPI descent have positively contributed to the history of the City of Oxnard; and

WHEREAS, the City of Oxnard should condemn and combat racism, xenophobia, violence, and hate crimes against AAPI persons and ensure that all persons are treated with dignity, equity, and respect - no matter their race, ethnicity, primary language, country of origin, religious beliefs, gender or background.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Oxnard, that the City of Oxnard hereby condemns racism, xenophobia, violence, and hate crimes against Asian Americans and Pacific Islanders; will continue to accept the responsibility to prevent racism, xenophobia, violence, and hate crimes against anyone in the City of Oxnard; and calls upon all residents, city staff, and community groups to assist in and support the furtherance of these objectives and this Resolution.

PASSED AND ADOPTED this 30th day of March, 2021 by the following votes:

AYES: Councilmembers Basua, Lopez, MacDonald, Madrigal, Perello, Teran and
Zaragoza.
NOES: None.
ABSENT: None.
ABSTAIN: None.


John C. Zaragoza, Mayor

ATTEST:


Rose Chaparro, City Clerk

APPROVED AS TO FORM:

 3/26/2021
Stephen M. Fischer, City Attorney



CITY COUNCIL AGENDA REPORT
CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR
AGENCY/FINANCING AUTHORITY
BUSINESS/COMMITTEE REPORTS
AGENDA ITEM NO. G.1

DATE: May 17, 2022
TO: City Council
FROM: Shiri Klima, Deputy City Manager, (805) 385-7487, shiri.klima@oxnard.org
SUBJECT: Appointment of Members to Serve on the City's Mobilehome Park Rent Review Board. (0/5/5)

RECOMMENDATION

That the Mayor, with the concurrence of the City Council, make the following appointments to Mobilehome Park Rent Review Board: Felipe Flores, Cynthia Daniels, and Martin Lee Remmen.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/-fh8rfTn3g>

BACKGROUND

Oxnard City Code section 2-36 states that the Mayor, with the approval of the City Council, shall appoint the members of each Citizen Advisory Group (CAG). The Mobile Home Park Rent Review Board is not a CAG, but its establishing ordinance in City Code section 24-5 has similar language, except that this Board consists of five (rather than seven) members appointed by the Council as a whole.

DISCUSSION

The Mobilehome Park Rent Review Board (MPRRB) is charged with collecting evidence and information, initiating investigations, scheduling and conducting hearings or appeals, and issuing written findings and decisions to protect the mobilehome owners in the City from excessive rents and to protect their investment in their homes while at the same time providing for a fair return for mobilehome park owners. The MPRRB is composed of five members at large who are not connected with the real estate or rental housing industry for their personal financial gain and who are not residents of, nor have any financial interest in, any mobilehome or mobilehome park. For this purpose, the Council nominates Felipe Flores, Cynthia Daniels, and Martin Lee Remmen, all of whom have been serving on the MPRRB and previously passed the City's formal background check procedures.

Staff will return on a rolling basis with additional Council nominations to fill the remaining vacancies in the City's commissions, committees and boards.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Samantha Shapiro, Project Manager

ATTACHMENTS

1. Appointment of Members to Serve on the City's Mobilehome Park Rent Review Board Presentation

Appointment of Members to Serve on the City's Mobilehome Park Rent Review Board

City Council

May 17, 2022

Samantha Shapiro, Project Manager

That the Mayor, with the approval of the City Council, make the following appointments to the Mobilehome Park Rent Review Board: Felipe Flores, Cynthia Daniels, and Martin Lee Remmen

MOBILEHOME PARK RENT REVIEW BOARD (MPRRB)

Function	The MPRRB is charged with collecting evidence and information, initiating investigations, scheduling and conducting hearings or appeals, and issuing written findings and decisions to protect the mobilehome park owners in the City from excessive rents and to protect their investment in their homes while at the same time providing for a fair return for mobilehome park owners.
Requirements	5 members at large who are not connected with the real estate or rental housing industry for their personal financial gain and who are not residents of, nor have any financial interest in, any mobilehome or mobilehome park.
Nomination	The Council nominates Felipe Flores, Cynthia Daniels, and Martin Lee Remmen

That the Mayor, with the approval of the City Council, make the following appointments to the Mobilehome Park Rent Review Board: Felipe Flores, Cynthia Daniels, and Martin Lee Remmen



THE END



CITY COUNCIL AGENDA REPORT
INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. J.1

DATE: May 17, 2022
TO: City Council
FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org
SUBJECT: Approval of Minutes.

RECOMMENDATION

That the City Council approve the minutes of the March 29, 2022 and April 5, 2022 regular meetings as presented.

BACKGROUND

Approval of Minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Rose Chaparro, City Clerk

ATTACHMENTS

1. MINUTES 03 29 2022 CC Regular Meeting
2. MINUTES 04 05 2022 CC Regular Meeting

MINUTES
OXNARD CITY COUNCIL
Regular Meeting
March 29, 2022

A. ROLL CALL, POSTING OF AGENDA

At 5:00 p.m., Mayor John C. Zaragoza called to order the regular meeting of the Oxnard City Council, (concurrently with the Oxnard Housing Authority), in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Councilmembers Gabriela Basua, Vianey Lopez, Oscar Madrigal, Bert E. Perello, Gabriel (Gabe) Teran, Mayor Pro Tem Bryan A. MacDonald, and Mayor John C. Zaragoza were present.

Housing Authority Commissioner Jose Andrade arrived at 6:30 p.m., Commissioner Francisco Vega was absent.

Staff members present in person were Alexander Nguyen, City Manager; Stephen M. Fischer, City Attorney; Kenneth Rozell, Chief Assistant City Attorney; Jason Zaragoza, Deputy City Attorney; Michael Wolfe, Public Works Director; Emilio Ramirez, Housing Director; Vyto Adomaitis, Community Development Director; Scott Kolwitz, Planning & Environmental Services Manager; Joe Pearson II, AICP, Senior Planner; Kathleen Mallory, Planning & Sustainability Manager; and Terrel Harrison, Cultural & Community Services Director.

Staff members Ashley Golden, Assistant City Manager; Shiri Klima, Deputy City Manager; Adam Smith, Project Manager; Betsy George, Chief Financial Officer; Alexander Hamilton, Fire Chief; Jason Benites, Police Chief; Alex Arnett, Police Commander; Marc Amon, Police Commander; Steve Howlett, Assistant Public Works Director; Tatiana Arnaout, Senior Civil Engineer; Eden Alomeri, Revenue & Licensing Director & Assistant City Treasurer; participated via videoconference.

Carolyn Merino Mullin, Executive Director, at the Oxnard Performing Arts Center (OPAC); Christian Sprunger, Assistant Vice President at NHA Advisors; Joseph Cabral and Karen Schmidt with Clean Power Alliance; also participated via videoconference.

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

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS (None received.)

C. CLOSED SESSION (5:00 PM)

1. CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
Name of case: F G v. City of Oxnard
Ventura County Superior Court, Case No. 56-2022-00562807-CU-OE-VTA
Legislative Body: City Council
2. CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
Name of case: Adair; et al. v. City of Oxnard; et al.
Ventura County Superior Court, Case No. 56-2022-00563192-CU-MC-VTA
Legislative Body: City Council

At 5:02 p.m., the City Council recessed to a closed session. At 6:25 p.m., the City Council reconvened in open session in the Council Chambers. The City Attorney announced that there were no reportable actions out of closed session.

D. OPENING CEREMONIES (6:30 PM)

The flag salute was followed by a moment of silence.

E. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Fernanda Ruiz.

F. REPORT OF CITY MANAGER

1. City Manager Department

SUBJECT: COVID-19 Update from Director of Emergency Services. (10/5/5)

RECOMMENDATION: That the City Council:

1. Receive and file an update from the Director of Emergency Services ("Director") on the COVID19 Local Emergency ("Emergency"); and

2. Ratify orders issued by the Director pertaining to the Emergency, including an order addressing freight container shipping congestion and an order rescinding or modifying previously issued orders.

Jason Zaragoza, Deputy City Attorney, presented an item ratifying two previously issued Director Orders pertaining to the ongoing COVID-19 emergency: (1) an Order addressing freight container shipping congestion; and (2) an Order rescinding or modifying previously issued Orders.

Resolution #15,550 (Director Issued Order No. 22-01)

A resolution of the City Council of the City of Oxnard Ratifying an Order Issued by the Director of Emergency Services.

Resolution #15,554 (Director Issued Order No. 22-02)

A resolution of the City Council of the City of Oxnard Ratifying an Order Issued by the Director of Emergency Services.

It was moved by Councilmember Teran, seconded by Councilmember Lopez, to approve the recommended action, ratify Director Issued Orders and approved Resolution #15,550 and Resolution #15,554. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

G. CITY COUNCIL REPORTS

Councilmember Teran selected Garcia's Catering as his recommendation for a local business. He thanked the RiverPark Neighborhood Council Executive Chair Tai Hartley, residents and staff that attended their last meeting. He also thanked the residents of the Wagon Wheel Community for attending the initial meeting held by the Executive Board Chairs to talk about forming a Neighborhood Council for the Wagon Wheel Community. Reported that he made 14 reports to the 311 application for illegal dumping and these requests were handled within 24-72 hours. He thanked the 311 team for their quick response to these requests. He also thanked the City Manager for hearing the request from Ms. Ruiz about the work that the students of the Oxnard School District and the Oxnard High School

District are doing in the City. He would like to see that the students be placed on a future Council agenda prior to graduating in June.

Mayor Pro Tem MacDonald selected Hunan Garden Chinese Restaurant as his recommendation for a local business. He announced that most of the commissions that he participates in are now transitioning to normal business and holding their meetings in person. He attended the Ventura County Transportation Commission (VCTC), Gold Coast Transit, and the Railroad Authority for Amtrak. He reported on the many different items that can be recycled at the Del Norte Recycling Center. Announced that the National Latino Peace Officers Association of Ventura County is holding its Annual Scholarship Dinner and encouraged local students to apply for the \$1000 grant.

Councilmember Madrigal selected The Taco Shop on Saviers Road as his recommendation for a local business. Mayor Zaragoza, Councilmember Teran, and Councilmember Madrigal participated in a clean-up event at Brekke School. Also, attended the Colonia Eastside Youth Baseball League, first pitch event. He reminded the community to use the 311 application to report potholes. He is hopeful that the City will respond to the recent complaints received about potholes. He announced that there is a resurfacing project coming soon and asked staff to provide an update on the resurfacing project in the La Colonia area.

Councilmember Lopez selected Mendez Mexican Products as her recommendation for a local business. reported she will be attending the upcoming Redwood Neighborhood Council meeting. She attended a tour of the Ormond Beach along with City staff to improve Ormond Beach. There was representation from the Nature Conservancy, the Coastal Conservancy, and Senator Monique Limon. She looks forward to the collaboration to protect Ormond Beach and the improvements being planned for that area.

She pleased to know that City staff is working with BEACON to attend and present at a future Council meeting.

Councilmember Basua selected Sky Salon as her recommendation for a local business.

Councilmember Perello selected Piñatas Fabrics and Crafts as his recommendation for a local business. He reported attending the Channel Islands Neighborhood Council event at the Peninsula Yacht Club, honoring the outgoing Executive Chair. He thanked Jack Villa for inviting him to attend the Wagon Wheel Community meeting to discuss and consider forming a Neighborhood Council. He announced that there are upcoming meetings at the East Village Neighborhood Council and the Rio Lindo Neighborhood Council. He also announced the many different upcoming events being held at the Oxnard Library. He also mentioned that their

Mayor Zaragoza selected Plaza Cinemas as his recommendation for a local business. He also thanked Jack Villa for inviting him to attend the Wagon Wheel Community meeting. He attended the Colonia Eastside Youth Baseball League with Councilmember Madrigal. He thanked the Oxnard Police Department and the City Corps for their efforts. He thanked Terrel Harrison and his staff. He thanked Brian Yanez for organizing the clean-up program. He asked that an item be added on a future Council meeting about the Public Labor Agreement for local hires.

1. City Manager Department

SUBJECT: Appointment of Members to Serve on the City's Commission on Homelessness and Measure O Citizen Oversight Committee. (0/5/5)

RECOMMENDATION: That the Mayor, with the approval of the City Council, make the following appointments:

1. To Commission on Homelessness: Rafael Ochoa (D5); and
 2. To Measure O Citizen Oversight Committee: Nathan Castillo (D5).
- (This item did not originate in Committee).

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Perello, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

H. REVIEW OF INFORMATION/CONSENT AGENDA

Items J-1 through J-5 were discussed among the Council and staff.

I. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA (None received.)

J. INFORMATION/CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the City Council approve the minutes of the March 1, 2022 regular meeting as presented.

2. Fire Department

SUBJECT: Purchase Order with Stryker Medical for \$335,137.99.

RECOMMENDATION: That City Council authorize the Mayor to sign a Purchase Order with Stryker Medical for \$335,137.99 to purchase seven (7) Lifepak 15 monitors/defibrillators and twelve (12) Lifepak 1000 defibrillators.
(The Community Services, Public Safety, Housing & Development Committee approved 3-0 on March 8, 2022.)

3. Finance Department

SUBJECT: Annual Accounts Receivable Write-Off Report.

RECOMMENDATION: That the City Council receive the Annual Accounts Receivable Write-Off Report. (The Finance and Governance Committee approved 3-0 on February 22, 2022.)

4. Police Department

SUBJECT: Second Amendment to Enterprise Lease Agreement.

RECOMMENDATION: That City Council approve and authorize the Mayor to execute a second amendment to Agreement A-8136 with Enterprise Fleet Management, Inc. (Enterprise), for vehicle leases, increasing the value of the agreement from \$4,100,000 to not exceed \$6,795,000 for the term of the agreement, which expires on December 1, 2025.

(The Public Safety Committee reviewed the item on February 22, 2022 and forwarded the item to City Council for review and approval.)

5. Housing Department

SUBJECT: Accessibility Remodel Project at Palm Vista. (0/5/5)

RECOMMENDATION: That the Board of Commissioners of the Oxnard Housing Authority approve and authorize the Chairman to execute a firm-fixed price contract in the amount of \$379,560.11 with MDJ Management (Agreement number A-8426) using funds previously appropriated from the 2019 Capital Fund grant for Section 504 compliance with the Americans with Disabilities Act.

(The Community Services, Public Safety, Housing & Development Committee approved 3-0.)

Consent Items J.1 – J.4

It was moved by Councilmember Perello, seconded by Councilmember Lopez, to approve the Information/Consent items as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

Consent Item J.5

It was moved by Councilmember Perello, seconded by Councilmember Lopez, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, Zaragoza and Housing Authority Commissioner Andrade voted in favor; motion passed 8-0. Housing Authority Commissioner Vega was absent.

K. REPORTS1. Finance Department

SUBJECT: Banc of America Master Equipment Lease/Purchase Agreement (A-7667) for 2022 Equipment Lease Reimbursement to the City for Purchase of Fire Engines. (10/5/5)

RECOMMENDATION: That the City Council adopt **Resolution #15,553** authorizing the execution and delivery of Schedules of Property to the Master Equipment Lease/Purchase Agreement not to exceed \$3.3 million for the acquisition, financing, and leasing of certain equipment for the public benefit within the terms provided therein; authorizing the execution and delivery of other documents required in connection therewith; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by the resolution.

(Presentation will be live at the Consultant's request.)

Betsy George, Chief Financial Officer, introduced Christian Sprunger, Assistant Vice President with NHA Advisors, presented and answered questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Perello, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

2. City Manager Department

SUBJECT: Recategorization of American Rescue Plan Act (ARPA) Projects According to Final Rule Issued by US Treasury. (0/25/10)

RECOMMENDATION: That the City Council:

1. Recategorize \$15,670,000 of ARPA projects into the Replacing Lost Public Sector Revenue category according to the Final Rule issued by the U.S. Department of the Treasury;

2. Make final decisions on remaining ARPA projects tabled in 2021 and newly proposed ARPA projects; and
3. Authorize the City Manager or designee to approve budget appropriations necessary to recognize revenue and appropriate funding for all ARPA projects.

Alexander Nguyen, City Manager; Ashley Golden, Assistant City Manager; Jason Benites, Police Chief; Alexander Hamilton, Fire Chief; Michael Wolfe, Public Works Director; and Terrel Harrison, Cultural & Community Services Director; presented and answered questions. Public comments were received from Gary Blum and Steve Huber. Written comments were received and forwarded to Council. Discussion ensued among the Council and staff. Council provided recommendations to staff.

Item #51

It was moved by Councilmember Perello, seconded by Councilmember Basua, to approve the recommended action as presented. VOTE: Basua, MacDonald, Perello, and Zaragoza voted in favor; Lopez, Madrigal, and Teran voted against; motion passed 4-3.

Item #52

It was moved by Councilmember Teran, seconded by Councilmember Lopez, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

Yellow Group:

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Basua, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

Balance of the items listed under the American Rescue Plan Act (ARPA) Investments:

It was moved by Councilmember Lopez, seconded by Councilmember Teran, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

3. Community Development Department

SUBJECT: Update on the City of Oxnard's Participation in Clean Power Alliance. (0/5/5)

RECOMMENDATION: That the City Council receive and file this report.

Kathleen Mallory, Planning & Sustainability Manager introduced Joseph Cabral with Clean Power Alliance. Mr. Cabral presented and answered questions. No public comments were received. Discussion ensued among the Council and staff. This report was received and filed, no formal action required.

At 10:00 p.m. City Council voted to continue the meeting past 10:00 p.m., and take action on the remainder of the items on the agenda.

It was moved by Councilmember Perello, seconded by Councilmember Basua, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

4. Community Development Department

SUBJECT: City of Oxnard 2021 General Plan Annual Progress Report. (0/5/5)

RECOMMENDATION: That the Oxnard City Council receive and file the City of Oxnard 2021 General Plan and Housing Element Annual Progress Report.

(This item did not originate in Committee.)

Joe Pearson II, AICP, Senior Planner; Vyto Adomaitis, Community Development Director; and Kenneth Rozell, Chief Assistant City Attorney presented and answered questions. No public comments were received. Discussion ensued among the Council and staff. This report was received and filed, no formal action required.

5. Housing Department

SUBJECT: Participation in the Middle-Income Housing Program for The Vines at Riverpark, 3040 Oxnard Blvd. (0/10/10)

RECOMMENDATION: That City Council adopt **Resolution #15,551** that:

1. Authorizes the Mayor to execute a joint exercise of powers agreement relating to the California Municipal Finance Authority ("CMFA") Special Finance Agency issuing bonds for the preservation and protection of middle-income rental housing ("Middle-Income Housing Program");
2. Authorizes CMFA Special Finance Agency's issuance of bonds in a not to exceed the amount of \$136,000,000 for the preservation and protection of middle-income housing in the City of Oxnard pursuant to the Middle-Income Housing Program, provided that such bond funding is used solely for the Vines at RiverPark project; and
3. Authorizes the Mayor to execute a Public Benefit Agreement relating to The Vines at Riverpark, located at 3040 Oxnard Blvd, that includes annual host fee revenue that would likely offset the loss of City property tax revenues during the term of the agreement.

Emilio Ramirez, Housing Director, presented and answered questions. Public comments were received from Barbara Macri-Ortiz and Shawn Bradley with HomeFed Corporation. Discussion ensued among the Council and staff.

It was moved by Councilmember Basua,, seconded by Councilmember Madrigal, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

6. Housing Department

SUBJECT: Downtown Improvement Program Settlement Funds Update. (0/10/10)

RECOMMENDATION: That the City Council:

1. Receive an update on the implementation of the approved program priorities funded with the Downtown Improvement Program Settlement Funds; and

2. Appropriate \$85,716 per fiscal year in FYs 22-23 and 23-24, for a total of \$171,432, for homeless outreach coordinator contract services as part of the annual budget process. (Community Services, Public Safety, Housing & Development Committee approved 3-0.)

Emilio Ramirez, Housing Director, presented and answered questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Mayor Pro Tem MacDonald,, seconded by Councilmember Perello, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

7. Public Works Department

SUBJECT: FY 2021 American Rescue Plan Act Economic Adjustment Assistance Grant Application Resolution

RECOMMENDATION: That the City Council:

1. Adopt **Resolution #15,552** authorizing the City Manager to submit an application for an amount not to exceed \$5,000,000 in FY 2021 American Rescue Plan Act Economic Adjustment Assistance grant funds for needed equipment, improvements and renovations for the Oxnard Performing Arts & Convention Center; and
2. Approve and authorize the City Manager or designee to execute grant agreements; the Chief Financial Officer or designee to submit financial reports and grant claims and approve budget appropriations for the use of the FY 2021 American Rescue Plan Act Economic Adjustment Assistance grant funds if awarded; and the Director of Public Works or designee to submit non-financial reports.

Michael Wolfe, Public Works Director introduced Carolyn Merino Mullin, Executive Director for the Oxnard Performing Arts Center (OPAC), who presented and answered questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Councilmember Teran, seconded by Councilmember Basua, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

L. ADJOURNMENT

There being no further business on the agenda, and without objection, Mayor Zaragoza adjourned the meeting at 10:35 p.m.

ROSE CHAPARRO

City Clerk

JOHN C. ZARAGOZA

Mayor

MINUTES
OXNARD CITY COUNCIL
Regular Meeting
APRIL 5, 2022

A. ROLL CALL, POSTING OF AGENDA

At 4:30 p.m., Mayor John C. Zaragoza called to order the regular meeting of the Oxnard City Council, in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda Councilmembers Gabriela Basua, Vianey Lopez, Oscar Madrigal, Bert E. Perello, Gabriel (Gabe) Teran, Mayor Pro Tem Bryan A. MacDonald, and Mayor John C. Zaragoza were present.

Staff members present in person were Alexander Nguyen, City Manager; Stephen M. Fischer, City Attorney; Kenneth Rozell, Chief Assistant City Attorney; Jason Zaragoza, Deputy City Attorney; Jason Benites, Police Chief; Michael Wolfe, Public Works Director; Jan Hauser, Wastewater Division Manager; Emilio Ramirez, Housing Director; Vyto Adomaitis, Community Development Director; Scott Kolwitz, Planning & Environmental Services Manager; Joe Pearson II, AICP, Senior Planner; and Terrel Harrison, Cultural & Community Services Director.

Staff members John Colamarino, Assistant Fire Chief; Brian Yanez, Assistant Public Works Director; Steve Howlett, Assistant Public Works Director; Tatiana Arnaout, Senior Civil Engineer; Omar Castro, Water Division Manager; Jeff Miller, Wastewater Infrastructure Manager; Eden Alomeri, Revenue & Licensing Director & Assistant City Treasurer; participated via videoconference.

Andrew Fogg, Cox Castle; Kyle Paine, Community Development Partners President; Mark DiCecco, Riverpark Town Planner; Jon Penkower, CSCDA; Rick Schroeder, Many Mansions President; Sean, Mohn, Gibson Transportation Principal; Bret Mathews, Development; Tony Talamante, Talamante Project Delivery; and Tony Locacciato, Meridian Consultants; also participated via videoconference.

THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS (None received.)

C. CLOSED SESSION (4:30 PM)

1. CONFERENCE WITH LABOR NEGOTIATORS (Government Code section 54957.6)

Agency designated representatives: Alex Nguyen, City Manager, Steve Naveau, Director of Human Resources; and Jennie Kelly, Assistant City Attorney.

Employee organization: Service Employees International Union CTW, CLC, Local 721 (SEIU Local 721); International Union of Operating Engineers AFL-CIO, Local No. 501 (IUOE Local 501); International Association of Firefighters, AFL-CIO (IAFF), Local No. 1684; Oxnard Public Safety Managers Association (OPSMA); Oxnard Peace Officers Association (OPOA); Oxnard Mid-Managers' Association; (OMMA); and unrepresented employees: City Manager; City Attorney; Assistant City Manager; Chief Financial Officer; City Clerk; Assistant City Treasurer/Director of Revenue and Licensing; Deputy City Manager; Community Development Director; Fire Chief; Housing Director; Human Resources Director; I.T. Director; Cultural and Community Services Director; Police Chief; Public Works Director (Department Directors); Chief Assistant City Attorney; Assistant City Attorney; Deputy City Attorney.

Legislative Body: City Council

At 4:36 p.m., the City Council recessed to a closed session. At 6:13 p.m., the City Council reconvened in open session in the Council Chambers. The City Attorney announced that there were no reportable actions out of closed session.

D. OPENING CEREMONIES (6:00 PM)

The flag salute was followed by a moment of silence.

E. CEREMONIAL ITEMS

1. SUBJECT: Presentation of a Proclamation Designating the Month of April, 2021 as "Sexual Assault and Child Abuse Awareness Month."

Mayor Zaragoza read the proclamation and presented it to Scott Aaron, Police Sergeant and Members of the Farm Workers Leaders of America (Lideres Campesinas), they followed with remarks.

2. SUBJECT: Presentation of a Proclamation to the Oxnard Public Library on the Occasion of Their 115th Anniversary and Library Week, April 3 - 9, 2022.

Mayor Zaragoza read the proclamation and presented it to Terrel Harrison, Cultural & Community Services Director and Sofia Kimsey-Bellos, they followed with remarks. Director Harrison commended and thanked the staff at the Oxnard Public Library for the services they provide to the community.

3. SUBJECT: Presentation of a **Resolution #15,555** Commending Sofia Kimsey-Bellos for Thirty-Two Years of Exemplary Service to the City of Oxnard.

Mayor Zaragoza read the resolution and presented it to Sofia Kimsey-Bellos, who retired after working in the Oxnard Public Library for thirty-two years. Terrel Harrison, Cultural & Community Services Director, acknowledged and thanked Sofia for her years of service to the City of Oxnard. Sofia also made a few remarks.

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Perello, to approve Resolution #15,555 as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Kasey Quinn (concerned about the bad conditions of the softball fields and restrooms at the parks), Henry Alvarado Sapien (housing costs and rent control), Eddie Soto (safety concerns, frustrated about the homeless and the drug issues in the City, Police Department has been non-responsive), Pat Brown (audio quality concerns in Council Chambers, homeless concerns).

G. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY

Alexander Nguyen, City Manager, provided a COVID-19 update. Michael Wolfe, Public Works Director, provided an update on the La Colonia Cast Iron Pipe Replacement Project.

H. CITY COUNCIL REPORTS

Councilmember Teran thanked the public speakers that attended the Council meeting. He announced that April is the Alcohol Awareness Month. He also announced that April 30th is National Prescription Drug Take Back Day.

Mayor Pro Tem MacDonald announced that the National Latino Peace Officers Association of Ventura County is holding its Annual Scholarship Dinner and encouraged local students to apply for the grant.

Councilmember Madrigal drives by the cities of Thousand Oaks and Camarillo on his commute to Oxnard and has noticed that their street curbs with fire hydrants are not painted red.

Councilmember Basua commented that the soccer fields at College Park are beautiful. She praised the staff for the care that they take of the fields.

Councilmember Perello also thanked the public speakers present. He reported that Public Works staff is doing what they can to take care of the parks. He also stated that the Police Department is working very hard to address the drug issues in the City. He asked that staff check the alleys for abandoned items in the alleys.

Councilmember Lopez welcomed the public and participants for attending the Council meeting.

Mayor Zaragoza attended the Cesar Chavez birthday event held at Plaza Park. He thanked Javier Gomez and Ventura County staff for organizing a very successful event. He also attended the Ceremony for the Oath of Office for new Oxnard Police Department officers. Thank you to the City of Oxnard staff for all the hard work that they are doing.

I. REVIEW OF INFORMATION/CONSENT AGENDA

Items K-1 through K-5 were discussed among the Council and staff.

J. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Public comments were received from Tai M. Hartley (K.4), Jennifer Butler (K.4), and Brady Shoemate (K.4).

K. INFORMATION/CONSENT AGENDA

1. Public Works Department

SUBJECT: Agreement A-8436 with Howden Roots LLC, for Wastewater Blower Services.

RECOMMENDATION: That the City Council approve and authorize the Mayor to execute the following for a total of \$257,989.85 in project funds for wastewater blower maintenance and repair services:

1. Agreement A-8436 with Howden Roots LLC, in the amount of \$224,339 through a term of December 31, 2022; and

2. A 15% Project contingency in the amount of \$33,651.

(Public Works and Transportation Committee approved 3-0)

2. Public Works Department

SUBJECT: Agreement A-8443 to Oilfield Electric Company for On Call Electrical Repair, Maintenance and Replacement Services Project Specification No. PW 22-69.

RECOMMENDATION: That the City Council approve and authorize the Mayor to execute Agreement A-8443 with Oilfield Electric Company in the amount not to exceed \$750,000 for a three-year term for the On Call Electrical Repair, Maintenance and Replacement Services Project Specification No. PW 22-69.

(Public Works and Transportation Committee approved 3-0)

3. Public Works Department

SUBJECT: Urban Greening Program Grant Application Resolution.

RECOMMENDATION: That the City Council:

1. Adopt **Resolution #15,556** ratifying approval for the submittal of an application for an amount not to exceed \$7,000,000 in Urban Greening Program grant funds for the Campus Park Central Oxnard Greening Project; and
2. Approve and authorize the City Manager or designee to execute grant agreements; the Chief Financial Officer or designee to submit financial reports and grant claims and approve budget appropriations for the use of the Urban Greening grant funds if awarded; and the Director of Public Works or designee to submit non-financial reports.

4. Community Development Department

SUBJECT: Ordinance Adoption. Project Name: RiverPark Specific Plan Amendment & RiverPark and Fore Property Development Agreement Amendments. Located in the RiverPark Specific Plan area generally located North of the Ventura Freeway (Highway 101), west of East Vineyard Avenue, east of the Santa Clara River, and south of Central Avenue (RiverPark) and 2700 and 2750 North Ventura Road (APN 132-0-100-095 & 132-0-100-085) (Fore Property).

RECOMMENDATION: That the City Council adopt the following Ordinances:

1. **Ordinance No. 3009** An Ordinance of the City Council of the City of Oxnard approving Planning and Zoning Permit No. 20-630-01 (Specific Plan Amendment No. 7 To The RiverPark Specific Plan) to amend the land use plan and text within the RiverPark specific plan to allow residential development in districts B, C and D in exchange for a reduction of commercial square footage, subject to certain findings; and
2. **Ordinance No. 3010** An Ordinance of the City Council of the City of Oxnard approving Planning and Zoning Permit No. 20-670-04 (Sixth Amendment to Development Agreement No. A-6128) for The RiverPark Property, subject to certain findings; and
3. **Ordinance No. 3011** An Ordinance of the City Council of the City of Oxnard approving Planning and Zoning Permit No. 20-670-03 (Second Amendment to Development Agreement No. A-7113) for the Fore Property, subject to certain findings.

(This item originated from a Public Hearing at the City Council meeting of March 15, 2022, and was previously heard by the Planning Commission; therefore, this item did not originate in Committee.)

5. Cultural & Community Services Department

SUBJECT: Amendment to **Resolution #15,557** Authorizing Full-Time Equivalent Positions.

RECOMMENDATION: That the City Council adopt **Resolution #15,557** to amend Resolution 15,470 Authorizing Full-Time Equivalent Positions Pursuant to Chapter 4 of the City Personnel Rules and Regulations to include the positions approved under the First Amendment to the

Agreement with the Oxnard School District (OSD) for the operations of the Oxnard After School Education and Safety (ASES) Grant (A-8318).

Consent Items K.1, 2, and K.5

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Basua, to approve the Information/Consent items as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

Consent Item K.3

It was moved by Councilmember Lopez, seconded by Councilmember Basua, to approve the recommended action as presented. VOTE: Basua, Lopez, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 6-0-1. Mayor Pro Tem MacDonald abstained due to owning property near the location of the project.

Consent Item K.4

It was moved by Councilmember Basua, seconded by Councilmember Lopez, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, and Zaragoza voted in favor; Perello and Teran voted against; motion passed 5-2.

L. PUBLIC HEARINGS

1. Housing Department

SUBJECT: Public Hearing for Issuance of Exempt Facility Bonds for the Homeless Solutions Center. (0/10/10)

RECOMMENDATION: That the City Council:

1. Hold a public hearing regarding the issuance by the California Statewide Communities Development Authority ("CSCDA") of up to \$32,000,000 of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 to finance the acquisition, rehabilitation and development of a multi-family rental housing projected located at 241 West Second Street, Oxnard, California (the "Project"); and
2. Adopt **Resolution #15,558** approving the issuance of bonds by CSCDA for the benefit of Community Development Partners in the development of the Homeless Solutions Center, such adoption for the purposes of satisfying the requirements of the Tax Equity Fiscal Responsibility Act, the Code and California Government Code Section 6500.

The City Clerk announced the affidavit of publication and stated that no written communications were received.

Emilio Ramirez, Housing Director, presented and answered questions.

Mayor Zaragoza opened the public testimony portion of the public hearing. No public comments were received.

Without objection, the Council approved closing the public testimony portion of the public hearing.

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Teran, to approve the recommended action. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

2. Housing Department

SUBJECT: Public Hearing for Issuance of Exempt Facility Bonds for the Central Terrace Apartments. (0/10/10)

RECOMMENDATION: That the City Council:

1. Hold a public hearing regarding the issuance by the California Municipal Finance Authority (“CMFA”) of up to \$30,000,000 of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 to finance or refinance the acquisition, development, construction, and equipping of an 87-unit multi-family rental housing facility for low-income households to be located at 217-235 East Sixth Street, Oxnard, California (the “Project”); and
2. Adopt Resolution #15,559 approving the issuance of the bonds by CMFA for the benefit of Many Mansions, a California Non-Profit Corporation, to provide for financing of the Project, such adoption for the purpose of satisfying the requirements of the Tax Equity Fiscal Responsibility Act, the Code and the California Government Code Section 6500.

The City Clerk announced the affidavit of publication and stated that no written communications were received.

Emilio Ramirez, Housing Director, presented and answered questions.

Mayor Zaragoza opened the public testimony portion of the public hearing. Public comments were received from Pat Brown and Barbara Macri-Ortiz.

Without objection, the Council approved closing the public testimony portion of the public hearing.

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Basua, to approve the recommended action. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

At 9:52 p.m. City Council voted to continue the meeting past 10:00 p.m., and take action on the remainder of the items on the agenda.

It was moved by Councilmember Perello, seconded by Councilmember Basua, to approve the recommended action. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

M. REPORTS

1. Police Department

SUBJECT: Police Department Update. (0/10/10)

RECOMMENDATION: That the City Council receive and file a verbal update report from the Police Department.

Jason Benites, Police Chief, presented and answered questions. Public comments were received from Alicia Percell. Discussion ensued among the Council and staff. Report was received and filed, no formal action required.

2. Housing Department

SUBJECT: Homeless Division Update. (25/20/15)

RECOMMENDATION: That the City Council receive and file a verbal update report on the Homeless Division. The update will be provided live at the City Council meeting.

Emilio Ramirez, Housing Director, presented and answered questions. No public comments were received. Discussion ensued among the Council and staff. Report was received and filed, no formal action required.

3. Housing Department

SUBJECT: Authorization for the Housing Department to Execute HOME Loan Agreement and Other Necessary Documents with Cabrillo Economic Development Corporation for the Etting Road Affordable Housing Development. (0/15/10)

RECOMMENDATION: That the City Council adopt **Resolution #15,560** authorizing the Housing Director to execute a loan agreement (and any and all related documents thereto) with Cabrillo Economic Development Corporation in the amount of \$1,854,000 using federal HOME Investments Partnership Program funds for the construction of a fifty-eight affordable multi-family rental units, known as the Etting Road Apartments (2161 Etting Road).

Emilio Ramirez, Housing Director, presented and answered questions. Public comments were received from Pat Brown and Barbara Macri-Ortiz. Discussion ensued among the Council and staff.

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Basua, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

N. ADJOURNMENT

There being no further business on the agenda, and without objection, Mayor Zaragoza adjourned the meeting at 10:04 p.m.

ROSE CHAPARRO

City Clerk

JOHN C. ZARAGOZA

Mayor



CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA

AGENDA ITEM NO. J.2

DATE: May 17, 2022

TO: City Council

FROM: Terrel Harrison, Cultural & Community Services Director, (805) 385-7994, terrel.harrison@oxnard.org

SUBJECT: Ventura County Area Agency on Aging Senior Nutrition Program.

RECOMMENDATION

That City Council adopt a resolution authorizing:

1. The Cultural and Community Services Director or designee to submit an application for the next Ventura County Area Agency on Aging (VCAAA) Older Senior Nutrition Program grant cycle (July 2022 to June 2023); and
2. If funding is received, authorize the City Manager or designee to execute grant agreements; the Chief Financial Officer or designee to submit financial reports and grant claims and approve or amend budget appropriations for the use of the grant funds; and the City Manager or designee to submit non-financial reports. (This item did not originate in Committee.)

BACKGROUND

The City of Oxnard operates four senior centers, and nutrition services are provided as part of the City's offerings. Nutrition services include the procurement, preparation, transport, and service of meals in both congregate settings and in seniors' homes. Nutrition services also include outreach, client assessments (for home-delivered meals), monthly program reporting, and fiscal administration. The program's objective is to provide high-quality, nutritionally balanced meals, nutrition counseling and education, and related supportive services to persons age 60 years and older.

The senior nutrition program will provide approximately 20,060 congregate meals at three of the City's four senior centers. In addition, approximately 33,240 meals will be delivered to home-bound seniors. Funding for these services is provided through the Older Americans Act, Title HIC. The application is being submitted for Fiscal Year 2022-2023.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

The recommended budget for Fiscal Year 2022-23 will include the Ventura County Area Agency on Aging Older American Act Senior Nutrition Program grant funds in the amount of \$176,669 (Fed. Term Grant Fund - 261-5503). In addition to the grant funding, there is a projected total donation amount of \$13,000 anticipated from the program participants which will also be included in the Fiscal Year 2022-23 recommended budget (Fed. Term Grant Fund - 261-5390). There is a 10% required in-kind match of \$16,056, which will be met by permitting the program to use the City-owned facility.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Marisue Eastlake, RDVP Director, Sandra Diaz, Administrative Assistant

ATTACHMENTS

1. Resolution_22.doc

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
APPROVING SUBMITTAL OF GRANT APPLICATION

WHEREAS, City Council Resolution No. 12,053 sets out the procedures by which City staff may submit grant applications, following approval of the City Council; and

WHEREAS, the Cultural and Community Services Department has requested that City Council approve the submittal of an application to the Ventura County Area Agency for \$176,669 in the Senior Nutrition Program Grant to be used for the Senior Nutrition Program; and

NOW, THEREFORE, the City Council of the City of Oxnard hereby resolves to approve the submittal of a grant application by the City Manager for the Ventura County Area Agency on Aging Senior Nutrition Program Grant. The City Council further resolves that the City Manager or designee is authorized to execute grant agreements; the Chief Financial Director or designee is authorized to submit financial reports, grant claims and approve or amend budget appropriations; and the City Manager or designee is authorized to submit non-financial reports.

PASSED AND ADOPTED THIS 17th day of May, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney



CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA

AGENDA ITEM NO. J.3

DATE: May 17, 2022

TO: City Council

FROM: Jason Benites, Police Chief, (805) 385-7624, jason.benites@oxnardpd.org

SUBJECT: First Amendment to the Agreement between the City and the Oxnard Union High School District for Police School Resource Officer Services and Cost Sharing.

RECOMMENDATION

That the City Council execute a First Amendment to the Agreement for Police School Resource Officer ("SRO") Services between the City of Oxnard ("City"), and the Oxnard Union High School District ("OUHSD" or "District"), to extend the term of the agreement for one year from June 30, 2022 to June 30, 2023.

BACKGROUND

The agreement set forth guidelines between the OUHSD and the Oxnard Police Department to ensure an understanding of the goals of the SRO program and the District's commitment to reimburse the police department for a portion of the personnel costs associated with the program.

The agreement made between the City and the OUHSD that was entered into as of July 1, 2019, for FY 2019-2020, FY 2020-2021, and FY 2021-2022 set forth guidelines and cost reimbursements between the District and the Oxnard Police Department. This first amendment continues the current agreement for FY 2022-2023 and the District's commitment to reimburse the Oxnard Police Department for the combined equivalent of 75% of personnel costs for four SROs, including agreeing to fully reimburse the City for costs associated with staffing special school events.

School Resource Officer Program Overview

The high school SROs serve a student population of approximately 12,000 students. The police department has a full-time SRO assigned to each of the four (4) public high schools in the District.

SROs assist school administrators in helping maintain a safe campus environment that is conducive to learning. SROs provide a visible presence to deter disturbances and identify trespassers on campuses. School officials rely on the training, knowledge, and experience of SROs to handle dangerous situations involving fights, weapons, and the identification of dangerous drugs. SROs also provide a service to the surrounding community by addressing concerns, such as loitering, speeding, and other traffic issues.

SROs are assigned to high schools for three years and their appointment follows the school's calendar year. The SROs handle police service calls in and around the school campuses, which provides relief to the department's patrol division. SROs handle a variety of issues, typically including assaults, drugs, alcohol, weapon violations, threats, bullying, child abuse, child custody, court orders, truancy, traffic issues, gangs, mental health issues, runaways, and conflict among parents. SROs are responsible for investigating violations of criminal law. When it is both necessary and appropriate, SROs enforce these laws by citing or arresting offenders, but favor prevention and intervention strategies, viewing enforcement as a last resort. SROs frequently engage in counseling sessions, meetings, and presentations that have meaningful impacts on students and parents.

The Agreement for Police School Resource Officer Services and Cost Sharing

The agreement involves the reimbursement to the City for the services of four police officers that provide enhanced police services to the OUHSD. In general, the City is reimbursed for 75% of personnel costs related to the four SROs. The District's cost-sharing amount for one fiscal year is \$540,400 (75% of the cost of the four officers).

The City shall submit to the District an invoice in the amount of \$540,400 no less than 30 days prior to June 30, 2023.

STRATEGIC PRIORITIES

This agenda item supports the Public Safety strategy. The purpose of the Public Safety strategy is to restore and modernize the delivery of public safety services to provide for the safety of our neighborhoods and the health of our community.

FINANCIAL IMPACT

The SRO program costs and revenue generated through the 75% reimbursement from OUHSD will be included in the proposed FY 2022-23 General Fund budget.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Luis Mc Arthur

ATTACHMENTS

1. Agreement between City and OUHSD for Police School Resource Officer Services July 1, 2019
2. OUHSD _ FIRST Amendment.docx

**AGREEMENT FOR POLICE SCHOOL RESOURCE OFFICER SERVICES
AND COST SHARING**

THIS AGREEMENT FOR POLICE SCHOOL RESOURCE OFFICER SERVICES (“**Agreement**”) by and between the City of Oxnard, a municipal corporation (“**City**”) and the Oxnard Union High School District (“**OUHSD**” or “**District**”) is made and entered into as of July 1, 2019. City and District are sometimes individually referred to as “**Party**” and collectively as “**Parties**.”

WHEREAS, the purpose of this Agreement is to maintain the School Resource Officer (SRO) program and to set forth guidelines to ensure that law enforcement, school officials, and the communities they serve have a shared understanding of the goals of the SRO program and that SROs receive the necessary support and training to ensure a safe school environment while respecting the rights of students and improving the overall school climate;

WHEREAS, the parties agree that an effective SRO program sets forth: the role of the SRO within the context of the educational mission of the school; distinctions between disciplinary misconduct to be handled by school officials, and criminal offenses to be handled by law enforcement; respect for the rights of students; transparency and accountability; and minimum SRO training requirements;

WHEREAS, this Agreement focuses on the role of the SROs as it relates to students and faculty; it does not govern how SROs will conduct operations when dealing with adult non-school district employees in and around a school facility;

WHEREAS, the parties intend to work together to share costs and ensure the continuity of the School Resource Officer program on OUHSD school campuses.

City and District hereby agree as follows:

1. Scope of Services. The Oxnard Police Department (“**OPD**”) shall provide the services of four (4) School Resource Officer’s (“**SRO’s**”) to OUHSD school campuses. The SRO will work with OUHSD district staff as well as staff at individual schools to determine schedules and specific services at each school site. This will allow the activities and support provided by the SRO’s to be tailored to the specific needs of each school, and it will also provide for flexibility of the SRO’s law enforcement responsibilities and involvement with intracurricular and extracurricular activities.
2. Method of Performing Services. Subject to the terms and conditions of this Agreement, OPD personnel may determine the method, details, and means of performing the Services described herein as well as the duration of the Services. OPD shall perform services consistent with the SRO guidelines detailed in **Exhibit A** attached hereto and incorporated by this reference in full herein.



3. Cost Sharing; Reimbursement, Method of Payment. City and District agree that District shall be obligated to fund the cost to operate and administer the SRO program for FY 2019-2020, FY 2020-2021, and FY 2021-2022, and that City shall be obligated to fund the balance. City shall submit to District an invoice in the amount of Five Hundred Forty Thousand, Four Hundred Dollars (\$540,400) no less than thirty (30) days prior to June 30, 2020, June 30, 2021, and June 30, 2022 (each fiscal year for 3 years).

City shall send invoices to: Jeff Weinstein , Assistant Superintendent of Business Services, Oxnard Union High School District, 309 S. K Street, Oxnard, CA 93030. District shall, within thirty (30) days of receiving such invoice, review the invoice and pay all charges.

4. Nonexclusive Services. This Agreement shall not be interpreted to prevent or preclude OPD personnel from rendering any services to any other person or entity as City in its sole discretion shall determine. City agrees that performing such services will not materially interfere with services to be performed under this Agreement.
5. Reporting Requirements for District/School Staff of Suspected Child Abuse Committed by a District/School Employee. Reports of suspected child abuse which would include any sexual misconduct by any District/School employee shall be reported immediately, or as soon as practicably possible, to the designated SRO or the Youth Services Sergeant. In the event that the SRO or SRO Sergeant is not available, the on duty Oxnard Police Department Watch Commander is to be contacted. The police personnel receiving the report from the school district employee will make notification directly to the Family Protection Unit (FPU) Sergeant. This verbal notification to the SRO or Youth Services Sergeant does not preclude the District/School from preparing and sending a fax or electronically transmitted written follow-up report within 36 hours of receiving the information concerning the incident (Form SS 8572 Suspected Child Abuse) or any other mandatory reporting requirements.
6. Term. The term of this Agreement shall be from August 29, 2019 to June 30, 2020, August 29, 2020 to June 30, 2021, and August 29, 2021 to June 30, 2022, unless earlier terminated as provided herein. This Agreement is a (3) three year term and may be renewed for up to two (2) additional annual terms through mutually agreed upon contract amendments.
7. Termination. Either Party may, by written notice to the other, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to the other Party of such termination, and specifying the effective date thereof, at least thirty (30) business days before the effective date of such termination. Upon termination of this Agreement, City shall be compensated for those Services that City has provided to District up to the effective date of termination.
8. Force Majeure. City and District agree that neither City nor District shall be responsible for delays or failures in performance resulting from acts beyond the control of either Party. Such acts shall include, but not be limited to acts of God, strikes, lockouts, riots, acts of

war, epidemics, governmental regulations imposed after this Agreement was executed, fire, communication line failures, earthquakes, or other disasters.

9. Mutual Indemnification. Each Party shall defend, hold harmless, and indemnify the other Party and its officers, directors, employees, agents and representatives against any and all loss, liability, damage, or expense, including any direct, indirect or consequential loss, liability, damage, or cost of defense (including attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with the indemnifying Party's performance of this Agreement or failure to comply with any of its obligations contained in this Agreement. However, neither Party shall be indemnified hereunder for any loss, liability, damage, or expense resulting from its sole negligence or willful misconduct.
10. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

City:

Oxnard Police Department
251 South "C" Street
Oxnard, California 93030
Attention: Eric Sonstegard, Assistant Chief of Police

District:

Oxnard Union High School District
309 S. K Street
Oxnard, CA 93030
Attention: Dr. Penelope Deleon, Superintendent

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

11. Governing Law. This Agreement shall be governed by the laws of the State of California without regard to the conflicts of laws principles. This Agreement shall be deemed to have been made in the County of Ventura, regardless of the order of signatures of the Parties affixed hereto. Any litigation or other legal proceedings which arise under or in connection with this Agreement shall be conducted in a federal or state court located within or for the County of Ventura, California. The Parties consent to the personal jurisdiction and venue of a federal or state court located within or for the County of Ventura, California and hereby waive any defenses or objections thereto including defenses based on the doctrine of forum non conveniens.

12. Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.
13. 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 work days 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 District include all officials, officers, employees, personnel, agents, volunteers, contractors and subcontractors of District, 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.
14. Assignment. The Parties may not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the other Party.
15. Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.
16. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.
17. No Third Party Beneficiaries. This Agreement and the performance of the obligations hereunder are for the sole and exclusive benefit of City and District. No person or entity who or which is not a signatory to this Agreement shall be deemed to be benefited or intended to be benefited by any provision hereof, and no such person or entity shall acquire any rights or causes of action against either City or District hereunder as a result of the Parties performance or nonperformance of their respective obligations under this Agreement.
18. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
19. Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

20. Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.
21. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
22. Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

CITY OF OXNARD

 6/4/19

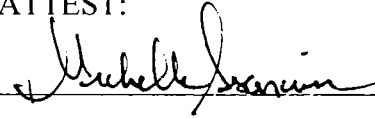
Tim Flynn, Mayor

OXNARD UNION HIGH SCHOOL DISTRICT


Jeff Weinstein Asst. Sup.

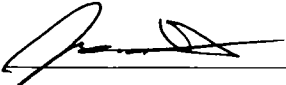
Dr. Penelope DeLeon, Superintendent

ATTEST:

 6/4/19

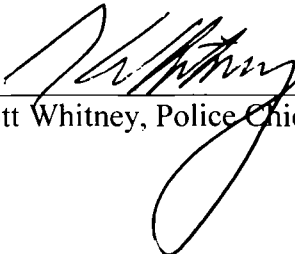
Michelle Ascencion, City Clerk

APPROVED AS TO FORM

 FOR 7/2/19

Stephen M. Fischer, City Attorney

APPROVED AS TO CONTENT



Scott Whitney, Police Chief

EXHIBIT "A"

SRO Guidelines

ROLE OF THE SRO IN THE CONTEXT OF THE EDUCATIONAL MISSION OF THE SCHOOL

1. The mission of the SRO program is to assist the school in maintaining a safe environment and to develop a positive relationship between students and law enforcement.
2. School administrators shall be informed as to the deployment of the SRO and each month school administrators shall be informed of the regular or specially assigned duties and responsibilities that require the SRO to be off campus during school days and/or school hours. School Administrators shall participate in periodic performance reviews of the SRO.
3. The SRO shall meet with school administrators, teachers, parents, and student representatives at least annually and as needed to discuss issues of school safety.
4. The SRO shall be integrated into the school community through participation in faculty and student meetings and assemblies as appropriate.
5. The SRO shall maintain weekly activity reports and submit these reports to his or her direct supervisor. Copies of weekly SRO activity reports are available to the school principal and/or District Superintendent or the Superintendents' designee upon request.
6. The SRO shall inform school administration if he or she is being reassigned to cover a vacant position in the SRO unit. If the reassignment last more than two consecutive weeks the District Superintendent or Superintendent's designee will be informed by the SRO supervisor and a plan to provide full coverage to the impacted school site will be developed at no additional cost to the district.

DISTINGUISHING DISCIPLINARY MISCONDUCT TO BE HANDLED BY SCHOOL OFFICIALS FROM CRIMINAL OFFENSES TO BE HANDLED BY LAW ENFORCEMENT

1. SROs are responsible for criminal public order offenses; they are not responsible for school discipline issues.
2. Absent a real and immediate threat, as determined by the SRO, to a student, teacher, or public safety and, unless there is sufficient evidence and circumstances that warrant police action or intervention, SROs should not get involved in school discipline issues. These should generally be handled by school officials rather than through formal law enforcement intervention (e.g., issuance of criminal citation, referral to a probation officer, or actual arrest.)

RESPECT FOR THE RIGHTS OF STUDENTS

1. Absent a real and immediate threat to a student, teacher, or public safety, an SRO may conduct or participate in a search of a student's person, possessions, or locker only where there is reasonable suspicion to believe that the search will turn up evidence that the child has committed or is committing a criminal offense.
 - a. The SRO shall inform school administrators prior to conducting reasonable

- suspicion searches.
- b. The SRO shall not ask school officials to search a student's person, possessions, or locker in an effort to circumvent these protections.
- c. All searches at a minimum will be documented by a field interview report (FIR) that details the circumstances of the search.
- 2. When a school official conducts a search of a student's person, possessions, or locker, the school official may ask an SRO to be present or to participate in such a search only when there is reasonable suspicion to believe that the search will turn up evidence that the student has violated or is violating the law and the search is justified in scope given such suspicion.
- 3. Absent a real and immediate threat to a student, teacher, or public safety, a school official shall attempt to minimize requests to have an SRO present or participate in the questioning of a student that involves non-criminal matters.
- 4. When an SRO interviews a student for a criminal matter, reasonable attempts should be made by a school official and/or an SRO to inform the student's parents of the circumstances which led to that interview when it is practical to do so and when it would not unreasonably interfere with such investigation.

SRO TRAINING REQUIREMENTS

1. Every SRO shall attend a 40-hour Peace Officers Standards and Training (POST) approved Basic School Resource Officer course within their first year of service. Additionally, an effort will be made to complete 10 hours of annual in-service training on topics such as:
 - a. Child and adolescent development and psychology;
 - b. Positive behavioral interventions and supports (PBIS), conflict resolution, peer mediation, or other restorative justice techniques;
 - c. Children with disabilities or other special needs; and
 - d. Cultural competency.

PROMOTING NON-PUNITIVE APPROACHES TO STUDENT BEHAVIOR

1. The SRO shall be familiar with and trained in programs adopting non-punitive approaches to discipline available in the school district. If a school has implemented a specific program designed to improve overall school climate or respond to student behaviors in specific ways, the SROs should participate in trainings associated with that program. Examples of such programs include but are not limited to Lesson One, Wellness Collaborative, and Olweus Bullying Program initiated at certain schools within some school districts.

TECHNOLOGY SERVICES AND SUPPORT

1. In order for the Oxnard PD's SROs to serve the students of the OUHSD, all SROs will be given a user-specific login and access to the OUHSD network to:
 - a. Login
 - b. Run productivity software, including Microsoft Office
 - c. Print to District/School printers
 - d. Access the Internet thru the District's Internet Filter
 - e. Access WebMail from a third party provider
 - f. Access Internet Filter override
2. SROs will not be provided:

- a. Access to install programs to workstations or servers
- b. Access to District email accounts or the District's email address book
- c. Access to the District's Student Information System
- d. Access to other District files

**FIRST AMENDMENT TO AGREEMENT FOR POLICE SCHOOL RESOURCE
OFFICER SERVICES AND COST SHARING**

This First Amendment (“First Amendment”) to the Agreement for Police School Resource Officer Services (“Agreement”) is made and entered into in the County of Ventura, State of California, this ____ day of ____ 2022, by and between the City of Oxnard, a municipal corporation (“City”), and the Oxnard Union High School District (“OUHSD” or “District”). This First Amendment amends the Agreement entered into on July 1, 2019, by City and District.

City and District agree as follows:

1. The first paragraph of Section 3 of the Agreement is amended in its entirety to read as follows:

“City and District agree that District shall be obligated to fund the cost to operate and administer the SRO program for FY 2019-2020, FY 2020-2021, FY 2021-2022, and FY 2022-2023, and the City shall be obligated to fund the balance. City shall submit to District an invoice in the amount of \$540,400 no less than 30 days prior to June 30, 2020, June 30, 2021, June 30, 2022, and June 30, 2023 (each fiscal year for 4 years).”

2. Section 6 of the Agreement is amended in its entirety to read as follows:

“The term of this Agreement shall be from August 29, 2019 to June 30, 2023, unless earlier terminated as provided herein. This Agreement is for a four (4) year term, and may be renewed for up to one (1) additional annual term through a mutually agreed upon contract amendment.

3. As so amended, the Agreement remains in full force and effect.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Amendment on the date first written above.

CITY OF OXNARD

RIO SCHOOL DISTRICT

John C. Zaragoza, Date
Mayor

Dr. Thomas McCoy, Date
Superintendent

ATTEST:

Rose Chaparro, City Date
Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Date
Attorney (always required)



CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA

AGENDA ITEM NO. J.4

DATE: May 17, 2022

TO: City Council

FROM: Betsy George, Chief Financial Officer, (805) 200-5400, betsy.george@oxnard.org

SUBJECT: Adoption: Revisions to Procurement Ordinance Reflecting Preparation of the new Tyler Munis Enterprise Resource Planning (ERP) Financial System.

RECOMMENDATION

That the City Council adopt an ordinance amending and replacing portions of Chapter 4 of the Oxnard City Code regarding purchasing and contracting authority titled:

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA, AMENDING AND REPLACING PORTIONS OF CHAPTER 4 OF THE OXNARD CITY CODE, RELATING TO PURCHASING AND CONTRACTING

BACKGROUND

On April 19, 2022, the Oxnard City Council approved the introduction of the Ordinance for first reading by title only (waiving further reading of the Ordinance). If adopted, the Ordinance will amend the City's existing Procurement Ordinance and adjust its approval processes and authority levels (who can approve what dollar amount for all City purchases) to better align with municipal best practices and functionality available in Tyler Munis.

Specifically, if adopted, the Ordinance will:

1. Amend the Purchasing Agent's signature authority for annual dollar limit per vendor from \$100,000 to \$0.
2. Amend City Department Manager signature authority for annual dollar limit per vendor from \$0 to \$50,000.
3. Amend the City Department Head signature authority from annual dollar limit from \$5,000 to \$100,000.

The City Council unanimously approved the introduction of the Ordinance, 7-0.

Clerical revisions have been made to the Ordinance since the Ordinance was introduced. If adopted, the Ordinance would become effective on October 1, 2022.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

The Finance and Governance Committee approved 3-0 on April 12, 2022, to approve the staff recommendation and to forward the item for Council approval. The City Council unanimously approved the introduction of the Ordinance by a vote of 7-0 on April 19, 2022.

Prepared by: Mark Sewell, Assistant Chief Financial Officer, Jason Zaragoza, Deputy City Attorney

ATTACHMENTS

1. Ordinance_ Procurement Revisions

CITY COUNCIL OF THE CITY OF OXNARD
ORDINANCE NO.

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA, AMENDING AND
REPLACING PORTIONS OF CHAPTER 4 OF THE OXNARD CITY CODE,
RELATING TO PURCHASING AND CONTRACTING

WHEREAS, the City is implementing a new financial management system with improved internal controls and efficiencies, effective October 1, 2022; and,

WHEREAS, in order to align the City's procurement process with the new financial management system, minor changes are necessary to the City's Procurement Ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

Part 1. Section 4-1, of Article I, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety in the following way:

“For the purposes of Chapter 4, the following definitions and rules shall be observed, unless such would be inconsistent with the manifest intent of the city council:

(A) ANNUAL AUTHORIZATION - The maximum annual value that the city council delegates to an individual to award a purchase order or contract per vendor or consultant.

(B) ANNUAL VALUE - The value of the contract per year, or if the contract does not list an annual amount, the total value of the contract divided by the number of years in the term of that contract.

(C) BEST VALUE - The expected outcome of a solicitation that in the city's estimation will provide the greatest overall benefit in response to the requirement, where price, quality, durability, servicing, delivery time, standardization, and/or other factors outlined in the purchasing manual are considered in the evaluation and selection process to minimize negative impacts and enhance the long-term performance and value of a solicitation submission.

(D) DEPARTMENT DIRECTOR - The most senior individual responsible for a City department.

(E) DEPARTMENT MANAGER - An employee entrusted with budgetary responsibility for a City Division, such as a Division Manager, City Engineer, or Assistant Director.

(F) EMERGENCY - Either of the following:

(1) Regarding public projects, as defined in this chapter, the meaning provided in Cal. Pub. Con. Code, Section 22050.

(2) Regarding all procurement unrelated to public projects, a condition or possible safety situation which makes bidding procedures, either formal or informal, impractical or not in the best interests of the city.

(G) FORCE ACCOUNT - Work performed on public projects using internal city resources, including, but not limited to, labor, equipment, materials, supplies and

subcontracts of the city.

(H) FORMAL SOLICITATION - A bid or proposal that must be submitted in a sealed envelope by mail, hand delivery or email or other electronic means, and in conformance with a prescribed format to be opened in public at a specified date and time or evaluated as delineated in the solicitation released, as established in the purchasing manual.

(I) INFORMAL SOLICITATION - A competitive bid, price quotation, or proposal for any procurement other than a public project that is conveyed by mail, fax, email or other electronic means, or other written manner that does not require a sealed bid or proposal, public opening or other formalities.

(J) MAINTENANCE or MAINTENANCE WORK - The meaning provided in Cal. Pub. Con. Code, Section 22002(d) and 8 CCR 16000.

(K) NEGOTIATED CONTRACT - A contract in an amount up to \$100,000 that is awarded on the basis of a direct contract with a contractor, vendor or consultant without going through the competitive bidding process.

(L) PRINCIPAL BUSINESS OFFICE - The place where the principal officers or owners generally transact business, where reports are prepared, from which orders and payments are made, and that the business represents to government authorities as its principal office or principal place of business.

(M) PROFESSIONAL SERVICES - All services performed by persons or firms in a professional occupation, including, but not limited to, consulting and performance services for accounting, financial, economic, auditing, redevelopment, computer hardware and software support, engineering, architectural, landscape architectural, planning, environmental, land surveying, construction project management, personnel, social services, animal control, lobbying, grant-writing, legal, management, communication and other similar professional functions.

(N) PURCHASING AGENT - An employee whose responsibility it is to procure all supplies, equipment, public projects and services for the city, or that employee's designee(s).

(O) PURCHASING MANUAL - The purchasing policies and procedures manual for the purpose of implementation of this chapter, as drafted, amended and adopted by the purchasing agent.

(P) PUBLIC PROJECT - The meaning provided in Cal. Pub. Con. Code. Section 22002(c).

(Q) SMALL LOCAL BUSINESS - A business entity that has for at least 36 months immediately preceding submittal of its bid held a current business license issued by the city, and maintained its principal business office within the city's geographic boundaries, has average annual gross receipts of \$20,000,000 or less over the 36 months immediately preceding submittal of its bid, and employs fewer than 100 employees, at least 50% of whom are Oxnard residents and have been Oxnard residents for at least 90 days prior to submission of the bid.

(R) TRADE SERVICE - A service that is not affiliated with a public project and either:

(1) Does not require specialized skill or certification, including, but not limited to, janitorial or maintenance work; or

(2) Requires manual skills and special training, but not particular education or degrees, including, but not limited to, mechanical or plumbing services."

Part 2. Section 4-3(B), of Article I, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“Issue a purchase order or execute a contract for procurement required by any city department, in accordance with procedures prescribed by this chapter up to the purchasing agent’s annual authorization.”

Part 3. Section 4-3(M), of Article I, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“Recommend award of and execute a negotiated contract, subject to a department director or city manager’s approval, when the purchasing agent determines that obtaining bids, quotations and proposals is not in the city’s best interest.”

Part 4. Section 4-11(B), of Article II, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The public works director and city manager each may procure, without public bidding, public projects that cost up to \$5,000.”

Part 5. Section 4-12(B), of Article II, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The public works director and city manager each may each award, and the purchasing agent may execute, such a contract.”

Part 6. Section 4-13(A), of Article II, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“A public project in the amount listed in Cal. Pub. Con. Code, Section 22032(b), as may be changed from time to time, shall be bid out using the informal bidding procedures contained in Cal. Pub. Con. Code, Section 22034. Notice shall be provided in accordance with Cal. Pub. Con. Code, Section 22034(a)(2). The public works director may award Tier 2 public project contracts up to \$100,000; the city manager may award, and the purchasing agent may execute, any Tier 2 public project contracts.”

Part 7. Section 4-18, of Article II, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The public works director and city manager each may approve, and the purchasing agent may execute, any task order thereto that, collectively with all other task orders on the project, does not exceed the total contract value previously approved for the project.”

Part 8. Section 4-19, of Article II, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The public works director and city manager each may award, and the purchasing agent may execute, any change order to a contract that, collectively with all other change orders on the project, does not exceed the contract plus contingency amount, if any, previously approved for the project.”

Part 9. Section 4-31(B), of Article III, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The director of each department and city manager may procure, without public bidding, purchases or leases of supplies or equipment that collectively cost up to \$5,000 per vendor or consultant, per fiscal year.”

Part 10. Section 4-36, of Article III, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“When no responsive bids are received, subject to the department director or city manager’s award, the purchasing agent is authorized to negotiate for a written bid, and if the bid is for an amount over the city manager’s annual authorization, this contract shall be presented to the city council for award, and to the most senior available member of the city council for execution.”

Part 11. Section 4-39, of Article III, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“Where a contract has been awarded, the department director and city manager each may award, and the purchasing agent may execute, any purchase order thereto that, collectively with all other purchase orders, does not exceed the total contract value.”

Part 12. Section 4-40, of Article III, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The department director and city manager each may approve, and the purchasing agent may execute, any change order to a purchase order or contract that, collectively with all other change orders on the project, does not exceed the contract plus contingency amount, if any, previously approved for the purchase or lease of supplies or equipment.”

Part 13. Section 4-52(B), of Article IV, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The director of each department and city manager each may procure, without public bidding, trade or professional services that collectively cost up to \$5,000 per vendor or

consultant, per fiscal year.”

Part 14. Section 4-59, of Article IV, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The department director and city manager each may approve, and the purchasing agent may execute, any task order that, collectively with all other task orders, does not exceed the total contract value previously approved for the trade or professional service.”

Part 15. Section 4-60, of Article IV, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“The department director and city manager each may approve, and the purchasing agent may execute, any change order to a contract that, collectively with all other change orders related to that contract, does not exceed the contract plus contingency amount, if any, previously approved for this procurement. Once the contract plus contingency amount is met, any further change orders shall be submitted for approval by the city council”.

Part 16. Section 4-70, of Article V, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“Each department shall provide the purchasing agent with an annual report, listing all procurements awarded by that department within that reporting period.”

Part 17. Section 4-72, of Article V, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

“(A) Other than for the rental, lease or license of real property, a contract related to an exemption listed in section 4-5, or public projects listed in sections 4-12 and 4-13, a department manager may award any procurement contract or purchase order up to an annual authorization in the amount of \$50,000.

(B) Other than for the rental, lease or license of real property, a contract related to an exemption listed in section 4-5, or public projects listed in sections 4-12 and 4-13, a department director may award any procurement contract or purchase order up to an annual authorization in the amount of \$100,000.

(C) Other than for the rental, lease or license of real property or a contract related to an exemption listed in section 4-5, the city manager may award any procurement contract or purchase order up to an annual authorization in the amount listed in Cal. Pub. Con. Code, Section 22032(b), as may be changed from time to time.

(D) Other than for the rental, lease or license of real property or a contract related to an exemption listed in section 4-5, the purchasing agent may execute any procurement contract, purchase order or amendment awarded by a department manager, department director or the city manager.

(E) Any amendment that, collectively with the original purchase order or contract and all

amendments thereto, does not exceed an individual's annual authorization may be approved by him or her.

(F) If an individual has authority to award a purchase order or contract, he/she has the authority to amend such purchase order or contract, provided the total amount of that purchase order or contract, and all amendments thereto, does not exceed his/her annual authorization.

(G) The purchasing agent may terminate any purchase order or contract for procurement.

(H) It shall be unlawful to split or separate into smaller purchase orders or contracts any procurement for the purpose of evading the provisions of this chapter."

Part 18. Section 4-75, of Article V, of Chapter 4 of the Oxnard City Code, is hereby amended in its entirety to read as follows:

"Other than for public projects, if the city council is not in session, or if there exists in the view of the purchasing agent an immediate need to do so, a purchase order, contract (including, but not limited to, a lease or license), change order or task order that otherwise would be submitted to the city council may be approved jointly by the city manager and the most senior available member of the city council, as executed by the purchasing agent. The city manager shall place the jointly executed document on the agenda for ratification at one of the next three regular city council meetings. Any document that is jointly approved in this way shall contain a provision that the authority to perform work under that document will automatically terminate on the date that ratification is denied, if it is."

Part 19. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

Part 20. Pursuant to Cal. Gov. Code Section 36933(c)(1), the City Attorney was designated to prepare, and the City Clerk published, a summary of this ordinance, and a certified copy of the ordinance was posted in the Office of the City Clerk a minimum of five days before the City Council's adoption of the ordinance.

Part 21. The City Clerk shall certify as to the adoption of this ordinance and shall cause the summary thereof to be published within fifteen (15) days of the adoption and shall post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk, in accordance with Government Code Section 36933. Ordinance No. _____ was first read on April 19, 2022, and finally adopted on _____, 2022.

Part 22. This ordinance shall become effective on October 1, 2022.

Part 23. The City Council determines and finds that this ordinance is exempt from the California Environmental Quality Act under section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the

activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

John C. Zaragoza, Mayor

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney



CITY COUNCIL AGENDA REPORT
INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. J.5

DATE: May 17, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Agreement A-8459 with HORNE LLP for California Low Income Household Water Assistance Program.

RECOMMENDATION

That the City Council:

1. Receive and file a report about the California Low Income Household Water Assistance Program (LIHWAP); and
2. Authorize the Public Works Director to execute Agreement A-8459 with HORNE LLP to enroll in this financial assistance program, in substantial conformance with the attached template, subject to the final approval of the City Attorney for any final modifications.

(Public Works and Transportation Committee approved 3-0)

BACKGROUND

The COVID-19 public health emergency has heavily impacted the financial well-being of many Californians, including residents of Oxnard. Unlike the water arrearages program where the City applied for funding to assist all customers who were not able to pay their water and wastewater utility bills during COVID-19, the California Low Income Household Water Assistance Program (LIHWAP) allows for low income Oxnard residents who are struggling financially to apply for additional funding directly through the LIHWAP.

The Federal government, recognizing the dire need to help low income families that are struggling, established in December 2020 a financial assistance program to help with water and wastewater utility costs. California was allocated \$116 million from this financial relief program to aid low income families in paying their utility bills. The financial relief program is administered at the federal level by the U.S. Department of Health and Human Services. Governor Gavin Newsom designated the California Department of Community Services (CSD) to administer the financial assistance.

DISCUSSION

The California Department of Community Services (CSD) has been serving low-income communities for more than 50 years. CSD has traditionally partnered with a network of nonprofit and local government organizations (commonly referred to as Local Service Providers) dedicated to reducing poverty by helping low-income individuals and families achieve and maintain economic security, meet their home energy needs, and reduce their utility costs through energy efficiency upgrades and access to clean renewable energy.

CSD will implement the Low Income Household Water Assistance Program (LIHWAP) in two phases. In phase I, CSD enters into contracts with LSPs who currently administer the Low Income Household Energy Assistance Program (LIHEAP) to enable the LSPs to access support funding to establish operations and prepare to process applications. In phase II, LSPs will begin accepting applications from eligible households by May 2022 or no later than June 2022. The program will operate through August 31, 2023.

Eligibility for LIHWAP services will vary depending on income, household size, place of residence, and other factors. A household will qualify if:

- The total household gross income is at or below 60% of the State's Median Income (4-member family can have a maximum income of \$98,644) or
- A household member is a current recipient of CalFresh or CalWORKs and
- There must be a past due amount on the household's most recent water or wastewater bill or
- An applicant with water or wastewater utilities included in rent must be past due on their rent and
- The applicant must receive service from a community water system or wastewater treatment provider and the water system or wastewater system opted into the program.

LIHWAP will offer a one-time payment to help low-income customers with their past due water or wastewater bills, up to a maximum of \$2,000 per account. This program will help pay overdue bills which accrue during any timeframe; in other words, there are no date restrictions on the bill relief period. LIHWAP is a different type of assistance program when compared to the recent funding the City received from the California Water & Wastewater Arrearage Program (CWWAPP). Some Oxnard customers that received assistance from the CWWAPP may also qualify for additional assistance from LIHWAP. The CWWAPP financial assistance:

- Fully paid for all delinquent water and wastewater charges that occurred during the COVID-19 relief period from March 2020 to June 2021
- Did not have household income requirements
- Did not require the customer to directly apply for financial assistance
- Required for water and wastewater systems to submit data and supporting documentation directly to the State of California

In order to leverage the use of existing processes, procedures, policies, and systems, CSD will contract with LSPs that maintain responsibility to administer the LIHWAP program. LSPs have strong ties to their local communities and have many years of experience providing LIHEAP and other public assistance programs to low-income customers in their respective service territories. The LSP will provide funding through its third-party disbursement partner, HORNE LLP, that will provide direct payment to the City. HORNE LLP, which receives an administrative fee from the State for their services, will provide documentation notifying the City if the assistance is for water and/or wastewater charges. There is no cost to the City to participate in the LIHWAP. The City will be required to:

- Apply a credit to the account when a direct payment is received from HORNE LLP
- Notify the customer that a LIHWAP credit has been applied to the account
- Submit a report to HORNE LLP with the amount applied to the account
- Provide information on whether the assistance restored water services or prevented disconnection, if applicable
- Enter into an agreement with HORNE LLP to receive the direct payments
- Promote the program to its customers

If approved, staff intends to promote the program to Oxnard's water and wastewater residential customers by providing clear direction on how and where to apply and the criteria for meeting the minimum qualifications in customer's monthly billing documents (i.e. bill stuffers). This same messaging will be posted on the City of Oxnard website.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

FINANCIAL IMPACT

There is no direct financial impact in receiving this report. However, this financial relief program will positively impact the water and wastewater funds' outstanding receivables when direct payments are received and applied to customer accounts.

COMMITTEE OUTCOME

The Public Works and Transportation Committee approved 3-0 on April 26, 2022 to approve the staff recommendation and to forward the item for Council approval. At the Public Works & Transportation Committee meeting of April 26, 2022, the committee asked if this program was of any cost for the City to enroll in. Staff responded that there is a zero cost to join LIHWAP. While there is no cost to participate in the program, staff wanted to clarify that there will be internal costs for applying the payment, reporting requirements, and promoting the program.

Prepared by: Omar Castro, Water Division Manager

ATTACHMENTS

1. CA LIHWAP Direct Payment Agreement



DIRECT PAYMENT AGREEMENT

THIS DIRECT PAYMENT AGREEMENT (Agreement) is made and entered into effective as of the date signed below (the “Effective Date”), by and between **[Name]** (“the Water System”), **[Address]** and **HORNE LLP**, a Delaware limited liability partnership, having a place of business at 661 Sunnybrook Road, Suite 100, Ridgeland, MS 39157 (“HORNE”).

WHEREAS, the California Department of Community Services and Development (“CSD”) is authorized to administer the Low-Income Household Water Assistance Program (“LIHWAP” or “Program”) to provide financial assistance to help low-income Californians manage their residential water utility costs;

WHEREAS, CSD has contracted with HORNE to disburse direct payments to water systems to apply a LIHWAP credit to households identified as eligible for LIHWAP assistance by CSD or its Local Service Providers (LSPs);

WHEREAS, CSD has authorized HORNE to enter into this Agreement with Water System; and

WHEREAS, the Water System desires to enroll in LIHWAP and participate in the direct payment service established by the Direct Payment Program.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Water System agrees to receive direct payments from HORNE for the benefit of California residents who qualify for LIHWAP and agrees to abide by all terms and conditions below:

Direct Payment Program General Terms and Conditions

- 1.1 To participate in the Direct Payment Program, a Water System must be defined as a “Community Water System” or “Community Water System Billing Entity”, “Wastewater Treatment Provider” or “Wastewater Billing Entity” (collectively referred to as a “Water System” in this Agreement).
- 1.2 A “Community Water System” means a public water system with at least 15 service connections used by yearlong residents or regularly services at least 25 yearlong residents.
- 1.3 A “Community Water System Billing Entity” means a third-party entity that is the designated billing entity for a community water system.
- 1.4 A “Wastewater Treatment Provider” means a city, county, special district, or joint powers authority that provides wastewater collection, treatment, or disposal service through a publicly owned treatment works.
- 1.5 A “Wastewater Billing Entity” means a local government entity (city, county, or special district) that is the designated billing entity for a wastewater treatment provider.
- 1.6 The Water System enrolled in the Direct Payment Program must be the responsible entity for applying the LIHWAP credit to customer accounts.
- 1.7 Qualified low-income residential customers will be identified by CSD and its LSP partners. CSD will provide HORNE with a direct pay file that contains customer account information as well as the amount for the direct payment to the Water System for each customer. Commercial customers are not eligible for the program.
- 1.8 HORNE will provide the Water System a direct pay file that contains customer account information and the LIHWAP benefit amount for the purpose of crediting the accounts of qualified low-income residential customers of the Water System who have been identified as eligible for water assistance payments under LIHWAP by CSD or its LSPs.
- 1.9 HORNE will establish a secure method to provide the direct pay file and customer information to the Water System and a secure method to receive the Direct Payment Summary from the Water System as described in 2.11.
- 1.10 The Water System is encouraged to offer a payment plan or other forms of assistance to customers who have a remaining balance after the LIHWAP benefit is applied to support the

continuation of services or the restoration of services for accounts where services are terminated due to nonpayment.

Obligations of the Water System

- 2.1 Water System shall provide water and/or wastewater services to each eligible and approved residential household for which payment is provided under LIHWAP.
- 2.2 Water System shall charge LIHWAP residential households using the Water System's normal billing process, the difference between the actual amount due and the amount of the payment made by the LIHWAP payment.
- 2.3 Water System shall restore water services on a timely basis or remove disconnection status upon payment, if applicable, and shall confirm this action to HORNE by submission of the Direct Payment Summary report as specified in provision 2.11.
- 2.4 Water System shall charge all LIHWAP eligible residential households the same price charged for home drinking water and/or wastewater services billed to non-eligible residential households, as determined by the approved rate setting process.
- 2.5 Water System shall not apply LIHWAP payments to account balances that have previously been written off or paid off with other customer assistance program funds. The Water System shall return issued LIHWAP payments to HORNE within 15 business days of receipt for accounts where the owed balance has been paid off with other customer assistance program funds or discharged (written off) in its entirety by the Water System along with the Direct Payment Summary specified in 2.11.
- 2.6 Water System shall apply the LIHWAP benefit to closed accounts to cover the pending balance and shall return any remaining amount of the LIHWAP payment to HORNE within 15 days of receipt along with the Direct Payment Reconciliation Summary specified in 2.11.
- 2.7 Water Systems shall adhere to existing credit return policies when returning funds to a customer that received a LIHWAP benefit, and the account is later closed and there is a remaining LIHWAP credit balance on the account.

- 2.8 Water systems that include other services on the customer's bill shall only apply LIHWAP payments towards the water, wastewater, and/or storm water amount owed including any applicable late fees, reconnection fees, taxes, and other charges.
- 2.9 Water System shall not discriminate against a LIHWAP eligible household with respect to terms, deferred payment plans, credit, conditions of sale, or discounts offered to other customers.
- 2.10 Water System shall post all payments to customer accounts within 5 business days from receipt of payment.
- 2.11 Water System shall submit to HORNE a Direct Payment Summary (in a format provided by HORNE) that reconciles the associated direct pay file and return payments that could not be credited to customer accounts within 15 business days of receipt of payment. The Direct Payment Summary must contain information on the date the credit was posted, direct pay file date; the total number of customer accounts that the Water System was successful in fully crediting; and the total number of customer accounts that the Water System was not successful in crediting. For those customer accounts that were not credited, the Water System shall reflect in the Direct Payment Summary the customer accounts that were not credited to include customer account information (customer name, account number, account address, benefit amount), and reason why the LIHWAP benefit was unable to be applied to the customer's account. The Water System shall use customer and account information contained in the direct pay file to complete the reporting and identification of customer accounts that were not credited.
- 2.12 Water System shall clearly enter, on the LIHWAP recipient's bill, the amount of LIHWAP payment(s) received and identify the payment was received from LIHWAP. The credit should appear on the first billing statement after the credit has been posted. If posting on the LIHWAP recipient's bill is not feasible, the Water System shall send customers a notification of the LIHWAP payment via phone call, letter, text, or email communication as soon as practicable.
- 2.13 Water System shall cooperate with any Federal or State investigation, audit, or program review related to the administration of LIHWAP to ensure funds are accurately applied to customer accounts in compliance with this Agreement, including allowing CSD and its designated representatives access to all books and records related to the receipt and posting of LIHWAP benefits under review.

- 2.14 Water System is informed that failure to cooperate with any Federal or State investigation, audit, or program review may result in the immediate suspension or disqualification from participation in LIHWAP.
- 2.15 Water System shall take corrective action in the time frame specified by the CSD if violations of this Agreement are discovered. Corrective action may include, but is not limited to, providing detailed documentation of changes made and detailed plans for future changes that will bring the Water System into compliance.
- 2.16 Water System is informed that failure to implement corrective actions may result in the immediate suspension or disqualification from participation in LIHWAP.
- 2.17 Water System shall comply with all federal and California privacy laws, and shall take all necessary steps to protect the confidentiality of the information provided by HORNE to the Water System. Water System agrees to provide required security to ensure the confidential, physical security and safekeeping of all data, information files, and documents (“customer information”) pertaining to the recipients of LIHWAP utility assistance payments, while such customer information is in its possession. Water System will, in accordance with applicable law and the terms of this Agreement, protect from unauthorized use and disclosure all sensitive data, documentation, or other customer information provided to Water System by HORNE, CSD, or CSD’s LSPs for purposes of this Agreement.

Term

- 3.1 The term of this Agreement shall be the effective date of this contract through October 31, 2023.

Project Coordinator

- 4.1 The Project Coordinator is designated to manage all HORNE inquiries regarding direct payments, issues with the direct payment process, mishandled or incorrect payments, clarification and updates of reports, and fraud and abuse. The Project Coordinator during the term of this Agreement is listed below. The Water System may designate a different Project Coordinator by notifying HORNE in writing.

Water System's Project Coordinator

Name and Title: _____

Company Name: _____

Address: _____

City, State, and ZIP Code: _____

Email: _____

Phone: (_____) _____ - _____

Additional Provisions

- 5.1 Amendment. All amendments to this Agreement shall be in writing, signed by HORNE and Water System.
- 5.2 Assignment. Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned by any party without the prior written consent of the other parties.
- 5.3 Merger/Entire Agreement. This Agreement (including the attachments, documents and instruments referred to in this Agreement) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
- 5.4 Nonwaiver. The waiver by either party of any breach of any term, covenant, or condition contained in this Agreement, or any default in the performance of any obligations under this Agreement, shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition, or obligation; nor shall any waiver of any incident of breach or default constitute a continuing waiver of the same. All waivers shall be in writing.
- 5.5 Severability. If any provision of this Agreement is found invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired and shall remain in full force and effect.

5.6 Venue. In the event that suit shall be brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the State Courts of the County of Sacramento, or where otherwise appropriate, exclusively in the United States District Court for the Eastern District of California in Sacramento, California.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement, or caused it to be signed by their duly authorized representatives “below”.

HORNE LLP

By: _____

Name: _____

Title: _____

Date: _____

Water System: [_____]

By: _____

Name: _____

Title: _____

Date: _____



CITY COUNCIL AGENDA REPORT
INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. J.6

DATE: May 17, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Amend Purchase Order #8552 with SiteOne Landscape Supply, LLC for Citywide Irrigation Parts and Supplies.

RECOMMENDATION

That the City Council approve and authorize the Purchasing Agent to amend Purchase Order #8552 with SiteOne Landscape Supply to increase the not to exceed amount from \$100,000 to \$1,000,000 and extend the term from June 30, 2022 to February 27, 2025, for the purchase of irrigation parts and supplies.

(Public Works and Transportation Committee approved 3-0.)

BACKGROUND

On December 14, 2021, staff provided a drought condition update and presentation to the Public Works and Transportation Committee (PWTC). The report addresses questions and concerns related to the City's water conservation compliance, enforcement, and penalties and credits. A subsequent update was presented to the City Council on January 4, 2022.

Currently, the City has 34 General Fund parks, 17 Special Districts parks, 2 Measure O parks, and citywide parkways and medians that require irrigation repairs to achieve water efficiency. These areas have a significant amount of deferred maintenance after years of budget cuts and reduced resources. With the approval of the City Council 5-Year Priorities, staff was given direction to prioritize restoring the maintenance of the citywide street landscapes and parks. The plan that was approved included the contracting for maintenance services within these areas. The initial maintenance contracts are for mowing, pruning, pest control, and trash clean-up. Irrigation repairs were not included within these contracts.

Staff worked with the City's geographic information system (GIS) Team to develop a real-time map of the needed irrigation repairs throughout the City. Because of the significant amount of areas of responsibility of the Park Division and the current staffing levels, there are not enough employees to dedicate to just the irrigation repairs. Recently, landscape contractors were added through an existing on-call contract to assist with the street landscape irrigation repairs.

DISCUSSION

The City must lead the efforts for water stewardship among our residents. A partnership between Parks, Special Districts, and the Water Division has been made to enhance the GIS map of needed repairs and to also address the aging irrigation infrastructure and the lack of an existing irrigation inventory. Staff will continue to identify malfunctioning, broken, or otherwise wasteful components throughout the city.

On December 22, 2021, the City's Purchasing Department conducted a formal solicitation of irrigation parts and supplies via Bid Number PW 22-75. Information regarding the solicitation was posted on the City's website, and at publicpurchase.com. SiteOne Landscape Supply, LLC, was the only responsive bidder to submit by the January 18, 2022

deadline. SiteOne Landscape Supply, LLC was found to meet all City required contractual provisions, including possession of a City business tax certificate, insurance certificates, and corporate filing with the California Secretary of State. To ensure the continued availability of irrigation parts and supplies for City operations, Purchase Order #8552 was authorized by the City Manager in March 2022. The initial amount of his Purchase Order was a not to exceed amount of \$100,000, based on the available funding for irrigation repairs in December 2021. However, the City Council approved an additional \$400,000 on January 4, 2022 to immediately address the highest priority irrigation repairs and avoid a significant amount of water-waste. Staff is now recommending this Purchase Order be amended to extend the term to three years with a not to exceed amount of \$1,000,000. The increase for both the term and the not to exceed amount will enable staff to provide better response times for irrigation repairs. However, any purchases will be limited to available funds in each division's operating budget.

This purchase order allows for the purchase of irrigation supplies and equipment needed to make repairs and improvements. It has the capacity to be utilized by all divisions within Public Works.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

FINANCIAL IMPACT

The total cost for this Purchase Order with SiteOne Landscape Supply will not exceed \$1,000,000 through February 27, 2025. Funding to pay for these irrigation parts and supplies will come from Public Works divisional operating budgets and will be dependent on available appropriations adopted by the City Council. Funding sources will vary, but are anticipated to be from the General Fund, Measure O and Special Districts.

COMMITTEE OUTCOME

The Public Works and Transportation Committee approved 3-0 on April 26, 2022 to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Steve Howlett, Assistant Public Works Director

ATTACHMENTS

None



CITY COUNCIL AGENDA REPORT
INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. J.7

DATE: May 17, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Approve Seventh Amendment to Agreement 7167-15-CM with Ventura Regional Sanitation District.

RECOMMENDATION

That the City Council approve and authorize the Mayor to execute a Seventh Amendment to Agreement 7167-15-CM with Ventura Regional Sanitation District (VRSD) in the amount of \$431,441.09 for a total not-to-exceed amount of \$1,150,000 and to extend the term from June 30, 2022 to June 30, 2023, with the option to exercise two (2) one-year extensions through June 30, 2025, for monitoring and reporting of the closed Santa Clara Landfill.

(Public Works and Transportation Committee approved 3-0)

BACKGROUND

Ventura Regional Sanitation District (VRSD) has managed the Santa Clara Landfill since its closure and the building of the City's River Ridge Golf Course. On May 15, 2002, City Council approved the lease (Lease Agreement) from VRSD of two (2) parcels of real property, including a landfill parcel for the purpose of constructing and maintaining golf course facilities.

From 2002 to 2022, VRSD has been providing regulatory testing and reporting services to monitor the area's groundwater and gas emissions affected by the presence of decomposing refuse below the surface. Since VRSD is the owner of the leased property and provides the necessary regulatory monitoring, this Agreement has remained with VRSD and paid through golf course operating revenues.

DISCUSSION

The current VRSD agreement expires June 30, 2022. The Public Works Department is requesting a Seventh Amendment to the Agreement to extend the term to June 30, 2023, with the option to exercise two one year extensions through June 30, 2025, and to increase the agreement value by \$431,441.09 for a new not to exceed amount of \$1,150,000. The services provided by VRSD are critical for the City to meet local, State and federal air and groundwater quality mandates.

On June 8, 2015, the City and VRSD entered into a new agreement, wherein VRSD agreed to continue to provide monitoring and reporting services as a requirement per the post closure agreement and lease agreement. The table below shows the history of the agreement and amendments.

AGREEMENT/ AMENDMENT	COUNCIL APPROVAL	VALUE AMOUNT	AMENDMENT AMOUNT	TOTAL AMOUNT	TERM
7167-15-CM	November 17, 2015	\$75,050.91	\$0	\$75,050.91	June 30, 2016

First Amendment	April 11, 2017	\$75,050.91	\$129,457.00	\$204,507.91	June 30, 2017
Second Amendment	January 23, 2018	\$204,507.91	\$113,721.00	\$318,228.91	June 30, 2018
Third Amendment	March 5, 2019	\$318,228.91	\$99,987.00	\$418,215.91	June 30, 2019
Fourth Amendment	June 18, 2019	\$418,215.91	\$102,568.00	\$520,783.91	June 30, 2020
Fifth Amendment	June 30, 2020	\$520,783.91	\$97,960.00	\$618,743.91	June 30, 2021
Sixth Amendment	May 5, 2021	\$618,743.91	\$99,815.00	\$718,558.91	June 30, 2022

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

The cost for this Amendment with VRSD is \$431,441.09 for a total of three years. The estimated spending for FY 2022-23 is \$120,615 and will be requested in the proposed budget. The amendment accounts for an annual increase, which will be based on the Los Angeles area 12 month Consumer Price Index. Subsequent annual costs for this agreement will be requested in the annual budget request in the Golf Course Operations Fund 651 (account 651-6402-842.82-09).

COMMITTEE OUTCOME

The Public Works and Transportation Committee approved 3-0 on April 26, 2022 to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Steve Howlett, Assistant Public Works Director

ATTACHMENTS

1. 7167-15-CM Seventh Amendment
2. 7167-15-CM Original-6th Amendment

SEVENTH AMENDMENT TO CONSULTING SERVICES AGREEMENT

This Seventh Amendment (“Seventh Amendment”) to the Consulting Services Agreement (VRSD Contract No. 15-0127; City of Oxnard Agreement No. 7167-15-CM) related to landfill gas monitoring and reporting at the closed Santa Clara Landfill, which is owned by the City of Oxnard, (“Agreement”) is made and entered into in the County of Ventura, State of California, this _____ day of _____, 2022, by and between the City of Oxnard, a municipal corporation (“City”), and Ventura Regional Sanitation District, a special district formed pursuant to California Health & Safety Code Section 4700 *et seq.* (“Consultant”).

This Seventh Amendment amends the Agreement entered into on June 8, 2015, by City and Consultant. The Agreement previously has been amended on April 11, 2017, by a First Amendment, on November 2, 2018, by a Second Amendment, on March 5, 2019, by a Third Amendment, on May 16, 2019, by a Fourth Amendment, on June 30, 2020, by a Fifth Amendment, and on June 21, 2020, by a Sixth Amendment.

City and Consultant agree to the following terms and conditions set forth in this Seventh Agreement to the Consulting Services Agreement:

1. The following language shall replace the original provisions in the Agreement, Section 8. Time for Performance as previously modified by Paragraph 2 of the Second Amendment:

“8. Time for Performance

The Services to be performed under this Agreement shall be completed by June 30, 2025, if extended. City agrees to amend the time for performance or termination date whenever the Consultant is delayed by action or inaction of the City or other reasonable cause and Consultant promptly notifies Manager of such delay or need for additional time to complete performance under the terms and conditions of the Agreement, as amended.”

2. The following language shall replace the original provision of Section 12 in the Agreement, as previously modified by the Second Agreement:

“12. Term of Agreement

This Agreement shall begin on July 1, 2015 and expire on June 30, 2023 unless terminated sooner by either party, with the option of two additional one year extensions upon the written agreement of both parties.”

3. The following language shall replace the original provision of Section 14.a in the Agreement, as previously modified by the Second Agreement

“14. Compensation

- a. City agrees to pay Consultant a total compensation amount not to exceed \$1,150,000 for the Services rates provided in **Exhibit B-5** attached hereto and incorporated herein by this reference. Annual increases for subsequent years of Labor and Equipment Rates shall be equal to the U.S. Bureau of Labor Statistics’ Consumer Price Index (CPI). CPI shall be defined as the index for All Urban Consumers for the Los Angeles-Long Beach-Anaheim, CA area, not seasonally adjusted, all items index, annual average. Services and supplies will be charged at cost plus 15%.
4. As so amended, all other terms and conditions of the Agreement, as modified, remain in full force and effect.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Amendment on the date first written above.

CITY OF OXNARD

**VENTURA REGIONAL
SANITATION DISTRICT**

☐ John C. Zaragoza, Mayor¹ Date
☐ Alexander Nguyen, City Manager
☐ _____, Purchasing Manager
☐ _____, Buyer

Laura Hernandez, Chairperson Date

Juliet Rodriguez Date
Clerk of the Board

ATTEST:

Rose Chaparro, City Clerk Date
(only if Mayor signs)

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Stephen M. Fischer, City Date
Attorney (always required)

Robert N. Kwong Date
District General Counsel
Arnold LaRochelle Mathews VanConas &
Zirbel, LLP

1

SIXTH AMENDMENT TO CONSULTING SERVICES AGREEMENT

This Sixth Amendment ("Sixth Amendment") to the Consulting Services Agreement related to landfill gas monitoring and reporting at the closed Santa Clara Landfill, which is owned by the City of Oxnard, ("Agreement") is made and entered into in the County of Ventura, State of California, this 4th day of May, 2021, by and between the City of Oxnard, a municipal corporation ("City"), and Ventura Regional Sanitation District, a public agency formed pursuant to California Health & Safety Code Section 4700 *et seq.* ("Consultant"). This Sixth Amendment amends the Agreement entered into on June 8, 2015, by City and Consultant. The Agreement previously has been amended on April 11, 2017, by a First Amendment, on November 2, 2018, by a Second Amendment, on March 5, 2019, by a Third Amendment, on May 16, 2019 by a Fourth Amendment, and on June 30, 2020 by a Fifth Amendment

City and Consultant agree to this Sixth Agreement as follows:

1. The following language shall replace the original provisions in the Agreement as previously modified by Paragraph 2 of the Second Amendment:

"8. Time for Performance

The Services to be performed under this Agreement shall be completed by June 30, 2022. City agrees to amend the time for performance or termination date whenever the Consultant is delayed by action or inaction of the City or other reasonable cause and Consultant promptly notifies Manager of such delay or need for additional time to complete performance under the terms and conditions of the Agreement, as amended."

2. The following language shall replace the original provision of Section 12 in the Agreement, as previously modified by the Second Agreement:

"12. Term of Agreement

This Agreement shall begin on July 1, 2015 and expire on June 30, 2022."

3. The following language shall replace the original provision of Section 14.a in the Agreement, as previously modified by the Second Agreement

"14. Compensation

- a. City agrees to pay Consultant a total compensation amount not to exceed \$718,558.91 for the Services rates provided in **Exhibit B-5** attached hereto and incorporated herein by this reference"

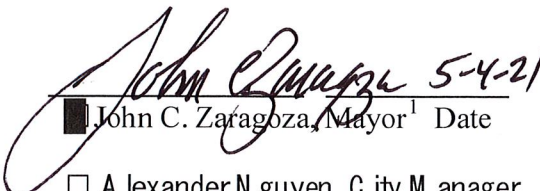
4. As so amended, all other terms and conditions of the Agreement remain in full force and effect.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Amendment on the date first written above.

CITY OF OXNARD

**VENTURA REGIONAL
SANITATION DISTRICT**

 5-4-21

John C. Zaragoza, Mayor¹ Date

Jim Friedman, Date
Chairperson of the Board

- ☐ Alexander Nguyen, City Manager
☐ Daniel Willhite, Purchasing Manager
☐ _____, Buyer

Juliet Rodriguez Date
Clerk of the Board

ATTEST:

 5/4/21

Rose Chaparro, City Clerk Date
(only if Mayor signs)

APPROVED AS TO FORM:

APPROVED AS TO FORM:

 for 4/13/21

Stephen M. Fischer, City Date
Attorney (always required)

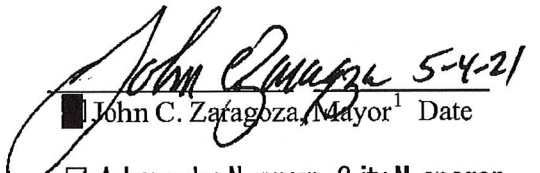
Robert N. Kwong Date
District General Counsel
Arnold LaRochelle Mathews VanConas &
Zirbel, LLP

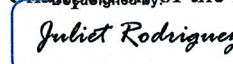
Agreement No. 7167-15-CM

IN WITNESS WHEREOF, the parties hereto have executed the Amendment on the date first written above.

CITY OF OXNARD

VENTURA REGIONAL
SANITATION DISTRICT

 5-4-21
☒ John C. Zafagoza, Mayor¹ Date
☐ Alexander Nguyen, City Manager
☐ Daniel Willhite, Purchasing Manager
☐ _____, Buyer

DocuSigned by:
 6/21/2021
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 Jim Friedman, Date
 Chairperson of the Board
 6/21/2021
 60D7ED0000065431...
 Juliet Rodriguez Date
 Clerk of the Board

ATTEST:

 5/4/21
 Rose Chaparro, City Clerk Date
 (only if Mayor signs)

APPROVED AS TO FORM:

 for 4/13/21
 Stephen M. Fischer, City Date
 Attorney (always required)

APPROVED AS TO FORM:

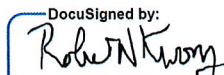
DocuSigned by:
 6/22/2021
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 Robert N. Kwong Date
 District General Counsel
 Arnold LaRochelle Mathews VanConas &
 Zirbel, LLP

EXHIBIT B-5

AMENDMENT NO. 6 TO
CITY OF OXNARD AGREEMENT NO. 7167-15-CM
AND
VENTURA REGIONAL SANITATION DISTRICT CONTRACT NO. 15-027

Summary

FY16 Proposed Customer Budget	\$75,050.91
FY17 Proposed Customer Budget	\$129,457.00
FY18 Proposed Customer Budget	\$113,721.00
FY19 Proposed Customer Budget	\$99,987.00
FY20 Proposed Customer Budget	\$102,568.00
FY21 Proposed Customer Budget	\$97,960.00
FY22 Proposed Customer Budget	\$105,124.00
	<u>\$723,867.91</u>

(See FY22 detail on the following pages.)



VENTURA REGIONAL SANITATION DISTRICT
1001 PARTRIDGE DRIVE, SUITE 150
VENTURA, CA 93003-0704
805.658.4679

FY22 PROPOSED CUSTOMER BUDGET

Project Number

411500 City of Oxnard [River Ridge]- EPG

Project Number	Account	Quantity	Cost/Price	Extension
51010 Wages - Regular	Account Total---		\$31,028	
	51010 Engineering Technician LFG Perimeter Probe & Structure Monitoring	66	\$128	\$8,448
	51010 Engineer LFG Perimeter Probe & Structure Monitoring	12	\$139	\$1,668
	51010 Engineering Technician LFG Surface Monitoring & Reporting	4	\$128	\$512
	51010 Engineering Technician LFG Surface Monitoring & Reporting	40	\$128	\$5,120
	51010 Engineer Gas Collection System and Flare Operation &	16	\$139	\$2,224
	51010 Engineering Technician Gas Collection System and Flare Operation &	6	\$128	\$768
	51010 Engineering Technician Gas Collection System Monitoring	96	\$128	\$12,288
	Account Total---			\$32,175
	52079 Landfill Surface Emission Monitoring	2	\$3,850	\$7,700
52079 Environmental Consultants	52079 Semiannual GW Monitoring Events & Reports	2	\$8,625	\$17,250
	52079 Gas Flare Source Test	2	\$2,200	\$4,400
	52079 Semiannual Flare Assessment	2	\$1,137	\$2,273
	52079 Quarterly LFG Sampling	4	\$138	\$552
	Account Total---			\$3,048
52150 Permits, Licenses and Fees	52150 VCAPCD	1	\$1,725	\$1,725
	52150 Misc Permits	1	\$690	\$690
	52150 SWRQCB Permit	1	\$633	\$633
52155 Lab Services and Supplies	Account Total---			\$20,700
	52155 Semiannual GW Analytical Lab Services	2	\$10,350	\$20,700
52185 Operating Supplies	Account Total---			\$8,878
	52185 Flare Maintenance & Repair Supplies	2	\$4,025	\$8,050
	52185 Calibration Gas (Oxygen & Methane)	2	\$207	\$414
	52185 Calibration Gas (Zero Air & Methane)	2	\$207	\$414

52186	Other Operating Services	Account Total---	\$700			
	52186 Maintain City's Air Compressor (Quarterly)			4	\$175	\$700
52197	Utilities	Account Total---	\$2,880			
	52197 Electricity			12	\$240	\$2,880
52220	Equipment Rental/Lease	Account Total---	\$150			
	52220 Manlift			2	\$75	\$150
60594	Fund Transfer Out-EQUIPMENT	Account Total---	\$3,798			
	60594 GEM Gas Monitor			4	\$342	\$1,368
	60594 Mule - Portable Vehicle			4	\$420	\$1,680
	60594 Misc Supplies/Hardware			2	\$375	\$750
60598	Fund Transfer Out-FLEET	Account Total---	\$1,770			
	60598 Mileage - LFG Perimeter Probe & Structure			480	\$2	\$720
	60598 Mileage - LFG Surface Monitoring & Reporting			200	\$2	\$300
	60598 Mileage - Gas Coll Sys Monitoring			500	\$2	\$750
			Project	411500 Total---		\$105,127
			Total for this report---			\$105,127

Customer Signature: _____ Date: _____
Approval to Start Project

VRSD Signature: _____ Date: _____
Approval to Start Project

**AMENDMENT NO. 5
TO
CITY OF OXNARD AGREEMENT NO. 7167-15-CM
AND
VENTURA REGIONAL SANITATION DISTRICT CONTRACT NO. 15-027
AGREEMENT FOR CONSULTING SERVICES**

THIS FIFTH AMENDMENT ("Fifth Amendment") to the Agreement for Consulting Services ("Agreement") is made and entered into in the County of Ventura, State of California, this 30th day of June, 2020, by and between the City of Oxnard, a municipal corporation ("City"), and Ventura Regional Sanitation District, a public agency formed pursuant to California Health & Safety Code Section 4700 *et seq.* ("Consultant"). Together, City and Consultant shall be referred to herein as "Parties."

RECITALS

A. On June 8, 2015, City and Consultant entered into the Agreement, which was designated by the City as Agreement No. 7167-15-CM and by the Consultant as VRSD Contract No. 15-027.

B. In this Agreement, Consultant agreed to provide consulting services (which include but is not limited to landfill gas perimeter probe monitoring and reporting, landfill gas surface monitoring and reporting, storm water monitoring and reporting, gas collection system and flare operations and maintenance, and gas collection system monitoring) to the City for the closed Santa Clara Landfill, which is located on a parcel owned by the City; and

C. On April 11, 2017, City and Consultant agreed to amend the Agreement to update and modify certain provisions (First Amendment); and

D. On November 2, 2018, City and Consultant agreed to amend the Agreement to renew and extend the Agreement for one year and add additional compensation to Consultant (Second Amendment); and

E. On March 5, 2019, City and Consultant agreed to amend the Agreement to review and extend the Agreement for one year and add additional compensation to Consultant (Third Amendment); and

F. On May 16, 2019, City and Consultant agreed to amend the Agreement to renew and extend the Agreement for one year and add additional compensation to Consultant (Fourth Amendment), and the Agreement, as amended, is attached and incorporated herein by reference as Exhibit D-5.

G. The Parties acknowledge and agree that the Agreement should be renewed and extended for another twelve (12) months and that additional compensation to Consultant should be added for this twelve-month extension, and that this can be accomplished by amending the Agreement accordingly.

AMENDMENT TERMS AND CONDITIONS

NOW, THEREFORE, based upon valuable consideration below and the recitals above, the Parties agree as follows:

1. The following language shall replace the original provisions of Section 8 in the Agreement, as



previously modified Paragraph 2 of the Second Amendment:

“8. Time for Performance

The Services performed under this Agreement shall be completed by June 30, 2021. City agrees to amend the performance termination date whenever Consultant is delayed by action or inaction of City and Consultant promptly notifies Manager of such delays.”

2. The following language shall be added at the end of Section 10 (Permits, Licenses, Certificates) in the Agreement:

“The Parties agree that Consultant shall be responsible for no more than twenty-five percent (25%) of the annual permit fee charged by the State Water Resources Control Board to the City. City may request the Consultant, by invoice, to pay its 25% share of the State Water Resources Control Board annual permit fee for the closed Santa Clara and Coastal Landfills. The Consultant shall have thirty (30) business days from the receipt of such invoice to remit payment to the City.”

3. The following language shall replace the original provisions of Section 12 in the Agreement, as previously modified by the Second Amendment:

“12. Term of Agreement

This Agreement shall begin on July 1, 2015 and expire on June 30, 2021.”

4. The following language shall replace the original provisions of Section 14.a. in the Agreement, as previously modified by the Second Amendment:

“14. Compensation

a. City agrees to pay Consultant in an amount not to exceed \$618,743.91 for the Services at rates provided in **Exhibit B-5** attached hereto and incorporated herein by this reference.”

5. As so amended, the Agreement remains in full force and effect.

-- THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK --

IN WITNESS WHEREOF, the Parties have executed this Fifth Amendment on the day and year first written above.

**VENTURA REGIONAL
SANITATION DISTRICT ("Consultant")**

By Bert E Perello
BERT PERELLO
Chairman of the Board

ATTEST:

By Juliet Rodriguez
JULIET RODRIGUEZ
Clerk of the Board

**APPROVED AS TO FORM:
ARNOLD, LAROCHELLE,
MATHEWS, VANCONAS & ZIRBEL, LLP**

By Robert N. Kwong
ROBERT N. KWONG
Legal Counsel for District

APPROVED AS TO ADMINISTRATION:

By Chris Theisen
Chris Theisen (May 7, 2020)
CHRIS THEISEN
General Manager

CITY OF OXNARD ("City")

By Tim Flynn 6/30/20
TIM FLYNN
Mayor

ATTEST:

By Michelle Ascencion 6/30/2020
MICHELLE ASCENCION, CMC
City Clerk

APPROVED AS TO FORM:

By Stephen Fischer
STEPHEN FISCHER
City Attorney

Handwritten signature or text, possibly "Handwritten signature" or "Handwritten text".

Handwritten text, possibly "Handwritten text" or "Handwritten signature".

IN WITNESS WHEREOF, the Parties have executed this Fifth Amendment on the day and year first written above.

**VENTURA REGIONAL
SANITATION DISTRICT ("Consultant")**

By Bert E Perello
BERT PERELLO
Chairman of the Board

ATTEST:

By Juliet Rodriguez
JULIET RODRIGUEZ
Clerk of the Board

APPROVED AS TO FORM:
ARNOLD, LAROCHELLE,
MATHEWS, VANCONAS & ZIRBEL, LLP

By _____
ROBERT N. KWONG
Legal Counsel for District

APPROVED AS TO ADMINISTRATION:

By _____
CHRIS THEISEN
General Manager

CITY OF OXNARD ("City")

By Tim Flynn 6/30/20
TIM FLYNN
Mayor

ATTEST:

By Michelle Ascencion 6/30/20
MICHELLE ASCENCION, CMC
City Clerk

APPROVED AS TO FORM:

By Stephen Fischer
STEPHEN FISCHER
City Attorney

EXHIBIT B-5
AMENDMENT NO. 5 TO
CITY OF OXNARD AGREEMENT NO. 7167-15-CM
AND
VENTURA REGIONAL SANITATION DISTRICT CONTRACT NO. 15-027

<u>Summary</u>	
FY16 Proposed Customer Budget	\$75,050.91
FY17 Proposed Customer Budget	\$129,457.00
FY18 Proposed Customer Budget	\$113,721.00
FY19 Proposed Customer Budget	\$99,987.00
FY20 Proposed Customer Budget	\$102,568.00
FY21 Proposed Customer Budget	<u>\$97,960.00</u>
	<u>\$618,743.91</u>

(See FY21 detail on the following pages.)



VENTURA REGIONAL SANITATION DISTRICT
1001 PARTRIDGE DRIVE, SUITE 150
VENTURA, CA 93003-0704
805.658.4679

FY21 PROPOSED CUSTOMER BUDGET

Project Number	Account	Quantity	Cost/Price	Extension
411500 City of Oxnard [River Ridge]-EPG				
51010 Wages - Regular	Account Total---		\$26,352	
	51010 Engineering Technician LFG Perimeter Probe & Structure Monitoring	66	\$107	\$7,062
	51010 Engineer LFG Perimeter Probe & Structure Monitoring	12	\$131	\$1,572
	51010 Engineering Technician LFG Surface Monitoring & Reporting	4	\$107	\$428
	51010 Engineering Technician LFG Surface Monitoring & Reporting	40	\$107	\$4,280
	51010 Engineer Gas Collection System and Flare Operation &	16	\$131	\$2,096
	51010 Engineering Technician Gas Collection System and Flare Operation &	6	\$107	\$642
	51010 Engineering Technician Gas Collection System Monitoring	96	\$107	\$10,272
52079 Environmental Consultants	Account Total---		\$32,175	
	52079 Landfill Surface Emission Monitoring	2	\$3,850	\$7,700
	52079 Semiannual GW Monitoring Events & Reports	2	\$8,625	\$17,250
	52079 Gas Flare Source Test	2	\$2,200	\$4,400
	52079 Semiannual Flare Assessment	2	\$1,137	\$2,273
	52079 Quarterly LFG Sampling	4	\$138	\$552
52150 Permits, Licenses and Fees	Account Total---		\$2,415	
	52150 VCAPCD	1	\$1,725	\$1,725
	52150 SWROB	1	\$690	\$690
52155 Lab Services and Supplies	Account Total---		\$20,700	
	52155 Semiannual GW Analytical Lab Services	2	\$10,350	\$20,700
52185 Operating Supplies	Account Total---		\$8,878	
	52185 Flare Maintenance & Repair Supplies	2	\$4,025	\$8,050
	52185 Calibration Gas (Oxygen & Methane)	2	\$207	\$414
	52185 Calibration Gas (Zero Air & Methane)	2	\$207	\$414

52186	Other Operating Services	Account Total---	\$700		
	52186 Maintain City's Air Compressor (Quarterly)			4	\$175
52197	Utilities	Account Total---	\$2,880		
	52197 Electricity			12	\$240
52220	Equipment Rental/Lease	Account Total---	\$150		
	52220 Manlift			2	\$75
60594	Fund Transfer Out-EQUIPMENT	Account Total---	\$2,530		
	60594 GEM Gas Monitor			12	\$76
	60594 Mule - Portable Vehicle			4	\$280
	60594 Misc Supplies/Hardware			2	\$250
60598	Fund Transfer Out-FLEET	Account Total---	\$1,180		
	60598 Mileage - LFG Perimeter Probe & Structure			480	\$1
	60598 Mileage - LFG Surface Monitoring & Reporting			200	\$1
	60598 Mileage - Gas Coll Sys Monitoring			500	\$1
			Project 411500 Total---		\$97,960
			Total for this report---		\$97,960

Customer Signature: _____ Date: _____
Approval to Start Project
VRSD Signature: Bert E. Perella Date: 5-7-20
Approval to Start Project

EXHIBIT D-5

**AMENDMENT NO. 4
TO
CITY OF OXNARD AGREEMENT NO. 7167-15-CM
AND
VENTURA REGIONAL SANITATION DISTRICT CONTRACT NO. 15-027
AGREEMENT FOR CONSULTING SERVICES**

THIS FOURTH AMENDMENT ("Fourth Amendment") to the Agreement for Consulting Services ("Agreement") is made and entered into in the County of Ventura, State of California, this 18th day of June, 2019, by and between the City of Oxnard, a municipal corporation ("City"), and Ventura Regional Sanitation District, a public agency formed pursuant to California Health & Safety Code Section 4700 *et seq.* ("Consultant"). Together, City and Consultant shall be referred to herein as "Parties."

RECITALS

A. On June 8, 2015, City and Consultant entered into the Agreement, which was designated by the City as Agreement No. 7167-15-CM and by the Consultant as VRSD Contract No. 15-027.

B. In this Agreement, Consultant agreed to provide consulting services (which include but is not limited to landfill gas perimeter probe monitoring and reporting, landfill gas surface monitoring and reporting, storm water monitoring and reporting, landfill gas collection system and flare operations and maintenance, and landfill gas collection system monitoring) to the City for the closed Santa Clara Landfill, which is located on a parcel owned by the City; and

C. On April 11, 2017, City and Consultant agreed to amend the Agreement to update and modify certain provisions (First Amendment); and

D. On November 2, 2018, City and Consultant agreed to amend the Agreement to renew and extend the Agreement for one year and add additional compensation to Consultant (Second Amendment); and

E. On March 5, 2019, City and Consultant agreed to amend the Agreement to review and extend the Agreement for one year and add additional compensation to Consultant (Third Amendment), and the Agreement, as amended, is attached and incorporated herein by reference as Exhibit D-4.

F. The Parties acknowledge and agree that the Agreement should be renewed and extended for another twelve (12) months and that additional compensation to Consultant should be added for this twelve-month extension, and that this can be accomplished by amending the Agreement accordingly.

AMENDMENT TERMS AND CONDITIONS

NOW, THEREFORE, based upon valuable consideration below and the recitals above, the Parties agree as follows:

1. The following language shall replace the original provisions of Section 8 in the Agreement, as previously modified Paragraph 2 of the Second Amendment:



"8. Time for Performance

The Services performed under this Agreement shall be completed by June 30, 2020. City agrees to amend the performance termination date whenever Consultant is delayed by action or inaction of City and Consultant promptly notifies Manager of such delays."

2. The following language shall replace the original provisions of Section 12 in the Agreement, as previously modified by the Second Amendment:

"12. Term of Agreement

This Agreement shall begin on July 1, 2015, and expire on June 30, 2020."

3. The following language shall replace the original provisions of Section 14.a. in the Agreement, as previously modified by the Second Amendment:

"14. Compensation

a. City agrees to pay Consultant in an amount not to exceed \$520,783.91 for the Services at rates provided in Exhibit B-4 attached hereto and incorporated herein by this reference."

4. As so amended, the Agreement remains in full force and effect.

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IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment on the day and year first written above.

**VENTURA REGIONAL
SANITATION DISTRICT ("Consultant")**

By Kevin Kildee
KEVIN KILDEE
Chairman of the Board

ATTEST:

By Julie Rodriguez
JULIE RODRIGUEZ
Clerk of the Board

APPROVED AS TO FORM:
ARNOLD, LAROCHELLE,
MATHEWS, VANCONAS & ZIRBEL, LLP

By Robert N. Kwong
ROBERT N. KWONG
Legal Counsel for District

APPROVED AS TO ADMINISTRATION:

By Chris Theisen
CHRIS THEISEN
General Manager

CITY OF OXNARD ("City")

By Tim Flynn 6/18/19
TIM FLYNN
Mayor

ATTEST:

By Michelle Ascencion
MICHELLE ASCENCION, CMC
City Clerk

APPROVED AS TO FORM:

By Stephen Fischer
STEPHEN FISCHER
City Attorney

EXHIBIT B-4

AMENDMENT NO. 4 TO

CITY OF OXNARD AGREEMENT NO. 7167-15-CM

AND

VENTURA REGIONAL SANITATION DISTRICT CONTRACT NO. 15-027

Summary

FY16 Proposed Customer Budget	\$75,050.91
FY17 Proposed Customer Budget	\$129,457.00
FY18 Proposed Customer Budget	\$113,721.00
FY19 Proposed Customer Budget	\$99,987.00
FY20 Proposed Customer Budget	<u>\$102,568.00</u>
	<u>\$520,783.91</u>

(See FY20 detail on the following pages.)



VENTURA REGIONAL SANITATION DISTRICT
1001 PARTRIDGE DRIVE, SUITE 150
VENTURA, CA 93003-0704
805.658.4679

FY20 PROPOSED CUSTOMER BUDGET

Project Number	Account	Quantity	Cost/Price	Extension
411500 City of Oxnard [River Ridge]- EPG				
51010 Wages - Regular	Account Total---		\$30,960	
	51010 Senior Engineering Technician LFG Perimeter Probe & Structure Monitoring	66	\$130	\$8,580
	51010 Engineer LFG Perimeter Probe & Structure Monitoring	12	\$130	\$1,560
	51010 Engineering Technician LFG Surface Monitoring & Reporting	4	\$106	\$424
	51010 Senior Engineering Technician LFG Surface Monitoring & Reporting	40	\$130	\$5,200
	51010 Engineer Gas Collection System and Flare Operation &	16	\$130	\$2,080
	51010 Engineering Technician Gas Collection System and Flare Operation &	6	\$106	\$636
	51010 Senior Engineering Technician Gas Collection System Monitoring	96	\$130	\$12,480
	Account Total---		\$32,175	
52079 Environmental Consultants				
	52079 Landfill Surface Emission Monitoring	2	\$3,850	\$7,700
	52079 Semiannual GW Monitoring Events & Reports	2	\$8,625	\$17,250
	52079 Gas Flare Source Test	2	\$2,200	\$4,400
	52079 Semiannual Flare Assessment	2	\$1,137	\$2,273
	52079 Quarterly LFG Sampling	4	\$138	\$552
	Account Total---		\$2,415	
52150 Permits, Licenses and Fees				
	52150 APCD	1	\$1,725	\$1,725
	52150 State Water RCB	1	\$690	\$690
	Account Total---		\$20,700	
52155 Lab Services and Supplies				
	52155 Semiannual GW Analytical Lab Services	2	\$10,350	\$20,700
	Account Total---		\$8,878	
52185 Operating Supplies				
	52185 Flare Maintenance & Repair Supplies	2	\$4,025	\$8,050
	52185 Calibration Gas (Oxygen & Methane)	2	\$207	\$414
	52185 Calibration Gas (Zero Air & Methane)	2	\$207	\$414

52186	Other Operating Services	Account Total—	\$700		
	52186 Mainrain City's Air Compressor (Quarterly)			4	\$175
52197	Utilities	Account Total—	\$2,880		\$700
	52197 Electricity			12	\$240
52220	Equipment Rental/Lease	Account Total—	\$150		\$2,880
	52220 Manlift			2	\$75
60594	Fund Transfer Out-EQUIPMENT	Account Total—	\$2,530		\$150
	60594 GEM Gas Monitor			12	\$76
	60594 Mule - Portable Vehicle			4	\$280
	60594 Misc Supplies/Hardware			2	\$250
60598	Fund Transfer Out-FLEET	Account Total—	\$1,180		\$500
	60598 Mileage - LFG Perimeter Probe & Structure			480	\$1
	60598 Mileage - LFG Surface Monitoring & Reporting			200	\$1
	60598 Mileage - Gas Coll Sys Monitoring			500	\$1
			Project 411500 Total—		\$102,568
			Total for this report—		\$102,568

Customer Signature: _____ Date: _____
Approval to Start Project

VRSD Signature: _____ Date: _____
Approval to Start Project

4/29/2019

City agrees to amend the performance termination date whenever Consultant is delayed by action or inaction of City and Consultant promptly notifies Manager of such delays."

2. The following language shall replace the original provisions of Section 12 in the Agreement, as previously modified by the Second Amendment:

"12. Term of Agreement

This Agreement shall begin on July 1, 2015, and expire on June 30, 2019."

3. The following language shall replace the original provisions of Section 14.a. in the Agreement, as previously modified by the Second Amendment:

"14. Compensation

a. City agrees to pay Consultant in an amount not to exceed \$418,215.91 for the Services at rates provided in Exhibit H-3 attached hereto and incorporated herein by this reference."

4. As so amended, the Agreement remains in full force and effect.

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EXHIBIT B-3
AMENDMENT NO. 3 TO
CITY OF OXNARD AGREEMENT NO. 7167-15-CM
AND
VENTURA REGIONAL SANITATION DISTRICT CONTRACT NO. 15-027

Summary

FY16 Proposed Customer Budget	\$75,050.91
FY17 Proposed Customer Budget	\$129,457.00
FY18 Proposed Customer Budget	\$113,721.00
FY19 Proposed Customer Budget (12 mos.)	<u>\$99,987.00</u>
	<u><u>\$418,215.91</u></u>

(See detail on the following pages.)

52186	Other Operating Services	Account Total—	\$700		
52186	Mainmain City's Air Compressor (Quarterly)			4	\$175
52197	Utilities	Account Total—	\$2,880		\$700
52197	Electricity			12	\$240
52220	Equipment Rental/Lease	Account Total—	\$150		\$2,880
52220	Manlift			2	\$75
60594	Fund Transfer Out-EQUIPMENT	Account Total—	\$2,530		\$150
60594	GEM Gas Monitor			12	\$76
60594	Mule - Portable Vehicle			4	\$280
60594	Misc Supplies/Hardware			2	\$250
60598	Fund Transfer Out-FLEET	Account Total—	\$1,180		\$500
60598	Mileage - LFG Perimeter Probe & Structure			480	\$1
60598	Mileage - LFG Surface Monitoring & Reporting			100	\$1
60598	Mileage - Gas Coll Sys Monitoring			500	\$1
Project 411500 Total—			\$99,987		
Total for this report—			\$99,987		

Customer Signature: _____ Date: _____
Approval to Start Project

VRSD Signature: _____ Date: _____
Approval to Start Project

52197	Utilities		Account Total---	\$2,880		
		52197 Electricity			1	\$2,880
52220	Equipment Rental/Lease		Account Total---	\$150		
		52220 Man Lift for Gas Flare Source Test			1	\$150
60594	Fund Transfer Out-EQUIPMENT		Account Total---	\$2,530		
		60594 GEM Gas Monitor			12	\$910
		60594 Made - Portable Vehicle			4	\$280
		60594 Misc Supplies/Hardware			1	\$500
60598	Fund Transfer Out-FLBET		Account Total---	\$1,180		
		60598 Mileage - LFG Perimeter Probe & Structure			480	\$1
		60598 Mileage - LFG Surface Monitoring & Reporting			200	\$1
		60598 Mileage - Gas Cell Sys Monitoring			500	\$1
				Project 411500 Total---		\$113,721
				Total for this report---		\$113,721

Customer Signature: _____ Date: _____
Approval to Start Project

VRSD Signature: _____ Date: _____
Approval to Start Project

52185	Operating Supplies	Account Total—	\$11,828		
52185	Calibration Gas (Oxygen + Methane)			2	\$207
52185	Calibration Gas (Zero Air + Methane)			2	\$207
52185	Flare Maintenance & Repair Supplies			1	\$11,000
52185	Other Operating Services	Account Total—	\$700		
52186	Maintain City's Air Compressor			4	\$175
52186	Other Operating Services	Account Total—	\$2,880		
52197	Utilities			12	\$240
52197	Electricity Billing	Account Total—	\$150		
52220	Man-Lift for Gas Flare Source Test			1	\$150
52220	Equipment Rental/Lease	Account Total—	\$2,530		
60594	Fund Transfer Out-EQUIPMENT			12	\$910
60594	GEM Gas Monitor			4	\$280
60594	Mule - Portable Vehicle			1	\$500
60594	Misc Supplies/Hardware	Account Total—	\$1,380		
60598	Fund Transfer Out-FLEET			480	\$1
60598	Mileage - LFG Perimeter Probe & Structure			200	\$1
60598	Mileage - LFG Surface Monitoring & Reporting			200	\$1
60598	Mileage - Stormwater Monitoring & Reporting			500	\$1
60598	Mileage - Gas Coll Sys Monitoring				
Project 411500 Total—			\$129,457		
Total for this report—			\$129,457		

Customer Signature: _____ Date: _____
Approval to Start Project

VRSD Signature: _____ Date: _____
Approval to Start Project

5/1/2016

[illegible]

2. The following language shall replace the original provisions of Section 8 in the Agreement, as previously modified Paragraph 2 of the First Amendment:

"8. Time for Performance

The Services performed under this Agreement shall be completed by June 30, 2018. City agrees to amend the performance termination date whenever Consultant is delayed by action or inaction of City and Consultant promptly notifies Manager of such delays."

3. The following language shall replace the original provisions of Section 12 in the Agreement, as previously modified Paragraph 6 of the First Amendment:

"12. Term of Agreement

This Agreement shall begin on July 1, 2015, and expire on June 30, 2018."

4. The following language shall replace the original provisions of Section 14.a. in the Agreement, as previously modified Paragraph 7 of the First Amendment:

"14. Compensation

a. City agrees to pay Consultant in an amount not to exceed \$318,228.91 for the Services at rates provided in Exhibit B-2 attached hereto and incorporated herein by this reference."

5. As so amended, the Agreement remains in full force and effect.

**Exhibit A-2
Scope of Services**

Landfill Gas Perimeter Probe Monitoring and Reporting

1. Conduct monthly perimeter landfill gas probe monitoring as required by California Code of Regulations (CCR) Title 27. Submit monthly reports to the County of Ventura Environmental Health Division.
2. Monitor the 3 on-site landfill gas detection systems located at the Clubhouse and Maintenance Tent. Calibrate as required by the manufacturer. Respond to gas alarms as needed.

Landfill Gas Surface Monitoring and Reporting

1. Coordinate with 3rd party vendor (RES Environmental) to perform surface emissions monitoring (SEM) of the surface of the landfill on an annual basis for gas emissions in accordance with the requirements of Title V Federal Operating Permit and by CCR 17. (Effective FY15/16 surface monitoring frequency has been reduced from quarterly to annual. If monitoring results exceed regulatory limits, monitoring frequency and cost will return to quarterly.

Any leaks detected will be remediated in consultation with the City as warranted depending on the source of the leak. This may require adjustments to the gas collection system or cover maintenance.

Follow-up inspection will be conducted on a 10 day and 30 day schedule as required in the Title V Federal Operating Permit and by CCR 17.

2. Grab landfill gas sample and test gas for component gasses quarterly.
3. Prepare Title V required semi-annual reports, semi-annual flare start-up, shutdown and malfunction reports, and annual certification reports. Retain Title V and CCR 17 records.
4. Prepare AB32 / CCR 17 Reports. Prepare Annual California and Federal Electronic Greenhouse Gas Reporting (EGERT).
5. Pay the Air Pollution Control District Permit Fee for Coastal Flare. 1/3 the fee cost will be charged to the City.

3. Conduct LFG flare maintenance.
4. Administer semi-annual comprehensive 3rd party LFG flare maintenance.
5. Coordinate annual gas flare source test.

Gas Collection System Monitoring

1. Conduct monthly gas collection well-field balancing.

Well Abandonment

Outside costs and permit fees associated with abandoning two water supply wells originally provided to the City of Oxnard for operation of the golf course under lease agreement with VRSD. The City has not used or maintained these wells and VRSD has incurred fees for the wells from United Water Conservation District. The wells have been vandalized and the District believes it is necessary to have them properly abandoned since they are not being used for golf course operations. This work was not started in FY2017, as originally planned. This work will be completed in FY2019/2020.



VENTURA REGIONAL SANITATION DISTRICT
1001 PARTRIDGE DRIVE, SUITE 150
VENTURA, CA 93003-0704
805.658.4679

FY18 PROPOSED CUSTOMER BUDGET

Project Number	Account	Quantity	Cost/Price	Extension
411500 City of Oxnard (River Ridge)-EPG				
51010 Wages - Regular	Account Total— \$34,058			
	51010 Engineering Technician LFG Perimeter Probe & Structure Monitoring	66	\$109	\$7,194
	51010 Engineering Technician LFG Surface Monitoring & Reporting	4	\$109	\$436
	51010 Senior SW Equipment Operator Gas Collection System and Flare Operation &	32	\$106	\$3,392
	51010 Engineer Gas Collection System and Flare Operation &	16	\$118	\$1,888
	51010 Engineering Technician Gas Collection System and Flare Operation &	6	\$109	\$654
	51010 Engineering Technician Gas Collection System Monitoring	96	\$109	\$10,464
	51010 Engineer LFG Perimeter Probe & Structure Monitoring	12	\$118	\$1,416
	51010 Engineer LFG Surface Monitoring & Reporting	73	\$118	\$8,614
	Account Total— \$34,173			
52079 Environmental Consultants				
	52079 Landfill Surface Gas Emissions Monitoring	1	\$7,700	\$7,700
	52079 Semi Annual GW Monitoring Events & Reports	2	\$9,900	\$19,800
	52079 Semi Annual Flare Assessment	1	\$2,273	\$2,273
	52079 Gas Flare Source Test	1	\$4,400	\$4,400
	Account Total— \$970			
52150 Permits, Licenses and Fees				
	52150 Permits, Licenses, and Fees	1	\$920	\$920
52155 Lab Services and Supplies	Account Total— \$25,302			
	52155 Semi Annual GW Monitoring Analytical Lab Svcs	2	\$12,375	\$24,750
	52155 Quarterly LFG Sampling	4	\$136	\$552
52185 Operating Supplies	Account Total— \$12,526			
	52185 Calibration Gas (Oxygen & Methane)	2	\$207	\$414
	52185 Calibration Gas (Zero Air & Methane)	2	\$207	\$414
	52185 Flare Maintenance & Repair Supplies	1	\$11,000	\$11,000
	52185 Maintain City's Air Compressor	4	\$175	\$700

10/26/2017

2



VENTURA REGIONAL SANITATION DISTRICT
1061 PARTRIDGE DRIVE, SUITE 150
VENTURA, CA 93003-0704
805.658.4679

FY17 PROPOSED CUSTOMER BUDGET

Project Number

11500 City of Concord / River Bridge - EPG

Account

51010 Wages - Regular

Account Total - \$40,195

Quantity

Cost/Price

Extension

51010 Engineering Technician LFG Perimeter Probe & Structure Monitoring	78	\$107	\$8,346
51010 Engineering Technician LFG Surface Monitoring & Reporting	77	\$107	\$8,239
51010 Engineering Technician Stormwater Monitoring & Reporting	64	\$107	\$6,848
51010 Senior Solid Waste Equipment Gas Collection System and Flare Operation &	32	\$104	\$3,328
51010 Senior Engineering Technician Gas Collection System and Flare Operation &	16	\$116	\$1,856
51010 Engineering Technician Gas Collection System and Flare Operation &	6	\$107	\$642
51010 Senior Engineering Technician Gas Collection System Monitoring	96	\$116	\$11,136

52079 Environmental Consultants

Account Total - \$38,660

52079 (RES) Landfill Surface Emission Monitoring	1	\$7,700	\$7,700
52079 (OEM) Semi-Annual Flare Assessment	1	\$2,273	\$2,273
52079 Gas Flare Source Test	1	\$4,400	\$4,400
52079 Annual Flare Destruction Efficiency Test	1	\$2,686	\$2,686
52079 Semi-Annual GW Monitoring Events & Reports	2	\$9,900	\$19,800
52079 Contractor Lab Costs for 4 Samples	4	\$450	\$1,800

52080 Other Professional Services

Account Total - \$4,000

52080 Methane Detectors Factory Service, Equip. &	1	\$4,000	\$4,000
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52150 Permits, Licenses and Fees

Account Total - \$920

52150 APCD Permit Fee	1	\$920	\$920
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52155 Lab Services and Supplies

Account Total - \$26,015

52155 Laboratory Fees	4	\$178	\$713
52155 Quarterly Landfill Gas Analytical	4	\$138	\$552
52155 GW Monitoring Analytical Lab Svcs for 2 Events	2	\$12,375	\$24,750

8/1/2015

PR 12 Budget

Landfill Gas Project and Environmental Monitoring

Item	Item Description	Time (Months)	Frequency	Total Hours	Hourly Rate	Unit Price	Unit Cost	Total Cost
Labor	Landfill Gas Project Phase Monitoring	4	12	48	\$ 100.00			\$4,800.00
	Customer Development and Monitoring	3.0	12	36	\$ 100.00			\$3,600.00
	Customer Development and Monitoring	6.0	12	72	\$ 100.00			\$7,200.00
	Customer Development and Monitoring	3	12	36	\$ 100.00			\$3,600.00
Materials								
Materials	Customer Development and Monitoring	12	12	144	\$ 75.00			\$10,800.00
Supplies	Customer Development and Monitoring	4	12	48	\$ 275.00			\$13,200.00
Subcontractors	Customer Development and Monitoring	400	12	4,800	\$ 1.00			\$4,800.00
Subtotal								
								\$31,200.00

Landfill Gas Project and Environmental Monitoring

Item	Item Description	Time (Months)	Frequency	Total Hours	Hourly Rate	Unit Price	Unit Cost	Total Cost
Labor	Landfill Gas Project Phase Monitoring	4	12	48	\$ 100.00			\$4,800.00
	Customer Development and Monitoring	3.0	12	36	\$ 100.00			\$3,600.00
	Customer Development and Monitoring	6.0	12	72	\$ 100.00			\$7,200.00
	Customer Development and Monitoring	3	12	36	\$ 100.00			\$3,600.00
Materials								
Materials	Customer Development and Monitoring	12	12	144	\$ 75.00			\$10,800.00
Supplies	Customer Development and Monitoring	4	12	48	\$ 275.00			\$13,200.00
Subcontractors	Customer Development and Monitoring	400	12	4,800	\$ 1.00			\$4,800.00
Subtotal								
								\$31,200.00

Landfill Gas Project and Environmental Monitoring

Item	Item Description	Time (Months)	Frequency	Total Hours	Hourly Rate	Unit Price	Unit Cost	Total Cost
Labor	Landfill Gas Project Phase Monitoring	4	12	48	\$ 100.00			\$4,800.00
	Customer Development and Monitoring	3.0	12	36	\$ 100.00			\$3,600.00
	Customer Development and Monitoring	6.0	12	72	\$ 100.00			\$7,200.00
	Customer Development and Monitoring	3	12	36	\$ 100.00			\$3,600.00
Materials								
Materials	Customer Development and Monitoring	12	12	144	\$ 75.00			\$10,800.00
Supplies	Customer Development and Monitoring	4	12	48	\$ 275.00			\$13,200.00
Subcontractors	Customer Development and Monitoring	400	12	4,800	\$ 1.00			\$4,800.00
Subtotal								
								\$31,200.00

Landfill Gas Project and Environmental Monitoring

Item	Item Description	Time (Months)	Frequency	Total Hours	Hourly Rate	Unit Price	Unit Cost	Total Cost
Labor	Landfill Gas Project Phase Monitoring	4	12	48	\$ 100.00			\$4,800.00
	Customer Development and Monitoring	3.0	12	36	\$ 100.00			\$3,600.00
	Customer Development and Monitoring	6.0	12	72	\$ 100.00			\$7,200.00
	Customer Development and Monitoring	3	12	36	\$ 100.00			\$3,600.00
Materials								
Materials	Customer Development and Monitoring	12	12	144	\$ 75.00			\$10,800.00
Supplies	Customer Development and Monitoring	4	12	48	\$ 275.00			\$13,200.00
Subcontractors	Customer Development and Monitoring	400	12	4,800	\$ 1.00			\$4,800.00
Subtotal								
								\$31,200.00

Outside Consultant/Operator - Laboratory Fees

REQUEST FOR BUDGET APPROPRIATION

Department: Public Works
 Project/Program _____
 Manager: Thien Ng

Date: January 23, 2018
 Phone: 271-2220

Reason for Appropriation:

Appropriates additional funds to cover FY18 landfill monitoring charges (PO#5677) per 2nd Amendment with Ventura Regional Sanitation District.

Accounts and Descriptions

AMOUNT

Fund: **101- General Fund**

Expenditures/Transfers Out

101-1002-808.87-21	TRANSFERS - OUT / TSFR TO GOLF COURSE FD	<u>52,000</u>
	Sub-total Expenditures	<u>52,000</u>
	Net Change to Fund Balance	<u>(52,000)</u>

Fund: **651- Golf Course Operating**

Revenues/ Transfers In

651-1001-711.79-01	OPERATING TRANSFERS IN / TRANSFERS FR.GENERAL FUD	<u>52,000</u>
	Sub-total Revenues	<u>52,000</u>

Expenditures/Transfers Out

651-6402-842.82-09	CONTRACTUAL SERVICES / SERVICES-OTHER PROF/CONTI	<u>52,000</u>
	Sub-total Expenditures	<u>52,000</u>
	Net Change to Fund Balance	<u>0</u>

Net Appropriation Change 52,000

Approvals	
Department Director	<u>[Signature]</u>
Chief Financial Officer	<u>[Signature]</u>
City Manager	<u>[Signature]</u>



REQUIRES CITY COUNCIL AUTHORIZATION

BA# (Finance Use Only) _____
 BA Doc# (Finance Use Only) _____
 Revised: 2/23/2012

3. The following language shall replace the original provisions of Section 9 in the Agreement:

"9. Principal-in-Charge

Consultant hereby designates Matthew Baumgardner as its principal-in-charge and person responsible for necessary coordination with Manager."

4. The following language shall be added as a second paragraph to Section 10 (Permits, Licenses, Certificates) in the Agreement:

"Consultant's responsibility under this Agreement shall be subject to the terms and conditions of VRSD Contract No. 00-023-02 which is titled Amended and Restated Golf Course Lease and Landfill Postclosure Agreement By and Between Ventura Regional Sanitation District and City of Oxnard Dated May 21, 2002, is incorporated fully herein by this reference as Exhibit C-1. Parties agree that if any conflict arises between the terms and conditions of the Agreement, as amended, and the terms and conditions of Exhibit C-1 shall prevail and take precedence."

5. The following language shall be added as a third sentence to Section 11 (City's Responsibility) in the Agreement:

"City's responsibility under this Agreement shall be subject to the terms and conditions of Exhibit C-1."

6. The following language shall replace the original provisions of Section 12 in the Agreement:

"12. Term of Agreement

This Agreement shall begin on July 1, 2015, and expire on June 30, 2017."

7. The following language shall replace the original provisions of Section 14.a. in the Agreement:

"14. Compensation

a. City agrees to pay Consultant in an amount not to exceed \$129,457 for the Services at rates provided in Exhibit B-1 attached hereto and incorporated herein by this reference."

8. The following language shall replace the original provisions of Section 40(b) in the Agreement:

"b. Any notices to the City may be delivered personally or by mail addressed to the City of Oxnard, Public Works Department, 305 W. Third Street, Oxnard, California 93030, Attention: Badaoul Mouderrres."

9. As so amended, the Agreement remains in full force and effect.

(signatures on following page)

Exhibit A-1
Scope of Services

Landfill Gas Perimeter Probe Monitoring and Reporting

1. Conduct monthly perimeter landfill gas probe monitoring as required by California Code of Regulations (CCR) Title 27. Submit monthly reports to the County of Ventura Environmental Health Division.
2. Monitor the 3 on-site landfill gas detection systems located at the Clubhouse and Maintenance Tent. Calibrate as required by the manufacturer. Respond to gas alarms as needed.

Landfill Gas Surface Monitoring and Reporting

1. Coordinate with 3rd party vendor (RES Environmental) to perform surface emissions monitoring (SEM) of the surface of the landfill on an annual basis for gas emissions in accordance with the requirements of Title V Federal Operating Permit and by CCR 17. (Effective FY15/16 surface monitoring frequency has been reduced from quarterly to annual. If monitoring results exceed regulatory limits, monitoring frequency and cost will return to quarterly.

Any leaks detected will be remediated in consultation with the City as warranted depending on the source of the leak. This may require adjustments to the gas collection system or cover maintenance.

Follow-up inspection will be conducted on a 10 day and 30 day schedule as required in the Title V Federal Operating Permit and by CCR 17.

2. Grab landfill gas sample and test gas for component gasses quarterly.
3. Prepare Title V required semi-annual reports, semi-annual flare start-up, shutdown and malfunction reports, and annual certification reports.
4. Prepare AB32 / CCR 17 Reports.
5. Prepare Annual California and Federal Electronic Greenhouse Gas Reporting (EGERT).
6. Retain Title V and CCR 17 records.
7. Pay the Air Pollution Control District Permit Fee for Coastal Flare. 1/3 the fee cost will be charged to the City.

4. Conduct an annual comprehensive site inspection and evaluation of SWPPP.
5. Complete the annual report and upload to the SMARTS system to the State Water Resources Control Board.
6. Recommend updates to the SWPPP based on the comprehensive site evaluation to the City.

Gas Collection System and Flare Operations & Maintenance

1. Operate City's landfill gas (LFG) collection system.
2. Conduct quarterly sump pump maintenance.
3. Conduct LFG flare maintenance.
4. Administer semi-annual comprehensive 3rd party LFG flare maintenance.
5. Coordinate annual gas flare source test.
6. FY 2014/2015 - Oversee implementation of new LFG flare blower assembly and controls update.

Gas Collection System Monitoring

1. Conduct monthly gas collection well-field balancing.

Well Abandonment

Outside costs and permit fees associated with abandoning two water supply wells originally provided to the City of Oxnard for operation of the golf course under lease agreement with VRSD. The City has not used or maintained these wells and VRSD has incurred fees for the wells from United Water Conservation District. The wells have been vandalized and the District believes it is necessary to have them properly abandoned since they are not being used for golf course operations.

52185	Operating Supplies	Account Total---	\$11,828		
52185	Calibration Gas (Oxygen + Methane)			2	\$207
52185	Calibration Gas (Zero Air + Methane)			2	\$207
52185	Flare Maintenance & Repair Supplies			1	\$11,000
52186	Other Operating Services	Account Total---	\$700		
52186	Maintain City's Air Compressor			4	\$175
52197	Utilities	Account Total---	\$2,880		
52197	Electricity Billing			12	\$240
52220	Equipment Rental/Lease	Account Total---	\$150		
52220	Man-Lift for Gas Flare Source Test			1	\$150
60594	Fund Transfer Out-EQUIPMENT	Account Total---	\$2,530		
60594	GEM Gas Monitor			12	\$76
60594	Mule - Portable Vehicle			4	\$280
60594	Misc Supplies/Hardware			1	\$500
60598	Fund Transfer Out-FLEET	Account Total---	\$1,380		
60598	Mileage - LPG Perimeter Probe & Structure			480	\$1
60598	Mileage - LPG Surface Monitoring & Reporting			200	\$1
60598	Mileage - Stormwater Monitoring & Reporting			200	\$1
60598	Mileage - Gas Coll Sys Monitoring			500	\$1
Project			411500 Total---		\$129,457
Total for this report---					\$129,457

Customer Signature: _____ Date: _____
Approval to Start Project

VRSD Signature: _____ Date: _____
Approval to Start Project

EXHIBIT C-1

DATE: 5/21/02 AGENDA # 2

VRSD CONTRACT NO: 00-023-02

**AMENDED AND RESTATED
GOLF COURSE LEASE AND
LANDFILL POSTCLOSURE
MAINTENANCE AGREEMENT
BY AND BETWEEN
VENTURA REGIONAL SANITATION DISTRICT
AND
CITY OF OXNARD**

DATED: May 21, 2002

AMENDED AND RESTATED
GOLF COURSE LEASE AND LANDFILL POSTCLOSURE
MAINTENANCE AGREEMENT
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AMENDED AND RESTATED
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AMENDED AND RESTATED
GOLF COURSE LEASE
AND LANDFILL
POSTCLOSURE MAINTENANCE AGREEMENT

THIS AMENDED AND RESTATED GOLF COURSE LEASE AND LANDFILL POSTCLOSURE MAINTENANCE AGREEMENT ("this Lease Agreement") is made and entered into this 21st day of May, 2002, by and between the VENTURA REGIONAL SANITATION DISTRICT, a California County Sanitation District (hereinafter referred to as "VRSD"), and the CITY OF OXNARD, a municipal corporation of the State of California (hereinafter referred to as "City"). The purpose of this Lease Agreement is to lease two parcels of real property, including a closed landfill parcel, to City so that City, at its sole expense, may design, permit, construct, and operate open space recreational uses on the property; to provide that City assume responsibility for maintaining the surface of the property and for expenses incurred by VRSD as a result of City's development and use of the property; to provide that VRSD retain responsibility for monitoring and maintaining specified subsurface maintenance facilities; and to provide consideration to VRSD and City in the form of additional covenants and agreements, with all of the above generally described provisions being more particularly described and established below. This Lease Agreement provides for a conveyance from a governmental agency to a governmental agency and is exempted by Government Code Section 66428(a)(2) from any requirement for a parcel map.

1. **DEFINITION OF TERMS.** As used in this Lease Agreement, the following terms have the meanings set forth below:

a. "Agreement for Waste Disposal" shall mean the Agreement for Waste Disposal at Toland Road Landfill between VRSD and City executed November 14, 2000, as it may be amended.

b. "Bailard Buffer Parcel" shall mean that certain real property owned by VRSD and located west of Victoria Avenue and east of the Bailard Landfill as more particularly described in Exhibit "B" and illustrated on Exhibit "A".

c. "Closure Plan" shall mean the Coastal Sanitary Landfill Final Closure Plan prepared by VRSD in September, 1991, and approved by the California Integrated Waste Management Board.

d. "Coastal Buffer Parcel" shall mean that certain real property owned by VRSD and located east of Victoria Avenue and west of the Coastal Landfill Parcel as more particularly described in Exhibit "C" and illustrated on Exhibit "A".

e. "Coastal Landfill Parcel" shall mean that certain real property owned by VRSD located west of the Santa Clara Landfill Parcel as more particularly described in Exhibit "D" and illustrated on Exhibit "A". "Coastal Landfill" shall mean the landfill located on the Coastal Landfill Parcel.

f. "Landfill Cover System" shall mean the landfill cover system constructed over the top of the closed Coastal Landfill as that system actually exists on the date of this Lease Agreement. The Landfill Cover System design is described and illustrated in the Closure Plan and represented in the as built closure plans prepared by VRSD for the Coastal Landfill. The actual dimensions of this system existing on the date of this Lease Agreement may vary from the design. VRSD makes no representation as to the dimensions or condition of the cover system as of the date of this Lease Agreement, because the cover system has changed due to differential settlement, erosion or other factors.

g. "Northwest Golf Course Community Specific Plan" or "Specific Plan" shall mean that Specific Plan approved by the City July, 1999.

h. "Northwest Golf Course Community Specific Plan EIR" or "Specific Plan EIR" shall mean that Final Environmental Report (State Clearinghouse No. 97031009) certified by City July, 1999.

i. "Postclosure Plan" shall mean the Coastal Sanitary Landfill Postclosure Maintenance Plan prepared by VRSD October, 1991, and approved by the California Integrated Waste Management Board.

j. "Premises" shall mean (1) the surface of the Coastal Landfill Parcel, and (2) the Coastal Buffer Parcel.

k. "Santa Clara Landfill Parcel" shall mean that certain real property owned by City located east of the Coastal Landfill Parcel as illustrated on Exhibit "A".

l. "Specified Recreational Uses" shall mean open space recreational uses available to the public, with or without charge, as approved in writing by City and VRSD. Subject to the other terms of this Lease Agreement, the following recreational uses are deemed approved as Specified Recreational Uses: golfing, walking, jogging, bicycling, picnicking and/or outdoor athletic fields.

m. "Subsurface" shall mean the land lying below the top of the clay liner portion of the Landfill Cover System constructed on the Coastal Landfill Parcel.

n. "Subsurface Maintenance Facilities" shall mean landfill improvements whether located on top of or below the surface of the Coastal Landfill that directly relate to maintenance or mitigation of subsurface landfill conditions. Such facilities shall include all landfill gas collection and monitoring wells, all water quality monitoring wells, all landfill gas collection system piping, valves, and related equipment, the entire landfill gas flare system, all flare station landscaping growing inside the fence surrounding the flare station, all condensate collection tanks and any other improvement physically connected to subsurface landfill maintenance improvements. "Subsurface Maintenance Facilities" shall not mean any roads or drainage improvements.

o. "Surface" shall mean the land lying on top of the Coastal Landfill Parcel including the soil above the top of the clay liner portion of the Landfill Cover System. "Surface" shall not be interpreted to include "Subsurface" or "Subsurface Maintenance Facilities."

p. "Water and Wastewater Services Agreement" shall mean the Agreement for Water and Wastewater Services between VRSD and City executed November 14, 2000 as it may be amended.

2. **PREMISES.** Pursuant to the terms, conditions and covenants hereof, VRSD hereby leases to City, and City leases from VRSD the Premises. All references to the "Premises" shall be understood to include both (1) the surface of the Coastal Landfill Parcel, and (2) the Coastal Buffer Parcel unless only one of these parcels is expressly specified in any provision of this Lease Agreement.

3. **TERM.**

This Lease Agreement shall be deemed to have become effective and the term shall be deemed to have commenced on November 14, 2000, provided, however, that where this Lease Agreement makes specific provision for the date of commencement and/or termination of certain rights and/or responsibilities, those specified dates shall control the timing of the referenced rights and/or responsibilities. This Lease Agreement shall continue in effect until December 31, 2099, unless terminated earlier in accordance with the provisions below.

4. **RENT.**

a. **Base Rent.** Commencing on the date first stated above and continuing thereafter during the term of this Lease Agreement, on or before December 1 of each year, City shall pay VRSD One Dollar (\$1) per year as the Base Rent.

b. **Other Consideration.** In addition to the Base Rent, in consideration for the making of this Lease Agreement, City shall fully perform all obligations arising under this Lease Agreement, and City shall perform all of City's obligations arising under the Agreement for Waste Disposal and the Water and Wastewater Services Agreement. City expressly acknowledges that VRSD would not have made this Lease Agreement unless City had agreed to the Agreement for Waste Disposal and the Water and Wastewater Services Agreement.

5. **USE OF PROPERTY.** During the term of this Lease Agreement, City shall use and occupy the Premises solely for Specified Recreational Uses subject to the terms and conditions herein. Any other use is prohibited. In conjunction with Specified Recreational Uses, City may construct lined lakes on the Coastal Buffer Parcel to provide for drainage of City's property used for Specified Recreational Uses and for irrigation of City's property used for Specified Recreational Uses. City shall not construct or allow the construction or placement of any buildings or permanent enclosed

structures on the Coastal Landfill Parcel. City shall not construct or allow the construction or placement of any building or permanent enclosed structure on the Coastal Buffer Parcel except for restrooms, snack shops with open air seating, unenclosed shelters, and a maintenance facility serving Specified Recreational Uses solely, provided such improvements are designed and constructed to prevent the trapping or accumulation of landfill gas, and provided that such improvements are approved (including issuance of all required permits) by regulatory agencies which have jurisdiction to regulate construction of such improvements. City shall not disrupt or allow the disruption of the Landfill Cover System or any material lying within four feet of the waste buried in the Coastal Landfill Parcel without the express written approval of VRSD, CIWMB, RWQCB and other regulatory agencies which have jurisdiction to regulate the maintenance and improvements of the Landfill Cover System. Without limiting the foregoing, City agrees City shall not, under any circumstances, dig into, drill through or otherwise impair the compacted clay liner portion of the Landfill Cover System without all such required regulatory approval. City shall not permanently take any dirt or earthen material off either the Coastal Landfill Parcel or the Coastal Buffer Parcel; provided, however, that City may move dirt from the Coastal Buffer Parcel to the Coastal Landfill Parcel. Notwithstanding this Section 5 or any other provision of this Agreement, all rights granted by VRSD to City with respect to City's use and occupancy of the Premises are, and shall remain, fully subject to the rights of the Lessee under the Gas Lease (as such terms are defined in Section 10a of this Lease Agreement).

6. CONDITION OF PREMISES.

a. **Acceptance of Premises.** City hereby acknowledges that it has fully inspected the Premises, and all improvements thereon, and accepts the same in its present condition "as is." VRSD makes no guarantees, warranties or representations regarding the fitness of the Premises for development for Specified Recreational Uses or whether any of the activities contemplated hereunder can be undertaken without conflicting with or impairing any rights of the Lessee under the Gas Lease or causing VRSD to violate any of its covenants or obligations under the Gas Lease. City acknowledges that it will be relying solely on its own investigations, studies, and expert review concerning the condition of the Premises, its zoning and land use designation, its potential for development, and any and all environmental, hydrogeologic or geologic conditions.

b. **Landfill Impacts.** City further acknowledges that the Premises is located on or adjacent to a closed solid waste landfill and, as such, the Premises may be subject to certain conditions, including, but not limited to, significant differential settlement of the surface, venting of landfill gas through the surface, subsurface migration of landfill gas, chemicals, liquid substances and other compounds, contamination of groundwater beneath and adjacent to the landfill and all other environmental impacts associated with a closed landfill. Specifically, City acknowledges that the surface of the Coastal Landfill Parcel is settling at a non-uniform rate as the waste buried below the surface decomposes. Settlement of the surface can be expected to occur throughout the term of this Lease Agreement and this condition will require City to fill in cracks and voids and engage in constant maintenance of any and all paths, piping, utility conduits, fencing, landscaping, drainage features, golf course tees, fairways, greens, improvements for Specified Recreational Uses and other

improvements on the Coastal Landfill Parcel. City and VRSD agree that City shall carry out such responsibilities without impairing any rights of the Lessee under the Gas Lease, including Lessee's right to access at all times to the gas collection system (including all gas collection wells, interconnection pipes, valves, monitoring equipment, any necessary flare/blower stations, vacuum pumps and any additional gas extraction equipment installed and used for the purpose of extraction of landfill gas) for purposes of operation, maintenance, repair and replacement of such system. City acknowledges that landfill gas, including methane gas and other hazardous gases, generated by the decomposing waste buried beneath the surface of the Coastal Landfill Parcel migrates laterally subsurface and also vents vertically through cracks in the surface of the ground. The generation of landfill gas and the migration and venting of this gas can be expected to occur throughout the term of this Lease Agreement. City further acknowledges that the Coastal Buffer Parcel may experience all of the impacts associated with the landfill and that the Coastal Buffer Parcel experiences episodes of significant flooding, including, but not limited to, drainage from the existing Victoria Avenue drainage ditch and the Patterson Drain, including occasions when the outlet to the Santa Clara River does not drain due to high water. City assumes and accepts all risks, losses, damages, and costs of these above referenced landfill impacts as they may affect the construction and operation of Specified Recreational Uses on the Premises, except for losses arising from any VRSD negligent act or omission; provided that in no event shall VRSD ever be liable for any consequential damage incurred by City because the Premises is not usable for Specified Recreational Uses.

7. PERMITTING OF PREMISES.

a. **CIWMB.** City acknowledges that the Coastal Landfill Parcel is subject to regulation by the California Integrated Waste Management Board ("CIWMB") and its local enforcement agency ("LEA"), the Ventura County Environmental Health Department ("EHD"). The LEA and the CIWMB have approved the Closure Plan and the Postclosure Plan. City acknowledges that the Closure Plan and the Postclosure Plan must be revised before City can commence development of Specified Recreational Uses on the Coastal Landfill Parcel. City acknowledges that the CIWMB and the LEA must approve any revisions to the Closure Plan and Postclosure Plan and that CIWMB and LEA may order further revision to these plans during the term of this Lease Agreement. City further acknowledges that the State of California has enacted and will further enact laws and regulations which may apply to City's use of the Coastal Landfill Parcel.

b. **RWQCB.** City acknowledges that the Coastal Landfill Parcel is subject to regulation by the California Regional Water Quality Control Board - Los Angeles Region ("RWQCB") and the California State Water Resources Control Board ("SWRCB"). City acknowledges that the RWQCB has issued Waste Discharge Requirements ("WDR's") and Groundwater Monitoring Requirements ("Water Quality Requirements") for the Coastal Landfill, the Santa Clara Landfill and the Bailard Landfill. City acknowledges that the RWQCB shall review and revise the WDR's and/or Water Quality Requirements before City shall commence development of Specified Recreational Uses. City acknowledges that RWQCB and/or SWRCB may modify the WDR's and/or Water Quality Requirements at any time during the term of this Lease Agreement.

c. **APCD.** City acknowledges that the Coastal Landfill Parcel is subject to regulation by the Ventura County Air Pollution Control District ("APCD"). City acknowledges that APCD has adopted Rule 74.17 and Rule 74.17.1 and may adopt revisions to this rule or adopt new rules regulating air emissions from the Premises.

d. **EPA.** City acknowledges that the Coastal Landfill Parcel is subject to regulation by the Environmental Protection Agency and/or other regulatory agencies of the United States ("EPA"). City acknowledges that the United States has enacted the Resource Conservation and Recovery Act and other laws and regulations and will further enact new laws and regulations which may apply to City's use of the Coastal Landfill Parcel.

e. **Regulatory Compliance.** City acknowledges review of each of the above referenced Closure Plan, Postclosure Plan, WDR's, Water Quality Requirements and APCD Rule 74.17, and Rule 74.17.1. City acknowledges that the Coastal Landfill Parcel is subject to other regulatory requirements. City assumes responsibility for becoming fully informed of all the restrictions presented by such regulatory permits, rules, regulations and laws as they exist now or may exist in the future as they relate to City's use of the Premises. City agrees that to the extent its use of the Premises or adjacent City owned property causes a violation of any such permit, rule, regulation or law, City shall bear the full responsibility for correcting any such violation and City shall bear the full expense of any liability associated with any penalty, prosecution or remediation requirement associated with any such violation and that City shall hold harmless, defend (by counsel selected by City after concurrence which shall not be unreasonably withheld by VRSD) and indemnify VRSD from any such liability.

8. LANDFILL CLOSURE PLAN, LANDFILL POSTCLOSURE PLAN AND OTHER REGULATORY DOCUMENTS.

a. **City Reimbursement of VRSD.** VRSD and City acknowledge that the Closure Plan, Postclosure Plan and other regulatory documents must be revised and approved by the appropriate regulatory agencies in order to accommodate the development of Specified Recreational Uses on the Coastal Landfill Parcel and that such revisions may be required on subsequent occasions during the term of this Lease Agreement. VRSD and City agree to cooperate in all such revisions and the implementation of the Closure Plan, Postclosure Plan, and other regulatory documents, provided that VRSD shall not be obligated to agree to any revision or requirement relating to Specified Recreational Uses which causes VRSD to incur expenses for subsurface maintenance of the Coastal Landfill beyond the expenses VRSD was obligated to incur under the plans and documents in existence as of the date of this Lease Agreement or which would conflict with or impair any right of the Lessee under the Gas Lease or cause VRSD to violate any covenant or obligation under the Gas Lease. VRSD and City agree that City shall bear the entire cost to City and VRSD of revising the Closure Plan, Postclosure Plan, and all other regulatory documents. City shall reimburse VRSD for all commercially reasonable costs and expenses incurred by VRSD under subsections 8a, b, c, d, e, f, and g below, including all VRSD staff and consultant costs. With respect to City's obligation herein to pay or reimburse VRSD, City shall, within thirty (30) days after receipt of billing from

VRSD, pay VRSD for reasonable expenses incurred by VRSD in carrying out the activities described in this Section 8 including staff time and consultant time in consulting with the City, City consultants, VRSD consultants, regulatory agencies and other interested parties involved in the revision and/or implementation of the plans or other regulatory documents and/or any of the activities described in this Section 8. City's obligation to reimburse shall include, but not be limited to payment for all VRSD staff and VRSD consultant time spent on reviewing all drafts, proposed submittals, designs, and other documentation relating to the plans and documents and attendance of VRSD employees and VRSD consultants at any and all meetings relating to the development of Specified Recreational Uses on the Premises. As used in this Lease Agreement, the term "VRSD consultant" shall mean independent engineers, hydrologists, attorneys, architects and other experts retained by VRSD. City shall reimburse VRSD for its staff time at the then current established hourly rates and for its consultants' time at the established hourly rates as then specified in contracts between VRSD and its consultants which shall be made available to City. In addition, if the revised plans or other permits, conditions or documents changed as a result of Specified Recreational Uses result in an increase in the expense of providing subsurface postclosure maintenance City shall, throughout the terms of this Lease Agreement, reimburse VRSD for such additional postclosure maintenance expenses within thirty (30) days after receipt of billing specifying the nature and cost of the additional maintenance work, improvements, monitoring or other activity required by the revised Closure Plan, Postclosure Plan or other regulatory documents.

b. **City's Assumption of Responsibility.** Immediately upon execution of this Lease Agreement, City shall assume responsibility for complying with the surface maintenance components of the Postclosure Maintenance Plan and other regulatory documents, including, but not limited to, the WDR's. Upon the approval of the revised Closure Plan, Postclosure Plan, and other regulatory documents permitting Specified Recreational Uses on the Coastal Landfill Parcel City shall become responsible for and shall commence the physical work of complying with all components of those plans and any successor plans and other documents which regulate or relate to the development and maintenance of the surface of the Coastal Landfill Parcel and VRSD shall bear responsibility only for non Specified Recreational Uses related subsurface maintenance requirements of said plans, including responsibility for any subsurface maintenance facilities which exist on or above the surface of the Coastal Landfill Parcel. In addition to assuming responsibility for all continuing and all new surface maintenance requirements, City shall bear responsibility for any additional subsurface maintenance requirement caused by the development and/or operation of Specified Recreational Uses on the Premises. In the future, during the term of this Lease Agreement, City shall become responsible for compliance with all new provisions, conditions and requirements of further revised plans and other regulatory documents relating to Specified Recreational Uses on the Premises and for all subsequent revised or new provisions, conditions and requirements of said plans and documents or new regulatory enactments relating to the surface maintenance of the Premises which may hereinafter become effective during the term of this Lease Agreement. The parties acknowledge that the various regulatory agencies may continue to name VRSD as the permittee, owner and/or responsible party for the Closure Plan, Postclosure Plan, and other regulatory documents. Nonetheless, City shall take all reasonable action necessary to assure that City's activities do not cause VRSD to be found by the regulatory agencies to be out of compliance with the Closure Plan,

Postclosure Plan, or any other regulatory document. City and VRSD agree that each shall carry out its responsibilities under this Section 8 without impairing any rights of the Lessee under the Gas Lease, including Lessee's right to access at all times to the gas collection system (including all gas collection wells, interconnection pipes, valves, monitoring equipment, any necessary flare/blower stations, vacuum pumps and any additional gas extraction equipment installed and used for the purpose of extraction of landfill gas) for purposes of operation, maintenance, repair and replacement of such system.

c. **City's Right to Withdraw Initial Applications for Plan Revisions.** City, at its sole discretion, may, at any time, prior to approval of the initial applications to be made to revise the Closure Plans and Postclosure Plans in existence on the date of this Lease Agreement to allow the initial development of Specified Recreational Uses, determine that the applications for revision to the Closure Plan and Postclosure Plan and/or all other regulatory documents shall be withdrawn; and, this Lease Agreement will, upon such withdrawal, automatically terminate. It is further agreed that City, in its sole discretion, may at any time after approval of the above referenced applications, terminate this Lease Agreement pursuant to Section 24 below.

d. **Plan Revision Process.** Revisions of the Closure Plan and Postclosure Plan, current or as revised in the future, as well as the revision of any and all other regulatory documents pertaining to land use on the Premises, including permits, requirements, orders and other regulatory directives, shall be processed by City and VRSD on a cooperative basis consistent with the provisions herein. No application for any revision to the Closure Plan and/or Postclosure Plan shall be submitted to the CIWMB or LEA until both VRSD and City have approved the submission of such application for revision. Neither VRSD nor City shall be obligated to apply for, support or accept any Plan revision proposed as a consequence of planned Specified Recreational Uses which increases the expense of the party responsible for complying with the provision objected to; provided that neither party shall oppose such provisions if the other party agrees to assume all liability for the expense of such provisions, except that notwithstanding anything contained in this Agreement, VRSD shall not be required to apply for, support or accept any Plan revision, the implementation of which would conflict with or impair any right of the Lessee under the Gas Lease or cause VRSD to violate any covenant or obligation under the Gas Lease. City agrees that City shall pay and/or bear the full expense of preparing, processing and implementing the revised Closure Plan, Postclosure Plan, and other regulatory documents caused by or related to, directly or indirectly, the development of Specified Recreational Uses on the Premises.

e. **Financial Assurance Mechanism.** City acknowledges the legal requirements relating to the provision of financial assurance mechanisms for closed landfills. VRSD and City acknowledge that the existing financial assurance mechanism which has been established and funded by VRSD and approved by CIWMB may be revised as a result of revisions to the Closure Plan and Postclosure Plan necessitated by City's proposal to develop Specified Recreational Uses on the Coastal Landfill Parcel. VRSD shall continue to be responsible to the CIWMB for providing financial assurance in the amount stated in the Postclosure Plan's estimate of expense of fifteen (15) years of postclosure maintenance of the Coastal Landfill as specified in the cost estimate existing

on the date of this Lease Agreement (even though City, pursuant to this Lease Agreement, shall bear the actual expense, when incurred, of all surface maintenance and any expense of any additional subsurface maintenance required as a result of City's development of Specified Recreational Uses on the Coastal Landfill). On the other hand, City shall be responsible for providing financial assurance for all other new postclosure maintenance expenses as required by CIWMB as a consequence, direct and/or indirect, of Specified Recreational Uses including Specified Recreational Uses related surface maintenance requirements and all new subsurface requirements which are required as a result of Specified Recreational Uses proposed. City acknowledges that as a result of the application for revision to the Closure Plan and Postclosure Maintenance Plan which must be made in order to advance the development of Specified Recreational Uses on the Coastal Landfill Parcel, the CIWMB may implement additional financial assurance requirements. City shall be responsible for and hold VRSD harmless from any such additional Specified Recreational Uses related requirements. City also acknowledges that additional financial assurance requirements may be imposed in the future. City shall bear all costs, expenses and obligations of meeting such additional financial assurance requirements as relate to surface maintenance required because of the development and/or operation of Specified Recreational Uses on the Premises. VRSD shall expeditiously apply in accordance with CIWMB regulations to CIWMB for release of any financial assurance funding or security provided by City and release any funds held by VRSD which are due to City upon CIWMB approval of such release.

f. **Final Design.** After CIWMB and LEA approval of revisions to the Closure Plan and Postclosure Plan and all other necessary regulatory approvals, including, but not limited to the approval of the RWQCB, SWRCB and EPA, City shall develop final designs for Specified Recreational Uses improvements to be constructed upon the Premises. These final designs shall be submitted to VRSD for its review. VRSD may, within thirty (30) days after receipt of any submittal, comment upon any aspect of the designs which could potentially increase VRSD's cost of subsurface maintenance of the Coastal Landfill; provided, however, that, notwithstanding anything contained in this Agreement, VRSD shall not be required to accept any final design, the implementation of which would conflict with or impair any right of the Lessee under the Gas Lease or cause VRSD to violate any of its covenants or obligations under the Gas Lease.

Notwithstanding VRSD's review of and comment on the final design, City shall release, indemnify, defend and hold VRSD harmless from any liability arising from any design defect, error, omission, or damage arising from the final design of all improvements to be constructed on the Premises.

g. **Environmental Documentation.** City shall be the lead agency for all environmental documentation relating to any and all development on the Premises. City shall fully comply with the California Environmental Quality Act ("CEQA"). City shall be responsible for defending or providing a defense to any action alleging non-compliance with CEQA or any other law, regulation, rule or permit arising out of the revision of the Closure Plan, Postclosure Plan or other regulatory document relating to Specified Recreational Uses or the Northwest Golf Community Specific Plan, except to the extent of any liability caused by VRSD's acts, omissions or negligence. City shall hold

harmless, defend and indemnify VRSD in any such action, except to the extent of any liability caused by VRSD's acts, omissions or negligence. City shall reimburse VRSD for any expense, including, but not limited to any expense for staff time, consultant time (including attorney time or other related expenses) incurred by VRSD in response to City's request made in connection with VRSD's defense.

h. **Development Liability.** City shall hold harmless, defend (by counsel selected by City after concurrence, which shall not be unreasonably withheld, by VRSD) and indemnify VRSD from any action, claim or liability arising out of City's approval of development occurring on the Premises or on the property covered by City's approval of the Northwest Golf Community Specific Plan. City shall reimburse VRSD for any expenses, including, but not limited to, any expense for staff time or consultant time (including attorney time or other related expenses) incurred by VRSD as a result of such action. For example, City shall hold harmless, defend (by counsel selected by City after concurrence which shall not be unreasonably withheld by VRSD) and indemnify VRSD in any administrative appeal or judicial action brought in any administrative forum or any court relating to the City's approval and/or development approved by City in the Specific Plan area, including, but not limited to, compliance with environmental documentation requirements, low income housing provisions, compliance with general plan or other planning requirements or other actions involving any City approval or City permit relating to development in the Specific Plan area. With respect to development of Specified Recreational Uses on the Premises, City shall bear all permit, annexation, zoning, development agreement and other regulatory costs, fees, charges or requirements. For example, City shall indemnify and hold VRSD harmless from annexation fees and other charges due Calleguas Water District and/or Metropolitan Water District of Southern California upon annexation and development of the Premises.

i. **Construction.** VRSD shall be entitled to inspect the Premises throughout the construction of all improvements on the Premises. Notwithstanding VRSD's inspection of construction activities, City shall release, indemnify, defend and hold VRSD harmless from any and all liability arising from the construction of any and all improvements on the Premises by City or City's contractors. All City contractors working on the Premises shall be obligated to name VRSD as an additional insured as to all insurance requirements imposed by the City on its contractors.

9. **MAINTENANCE.**

a. **Immediate Assumption of Maintenance of Coastal Buffer Parcel and Surface Maintenance of Coastal Landfill Parcel.** Immediately upon execution of this Lease Agreement, City shall take possession of and be responsible for the maintenance of the Coastal Buffer Parcel and the surface maintenance of the Coastal Landfill Parcel as provided in this Lease Agreement. From and after the date of this Lease Agreement, City shall be entitled to a non-exclusive right of reasonable access to the Coastal Landfill Parcel at any time, subject to the present or future subsurface maintenance operations of VRSD on the Premises and to the rights of the Lessee under the Gas Lease, including Lessee's right to access at all times to the gas collection system (including all gas collection wells, interconnection pipes, valves, monitoring equipment, any necessary

flare/blower stations, vacuum pumps and any additional gas extraction equipment installed and used for the purpose of extraction of landfill gas) for purposes of operation, maintenance, repair and replacement of such system. The parties should coordinate their respective activities and meet quarterly to discuss upcoming activities on the Premises.

b. **Coastal Landfill Parcel Maintenance Responsibility.** Immediately upon execution of this Lease Agreement, City shall be responsible for complying with all surface maintenance requirements established under the then existing Postclosure Maintenance Plan and other regulatory documents including, but not limited to, the WDR. Upon approval of the revised Closure Plan and/or Postclosure Plan and other regulatory documents permitting Specified Recreational Uses, in accordance with this Lease Agreement, City shall be solely responsible for and obligated to maintain the surface of the Coastal Landfill Parcel in accordance with all requirements of said Plan and documents. VRSD shall retain the right of access to perform all subsurface maintenance of the Coastal Landfill for which VRSD shall remain responsible. City shall be responsible for complying with all surface maintenance activities on the Coastal Landfill including, but not limited to, the surface maintenance activities set forth in the Closure Plan, Postclosure Plan, and other regulatory documents and any revisions thereto. City shall bear all expense associated with Premises surface maintenance activity. City shall release, defend, and hold VRSD harmless from any and all expense relating to the surface maintenance of the Premises, except for expenses incurred by VRSD hereunder in maintaining subsurface maintenance facilities. City and VRSD agree that each shall carry out its responsibilities under this Section 9 without impairing any rights of the Lessee under the Gas Lease, including Lessee's right to access at all times to the gas collection system (including all gas collection wells, interconnection pipes, valves, monitoring equipment, any necessary flare/blower stations, vacuum pumps and any additional gas extraction equipment installed and used for the purpose of extraction of landfill gas) for purposes of operation, maintenance, repair and replacement of such system.

c. **Indemnification.** In consideration of entering into this Lease Agreement, City agrees that, City shall indemnify, defend (by counsel selected by City after concurrence, which shall not be unreasonably withheld, by VRSD), and hold VRSD, and each of VRSD's directors, employees, attorneys, and agents (collectively, "Indemnitees") harmless from any and all claims, liabilities, liens, losses, judgments, orders, actions (including actions arising from personal injury to or death of third persons or property damage), expenses, fines, penalties, governmental directives or inquiries, environmental response costs of any type (including without limitation reasonable attorneys' and environmental consultants' fees) (collectively "Liabilities"), arising from or related to City's design, construction, maintenance, repair, operation and/or use of the Premises, except to the extent such liabilities are caused by Indemnitees' acts, omissions, or negligence.

d. **Release.** City hereby fully releases Indemnitees from any and all claims which City may have now or in the future against Indemnitees for any damage or liability arising from the use of the Premises by City. As a material covenant and condition of this Lease Agreement, City agrees that in the event of any adverse event, situation or condition regarding the use of the Premises by City, City shall look solely to parties other than Indemnitees, and Indemnitees shall not be

responsible in any way therefor, and no cause of action shall lie, nor shall any judgment, however obtained, be executed against Indemnitees or any of them except to the extent such adverse event, situation or condition is caused by Indemnitees' acts, omissions or negligence.

With respect to the foregoing release, City fully waives any rights or benefits available to City under the provisions of Section 1542 of the California Civil Code, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

City acknowledges that its attorney at law has explained to City the meaning and effect of this statute. City understands fully the statutory language of Civil Code Section 1542, and with this understanding, City nevertheless elects to, and does, assume all risk as against Indemnitees regarding such damages or liabilities, whether arising before or after the making of this Lease Agreement and whether now known or unknown, and City specifically waives any rights City may have under California Civil Code Section 1542. City fully understands that if the facts with respect to which this release is executed are later found to be other than or different from the facts now believed by it to be true, City expressly accepts and assumes the risk as against Indemnitees of that possible difference in facts, and agrees that this release shall be and remain effective notwithstanding that difference in facts.

Therefore, the provisions of Civil Code Section 1542 (and any other or similar provisions of common or statutory law of any state of the United States) are hereby waived by City as to all matters released herein and City acknowledges that this waiver is an essential and material term of this Lease Agreement without which this Lease Agreement would not have been executed by VRSD. City acknowledges and recognizes that City may hereafter discover facts different from or in addition to those which City now knows or believes to be true with respect to the claims released herein. However, City intends by this Lease Agreement to fully, finally and forever settle and release the claims set forth herein, whether these claims heretofore have existed, now exist, may now exist, or will exist upon the discovery of additional facts. In furtherance of this intention, this Lease Agreement shall remain in full and complete effect in all respects, notwithstanding the discovery by VRSD or City of the existence of additional or different facts relating to the claims hereby released.

10. GAS AND CONDENSATE COLLECTION AND FLARE SYSTEM

a. **Collection System.** City acknowledges that VRSD owns the landfill gas generated under the Premises. City acknowledges the existence and contents of the April 22, 1983, Landfill Gas Lease and Operating Agreement for Conversion Systems among Cambrian Energy Systems,

Inc., Ventura Coastal Corporation and VRSD, and the April 18, 1991, First Amendment to Landfill Gas Lease and Operating Agreement for Conversion Systems between Oxnard Landfill Associates and VRSD (collectively referred to as the "Gas Lease"). City acknowledges that: (i) "Lessee" under said Gas Lease (originally Cambrian Energy Systems, Inc. and currently Ogden Power Pacific, Inc., a subsidiary of Ogden Energy, Inc.), has comprehensive rights of way over the Premises to extract landfill gas from the Coastal Landfill and collect this gas and transport it to its energy facility as described in said lease; (ii) these rights, include, but are not limited to, the right to construct, repair, replace, relocate, and maintain gas extraction wells, collection piping, collection traps, valves, monitoring equipment, blowers, pumps and other improvements related to the development of the gas rights in the Coastal Landfill; and (iii) the Lessee under said Gas Lease also has the right to place and maintain on the Coastal Landfill Parcel tanks, roads, pipelines, power lines and other improvements necessary to the Lessee's operations subject to limitations set forth in the Gas Lease. City acknowledges and agrees that its right to use and occupy the property under this Lease Agreement are subject to the rights of the Lessee and VRSD under said Gas Lease and that VRSD and/or the Lessee shall reserve ownership and possession of these gas collection improvements. VRSD agrees that it will be primary liaison with the Lessee regarding the coordination of Specified Recreational Uses with the Lessee's operations and the exercise of Lessee's rights under the Gas Lease. VRSD shall use commercially reasonable efforts to obtain the Lessee's reasonable commercial cooperation with Specified Recreational Uses; provided that City releases VRSD from any liability arising from the Lessee's failure to cooperate. City acknowledges, however, that notwithstanding anything contained in this Lease Agreement, VRSD makes no representation that the Lessee under the Gas Lease has agreed to, authorized or consented to, or will agree to, authorize or consent to, any particular action in respect of the activities contemplated hereunder. City further agrees that in the event the Gas Lease is terminated, VRSD shall be deemed to have succeeded to all of the rights, including rights of way over the surface of the Coastal Landfill Parcel created in the Lessee under said Gas Lease. In the event VRSD succeeds to Lessee's right, VRSD shall cooperate with City's operation of Specified Recreational Uses in a commercially reasonable manner.

City agrees to cooperate with the Lessee, and, subsequently, VRSD in Lessee's and VRSD's exercise of said Gas Lease rights of way. City also agrees to cooperate with Lessee and VRSD with regard to the gas and condensate collection system on the Premises, including any improvements, alteration, repair and/or maintenance of said system that may be undertaken by Lessee and/or VRSD. City shall coordinate its activities on the Premises with VRSD with respect to the activities which may affect rights under the Gas Lease. City agrees that to the extent the Closure Plan, Postclosure Plan or other regulatory documents require changes, because of the development of Specified Recreational Uses on the Premises, to the gas extraction and collection system built and owned by Lessee and/or VRSD pursuant to the Gas Lease, and VRSD and/or Lessee implement such changes, all work relating to such changes shall be at City's sole expense and City shall not initiate construction work on the Coastal Landfill Parcel until all work relating to such changes has been completed. Before commencing such gas system revision work, VRSD shall obtain City's approval of the specifications, budget and any construction contracts relating to such changes to the gas system. City shall pay the entire estimated cost of such work to VRSD before such work commences and upon the completion of the work VRSD shall provide City a complete

accounting of the expense of the work and either refund to City any unexpended portion of the City's initial payment of the estimated cost or collect from City any amount reasonably incurred by VRSD in excess of City's initial payment of the estimated cost. All work shall be completed in a commercially reasonable manner consistent with the requirements of all regulatory agencies. If City does not approve the proposed work and pay the estimated cost, VRSD will be under no obligation to implement the work. In the event that any changes to the gas extraction and collection systems are made hereunder, City shall bear the full expense of making such changes and shall hold harmless, defend and indemnify the Lessee and VRSD from any and all costs, liability, or regulatory enforcement activity related to any such change made to the gas extraction and/or collection system. For example, the amended Closure Plan or other regulatory requirement may require that gas extraction systems be fenced, that collection pipelines be buried and/or that other protective measures be taken with respect to any part of the landfill gas extraction, collection and distribution system. The total cost to VRSD of completing all of the work of designing, constructing, burying (including the importation of soil to bury the collection pipes) and maintaining changes to such systems necessitated by Specified Recreational Uses that may be carried out during the term of this Lease Agreement shall be borne by City and City shall promptly pay or reimburse VRSD for all VRSD expenses, including expenses associated with utilization of VRSD staff, VRSD consultants and/or the Lessee relating to such work. Any soil imported as part of this construction work shall meet City's specifications. City may require VRSD to use soil procured by City for this work in order to reduce construction costs.

b. **Flare Station.** City acknowledges the existence of a landfill gas flare station located on the northern portion of the Coastal Landfill Parcel as illustrated on Exhibit A. Notwithstanding any other provision of this Lease, City agrees that all of the area located within the fencing surrounding said flare station shall not be used by City or City's contractors and City shall design and operate any Specified Recreational Uses in the vicinity of the flare so as to discourage any recreational activity within 100 feet of the fence surrounding the flare. VRSD shall be responsible for maintaining all landscaping inside the fencing surrounding the flare station. City shall provide water to VRSD, out of the City's Entitlement, defined at section 14b below, at the cost of pumping the water from the Coastal Water Well (utility extraction cost and UWCD and GMA pump charges), for such landscaping. VRSD shall be responsible for the maintenance of the flare equipment or gas piping system associated with the flare station. VRSD shall, at its sole expense, continue to operate the flare and the associated facilities in compliance with all regulatory requirements including the requirements of CIWMB, LEA, and APCD.

c. **Condensate Collection.** City acknowledges the existence of condensate collection tanks on the Premises which store landfill condensate from the gas and condensate collection system for the Coastal Landfill. VRSD shall have access to repair, maintain and service said tanks.

d. **Gas Royalties.** This Lease Agreement does not modify, in any fashion, the Gas Lease and VRSD shall continue to be entitled to receive all royalties paid by the Lessee under said Gas Lease.

11. LANDFILL GAS AND GROUNDWATER

a. Groundwater. City acknowledges that RWQCB has adopted WDR's and groundwater monitoring requirements for the closed Bailard Landfill, Coastal Landfill, and Santa Clara Landfill. City acknowledges that prior to the development of Specified Recreational Uses, revisions are likely to be made to the Bailard Landfill, Coastal Landfill and Santa Clara Landfill WDR's and groundwater monitoring requirements as a result of RWQCB's review of the proposed Specified Recreational Uses on the Coastal Landfill Parcel. To the extent RWQCB requires revisions to the monitoring requirements as a result of the proposed Specified Recreational Uses, and such changes increase the expense which VRSD incurs in its postclosure maintenance of the subsurface of the Bailard Landfill Parcel or the Santa Clara Landfill or the Coastal Landfill Parcel, City shall reimburse VRSD for the full amount of any such increase. For example, if RWQCB, determines, as a result of the proposed golf course development, that VRSD is required to drill additional monitoring wells or test additional constituents or increase the monitoring frequency or standards, City shall reimburse VRSD for the actual expense to VRSD of all VRSD staff time, consultant time, laboratory expense and other costs associated with compliance with such revisions as these expenses are incurred, throughout the term of this Lease Agreement, payable thirty (30) days after VRSD's delivery of invoices to City. VRSD shall also retain the right of access to and possession of all monitoring well sites approved by RWQCB on the Premises, including any located on the Coastal Buffer Parcel and/or the Coastal Landfill Parcel.

City also acknowledges that RWQCB may impose irrigation restrictions, cover system improvements or other conditions upon the development of Specified Recreational Uses in order to protect groundwater in the vicinity of the Premises. City agrees to comply with all restrictions and conditions on the development and operation of Specified Recreational Uses imposed by RWQCB as well as CIWMB, LEA, APCD or any other regulatory agency at City's sole expense and City further agrees to hold harmless, defend (by counsel selected by City, after concurrence, which shall not be unreasonably withheld, by VRSD) and indemnify VRSD from any and all expense, liability or regulatory enforcement actions, including fines or penalties for violations or remediation orders relating to any violation of any groundwater regulatory requirements by City or City's contractors or arising from the Specified Recreational Uses on the Premises.

City further acknowledges that as a result of the proposed Specified Recreational Uses on the Coastal Landfill Parcel, environmental impacts may occur in the future which may lead to the requirement for remediation of surface or subsurface conditions impacted or caused by the construction, operation and/or maintenance of Specified Recreational Uses on top of a closed landfill. City shall hold harmless, defend (by counsel selected by City, after concurrence, which shall not be unreasonably withheld by VRSD) and indemnify VRSD from any and all expense, liability, regulatory action or remediation costs associated with or caused by the development of Specified Recreational Uses on the Coastal Landfill Parcel.

b. Subsurface Gas. City acknowledges that the decomposing waste buried in the Coastal Landfill creates landfill gas, including methane gas. City acknowledges that some

constituents of the landfill gas may be hazardous and toxic. City further acknowledges that methane gas is combustible. City further acknowledges that the landfill gas can travel laterally subsurface. Throughout the term of this lease, VRSD shall remain responsible for and bear the full expense of monitoring subsurface migration of landfill gas from the Coastal Landfill Parcel. VRSD shall continue to maintain and monitor monitoring wells as required by CIWMB and the LEA. VRSD shall control the migration of landfill gas. As gas generation declines, VRSD shall be obligated to and have the right of access to the Premises in order to construct further gas wells and related collection piping and facilities in accordance with regulatory requirements. VRSD and City shall meet and cooperate in developing plans for such construction with the intent to avoid, to the extent consistent with regulatory and gas system operational requirements, unreasonable interference with Specified Recreational Uses.

City acknowledges that a subsurface gas migration barrier slurry wall has been constructed along the southern boundary of the Santa Clara Landfill and the eastern boundary of the Coastal Landfill. City shall not undertake or authorize any construction activity which damages the structural integrity or operational functionality of the slurry wall located on the Coastal Landfill Parcel.

City also agrees that City and City contractors, including the operator of any Specified Recreational Use on the Coastal Landfill Parcel, shall not undertake any activity, including excessive irrigation, as determined in writing by CIWMB, RWQCB, LEA or County of Ventura, which causes an increase in the expense to VRSD of its postclosure subsurface maintenance obligations, and City shall hold harmless, defend and indemnify VRSD from any and all expense, liability or regulatory enforcement actions, including fines or penalties for violations or remediation orders relating to any such activity by City or City's contractor.

c. **Surface Emissions.** City acknowledges that landfill gas can escape from the closed landfill through cracks in the surface of the cover lying over the buried waste. City acknowledges that by leasing the Premises, City has assumed responsibility for maintaining the surface of the closed landfill so that all cracks are filled and no leaks of gas are permitted through the surface in excess of the amount of gas allowed pursuant to APCD's Rules 74.17, and 74.17.1 and such other laws, regulations, rules or regulatory orders which exist now or may be adopted in the future. VRSD shall, at VRSD's expense, conduct Coastal Landfill surface emission monitoring and reporting to APCD under APCD Rules 74.17 and 74.17.1 and successor regulations. City acknowledges that these rules may require periodic sweeps on 100 foot or smaller grids laid over the Coastal Landfill Parcel. City shall hold harmless, defend and indemnify VRSD from any and all expense, liability or regulatory enforcement actions, including fines or penalties for violations or remediation orders relating to any violations of any such law, regulation, rule or regulatory order relating to City's maintenance of the surface of the Premises, except to the extent of liability caused by VRSD's negligence. City and VRSD agree that each shall carry out its responsibilities under this Section 11 without impairing any rights of Lessee under the Gas Lease, including Lessee's right to access at all times to the gas collection system (including all gas collection wells, interconnection pipes, valves, monitoring equipment, any necessary flare/blower stations, vacuum pumps and any additional gas

extraction equipment installed and used for the purpose of extraction of landfill gas) for purposes of operation, maintenance, repair and replacement of such system.

12. EASEMENT FOR SETBACK AND IMPACT DISCLOSURE.

a. **Adjacent Private Property.** Except as provided in subsection 12.a.1 below, City, in regulating the development of the Northwest Golf Community Specific Plan area, shall require the owners of the property lying to the south of the Coastal Landfill Parcel to execute and record an easement or other agreement providing for a 300 foot setback, measured from the property line of the Coastal Landfill Parcel, prohibiting any construction of any enclosed structure within the 300 foot setback. Drainage facilities are not considered to be enclosed structures. The City shall also require the developers of the property to disclose in writing to prospective buyers of the property that the prior operation, closure and postclosure maintenance of the solid waste landfill located on the Ballard Landfill Parcel and/or Coastal Landfill Parcel may adversely affect the use, enjoyment, and occupation of the property because of the creation, existence, expansion, migration, or discharge of environmental impacts including, but not limited to, odor, vectors, organisms, particles, gases, chemicals, toxics, leachate, or other substances, whether airborne, waterborne or otherwise transmitted.

1. **Historical Building Parcel.** Subject to the conditions stated in this subsection, City may allow construction of an enclosed structure on the Historical Building Parcel described in the Specific Plan; provided the City has made a written determination that the use of such structure shall not expose the users thereof to unacceptable risks of injury or property damage caused by landfill gas migrating from the Coastal Landfill Parcel. City, in regulating the development of the Historical Building Parcel, shall not allow the construction of buildings or other enclosed structures or improvements of any kind, except drainage or water detention facilities, within 150 feet of the Coastal Landfill Parcel. City shall not permit the construction of any residential building on the Historical Building Parcel. City shall not permit any structure on any portion of the Historical Building Parcel to be used for residential use. City shall implement and enforce building requirements for all improvements constructed on the Historical Building Parcel in order to protect any occupants or users of such structures from being exposed to any hazard associated with the migration of landfill gas from the Coastal Landfill Parcel. City shall not permit any construction on the Historical Building Parcel until the owners of that Parcel have executed and recorded (1) an Access Easement from Vineyard Avenue to the Coastal Landfill Parcel in a form acceptable to VRSD, (2) a Declaration and Establishment of Covenants, Conditions and Restrictions in a form acceptable to VRSD, and (3) any subordination documents necessary to remove any cloud on the priority of the rights conferred by the easement and the declaration. City shall quitclaim all of its interest in the property covered by this access easement except for a nonexclusive right of way for ingress and egress to the Patterson Drain.

b. **Adjacent City Property.** City, in managing the use of City owned property in the Northwest Golf Course Community Specific Plan area, shall not construct or permit construction of enclosed structures within 300 feet of the Coastal Landfill Parcel, except for Specified Recreational

Uses related restrooms, snack shops with open air seating, and/or unenclosed shelters, and a Specified Recreational Use maintenance facility, and drainage facilities, provided all such improvements are designed and constructed to prevent the trapping or accumulation of landfill gas. City further acknowledges that the prior operation, closure and postclosure maintenance of the solid waste landfill located on the Coastal Landfill Parcel may adversely affect the use, enjoyment, and occupation of the City's property because of the creation, existence, expansion, migration, or discharge of environmental impacts including, but not limited to, odor, vectors, organisms, particles, gases, chemicals, toxics, leachate, or other substances, whether airborne, waterborne, or otherwise transmitted (collectively called "Environmental Impacts to City's Property"). City expressly assumes and accepts all risk of such Environmental Impacts to City's Property. City, for itself and on behalf of its transferees, assigns and successors in interest, hereby agrees to waive, release and forever discharge VRSD from any and all claims, demands, actions, causes of action, obligations, damages, liabilities, loss, cost or expense, including attorneys' fees and consultant fees, of any kind or nature whatsoever, whether for property damage, personal injury, death, or otherwise, past, present, or future arising from the Environmental Impacts to the City's Property, subject only to the limitation, to be narrowly interpreted to avoid diminution of the broad release intended here, that VRSD shall not conduct Landfill postclosure maintenance activities after the date of this Lease Agreement in a grossly negligent manner.

13. FLOOD CONTROL.

a. Patterson Drain. City holds an easement to the Patterson Drain as illustrated on Exhibit A. City shall be solely responsible for the maintenance of this drain, including the maintenance of any landscaping lying within the drainage easement. City shall hold harmless, defend and indemnify VRSD from any and all expense, liability or regulatory enforcement action relating to City's operation and/or maintenance of the Patterson Drain.

b. Victoria Avenue Drain and Flood Control Flap Gate. City shall hold harmless, defend and indemnify VRSD from any and all expense, liability or regulatory enforcement action relating to or arising out of the City's use, operation or maintenance of any Specific Plan area drainage features existing now or constructed in the future, including the Victoria Avenue drain, the Ventura County Flood Control flap gate, except to the extent caused by VRSD's acts, omissions or negligence.

c. VRSD Not Liable for Flood. VRSD shall not be liable for any injury, damage, or loss suffered, sustained or claimed by City or the employees of City or any other persons injured on the Premises, arising from or related to flood, seepage, other waters upon the Premises, drainage or lack of drainage, irrigation or lack of irrigation, or any causes beyond the control of VRSD unless such liability arises from VRSD's acts, omissions or negligence.

14. WATER

a. Water Rights. VRSD and City agree that any and all water rights or water entitlements appurtenant to the Coastal Buffer, Coastal Landfill, Bailard Buffer and Bailard Landfill Parcels (collectively "VRSD Parcels") shall remain the property of VRSD, and shall be deemed to benefit and run with VRSD's ownership of the VRSD Parcels. VRSD and City agree that any and all water rights or water entitlements appurtenant to the real property addressed by the Specific Plan, excluding the VRSD Parcels, but including the entire GMA allocation attributable to the Swift Well (Swift Allocation; State Well No. 2N/22W-29M1), shall be the property of the City upon transfer to the City of all real property necessary to implement the Specific Plan. Water rights or water entitlements addressed by this section include riparian, overlying or prescriptive water rights, and any and all allocation or entitlement granted under or pursuant to ordinances of the Fox Canyon Groundwater Management Agency ("GMA") or any government agency with authority to regulate groundwater use on the VRSD Parcels and the real property associated with the Specific Plan. VRSD shall allow City, and City shall allow VRSD, the right to use a portion of the water produced in accordance with the water rights and water entitlements under the terms and conditions described in this section; provided, however, that all such rights granted to City by VRSD under this Lease Agreement shall be subject to the rights of Lessee under the Gas Lease, including Section 9 thereof.

b. VRSD Landfills GMA Allocation. With respect to the Coastal Landfill and Bailard Landfill Parcels, GMA has authorized and issued to VRSD, through VRSD state well numbers 2N/22W-29D4, 29D5, 30C5, 30C6, 30K1 and 30L2, a total of 260.4 acre feet of baseline allocation ("VRSD Landfills Baseline Allocation"), 39.514 feet of historical allocation ("VRSD Landfills Historical Allocation"), and any credits accruing on the VRSD Landfills Historical Allocation (the VRSD Landfills Baseline Allocation and the VRSD Landfills Historical Allocation are collectively referred to as the "VRSD Landfills Allocation"). Effective upon City's assumption of surface maintenance responsibilities for the Coastal Landfill Parcel under Section 9(b) above, and continuing so long as City continues to be responsible for and provides the required surface maintenance for the Coastal Landfill Parcel City and VRSD agree that, subject to GMA or other regulatory requirements, water produced in accordance with the VRSD Landfills Allocation shall only be used as follows:

(i) City shall have the exclusive right to use, for the sole purpose of constructing and irrigating Specified Recreational Uses developed on the Coastal Landfill Parcel pursuant to the Specific Plan, 93 acre feet per year of VRSD Landfills Baseline Allocation and 17 acre feet per year of VRSD Landfills Historical Allocation ("City's Entitlement").

(ii) VRSD shall have the exclusive right to use 167.4 acre feet per year of VRSD Landfills Baseline Allocation, the acre feet per year of VRSD Landfills Historical Allocation remaining, if any, after City's use of City's Entitlement, and any GMA credits accruing on the VRSD Landfills Historical Allocation, for any use on the Bailard Landfill Parcel, and to meet regulatory offset requirements relating to VRSD's operations at its Toland Road Landfill ("VRSD Entitlement").

(iii) On or before October 1 of each year, VRSD shall provide written notice to the City of the amount (in acre feet), to be determined in VRSD's sole discretion, subject to GMA or other regulatory requirements, of the VRSD Entitlement that VRSD, subject to the mutual agreement of City and VRSD as to the price of water as described below, will provide to the City for the City's exclusive use in the calendar year during which the written notice is provided ("VRSD Designation"). City shall respond with a written notice of how much of the VRSD Designation City agrees to use ("City Notice"). City shall have the exclusive right to use the entire amount stated in the City Notice only for the calendar year for which the VRSD Designation applies, subject to the payment by City to VRSD of VRSD Water Fees as defined below. As used herein, "VRSD Water Fees" shall mean an amount calculated by multiplying the number of acre feet of water used by City times the price of water set annually by the mutual agreement of VRSD and City as to the price of water for each year. If there is no mutual agreement, VRSD shall not be obligated to provide a VRSD Designation. City shall make payment in full to VRSD for the amount of water designated in the City Notice within thirty (30) days of the date City and VRSD agree upon a price for the use of the water.

c. **Other Water Rights Appurtenant to Premises.** For so long as City assumes surface maintenance responsibilities for the Coastal Landfill Parcel, VRSD grants to City the right to exercise any and all riparian rights associated with the Premises.

d. **Water Supply to Premises.** City may provide water to the Premises through any facilities needed and necessary, including VRSD state well number 29D5 (Coastal Water Well), subject to the conditions and limitations in this Lease Agreement. In light of the duration of this Lease Agreement, City shall be responsible for, and bear the full expense of the operation and maintenance of the Coastal Water Well as though City were the owner of the well. City, in its sole discretion, and at its sole expense, may repair or abandon the Coastal Water Well. If City abandons the Coastal Water Well, VRSD and City shall cooperate in selecting the most effective location and arrangement of the replacement to the Coastal Water Well and associated piping. If VRSD and City cannot agree on such location and arrangement, then, subject to GMA regulation, City shall make those decisions in a manner that VRSD incurs no greater cost than would be the case if the location and arrangement proposed by VRSD were selected. Provided however, should this Lease Agreement terminate, City shall, at its sole expense, provide a replacement well equivalent to the Coastal Water Well on the Coastal Landfill Parcel.

e. **Water Supply to Ballard Buffer Parcel.** VRSD has historically relied on the water well located on the land owned by Raymond E. Swift, successor trustee, known as the Swift Well (State Well No. 29M1), to supply water to the Ballard Buffer Parcel and the Coastal Buffer Parcel. The Swift Well will be abandoned during construction of the development provided in the Specific Plan. City agrees that before the Swift Well is abandoned VRSD shall drill a new well on the Ballard Buffer Parcel to serve the Ballard Buffer Parcel, with capacity to serve the Coastal Buffer Parcel if this Lease Agreement is ever terminated. City shall reimburse VRSD for seventy-five percent (75%) of the capital costs of drilling and equipping a new well on the Ballard Buffer Parcel, provided that in no event shall City be obligated to pay VRSD more than seventy-five thousand

dollars (\$75,000) for such new well capital costs. City shall pay such costs within thirty (30) days of City's receipt of well cost invoices from VRSD. VRSD shall be solely responsible for compliance with any statutes, ordinances, rules or regulations applicable to the construction and operation of the new Bailard Buffer Parcel Well. VRSD shall be responsible for applying to GMA for permission to use an efficiency extraction to serve the Bailard Buffer Parcel. VRSD shall be solely responsible for the operation, maintenance, repair or replacement costs for the new Bailard Buffer Parcel well constructed pursuant to this paragraph.

Effective upon the GMA's approval of the assignment to the City of the Swift Allocation, and continuing through the term of this Lease Agreement, City shall make available for use by VRSD or its lessee, at the option of VRSD in its sole discretion and subject to approval by GMA if such approval is required, up to but no more than 110 acre feet per year of the Swift Allocation (VRSD Swift Entitlement) for use on the Bailard Buffer Parcel. Use by VRSD of the VRSD Swift Entitlement is contingent upon the GMA's approval of the assignment to the City of the Swift Allocation, and limited to that assigned amount recognized and approved by the GMA as corresponding to the historical irrigation of the Bailard Buffer Parcel using the Swift Allocation. Use by VRSD of the VRSD Swift Entitlement, if any is approved by the GMA, shall terminate, and all rights to the VRSD Swift Entitlement shall revert to the City, when the Bailard Buffer Parcel ceases to be used for commercial agricultural production at approximately the same level of production as exists at the time of execution of this Lease Agreement. Except as provided in this subparagraph 14(e), the City shall have no responsibility to provide water service, or any water rights or entitlement to VRSD for use on the Bailard Buffer Parcel.

f. Reporting and Payment of GMA and UWCD Pump Charges. City and VRSD shall coordinate, as frequently as necessary, their groundwater extraction reporting to the GMA and United Water Conservation District (UWCD) associated with the VRSD Landfills Allocation and, if applicable, VRSD Swift Allocation so that appropriate payment to the GMA and UWCD can be made timely for all groundwater extractions made hereunder by City, VRSD and VRSD's lessee. City shall be solely responsible for regional pump charges (i.e. UWCD and GMA pump charges, and any other pump charges that may be imposed by a court or water management agency other than City) associated with City's use of the City Entitlement and that amount of water designated in the City Notice. VRSD shall be solely responsible for regional pump charges associated with its or its lessee's use of the VRSD Entitlement. City and VRSD acknowledge and agree that the GMA imposes a penalty on water use above that made available through its allocations and that each entity is solely responsible for its individual penalties or surcharges associated with its or its lessee's respective overuse of groundwater.

g. Water Availability. City and VRSD acknowledge that neither City nor VRSD has made any representations, warranties or guarantees with respect to the availability, quantity or quality of any water supplies or sources which may be required by City for the operation of a golf course on the Premises. City acknowledges and agrees that City shall be solely responsible and liable for the acquisition of all water which may be required by City, as well as any and all water necessary for the conduct of its operations on the Premises, at City's sole costs and expense, including, but not limited to, all expenses related to all state or local water fees, charges,

assessments, annexation fees, connection fees, standby fees, levies, and other costs imposed to provide such water. In the event City purchases water from a water supplier or other party, City agrees to pay such water bills directly and to indemnify, defend and hold VRSD, and the Premises, harmless from any and all obligations for the payment of such bills.

h. New Regulations. If the GMA or any other regulatory agency adopts new requirements which reduce the GMA Allocation or otherwise restricts further the right to pump water for the VRSD Parcels, then the City Entitlement and the VRSD Entitlement shall be reduced proportionately based on the ratio between the two entitlements.

15. ASSESSMENTS. Except to the extent of any amount due as a result of VRSD's or the Lessee's use of utilities, City shall pay at its sole cost and expense, and prior to delinquency, all assessments, annexation fees, charges (excluding standard utility charges) and real property taxes levied, imposed or assessed upon the Premises and improvements thereon during the Lease term, including, but not limited to, the amount of all assessments, levies, taxes, imposts and other charges imposed or levied by United Water Conservation District ("UWCD"), Ventura County Groundwater Management Agency ("GMA"), Calleguas Municipal Water District, or any successor, replacement, assignee or substituted entity thereof, for any purpose, including, but not limited to, the provision of water, water facilities or related services and/or any other utility service to the Premises during the term of this Lease. City shall pay, at its sole cost and expense, and prior to any delinquency, all taxes and assessments imposed on any personal property or trade fixtures belonging to City and located on the Premises.

16. UTILITIES. City, at its sole cost and expense, shall pay for all utilities including, but not limited to, telephones, gas, electricity, water and sewage and rubbish removal used in or on the Premises, before the same become delinquent, and City shall hold VRSD harmless from any liability, cost or expense for such utility charges, except that VRSD shall bear the expense of utility services used by VRSD. the Lessee shall bear the Lessee's own utility service expenses.

17. EXTERNAL ACCESS. VRSD has access to the Premises from Victoria Avenue and Gonzales Road over rights of way over the Northwest Golf Course Community Specific Plan area as illustrated on Exhibit A by the easements recorded in the Official Records of Ventura, California ("Records") document number 94-125434 ("Buffer Access Easement") and records document number 86-043729 ("Coastal Access Easement"). City shall accommodate VRSD's access to the Premises by requiring that any development occurring over the Buffer Access Easement and/or the Coastal Access Easement, preserve or relocate adequate easements and roads for VRSD's right of way to the Premises.

18. INTERNAL ACCESS.

a. Subsurface Maintenance Access. During the term of this Lease Agreement, VRSD shall retain a non-exclusive right of way over the Premises and shall have the right, but not the obligation, to construct, repair, maintain and replace subsurface maintenance facilities and related landfill impact mitigation and remediation installations reasonably necessary to permit VRSD's

fulfillment of its landfill postclosure subsurface maintenance obligations. VRSD shall notify City of the location of and construction schedule for any new well or other subsurface facility prior to construction of such well or facility on either the Coastal Buffer Parcel or Coastal Landfill Parcel. City shall, at its expense, maintain roads which provide VRSD access to all subsurface maintenance facilities, including maintenance of the access roads which are located on the western, northern and eastern perimeter of the Coastal Landfill Parcel in the same condition as they exist as of the date of this Lease Agreement. City shall, at its expense, maintain or relocate other internal access roads on the Coastal Buffer Parcel and/or the Coastal Landfill Parcel, including the southern perimeter road existing on the Coastal Landfill Parcel as of the date of this Lease Agreement, to provide structurally reinforced all weather access, including cart paths, for VRSD staff and contractors to all subsurface maintenance facilities. All vegetation and golf course landscaping and other improvements shall be kept mowed, trimmed and/or maintained in a fashion that allows VRSD clear, unobstructed access to all such subsurface maintenance facilities and that provides adequate protection against fire hazard. City and VRSD agree that each shall carry out its responsibilities under this Section 18 without impairing any rights of the Lessee under the Gas Lease, including Lessee's right to access at all times to the gas collection system (including all gas collection wells, interconnection pipes, valves, monitoring equipment, any necessary flare/blower stations, vacuum pumps and any additional gas extraction equipment installed and used for the purpose of extraction of landfill gas) for purposes of operation, maintenance, repair and replacement of such system.

b. **Interference with Recreational Activities.** VRSD shall, to the extent reasonably and commercially practicable, avoid and minimize interference with Specified Recreational Uses. However, it is acknowledged that Specified Recreational Uses related activity may have to be temporarily diverted or stopped to allow VRSD to comply with postclosure regulatory requirements for monitoring and/or maintenance. VRSD shall not, under any circumstances, be responsible for consequential damages related to City's inability to provide recreational uses on the Premises, including any loss of golf course playing time. VRSD shall notify City of VRSD's maintenance schedule and reasonably coordinate its activities with the City's golf course operations. VRSD shall indemnify, defend and hold City harmless for any golf play caused damages or injuries sustained by VRSD employees who are on the Premises while golf is being played.

19. **TITLE.** City acknowledges review, approval and acceptance of the state of the title to the Premises as recorded in the Recorded Official Records of the County of Ventura. City shall not, at any time during the Lease term, encumber City's leasehold interest or VRSD's fee title by deed of trust, mortgage, lien or any other similar security instrument. City hereby agrees to indemnify and hold VRSD and the Premises free and harmless from all liability for any and all liens, mortgages, deeds of trust, claims and demands, including reasonable attorneys' fees, and all costs and expenses in connection therewith.

20. **REPAIRS AND RESTORATION.** City shall assume full responsibility for the maintenance and repair of the Premises except for any facilities owned or operated by the Lessee under the Gas Lease and, further, except for facilities maintained by VRSD in the discharge by VRSD of VRSD's subsurface maintenance of the closed Coastal Landfill, which facilities shall be interpreted to mean all gas migration monitoring and collection wells and piping, all equipment relating to the gas flare

station, all groundwater monitoring wells, all condensate collection tanks, all aerial survey plates (hereinafter "VRSD maintenance facilities"). Except for the VRSD maintenance facilities, City shall keep in good order, condition and repair the Premises and every part thereof, structural and non-structural, (whether or not such portion of the Premises requiring repair, or the means of repairing the same are reasonably or readily accessible to City, and whether or not the need for such repairs occurs as a result of City's use, any prior use, the elements or the age of such portion of the Premises), including, without limitation the generalization of the foregoing, all landscaping, driveways, roads, irrigation systems, parking lots, drainage improvements, fences, signs and all other improvements located on the Premises. Except as expressly stated herein to the contrary, it is intended by the parties hereto that VRSD has no obligation, in any manner whatsoever, to repair, maintain, replace, improve or otherwise perform any work whatsoever on the Premises. City expressly waives the benefit of any statute now or hereinafter in effect which would otherwise afford City the right to make repairs at VRSD's expense or to terminate this Lease Agreement because of VRSD's failure to keep the Premises in good order, condition and repair.

City, at City's cost and expense shall make all alterations, additions, or repairs to the Premises or the improvements or facilities on the Premises required by any valid law, ordinance, statute, order, or regulation now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity and arising from development or use of the Premises as a golf course. Further, City shall observe and comply with all valid laws, ordinances, statutes, orders, and regulations now or hereafter made or issued respecting the Premises or the improvements or facilities on the Premises by any federal, state, county, local or other governmental agency or entity. City and VRSD agree that City shall carry out its responsibilities under this Section 20 without impairing any rights of the Lessee under the Gas Lease, including Lessee's right to access at all times to the gas collection system (including all gas collection wells, interconnection pipes, valves, monitoring equipment, any necessary flare/blower stations, vacuum pumps and any additional gas extraction equipment installed and used for the purpose of extraction of landfill gas) for purposes of operation, maintenance, repair and replacement of such system.

21. INDEMNITY AND INSURANCE.

a. **Indemnity.** VRSD shall not be liable for any loss, damage or injury of any kind or character ("liability") to any person or property arising from City's use of the Premises, or any part thereof, or caused by any defect in any improvement constructed by or for City thereon or in any equipment or other facility therein constructed or furnished by or for City, or caused by or arising from any act or omission of City or of any of its agents, employees, licensees, or invitees, or by or from any accident on the Premises, or any fire or other casualty thereon, or occasioned by the failure of City to maintain the premises in safe condition; and City hereby waives on its behalf all claims and demands against VRSD for any such loss, damage or injury to City, and hereby agrees to indemnify, defend (by counsel selected by City after concurrence, which shall not be unreasonably withheld, by VRSD) and hold VRSD entirely free and harmless from all liability for any such loss, damage or injury to other persons, and from all costs and expenses arising therefrom except to the extent such liability is caused by VRSD's acts, omissions or negligence.

b. **Insurance.** City shall, at its sole cost and expense and at all times during the term of this Lease, maintain in force and effect risk management practices for the benefit of VRSD and City. City's risk management practices include a self-insured retention and excess insurance coverage for general liability. On the date of execution of this Lease Agreement the City is self-insured for comprehensive general liability to a limit of \$1,000,000 and has excess insurance coverage of \$24,000,000 to a limit of \$25,000,000. VRSD finds such practices and City's self-insured retention and excess insurance coverage to be satisfactory. City retains sole discretion to change its risk management practices during the term of this Lease Agreement, provided that such practices provide VRSD with protection from loss which is substantially equivalent to the protection afforded by City's risk management practices in effect on the date of this Lease Agreement. Throughout the term of this Lease Agreement VRSD shall be named as an additional insured under City's excess insurance coverage.

22. **ASSIGNMENT AND SUBLETTING.** As a material component of the consideration for this Lease Agreement, City agrees that City shall not assign or sublease the Premises without VRSD's consent, which can be arbitrarily withheld for any reason whatsoever; and VRSD agrees that VRSD shall not assign its rights or duties under this Lease Agreement without City's consent, which can be arbitrarily withheld for any reason whatsoever. Any net rent paid to City by any assignee or sublessee not consented to by VRSD shall be paid by City to VRSD.

23. **DEFAULT.**

a. **Default by City.** Each of the following events shall be deemed to be an event of default hereunder:

- (i) If City shall fail, neglect or refuse to pay any monies due hereunder or under the Agreement for Waste Disposal and/or Water and Wastewater Service Agreement, at the time and in the amount as therein provided, and if any such default should continue for more than thirty (30) days after notice thereof in writing given to City; or
- (ii) If City shall fail to commence and thereafter to continuously conduct its operations on the Premises within the times and in the manner herein provided; or fail to use, maintain and operate the Premises as herein required or abandon the property, and if any such default should continue for more than thirty (30) days after notice thereof in writing given to City; or
- (iii) If City shall fail, neglect or refuse to keep and perform any of the other covenants, conditions, stipulations or agreements herein agreed to be performed by City, and such default, if of a nature which can be cured, continues for more than fifteen (15) days after notice thereof in writing given to City by VRSD (no notice to be required or right to cure to apply to defects which cannot be cured); provided, however, in case of any default which involves the making of repairs or other matters reasonably requiring a longer

period of time to cure than thirty (30) days, City shall be deemed to have complied with such notice if City has commenced to comply with such notice within thirty (30) days and thereafter diligently completes such cure; but for any failure to timely so complete such cure, no further notice or right to cure need be given; or

- (iv) If any voluntary petition in bankruptcy or similar debtor's pleading under any section or sections of any bankruptcy act shall be filed by City, or if any voluntary proceeding in any court or tribunal shall be instituted to declare City insolvent or unable to pay City's debts, or to effect upon City a plan of liquidation, composition or reorganization, or if any involuntary proceeding of the aforesaid nature be filed and City consents thereto or agrees therein by pleading or default, or if City makes any assignment of its property for the benefit of creditors, or the Premises are taken under a levy of execution or attachment in an action against City, or if a trustee or receiver is appointed over any substantial portion of City's assets or City's operations on the Premises, then neither this Lease nor any interest of City in or to the Premises shall become an asset in any such proceeding, and if any of the aforesaid occurrences is not dismissed or discharged within fifteen (15) days after VRSD's demand, or thirty (30) days after such occurrence, whichever date first occurs.

b. **Default by VRSD.** If VRSD shall fail, neglect or refuse to keep and perform any of the other covenants, conditions, stipulations or agreements herein agreed to be performed by VRSD, and such default, if of a nature which can be cured, continues for more than thirty (30) days after notice thereof in writing given to VRSD by City (no notice to be required or right to cure to apply to defects which cannot be cured); provided, however, in case of any default which involves the making of repairs or other matters reasonably requiring a longer period of time to cure than thirty (30) days, VRSD shall be deemed to have complied with such notice if VRSD has commenced to comply with such notice within thirty (30) days and thereafter diligently completes such cure; but for any failure to timely so complete such cure, no further notice or right to cure need be given.

c. **VRSD Remedies.** Upon an event of City's default hereunder, VRSD shall have the right at any time thereafter to terminate this Lease forthwith and reenter the Premises and take possession thereof and remove all persons therefrom, whereupon City shall have no further claim thereto but shall not be released from any obligations accruing hereunder prior to the date of termination or surviving any termination and VRSD shall have the further right to exercise any other right now or hereafter afforded by law.

d. **City Remedies.** Upon an event of VRSD's default hereunder, City shall have the right at any time thereafter to terminate this Lease forthwith, but City shall not be released from any obligations accruing hereunder prior to the date of termination or surviving any termination and City shall have the further right to exercise any other right now or hereafter afforded by law.

Arbitration Dispute Resolution Process

(1) The parties agree to cooperate to implement this Lease Agreement. In the event of any dispute arising hereunder, either party shall give written notice from either party regarding attempted dispute resolution. The complaining party shall send such notice prior to attempting arbitration or other available resolution.

(2) Arbitration & Arbitration Process The parties hereto for themselves and for their successors and assigns agree to submit disputes concerning the interpretation or enforcement of any and all provisions of this Lease Agreement to 1, 2, 3, 4, 5, 6, 7 or 20 of this Lease Agreement to 1, 2, 3, 4, 5, 6, 7 or 20 of this Lease Agreement. Such arbitration shall comply with the provisions of the provisions of the California Arbitration Act contained in Code of Civil Procedure §§ 1281-1286, including any subsequent amendments thereto and shall not include the right of discovery. The following matters are excluded from arbitration hereunder:

(a) Any action or proceeding for the interpretation or enforcement of rights and duties under provisions 1, 2, 3, 4, 5, 6, 7 or 20 of this Lease Agreement; or

(b) Any claim seeking more than \$25,000 in damages or recovery (hereinafter "Dispute") arising out of the Lease; or

(c) Any action seeking equitable relief other than declaratory relief as to the meaning of a provision of provisions 1, 2, 3, 4, 5, 6, 7 or 20, provided that any declaratory relief sought shall not seek to a provision controlling a claim seeking more than \$25,000 in damages or recovery; (hereinafter "Dispute") arising out of the Lease;

The prevailing party shall be entitled to recover reasonable attorney fees and costs incurred in such arbitration. Such fees and costs shall not be added to the computation of the monetary arbitration award. The filing of a judicial action to enable the recording of a notice of pending action for any of arbitrations, rescinding, injunction or other provisional remedy shall not constitute a waiver of the right to arbitrate under this provision. With respect to all other matters excluded from arbitration hereunder, the parties may seek all available remedies in the court of competent jurisdiction in the County of Ventura, California.

3. Arbitration of Disputes If the parties are unable to agree on a single person to arbitrate such dispute within 15 days after a written demand for arbitration has been served by the complaining party upon the other party, then the selection of an arbitrator shall be made pursuant to the "Arbitration" rule of Civil Procedure §§ 1281, et seq., including any subsequent amendments thereto. The parties shall advance arbitrator's fees as incurred, proportioned between them as the arbitrator shall determine, but the cost of arbitration shall ultimately be borne entirely by the losing party or in such other manner as the arbitrator shall decide.

4. Waiver of Arbitration The provisions of this paragraph are an express limitation upon the jurisdiction of the arbitrator, the violation of which constitutes an act by the

arbitrator in excess of his/her power and a basis for vacating the award pursuant to *California Code of Civil Procedure* §1286.2(d). The arbitrator shall follow substantive California law applicable to the issues which are the subject of the arbitration. The arbitrator shall prepare and serve written findings of fact and conclusions which adequately set forth the basis of his decision. Should any party, after proper notice, fail or refuse to participate in the arbitration, or any part thereof, the arbitrator will have the full power to proceed, to take evidence from those parties appearing and participating, and to perform any other acts necessary to arbitrate the matter. The arbitrator shall have no power to make an award or impose a remedy that is not available to a court of general jurisdiction sitting in the County of Ventura or was not requested by a party. In no event shall the arbitrator have the authority to award punitive or exemplary damages or to issue any award relating to matters excluded from arbitration by subsection e.(2) above. The award of the arbitrator shall be enforceable according to the applicable provisions of the *California Code of Civil Procedure*. Judgment upon the award rendered by the arbitrator may be entered in any court having the requisite jurisdiction.

5. **Expedience:** If the arbitrator does not render and serve upon both parties a final award with written findings of fact and conclusion within 60 days of completion of the submission of evidence, the arbitration and the obligation to arbitrate the dispute may, at either party's election, be canceled, by written notice to the other party, and the parties shall be free to pursue other remedies legally available, and any pertinent claims requirement or statute of limitations shall be deemed to have been tolled for the period the arbitration procedure was ongoing.

24. **TERMINATION**

a. **Termination.** In addition to any event of termination arising from a party's exercise of its rights and/or remedies under the provisions of Section 23 (Default) above, this Lease Agreement shall terminate immediately, without further notice, in the event any of the following circumstances occur.

- (i) City has not commenced construction of Specified Recreational Uses on the Premises by November 12, 2005; or
- (ii) City abandons or vacates the Premises for ninety (90) days; or
- (iii) City surrenders possession of the Premises, if City provides VRSD with sixty (60) days written notice of surrender.

b. **Return of Property.** Upon expiration or sooner termination of the Lease Agreement term, City shall quit the Premises together with the improvements, alterations, modifications, additions, fixtures, parts and surfaces thereof, clean and free of debris and in good operating order, condition and state of repair, reasonable wear and tear excepted. Reasonable wear and tear shall not include any damage or deterioration that would have been prevented by good and regular

maintenance, repair and safety practice or by City performing all of its obligations under this Lease Agreement.

c. **Maintenance of Premises After Termination.** Upon termination of this Lease Agreement, VRSD shall be solely responsible for all liability and expense of the maintenance of the Premises, provided that with respect to termination of the lease of the Coastal Landfill Parcel, VRSD shall comply with all Coastal Landfill Postclosure Maintenance obligations, except for any liability arising from City's negligence, and further provided that, except in the case of termination due to VRSD's default, City shall pay VRSD for all costs, expenses and liabilities incurred by VRSD from the date of termination through December 21, 2025, as a result of any new postclosure maintenance requirement imposed because of development or use of the Premises for Specified Recreational Uses prior to termination, including, but not limited to, additional monitoring of groundwater and/or gas, imposed upon VRSD as a result of the revised Postclosure Plans and/or other regulatory documents relating to the Specified Recreational Uses. In the event of termination arising out of City's decision to not proceed with development of Specified Recreational Uses, City and VRSD, shall cooperate to seek revision of any new postclosure maintenance requirements imposed because of the anticipated development and use of the Premises for Specified Recreational Uses.

25. **HAZARDOUS MATERIALS.** City shall not spray, spread, irrigate, inject, deposit, dispose or otherwise apply under, on or upon the Premises any fertilizer, chemicals, waste products, or other substances which are toxic, hazardous or otherwise inappropriate or illegal for application upon agricultural or horticultural real property, except as reasonably necessary for City to conduct golf course activities on the Premises in accordance with applicable laws, rules, regulations, permit conditions and any manufacturer or supplier guidelines. City shall not use, generate, manufacture, produce, store, treat, dispose or permit the escape on, under, about or from the Premises, or any part thereof, any asbestos or any flammable, explosive, radioactive, hazardous, toxic, contaminating, polluting matter, waste or substance or related injurious materials, whether injurious by themselves or in combination with other materials. If City breaches the obligations stated in the preceding sentence, or if the presence of hazardous material on the Premises caused or permitted by City results in contamination of the Premises, or if contamination of the Premises by hazardous material otherwise occurs for which City is legally liable to VRSD for damage resulting therefrom, then City shall indemnify, defend and hold VRSD harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation diminution in value of the Premises, damages for the loss or restriction on use of rentable or useable space of any amenity of the Premises, damages arising from any adverse impact on developing or marketing the Premises and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the term of the Lease Agreement as a result of such contamination.

26. **SERVICE AGREEMENTS.**

a. **Agreement for Waste Disposal.** City performance of all City obligations under the Agreement for Waste Disposal is an express, material obligation of its performance under this Lease Agreement.

b. **Water and Wastewater Services Agreement.** City performance of all City obligations under the Water and Wastewater Services Agreement is an express, material obligation of its performance under this Lease Agreement.

c. **Additional Waste Disposal Service Agreement.**

(1) If, at any time during the term of the Agreement for Waste Disposal, City or City's designee for solid waste hauling or processing does not have in effect one or more contracts for solid waste disposal at a landfill for some or all of the tons of solid waste generated in City, other than the Agreement for Waste Disposal, VRSD may offer City a proposal for a contract for solid waste disposal at the Toland Landfill for all or part of such tons that are not subject to another contract.

(2) A contract will be deemed to be in effect if: (i) the contract was in effect on the effective date of this Lease Agreement and has not expired or been terminated, either because the original term of the contract is in effect or because the contract is renewed or extended before expiration or termination; or (ii) City entered into the contract after the effective date of this Lease Agreement after giving VRSD an opportunity to offer a proposal, and VRSD did not offer a proposal or VRSD's proposal was not the lowest total cost alternative; or (iii) City's designee for solid waste hauling or processing entered into a contract before or after the effective date of this Lease Agreement. A contract that is in effect may be amended as the parties thereto agree, including but not limited to amendments that affect the number of tons that are subject to the contract, the compensation paid, or the term of the contract.

(3) If a contract proposal made by VRSD to City provides City with the lowest total cost alternative for solid waste disposal at a landfill, City shall accept the proposal and enter into a contract with VRSD for disposal at the Toland Landfill of the number of tons proposed by VRSD at the price proposed by VRSD. The maximum term of such contract shall be five years with an option given to City to renew for an additional five years. VRSD and City shall negotiate in good faith as to any other provisions of the contract, but nothing in this Lease Agreement requires VRSD or City to agree to any other proposed provision of the contract.

(4) In determining whether VRSD has offered City the lowest total cost alternative for solid waste disposal at the landfill, VRSD and City shall compare the tipping fee offered by VRSD and the total cost to City of transportation and disposal at the Toland Landfill to the tipping fee offered by any other proposed contractor and the total cost to City of transportation and disposal at the proposed contractor's landfill.

(5) If a proposed contractor other than VRSD does not wish to make public the tipping fee or any other monetary incentives offered to City, VRSD and City shall devise a procedure, consistent with any State statutes applicable to VRSD and City, whereby a neutral third party chosen mutually by VRSD and City shall obtain the information from City and the proposed contractor in confidence and determine whether VRSD or the proposed contractor offers City the lowest total cost alternative for solid waste disposal at a landfill.

(6) Nothing in this Lease Agreement requires VRSD to make such a proposal or prohibits City from entering into a contract for solid waste disposal with a contractor other than VRSD if VRSD does not make such a proposal or if VRSD's proposal is not the lowest total cost alternative for solid waste disposal at a landfill.

(7) City's designee for solid waste hauling or processing may enter into contracts without regard to this Lease Agreement.

27. **CONDEMNATION.** If all or part of the Premises and/or any part of the Coastal Buffer Parcel or the Coastal Landfill Parcel shall be taken or condemned for a public or quasi-public use, all compensation awarded upon such condemnation or taking shall go to VRSD, and City shall have no claim thereto, and City hereby irrevocably assigns and transfers to VRSD any right to compensation or damages or bonus value of the Lease Agreement to which City may become entitled during the term hereof by reason of the condemnation of all or a part of the Premises; provided, however, that in any condemnation proceeding in which City is not the condemning agency, any portion of said compensation or damages attributable to golf course improvements on the Premises constructed by City shall be paid to City up to the total actual cost of construction incurred by City.

28. **MISCELLANEOUS**

a. **Notices.** All notices, requests or demands required or permitted to be given under this Agreement shall be in writing and shall be delivered to the party to whom notice is to be given either (a) by personal delivery (in which event such notice shall be deemed given on the date of delivery), or (b) by first class United States mail, postage prepaid, registered or certified, return receipt requested (in which event such notice shall be deemed given two (2) days after the date of deposit in the mail), and addressed as follows:

City:

City of Oxnard
300 West Third Street
Oxnard, California 93030
Attention: City Manager

VRSD:

Ventura Regional Sanitation District
1001 Partridge Drive, Suite 150
Ventura, California 93003
Attention: General Manager

b. **Incorporation of Exhibits.** All Exhibits referred to herein are deemed incorporated herein, as if fully set forth herein.

c. **Amendment.** Neither this Agreement, nor any term, covenant, condition or duty contained herein, may be altered, changed, waived, discharged or terminated, except by an instrument in writing signed by the party against whom enforcement of the alteration, change, waiver, discharge or termination is sought. Each party acknowledges and agrees that no agent of any party shall have any actual or apparent authority to rely upon or assert any purported, implied or oral amendment or modification hereof. Each party waives the future right to claim, contend or assert that this Agreement was modified, canceled, superseded or changed by an oral agreement, course of conduct, estoppel or any other occurrence.

d. **Entire Agreement.** This Agreement, together with all instruments, exhibits, schedules and other agreements being executed and delivered simultaneously with or pursuant to this Agreement, or which are incorporated herein by reference, shall constitute the entire agreement among the parties to this Agreement pertaining to the subject matter hereof and supersede all prior understandings and negotiations, whether oral or written. The parties represent that there are no collateral agreements or side agreements not otherwise provided for within the terms of this Agreement. Each party acknowledges that it has expressly bargained for a prohibition of any implied or oral amendments or modifications of any kind, nature or character. Each party acknowledges and agrees that (1) this Agreement is fully integrated and requires no parol evidence to reflect the intentions of the parties, (2) the literal words of this Agreement shall and do govern the transactions described herein, and (3) prior negotiations, drafts and other extraneous communications shall have no significance or evidentiary effect whatsoever.

e. **Captions and Headings.** The captions and headings throughout this Agreement are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation of any provision of or the scope or intent of this Agreement.

f. **No Course of Conduct.** At no time shall the prior or subsequent course of conduct by any of the parties hereto directly or indirectly limit, impair or otherwise adversely affect any of the rights or remedies of any party in connection with this Agreement, or detract from or otherwise affect the literal interpretation and effect of this Agreement, since the parties hereto agree that this Agreement shall only be amended by written instruments executed by the parties, as provided herein.

g. **Interpretation.** This Agreement shall be construed to liberally effectuate the rights and remedies of the parties as expressed herein, and neither such principle of interpretation nor the express language of this Agreement shall be impaired or adversely affected by any prior discussion, form or draft of this Agreement. The deletion of any provision from a prior draft of this Agreement shall not, and shall not be deemed to, constitute (and shall not be used as) evidence of any fact or interpretation, since the parties may disagree as to the meaning and effect of such a deletion, as well

as to their respective reasons for agreeing to such a deletion, and no prior draft of this Agreement shall be admissible as evidence of the meaning of this Agreement.

h. **Construction.** When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

i. **Time Is of The Essence.** Time is of the essence in this Agreement, and all deadlines shall be strictly adhered to, unless otherwise provided herein. Any failure or refusal to timely perform any action or duty, no matter how minor or trivial the delay may be, but subject to any applicable grace period, shall be deemed a material breach of this Agreement.

j. **Governing Law.** This Agreement shall be deemed to have been entered into and performed in Ventura County, State of California. All questions of validity and interpretation or performance of any of its terms or any rights or obligations of the parties to this Agreement shall be governed by California law. Any action arising under this Agreement must be initiated, maintained and prosecuted solely in the County of Ventura, State of California.

k. **No Waiver.** The waiver by any party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition or promise. The waiver by any party of the time for performing any act shall not constitute a waiver of time for performing any other act or an identical act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right, the time for the exercise of which is not specifically and expressly limited or specified in this Agreement, shall not be considered a waiver of, or an estoppel against, the later exercise of such remedy or right. The exercise of any remedy provided in this Agreement shall not be a waiver of any remedy provided by law, and the provisions in this Agreement for any remedy shall not exclude any other remedy unless it is expressly excluded. Any provision of this Agreement may be waived by the party for whose benefit it is made, but no waiver shall be effective unless it is in writing and signed by the waiving party or an authorized representative of the waiving party.

l. **Representation.** The parties hereby acknowledge that each has been represented by independent counsel in negotiation of this Agreement. VRSD has been represented by Mark A. Zirbel, a member of the firm of Arnold, Mathews, Wojkowski & Zirbel, and City has been represented by Gary L. Gillig, City Attorney. The counsel representing each party was of his or her own choosing and this Agreement has been read by the parties and has been explained to them by their respective counsel as to its meaning and legal consequences. The parties have reviewed this Agreement with their respective counsel and have received from their respective counsel satisfactory answers and explanations regarding all matters contained herein as to which they may have had any questions whatsoever. This Agreement or any provision hereof shall be fairly interpreted and shall not be construed strictly against either party on the basis that either party is the drafter of this Agreement or any specific provision hereof.

m. **Attorneys Fees.** In the event of any claim, dispute or controversy arising out of or relating to this Agreement, including an action for declaratory relief, the prevailing party in such action or proceeding shall be entitled to recover its court costs and reasonable out-of-pocket expenses not limited to taxable costs, including but not limited to phone calls, photocopies, expert witnesses, travel, etc., and a reasonable attorneys fee to be fixed by the court. Such recovery shall include court costs, out-of-pocket expenses and attorneys fees on appeal, if any. The court shall determine who is the "prevailing party." If either party is reasonably required to incur such out-of-pocket expenses and attorney's fees as a result of any claim arising out of or concerning this Agreement or any right or obligation derived hereunder, then the prevailing party shall be entitled to recover such reasonable out-of-pocket expenses and attorneys fees whether or not action is filed.

n. **No Partnership.** Nothing contained in this Agreement shall be construed as or be deemed to create any association, partnership or other business organization as between the parties to this Agreement.

o. **Further Assurances.** The parties agree to execute all documents and instruments and to take all action as may be specifically provided for herein, and shall use their best efforts to accomplish the provisions hereof. As to each document to be prepared, signed, delivered, filed and/or recorded as described herein, any such document, instrument or deed may be hereafter modified or amended in an insubstantial and immaterial manner as reasonably approved by legal counsel to the parties hereto and executed by the parties or their successors and assigns on or before the date such documents are recorded. VRSD's General Manager and City's City Manager are hereby authorized to execute all such documents and instruments and other related documents, including escrow instructions, or take other action consistent with this Lease Agreement and the other agreements referred herein in order to carry out the intent of this Lease Agreement. Each party shall diligently and in good faith pursue the performance of this Agreement and the satisfaction of all contingencies subject to their approval.

p. **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provision will be fully severable and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part thereof; and the remaining provisions hereof will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as part of this Agreement a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

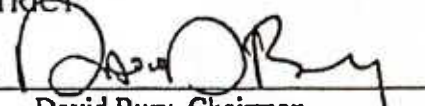
q. **Successors.** Except as otherwise provided herein, this Agreement, and each and every provision hereof, shall be binding upon and shall inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

r. **No Third Party Benefitted.** Nothing in this Agreement, whether express or implied, shall be intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor shall anything in this Agreement relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement.

s. **Amended and Restated Lease.** This Lease Agreement replaces and completely supercedes the Golf Course Lease and Landfill Postclosure Maintenance Agreement made by VRSD and City November 14, 2000. This Lease Agreement also replaces and completely supercedes the Golf Course Stockpile Site Lease made by VRSD and City July 1, 2001, and said Stockpile Site Lease shall be deemed terminated effective June 30, 2002; provided, that the provisions of Section 24 of said Stockpile Site Lease shall remain in effect. City shall be entitled to maintain the soil stockpile located on the Coastal Buffer Parcel as of June 30, 2002 for use in preparing the Premises for Specified Recreational Uses.

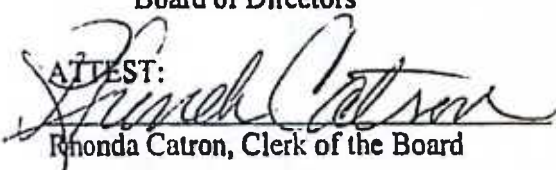
"VRSD"

VENTURA REGIONAL SANITATION
DISTRICT

By: 

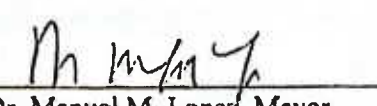
David Bury, Chairman
Board of Directors

ATTEST:


Rhonda Catron, Clerk of the Board

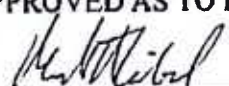
"City"

CITY OF OXNARD

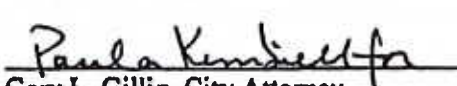
By: 

Dr. Manuel M. Lopez, Mayor

APPROVED AS TO FORM:


Mark A. Zirbel,
Arnold, Mathews, Wojkowski & Zirbel, LLP
General Counsel

APPROVED AS TO FORM:


Gary L. Gillig, City Attorney

VRSD\General\Documents\Oxnard Lease3

**GOLF COURSE LEASE AND
LANDFILL POSTCLOSURE MAINTENANCE AGREEMENT**

**EXHIBIT B
(BAILARD BUFFER PARCEL)**

Being Portions of Parcel B, Subdivision No. 4, Rancho El Rio De Santa Clara O' La Colonia as per map recorded in Book 3, Page 44 of Miscellaneous Records (maps), in the Office of the County Recorder, County of Ventura, State of California.

Commencing at the Westerly terminus of the third course of Parcel A as per that certain Deed recorded in Book 4445, Page 904 of Official Records, in the Office of the County Recorder of said county; thence along the boundary of said Deed recorded in Book 4445, Page 904, South $1^{\circ} 27' 16''$ West 350.15 feet to the True Point of Beginning; thence continuing along the boundary of Parcel A per said Deed in Book 4445, Page 904 the following 5 courses,

- 1st: North $89^{\circ} 45' 45''$ East 85.54 feet to a point; thence,
- 2nd: South $1^{\circ} 27' 16''$ West 138.48 feet to a point; thence,
- 3rd: Southerly and Southwesterly along a curve concave Northwesterly, having a radius of 1415.58 feet at a central angle of $37^{\circ} 14' 52''$, the radial of which at said point bears North $76^{\circ} 36' 31''$ West, an arc distance of 920.26 feet to a point; thence,
- 4th: South $50^{\circ} 47' 01''$ West 399.53 feet to a point; thence,
- 5th: Southwesterly along a tangent curve concave Southeasterly, having a radius of 1575.00 feet and a central angle of $21^{\circ} 40' 00''$, an arc distance of 599.72 feet to a point in the Westerly line of said Parcel B; thence Northerly along the Westerly line of said Parcel B,
- 6th: North $1^{\circ} 15' 41''$ East 1610.81 feet to the Southwesterly corner of that certain Deed recorded in Book 4437, Page 688 of Official Records in the Office of the County Recorder of said county; thence Easterly along the Southerly line of last said Deed,
- 7th: North $89^{\circ} 45' 45''$ East 1053.58 feet to the True Point of Beginning.

**GOLF COURSE LEASE AND
LANDFILL POSTCLOSURE MAINTENANCE AGREEMENT**

**EXHIBIT C
(COASTAL BUFFER PARCEL)**

Being Portions of Parcel B, Subdivision No. 4, Rancho El Rio De Santa Clara O' La Colonia as per map recorded in Book 3, Page 44 of Miscellaneous Records (maps), in the Office of the County Recorder, County of Ventura, State of California.

Commencing at the Northwest corner of Parcel B, as shown on that certain map filed in Book 30, Pages 22 and 23 of Parcel Maps, in the Office of the County Recorder of said county; thence Easterly along the Northerly line of Parcel B of said Parcel Map, south $89^{\circ} 02' 49''$ East to the Northeast corner of Parcel B of said Parcel Map, said Northeast corner also being the True Point of Beginning; thence Easterly along a prolongation of the North line of Parcel B of said Parcel Map.

- 1st: South $89^{\circ} 02' 49''$ East 817.92 feet to an intersection with the Westerly line of that certain Deed recorded July 15, 1988 as Document no. 88-099785 of Official Records; thence Northerly along said Westerly line,
- 3rd: North $01^{\circ} 15' 31''$ East 1672.65 feet to an intersection with the Southeasterly line of Parcel A as per that certain Deed recorded in Book 4445, Page 904 of Official Records, in the Office of the County Recorder of said county, said intersection also being a point on a curve concave Northwesterly having a radius of 1721.73 feet, a radial line to said curve bears South $58^{\circ} 29' 32''$ East; thence Southwesterly along the Southeasterly line of said Deed the following 4 courses,
- 4th: Southwesterly along said curve through a central angle of $20^{\circ} 29' 41''$ an arc distance of 615.86 feet; thence,
- 5th: South $50^{\circ} 47' 01''$ West 408.00 feet to the beginning of a tangent curve concave Southeasterly having a radius of 1380.00 feet; thence,
- 6th: Southwesterly and Southerly along said curve through a central angle of $41^{\circ} 11' 11''$ an arc distance of 992.00 feet; thence,
- 7th: South $09^{\circ} 35' 50''$ West 99.77 feet to an intersection with the Northerly line of Parcel B of said Parcel Map; thence Easterly along said Northerly line,
- 8th: South $89^{\circ} 02' 49''$ East 374.37 feet to the True Point of Beginning.

**GOLF COURSE LEASE AND
LANDFILL POSTCLOSURE MAINTENANCE AGREEMENT**

**EXHIBIT D
(COASTAL LANDFILL PARCEL)**

Parcel 1 (Landfill)

Fee simple title in and to a portion of Parcel A of Subdivision No. 4 of the Rancho El Rio de Santa Clara o'La Colonia, in the County of Ventura, State of California, as shown on the map recorded in the Office of the Ventura County Recorder in Book 3, Page 44, of Miscellaneous Records, described as follows:

Beginning at the Southwest corner of the property deeded to the City of Oxnard and described in Book 3290, Page 40 of Official Records of said County, said point being the Westerly terminus of the sixth course of Annexation No. 68-10 to said City as filed with the Secretary of State on July 8, 1968; thence Northerly 115 feet along the seventh course of said annexation to the True Point of Beginning; thence,

- 1st: South 87° 47' 14" West 1194.27 feet; thence,
- 2nd: South 1° 27' 42" West 177.54 feet; thence,
- 3rd: South 51° 41' 00" West 119.00 feet; thence,
- 4th: Southerly along a curve concaved Westerly having a central angle of 3° 48' 56", radial bearing of South 71° 32' 56" East and radial distance of 1721.73 feet. This same curve has an arc distance of 114.66 feet to a point in the Westerly line of said parcel "A", (3 M.R. 44) thence,
- 5th: South 1° 15' 50" West 1926' along the Westerly line of Parcel "A"; thence along a line parallel to the Southerly line of said Parcel "A",
- 6th: East 1321.98 feet more or less to a point in the East line of Parcel "A", (3 M.R. 44) said point also lying in the Southerly prolongation of the Westerly line of Parcel "B" of Annexation to the City of Oxnard 77-4 as filed with the Secretary of State on November 7, 1978; thence along said Southerly prolongation and the Westerly line of said annexation,
- 7th: North 1° 15' 50" East 2325.22 feet to the True Point of Beginning and containing approximately 69.3 acres.

Parcel 2 (Patterson Drain West of Landfill)

That portion of Parcel B of Subdivision No. 4 of the Rancho El Rio De Santa Clara O'La Colonia, in the County of Ventura, State of California, as shown on the Map recorded in the Office of the Ventura County Recorder in Book 3, Page 44 of Miscellaneous Records.

Being a strip of land 120 feet in width, the Easterly line thereof being the Westerly line, and Southerly prolongation thereof, of Parcel 1 (Landfill Parcel) as described in the Deed to Ventura County Regional Sanitation District, recorded April 14, 1986 as Instrument No. 86-043729 of Official Records.

Said strip of land to terminate Northwesterly in the Southeasterly line of Victoria Avenue, as described in Parcel A in the Deed to County of Ventura, recorded August 13, 1975, as Document No. 54364, in Book 4445, Page 904 of Official Records, and to terminate in an line parallel with and distant Southerly 120.00 feet from the Westerly prolongation of the Southerly line of said Parcel 1 (Landfill Parcel).

Parcel 3 (Patterson Drain South of Landfill)

That portion of Parcel A of Subdivision No. 4 of the Rancho El Rio De Santa Clara o'La Colonia, in the County of Ventura, State of California, as shown on the map recorded in the office of the Ventura County Recorder in Book 3, Page 44 of Miscellaneous Records.

Being a strip of land 120 feet in width, the Northerly line thereof being the Southerly line of Parcel 1 (Landfill Parcel) as described in the Deed to Ventura Regional Sanitation District, recorded April 14, 1986 as Instrument No. 86-043729 of Official Records.

Said strip of land to terminate Easterly and Westerly in the Easterly and Westerly lines of said Parcel A.

EXCEPT all oil, gas, other hydrocarbon substances and minerals in and under said Parcels 1, 2 and 3.

EXHIBIT D-1

Agreement No. 7167-15-CM
VRSD Contract No. 15-027

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES ("Agreement") is made and entered into in the County of Ventura, State of California, this 8th day of June, 2015, by and between the City of Oxnard, a municipal corporation ("City"), and Ventura Regional Sanitation District ("Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

WHEREAS, City desires to hire Consultant to perform certain consulting services specified herein; and

WHEREAS, Consultant represents that Consultant and/or Consultant's personnel have the qualifications and experience to properly perform such services.

NOW, THEREFORE, City and Consultant hereby agree as follows:

1. Scope of Services

Consultant shall furnish City with professional consulting services as more particularly set forth in Exhibit A attached hereto and incorporated by this reference in full herein (the "Services").

2. Method of Performing Services

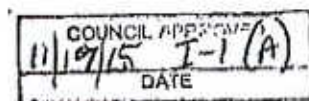
Subject to the terms and conditions of this Agreement, Consultant may determine the method, details, and means of performing the Services.

3. Standard of Performance

Consultant agrees to undertake and complete the Services to conclusion, using that standard of care, skill, and diligence normally provided by a professional person in performance of similar consulting services.

4. Nonexclusive Services

This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine. Consultant agrees that performing such services will not materially interfere with the Services to be performed for the City.



a. This Agreement may be terminated by City without cause if Manager notifies Consultant, in writing, of Manager's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice. City agrees to pay Consultant in full for all amounts due Consultant as of the effective date of termination, including any expenditures incurred on City's behalf, whether for the employment of third parties or otherwise.

b. This Agreement may be terminated by Consultant without cause if Consultant notifies Manager, in writing, of Consultant's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed prior to the date of termination.

14. Compensation

a. City agrees to pay Consultant in an amount not to exceed \$75,050.91 for the Services at rates provided in Exhibit B attached hereto and incorporated by this reference in full herein.

b. The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services.

c. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant, its employees, subcontractors, agents and subconsultants.

d. Consultant shall provide Manager with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service.

e. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.

15. Method of Payment

a. City agrees to pay Consultant monthly upon satisfactory completion of the Services and upon submission by Consultant of an invoice delineating the Services performed, in a form satisfactory to Manager. The invoice shall identify the Services by project as specified by Manager.

b. Consultant agrees to maintain current monthly records, books, documents, papers, accounts and other evidence pertaining to the Services performed and costs incurred.

19. Maintenance and Inspection of Records

Consultant agrees that City or its auditors shall have access to and the right to audit and reproduce any of Consultant's relevant records to ensure that City is receiving the Services to which City is entitled under this Agreement or for other purposes relating to the Agreement. Consultant shall maintain and preserve all such records for a period of at least three (3) years after the expiration of this Agreement, or until an audit has been completed and accepted by City. Consultant agrees to maintain all such records in City or to promptly reimburse City for all reasonable costs incurred in conducting the audit at a location other than in City, including but not limited to expenses for personnel, salaries, private auditor, travel, lodging, meals and overhead.

20. Confidentiality of Information

Any documents and materials given to or prepared or assembled by Consultant under this Agreement shall be confidential and shall not be made available to any third person or organization by Consultant without prior written approval of the Manager.

21. Indemnity

a. To the fullest extent permitted by law, Consultant shall (1) immediately defend; (2) indemnify; and (3) hold harmless City, its City Council, each member thereof, and its directors, officers, and employees (the "Indemnified Party") from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with Consultant's performance of this Agreement or Consultant's failure to comply with any of its obligations contained in this Agreement. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Consultant's obligation to indemnify applies unless it is adjudicated that any of the liabilities covered by this Section are the result of the sole active negligence or sole willful misconduct of the Indemnified Party. If it is finally adjudicated that liability is caused by the comparative negligence or willful misconduct of the Indemnified Party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the Indemnified Party.

b. The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of negligence or willful misconduct by the Indemnified Party shall not relieve Consultant from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that

24. Consultant Not Agent

Except as Manager may specify in writing, Consultant, and its agents, employees, subcontractors and subconsultants shall have no authority, expressed or implied, to act on behalf of City in any capacity, as agents or otherwise, or to bind City to any obligation.

25. Conflict of Interest

If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a "governmental decision" as described in Title 2, section 18701(a)(2) of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement.

26. Assignability of Agreement

Consultant agrees that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of Consultant under this Agreement will be permitted only with the express written consent of Manager, which consent may be withheld for any reason.

27. Successors and Assigns

Consultant and City agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant and City.

28. Fair Employment Practices

a. Consultant agrees that all persons employed by Consultant shall be treated equally by Consultant without regard to or because of race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law, and in compliance with all antidiscrimination laws of the United States of America, the State of California, and City.

b. Consultant agrees that, during the performance of this Agreement, Consultant and any other parties with whom Consultant may subcontract shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.

c. Consultant agrees to state in all of its solicitations or advertisements for applicants for employment that all qualified applicants shall receive consideration for

35. Waiver

City and Consultant agree that no waiver of a breach of any provision of this Agreement by either Consultant or City shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either City or Consultant to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

36. Counterparts

City and Consultant agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

37. Arbitration

Consultant and City agree that in the event of any dispute with regard to the provisions of this Agreement, the Services rendered or the amount of Consultant's compensation, the dispute may be submitted to non-binding arbitration upon the mutual agreement of the parties, under such procedures as the parties may agree upon, or, if the parties cannot agree, then under the Rules of the American Arbitration Association.

38. Expenses of Enforcement

Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney Office) and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

39. Authority to Execute

a. City acknowledges that the person executing this Agreement has been duly authorized by the City Council to do so on behalf of City.

b. Consultant acknowledges that the person executing this Agreement has been duly authorized by Consultant to do so on behalf of Consultant.

40. Notices

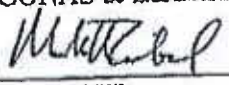
a. Any notices to Consultant may be delivered personally or by mail addressed to, Ventura Regional Sanitation District, 1001 Partridge Drive, Suite 150, Ventura, California 93003 Attention: Frank Kiesler.

b. Any notices to City may be delivered personally or by mail addressed to City of Oxnard, General Services Department, Oxnard, California 93030, Attention: Michael Henderson.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

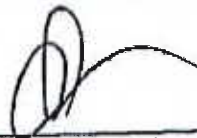
APPROVED AS TO FORM:

ARNOLD, LaROCHELLE, MATHEWS,
VANCONAS & ZIRBEL LLP



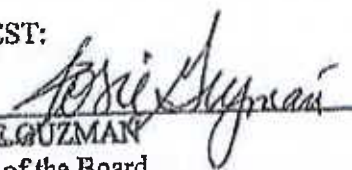
MARK ZIRBEL
Legal Counsel for DISTRICT

VENTURA REGIONAL
SANITATION DISTRICT



RICK NEAL, Chairman

ATTEST:



JOSIE GUZMAN
Clerk of the Board

INTERNAL USE ONLY

Principal Analyst _____

Finance Manager _____

Director of Finance T/S _____

Fiscal Technician _____

Storm Water Monitoring and Reporting

Conduct storm water monitoring and reporting as outlined in the City's Storm Water Pollution Prevention Plan. Note – The State of California is modifying the General Industrial Permit effective July 1st 2015 that will require an update to the City's Stormwater Pollution Prevention Plan (SWPPP).

1. Collect and analyze 4 storm water samples per year.
2. Conduct up to 6 wet season monthly inspections as required during the rainy season.
3. Conduct 4 dry weather (authorized/unauthorized) inspections of the stormwater discharge locations.
4. Conduct an annual comprehensive site inspection and evaluation of SWPPP.
5. Complete the annual report and upload to the SMARTS system to the State Water Resources Control Board.
6. Recommend updates to the SWPPP based on the comprehensive site evaluation to the City.

Gas Collection System and Flare Operations & Maintenance

1. Operate City's landfill gas (LFG) collection system.
2. Conduct quarterly sump pump maintenance.
3. Conduct LFG flare maintenance.
4. Administer semi-annual comprehensive 3rd party LFG flare maintenance.
5. Coordinate annual gas flare source test.
6. FY 2014/2015 - Oversee implementation of new LFG flare blower assembly and controls update.

Gas Collection System Monitoring

1. Conduct monthly gas collection well-field balancing.

[illegible]



CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA

AGENDA ITEM NO. J.8

DATE: May 17, 2022

TO: Housing Authority

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: The Oxnard Housing Authority Education Scholarship Program.

RECOMMENDATION

That the Board of Commissioners approve the Oxnard Housing Authority's new privately funded education scholarship program benefitting Section 8 participants and Public Housing tenants.

BACKGROUND

The Oxnard Housing Authority was established in 1945 and has since operated the two traditional public housing authority programs, including the housing choice voucher and public housing programs. The Oxnard Housing Authority operates a Housing Voucher program with a total voucher allocation of 1,840. The Oxnard Housing Authority operates a 520-unit public housing program.

Poverty is one of the most important factors that determines if a child can access education. In order to end the cycle of poverty, future generations need help to afford postsecondary education. Families on Section 8 and Public Housing are predominantly low-income families, which means their priority is to stretch their limited wages to meet their essential needs first. Parents are sometimes not able to afford the additional expense of tuition, books, school supplies and transportation. Education scholarships are a way to help youth reach their educational goals.

DISCUSSION

During the course of public housing Resident Advisory Board (RAB) meetings in the past twelve months, several Public Housing tenants expressed a desire and need for an education scholarship program to benefit the children of public housing and section 8 households. Based on the RAB recommendation, staff developed the following program for the 2022 school year.

Education Scholarships of at least \$1,500 for at least three individuals will be available for the 2022 school year. The program includes the following eligibility criteria:

1. Enrolled in a community college, vocational school, or 4-year university for Fall 2022
2. Be a household member in the Oxnard Housing Authority's Public Housing or Section 8 Program
3. Must have a 2.5 grade point average or higher
4. Submit an essay and one letter of recommendation

The Oxnard Housing Authority proposes to receive applications from May 18 - June 30, 2022 provided the Board of Commissioners approves this program. Checks would be distributed in late August.

The Oxnard Housing Authority staff has procured four (4) sponsors for the initial round of scholarships and, with their generosity, has assembled sufficient funds for the first-year program.

Chingon Bakery will host an awards ceremony in late August in recognition of the students receiving scholarships.

The Ventura County Credit Union has donated \$3,000

The Ventura County Credit Union's mission is to improve the financial well-being of our members and our community. Since 1950, Ventura County Credit Union located in Southern California has been helping members reach their financial goals by offering valuable banking solutions including checking accounts, savings accounts, mortgages, credit cards, business loans, wealth management services and more. There are Ventura County branches in Ventura, Port Hueneme, Oxnard, Camarillo, Thousand Oaks, Simi Valley and Moorpark, and ATMs throughout Ventura and Santa Barbara counties.

Montecito Bank & Trust has donated \$1,500

On March 17, 1975, a group of local businessmen started the Bank of Montecito with a singular vision - building a local bank committed to serving the needs of the community. As the largest locally owned community bank on the Central Coast, Montecito Bank & Trust remains committed to their founding principle: to make the communities they serve better places to live and work.

Chingon Bakery has donated the cost of the event

Chingon Bakery started in 2018 with a simple idea to package traditional pan dulce. Chingon came across San Fernando's Bakery, the same bakery where George Lopez went to as a kid from elementary, junior high and high school. This was a stop for George on his way to school. The same baker, same recipe, Chingon Bakery is bringing a taste of San Fernando California to Oxnard, where they are currently and actively involved in the community and some of our sales go to local charities.

Ramirez y Ramirez has donated \$1,500

Ramirez y Ramirez is a single-family infill housing developer committed to the farm worker community in California.

IMPACT TO THE CITY HOUSING DEPARTMENT AND OXNARD COMMUNITY

This item will allow the Oxnard Housing Department to fully realize its mission to promote the general welfare of the Oxnard community. The purpose of the Housing Department is to provide decent, safe, attractive, sanitary, and well-maintained housing for eligible low and very low-income families in a manner that promotes commitment, exemplary customer service, economy, efficiency and the social well-being of the residents.

The overall benefit to the residents of the City of Oxnard is to pursue education and career development, which will lead to greater family stability.

STRATEGIC PRIORITIES

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.

FINANCIAL IMPACT

The education scholarship program is privately funded and has no financial impact to the General Fund or the Oxnard Housing Authority.

COMMITTEE OUTCOME

The Community Services, Public Safety, Housing & Development committee approved 3-0 on April 26, 2022, to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. PowerPoint Presentation
2. 2022 Education Scholarship Information and Guide
3. 2022 Education Scholarship Program Flyer with Sponsors
4. 2022 Education Scholarship Application

THE OXNARD HOUSING AUTHORITY EDUCATION SCHOLARSHIP PROGRAM

EMILIO RAMIREZ, DIRECTOR

HOUSING DEPARTMENT

COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE

APRIL 26, 2022

THE OXNARD HOUSING AUTHORITY

The Housing Department's mission is to promote the general welfare of the City by remedying unsafe and substandard housing, and by relieving the shortage of affordable housing for City residents. This mission is consistent with the City's General Plan and laws governing our housing funds and resources.

The purpose of the Housing Department is to provide decent, safe, attractive, sanitary, and well maintained housing for eligible low and very low income families in a manner that promotes commitment, exemplary customer service, economy, efficiency and the social well-being of the residents.



THE OXNARD HOUSING AUTHORITY SCHOLARSHIP PROGRAM

Staff has organized and proposes to launch a new privately funded education scholarship offering at least three individuals \$1,500 per student for the Fall 2022 school year. Staff proposes the following eligibility criteria:

1. Enrolled in a community college, vocational school, or 4-year university for Fall 2022
2. Be a household member in the Oxnard Housing Authority's Public Housing or Section 8 Program
3. Must have a 2.5 grade point average or higher
4. Submit an essay and one letter of recommendation

OUR SPONSORS



RECOMMENDATION

That the Community Services Public Safety Housing & Development Committee support and recommend that the Board of Commissioners approve the Oxnard Housing Authority's new privately funded education scholarship program benefitting Section 8 participants and Public Housing tenants.

2022 Education Scholarship Program Information & Guide

The Housing Authority of the City of Oxnard is committed to helping students living in Public Housing or receiving Section 8 assistance pursue a higher education. Please carefully review the following information and criteria.

Application Deadline

Applications must be submitted no later than **Thursday, June 30, 2022 @ 5:00pm** Applications received after the deadline will not be accepted.

Scholarship Amount

\$1,500 maximum will be awarded to each recipient

Selection Criteria and Required Documents:

1. Completed scholarship application must be typed
2. Applicants must be new or continuing students enrolled in either community college, a 4-year University, or a vocational/trade school for the FALL 2022 semester/quarter. Please submit proof of enrollment by providing an unofficial transcript, acceptance letter, or school schedule.
3. Applicants must be a household member in the Oxnard Housing Authority's Public Housing or Housing Choice Voucher (Section 8) Program.
4. Applicants must have a minimum GPA of 2.5. Please provide unofficial transcript.
5. Letter of recommendation from a teacher, counselor, or organization/community leader.
6. Essay: Applicants must type an essay using font size 11, font Times New Roman, and 1" margins using the following essay prompt:
 - a. Background: What is your name? Where do you currently live (indicate if you are receiving Public Housing or Section 8 assistance). Which school are you currently attending? Which College/University or Vocational/Tech School planning to attend in Fall 2022: What is your current Major or field of study?
 - b. Housing/Rental Assistance Experience: Describe how living in Public Housing or receiving Section 8 rental assistance has impacted your upbringing and educational experience.
 - c. School or Community involvement: Describe any school, community volunteer service, and/or extracurricular activities that you have performed over the past four years.
 - d. Goals and Aspirations: Brief statement or summary of your plans and goals as they relate to your educational and career objectives and long-term goals

Application and required documents may be scanned and emailed or printed and delivered in person to:

Jaime Arellano
jaime.arellano@oxnard.org
1500 Camino Del Sol, Room 22
Oxnard, CA 93030



2022 Oxnard Housing Authority Education Scholarship Program!

The Oxnard Housing Authority is offering scholarships to students in Public Housing or in the Section 8 Program!

Apply now!

Eligibility Criteria:

- *Enrolled in a community college, vocational school, or 4-year university for Fall 2022
- *Be a household member in the Oxnard Housing Authority's Public Housing or Section 8 Program
- *Must have a 2.5 GPA or higher
- *Submit an essay and one letter of recommendation

Scholarship Amount:
\$1,500

To apply, complete the application found online at:
<https://www.oxnard.org/city-department/housing/housing-residents/>
Return completed application at 1500 Camino Del Sol, #22
(Deadline: June 30, 2022, 5:00 pm)

For more information contact:

Jaime Arellano: (805) 385-8118 Christian Lopez: (805) 385-8096
jaime.arellano@oxnard.org christian.lopez@oxnard.org



HOUSING AUTHORITY OF THE CITY OF OXNARD 2022 EDUCATION SCHOLARSHIP APPLICATION

INSTRUCTIONS: The information requested is required to determine eligibility and consideration for student scholarships. All sections and questions must be completed. All additional documents must be attached to this application.

APPLICANT INFORMATION:

First Name	Last Name	Phone Number
Street Address		Date of Birth
City	Zip Code	Email Address

HOUSING INFORMATION:

Do you live in Public Housing or does your family receive Section 8 assistance? (Check one) ☐ Public Housing ☐ Housing Choice Voucher (Section 8)
--

SCHOOL INFORMATION:

Current School of Attendance:	Current Grade or Year in School	Current GPA	School of Attendance in Fall 2022

What is your major or field of study? If none currently, indicate future major that you're interested.

Complete this application and submit with all required documents. Please print the application and sign and date below.
 Please email the application with all required documents to jaime.arellano@oxnard.org or printed and submitted in person at 1500 Camino Del Sol, Room 22, Oxnard, CA 93030, no later than 5 pm on June 30, 2022.

I certify that all the information provided by me is accurate and complete to the best of my knowledge. I understand that the information in this application will be used for the purpose of evaluating my eligibility for the Oxnard Housing Authority scholarship. If selected to receive a scholarship award, my student information and photo may be published.

Signature _____ Date _____



CITY COUNCIL AGENDA REPORT

PUBLIC HEARINGS AGENDA ITEM NO. K.1

DATE: May 17, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Adoption of the Annual Action Plan for Fiscal Year 2022 - 2023 and amending the Annual Action Plans for Fiscal Years 2021 – 22 and 2020 - 2021. (0/10/15)

RECOMMENDATION

That the City Council:

1. Conduct a public hearing regarding 2020 and 2021 Annual Action Plan Amendments, and the Plan Year 2022 Annual Action Plan draft document with funding recommendations for the third year of the 2020 - 2024 Ventura County Regional Consolidated;
2. Approve the 2022 Annual Action Plan with the recommended use of funds for selected activities that conform with City of Oxnard consolidated plan goals as defined in the Ventura County Regional Consolidated Plan for the three entitlement grants, Community Development Block Grant, Home Investments Partnership grant and the Emergency Solutions Grant to be submitted to the United States Department of Housing and Urban Development, as prescribed;
3. Approve the updated changes in activities pertinent to the 2021 Annual Action Plan Amendment and Plan Year 2020 Annual Action Plan Amendment related to HEARTH Emergency Solutions Grant;
4. Authorize the City Manager and his designees, to incorporate the actual HUD grant allocation in the 2022 Annual Action Plan including increasing or decreasing approved activities by 10% of approved recommendation based on the actual HUD grant allocation;
5. Authorize the City Manager and his designees, to incorporate any recommended changes resulting from the public input to the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment, as directed by the City Council, including amending any budget appropriations approved by the City Council;
6. Authorize the City Manager and his designees, to execute the required applications, certifications, and other pertinent documents for the submission of the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment to the United States Department of Housing and Urban Development, Office of Community Planning and Development;
7. Authorize the City Manager, and his designees, to execute HUD agreements and sign all agreements for the implementation of the Annual Action Plan including subrecipients, interdepartmental, and intradepartmental agreements.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/oBXI5QCoz_4

BACKGROUND

The City of Oxnard receives formula grant funding, also known as entitlement grant funding, from the United States Department of Housing and Urban Development, Community Planning and Development grants for Community Development Block Grant, HOME Investment Partnerships Act and Emergency Solutions Grant every year. To receive these Entitlement Grants the City of Oxnard must prepare, submit, and receive approval of a five-year Consolidated Plan, Annual Action Plan and Analysis of Impediments to Fair Housing.

The Plan Year 2022, begins on July 1, 2022 and completes June 30, 2023. The annual action plan must be approved before entitlement grant funds are disbursed for the Plan Year 2022. The local procedures to approve these documents are set forth in the Citizen Participation Plan.

DISCUSSION

HUD's Formula Grant Programs

Community Development Block Grant is able to provide funding for activities such as neighborhood park improvements, alley and street improvements, facility improvements, homeownership assistance, owner-occupied mobile home rehabilitation, housing rehabilitation and public service activities that benefit low and moderate-income residents.

HOME funding has provided low and moderate income families with down payment assistance, allowing them to become first-time homeowners, and has provided funding for the rehabilitation of single family and mobile home units. Other uses of HOME funds include the construction of new for sale or rental affordable housing units, through partnerships with several Community Housing Development Organizations or "CHDO's" – organizations that the City designates as certified developers that can access pre-development CHDO funds Organizations such as Many Mansions, Cabrillo Economic Development Corporation, and Habitat for Humanity of Ventura County are a few who have become designated CHDOs in the past.

Hearth Emergency Solutions Grant funding provides funding for homeless programs through the following program areas: Street Outreach, Emergency Shelter, Homeless Prevention, Rapid Re-housing, Housing Relocation and Stabilization Services, Rental Assistance, and can support data input for the Homeless Management Information System that documents and tracks persons served by local programs.

Third Year Annual Action Plan

This is the Third Year Annual Action Plan of the five (5) year Regional Consolidated Plan. Each year the City must submit an Annual Action Plan, which serves as an application for its three entitlements grant programs. The U.S. Department of Housing & Urban Development requires that Grantees provide opportunities for the public to participate in the development of the Annual Action Plans. The plans must provide a summary of the citizen participation efforts made, including efforts to broaden public participation, a summary of citizen comments or views on the plans, and a written explanation of comments not accepted and the reasons why these comments were not accepted.

A Notice of Funding Availability was issued by staff in December 2021, to announce availability of Entitlement Grants funds for Plan Year 2022. Applications were received January 3, 2022 through February 3, 2022. On December 15, 2021, the Housing Department, Grants Management held the first administrative public hearing on the 2022 Annual Action Plan to obtain public input on unmet needs of low and moderate income persons in the areas of housing, community development and homelessness. Also, workshops were held to receive public input, training and to provide information of the availability of grant funding for eligible programs.

In accordance with the City's Citizen Participation Plan, the second public hearing is scheduled for May 17, 2022. This public meeting will provide further opportunity for the City Council and the public to consider the funding recommendations and to receive public comments for the 2022 Annual Action Plan. The Plan Year 2022 Annual Action Plan was made available to the public for a 30day review period beginning April 15, 2022 and ending on May 17, 2022. Notice of the Public Hearing date was published in the VIDA Newspaper on April 14, 2022 in Spanish and English. The draft of the Annual Action Plan and the City's Citizen Participation Plan are available electronically on the City of Oxnard Housing Department, Grants Management website.

The City expects to receive approximately \$2,515,741 in Community Development Block Grant funds, \$764,831 in

HOME Investment Partnerships Program funds and \$219,551 in Hearth Emergency Solutions Grant funds; a total of \$3,500,123 in entitlement grants from HUD in Fiscal Year 20222023. In addition, estimated program income of \$100,000 for CDBG programs and \$100,000 for HOME programs. This will increase total estimated available resources from the 2022 Plan year to \$3,700,123 for the City of Oxnard Plan Year 2022. The expected resources are similar to those received in the program year 2021. As of April 6, 2022, HUD has not announced the Plan Year 2022 HUD award and allocation of grant funds. Funds are subject to change based on actual federal appropriations and any changes to the HUD grant allocation formulas. Based on the HUD award allocation for the City of Oxnard, the City Manager or his designee may adjust the funding recommendations for an approved project, as noted in recommendation number three of this report. The funding recommendations include the estimated program income, and grant funding cap requirements. Consequently, total expected resources is \$3,700,123 in Plan Year 2022 include:

- Community Development Block Grant (CDBG) \$2,615,741 (Includes estimated Program Income)
- HOME Investment Partnerships Program (HOME) \$864,831 (Includes estimated Program Income)
- Hearth Emergency Solutions Grant (HESG) \$219,551

Through the application process the City received 20 CDBG funding applications - 9 under the public improvement and other programs category and 11 public service applications. In addition, 4 HESG applications were received for fiscal year 2023. The City Council will accept and utilize the HOME funds for the 2022-2023 Annual Action Plan.

Out of the 20 CDBG applications submitted, only one application was not considered for funding, which was Easter Seals Diagnostic Clinic. While the Easter Seals program is valuable, based upon the regional consolidated plan priorities and the City priorities, in addition to the criteria set forth through the CDBG national objectives and purpose of funding, the project did not closely tie in to the priorities identified. The project is also considered to be in the Public Service category, which has a 15% cap on the amount of funds available for public service projects, thus limiting the amount provided to projects within this category.

Also related to CDBG funded programs, the Fair Housing program, which has historically been funded through CDBG, was not recommended for funding through regular consideration as a Public Service project. Fair Housing, for this up and coming fiscal year, will be paid out of either administration or general funds, in part or in whole, for the ability for all resident access to this service. Fair Housing must be offered to the public as a requirement in receiving the HUD funds.

Also, there has been a reduction in the use of CDBG funding within City departments. This includes the Code Compliance program, where CDBG funds supported Code Compliance activities within the low-income neighborhoods, and some recreational after-school programs. In those cases the specific services that were previously funded will still be offered by the City, but the funding source will be the General Fund rather the CDBG funds.

The four HESG applications were all recommended for funding. Mercy House's Rapid Re-housing application, was recommended for more than what was initially requested, as they determined later that they could use more funding than what was applied for, and with no other applications received, staff increased the recommendation. With this recommendation, and the others, the HESG funds balanced the projected allocation amount.

The complete list of the funding recommendations is included in Attachment 1: "2022 Annual Action Plan Funding Recommendation".

ACTION PLAN AMENDMENTS

On occasion, amendments and substantial amendments of these plans are required pursuant to the criteria set forth in the Code of Federal Regulations, Title 24 CFR 91 and the City of Oxnard's Citizen Participation Plan. Amendments to an Annual Action Plan require that the Plan be amended whenever the following occurs:

1. A change in its allocation priorities or a change in the method of distribution of funds occurs;
2. A decision to carry out an activity using funds not previously described in an action plan covered by the consolidated plan (including program income, reimbursements, repayment, recaptures, or reallocations from HUD); or

3. A change in the purpose, scope, location, or beneficiaries of an activity occurs.

Amendments will be considered substantial changes and require official action if;

1. Grant funds are allocated to a new activity for the first time;
2. A funding increase in a current activity, or a change in the use of funding from one eligible activity to another, of more than \$100,000 in CDBG or HOME funding, or more than \$30,000 in ESG funding; or if;
3. A funded activity is cancelled during the program year.

For purposes of the amendments identified in this report, each is to further support the needs of the homeless programs currently in operation, and to facilitate the spending of the HESG funds by the required HUD expenditure deadlines, where HESG funds are available for two years. Once the two years lapse, the funds expire.

The proposed funding will continue to support homeless programs and services. In fiscal year 2021 the City did not receive any applications from service providers to carry out the eligible HESG activities. Therefore, City Council approved an agreement between the City and the Housing Department's Homeless Division to either provide the services directly or subfund eligible organizations to carry out services funded through the HESG funding that was allocated for that year. Between fiscal years 2021 and 2022, the Oxnard Housing Department, Homeless Services Division identified the organizations with additional funding needs that are listed for review in Attachment 2.

The Housing Department is also in the process of reviewing long-term open grant activities and their respective budgets, therefore there have been some back-to-back requests to Council in order to proceed with utilizing the grant funds in a timely fashion and progressively cleaning up records.

2021 Annual Action Plan Amendment

On June 15, 2021 City Council approved the 2021 Annual Action Plan. This included the HESG funding totaling \$219,551, to support homeless programs such as shelter operations, street outreach, homeless prevention, rapid re-housing. The approved 2021 Annual Action Plan awarded \$101,730 to Oxnard Housing Department, Homeless Services Division for Street Outreach. In order to enact the street outreach service, funds will be reallocated from the Oxnard Housing Department, Homeless Services Division to The Salvation Army and are expected to be expended by June 30, 2023. The primary focus of this amendment is to provide funding to the Salvation Army to carry out services for street outreach.

2020 Annual Action Plan Amendment

On June 16, 2020 City Council approved the 2020 Annual Action Plan. This included the HESG funding totaling \$221,083 to support the City's homeless programs and priorities.

The approved 2020 Annual Action Plan awarded \$71,853 to Oxnard Housing Department, Homeless Services Division for Homeless Prevention or Rapid Re-Housing activities. In the 2020 Annual Action Plan, the Homeless Division identified Homeless Prevention as the services planned for the year. In order to enact the rapid re-housing services, the funds will be reallocated from the Oxnard Housing Department, Homeless Services Division to Mercy House and the HESG category will change from Homeless Prevention to Rapid Re-housing with funds expected to expend by June 30, 2022.

Additionally, the approved 2020 Annual Action Plan awarded \$52,649 to Oxnard Housing Department, Homeless Services Division for Street Outreach activity. In order to enact emergency shelter services, the funds will be reallocated from the Oxnard Housing Department, Homeless Services Division to Turning Point Foundation with funds expected to be expended by June 30, 2022. The proposed reallocation will change this activity from Street Outreach to Emergency Shelter as part of the 2020 Annual Action Plan Amendment.

CONCLUSION

The draft 2022 Annual Action Plan, draft of 2021 Annual Action Plan Amendment, and 2020 Annual Action Plan

Amendment have been posted for public review with the scheduled May 17, 2022 public hearing, for the purpose of providing members of the public with the opportunity to comment. The full reports are accessible at City of Oxnard Housing Department, Grants Management Website: <https://www.oxnard.org/city-department/housing/grants-management/>

STRATEGIC PRIORITIES

This agenda item supports Economic Development strategy. The purpose of Economic Development strategy is to focus on the retention and expansion of Oxnard businesses by increasing the skills and employability of our local workforce, invite new business investments, and target sitebased redevelopment opportunities.

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

The 2022 Annual Action Plan outlines how the City plans to allocate its three entitlement grant programs, CDBG, HOME, and HESG, for the FY 2022-23 budget. This includes the 2022 HUD grant allocations Estimate of \$2,515,741 in CDBG, \$764,831 for HOME, and \$219,551 for HESG. FY 2022-23 program income is estimated at \$100,000 for CDBG program and \$100,000 for HOME program. The grand total of available resources is estimated at \$3,700,123.

The 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment funds are provided within the HESG program. There are no increases or decreases of the overall funding amounts, and the funds are being moved to activities that are able to meet program objectives and utilize the funds.

There is not a negative impact on the General Fund.

COMMITTEE OUTCOME

The Community Services, Public Safety, Housing & Development committee approved 3-0 on April 26, 2022, to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. 2022 Annual Action Plan Funding Recommendations
2. 2022 Annual Action Plan Draft
3. 2021 and 2020 Annual Action Plan Reallocation Budget
4. 2021 Annual Action Plan Amendment Draft
5. 2020 Annual Action Plan Amendment Draft
6. PowerPoint Presentation

CITY OF OXNARD

2022 ANNUAL ACTION PLAN (AAP)

FUNDING RECOMMENDATION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

CDBG AVAILABLE RESOURCES

HUD CDBG Allocation (ESTIMATE)	\$ 2,515,741
Program Income (Estimate)	\$ 100,000
<u>TOTAL CDBG GRANT RESOURCES</u>	\$ 2,615,741

CDBG EXPENDITURES

RECIPIENT DEPT/DIV-ORGANIZATION

PROGRAM NAME

ADMINISTRATION - 20%

Housing Department-Grants Management	CDBG Administration & Planning	\$ 523,148
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PUBLIC SERVICES- not more than 15%

Caregivers: Volunteers Assisting the Elderly	Caregivers: Volunteers Assisting the Elderly	\$ 12,500
County of Ventura-Human Services Agency	RAIN TLC Bridges To Home	\$ 10,000
Livingston Memorial Visiting Nurses Association	Subsidized Care Program	\$ 20,000
Oxnard Recreation Department	Colonia Memorial Park Veterans Gym	\$ 95,000
Oxnard Recreation Department	Southwinds Youth Center	\$ 60,000
Oxnard Recreation Department	Police Activities League - PAL	\$ 100,000
Oxnard Recreation Department	Palm Vista Senior Center	\$ 60,000
Shelter Care Resources	Foundation First	\$ 15,000
Oxnard Performing Arts Center Corporation	Creative Youth Development	\$ 19,861
Total Public Services Projects		\$ 392,361

PUBLIC IMPROVEMENTS & OTHER CITY PROGRAMS

Oxnard Housing Department - AHRD	Residential Rehabilitation Loan Program	\$ 300,000
Oxnard Public Works Department	Court Reconstruction and Resurfacing	\$ 954,232
Economic Development Collaborative - Ventura County	City of Oxnard Business Assistance Program	\$ 196,000
Ventura County Community Development Corporation (VCCDC)	Hope to Home Down Payment Assistance	\$ 250,000
Total Public Improvements & Other City Programs		\$ 1,700,232

TOTAL CDBG GRANT EXPENDITURES \$ 2,615,741

HEARTH EMERGENCY SOLUTIONS GRANT (HESG)

HESG AVAILABLE RESOURCES

HUD HESG Allocation (ESTIMATE)	\$ 219,551
<u>TOTAL HESG GRANT RESOURCES</u>	\$ 219,551

RECIPIENT DEPT/DIV-ORGANIZATION

PROGRAM NAME

Housing Department-Homeless	HESG Administration & Planning (7.5 %)	\$ 16,466
Mercy House	Rapid Re-Housing	\$ 71,355
The Salvation Army	Street Outreach	\$ 64,250
The Kingdom Center	Emergency Shelter	\$ 30,000
Turning Point Foundation	Our Place Safe Haven: Emergency Shelter	\$ 37,480
TOTAL HESG GRANT EXPENDITURES		\$ 219,551

HOME INVESTMENT PARTNERSHIP (HOME)**HOME Available Resources**

HUD HOME Allocation (ESTIMATE)	\$	764,831
Program Income (Estimate)	\$	100,000

<u>TOTAL HOME GRANT RESOURCES</u>	\$	864,831
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Oxnard Housing Department - Affordable Housing & Rehabilitation Division (AHRD)	HOME Administration & Planning (10 %)	\$	86,483
Oxnard Housing Department - AHRD	CHDO Set-Aside (15%)	\$	114,724
Oxnard Housing Department - AHRD	Affordable Housing Development Project	\$	663,624

<u>TOTAL HOME GRANT EXPENDITURES</u>	\$	864,831
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<u>ENTITLEMENTS GRAND TOTAL</u>	\$	3,700,123
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City of Oxnard

2022 Annual Action Plan

DRAFT

May 2022

Prepared by:

City of Oxnard – Housing Department – Grants Management

435 South D Street, Oxnard, California, 93030



Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Oxnard is within Ventura County, California, located northwest of Los Angeles and southwest of Santa Barbara. Oxnard is the largest city in the county with the population of 202,063, according to the United States Census Bureau population estimates in 2020. The regulations of the United States Department of Housing and Urban Development (HUD) require that an Annual Action Plan (AAP) be submitted for each plan year within an agency's Consolidated Plan. The HUD funding amounts in the draft Annual Action Plan are estimates. The actual HUD allocations amounts will be incorporated when they are announced for FY 2022.

The City of Oxnard (City) joined the Ventura County Regional Consolidated Plan (Regional ConPlan) is a five year plan document covering five plan years from 2020-2024. The Ventura County Regional Consolidated Plan is a collaborative document between all incorporated cities and the unincorporated areas of Ventura County, California. Collaborating in the development of the Regional Consolidated Plan are the Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, Santa Paula, San Buenaventura (City of Ventura), Simi Valley, and Thousand Oaks. The Regional ConPlan document is to comply with the HUD requirement to submit the City of Oxnard's Annual Action Plan for plan year 2022.

In the Regional ConPlan, the priorities that need to be addressed for community development and housing needs of the City of Oxnard are identified. The AAP's annually identify the resources available to address those needs identified in the Regional ConPlan, describe the activities that will be undertaken designed to meet the annual goals and objectives that relate to the identified needs as determined in the Regional ConPlan, describe the geographic areas targeted for assistance, include the Citizen Participation Plan, and set the basis for performance monitoring whereby results are measured as goals accomplished and outcome indicators.

Goals and objectives of the community needs identified in the Regional ConPlan will be accomplished by activities specified by the City's AAPs. With the 2022 AAP, the City will implement activities that continue to strive to derive positive outcomes that were set forth as goals for the Regional ConPlan period, Plan Year 2022. The current AAP will cover the period of July 1, 2022 to June 30, 2023 (plan year 2022). Herein are described the expected federal, state and local resources, the priorities and specific objectives the City desires to achieve, and the activities that will be undertaken throughout the 2022 plan year.

The Plan year 2022 Estimated HUD funding amounts are; Community Development Block Grant (CDBG)

\$2,515,741, HOME Investment Partnerships (HOME), \$764,831 and Hearth Emergency Solutions Grant (HESG), \$219,551. Total HUD entitlement grant estimate of \$3,500,123.

The City's goals, as identified in the Regional ConPlan, can be found throughout this AAP, and are designed to principally serve extremely-low, low-, and moderate-income residents by addressing the following:

- Improve the Supply of Affordable Housing
- Enhance Economic Stability
- Increase Social Services
- Work to End Homelessness
- Create Quality Neighborhoods
- Effective Administration

The AAP describes the resources expected to be available in the coming program year from federal, state, local and private sources, and also includes a description of the activities that will be undertaken to meet the specific objectives.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The City is being guided by HUD's Office of Community Planning Development Outcome Performance Measurement System to address the high priority needs stated in its Regional ConPlan. When funding an activity, the City determines which of three HUD objectives best describes the purpose of the activity. The three objectives are:

- Suitable Living Environment (SL) - In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- Decent Housing (DH) - The activities that typically would be found under this objective are designed to cover the wide range of housing programs possible under HOME, CDBG or HESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
- Creating Economic Opportunities (EO) - This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The City combines the information reported to HUD in the FY 2020-21 Consolidated Annual Performance and Evaluation Report (CAPER) and the directives from HUD in the determination and recommendation of the FY 2022-23 AAP proposed projects.

The three major program areas underlining CDBG, HESG and HOME entitlement grants, such as (1) Decent and Affordable Housing, (2) Suitable Living Environment, and (3) Economic Opportunities, coupled with the Continuum of Care (CoC) of Homelessness have received a high priority in the 2020-24 Regional ConPlan. The goals and accomplishments for Plan year 2022 are summarized in the attached table.

Accomplishments achieved during the program year (PY) 2020 (July 1, 2020 through June 30, 2021) were evaluated in detail in the PY 2020 CAPER. The CAPER was completed and submitted to HUD on November 17, 2021. Due to the Public Health Order response to COVID-19, the annual goals were difficult to meet throughout the fiscal year 2020-21. Stay at Home order were issued and activities were reduced significantly or halted in order to meet the health and safety of recipients. Therefore, subrecipient were unable to meet their performance goals in FY 2020-21.

Public Services actual accomplishments total was 9,374 persons. Homeless program provided services to 207 homeless persons, senior programs provided services to 105 persons, youth services provided services to 368 persons, health services programs provided services to 100 persons, food pantry services provided services to 8,400 persons and fair housing activity provided services to 194 households for Oxnard residents during FY 2020-21.

Public Improvements and Infrastructure activities included park improvements located in low- and moderate-income areas at Community Center East Park, Wilson Park and Pleasant Valley Park; rehabilitation of wall mural at Multi-service Center; and homeless shelter building improvements for Oxnard residents city-wide.

Homelessness services funded by HESG provided 65 persons with emergency shelter services; 19 persons (a total of 15 households) were provided rapid rehousing services and 89 persons were provided street outreach services in Oxnard during FY 2020-21.

HOME funds provided 6 (six) down payment assistance loans to low- and moderate income household Oxnard residents in FY 20-21. HOME funding was identified in FY 2020-21 for the outcome of Homeowner Rehabilitated which was not met due to the program started late in the year. In addition, Rental units constructed were not met due to the fact that one of the projects was not able to secure sufficient funding for production of the units, therefore the Housing Department could not commit HOME funds to the project. However, the developer of this project will try to secure the required

funding to produce the units and the Housing Department will continue to review other HOME applications for the construction of new rental units.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

As part of the AAP development, the City staff scheduled two public hearings: (1) December 15, 2021 and (2) May 17, 2022:

The Administrative Public Hearing-December 15, 2021 provided the opportunity for the public to comment on unmet community needs for FY 2022-23 AAP. As part of the development process of the AAP, City Staff developed a mailing list of more than 65 addresses consisting of organizations, the faith community, service providers; and cities within Ventura County were provided a copy of the public hearing in English and Spanish. The administrative public hearing notices in English and Spanish were included in the Neighborhood News packets which were distributed weekly for a month prior to the public meeting to approximately 230 Oxnard residents. The public hearing notice was published in the Vida newspaper in English and Spanish, posted on the City website. The public comment period started December 15, 2021 and ended on February 3, 2022. During the public comment period there were no written public comments submitted and one (1) verbal public comment was received during the public hearing.

Pursuant to Assembly Bill 361, members of the legislative body, members of the public and City staff may participate via teleconference. Consistent with City policies imposed to promote social distancing, the facility where the City Council, 305 West Third Street, Oxnard, California regularly meets was temporarily closed to the public. The Administrative Public hearing was held via video conference/teleconference.

Oxnard residents were encouraged to participate remotely by accessing a meeting link posted on the City's Housing Department website at oxnard.org/city-department/housing/grants-management/. Oxnard residents were encouraged to submit comments via email before 3 p.m. to grantsmanagement@oxnard.org and the comments will be provided during the meeting.

Second public hearing –May 17, 2022 is scheduled (1) to provide the opportunity to the public to comment on the projects recommended for funding for FY 2022-23 AAP; and (2) to receive recommendations and direction from the City Council regarding the FY 2022-23 AAP grant funding. As part of the development process of the AAP, City Staff developed a mailing list of more than 65 addresses consisting of organizations, the faith community, service providers; and cities within Ventura County will be provided a copy of the public hearing in English and Spanish. The public hearing notices in English and Spanish were included in the Neighborhood News packets which were distributed weekly for

a month prior to the public meeting to approximately 230 Oxnard residents. The public hearing notice was published in the Vida newspaper in English and Spanish, posted on the City website and broadcasted on the public viewing TV Channels 10/35. The public comment period started April 15, 2022 and is scheduled to end on May 17, 2022. The public comments will be updated after the public hearing.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

First Administrative Public Hearing: December 15, 2021

During the first Public Hearing, there was (1) one verbal comment submitted. In addition, no written comments were submitted during the public comment period. The comment was presentation was very informative.

Second Public Hearing: May 17, 2022. During the second Public Hearing, the narrative will be updated after the meeting.

6. Summary of comments or views not accepted and the reasons for not accepting them

During the first Public Hearing, all comments were accepted.

During the second Public Hearing, all comments were accepted.

7. Summary

The City is committed to provide funds that serve the most disadvantaged residents while following HUD's directives. The City increased awareness of the Annual Action Plan's public review activities and process by providing the public notice in various ways.

The City sent notices of the public hearing to more than 65 addresses consisting of organizations, the faith community, service providers and cities within Ventura County. The public hearing notices in English and Spanish were included in the Neighborhood News packets which were distributed weekly prior to the Hearing to approximately 230 Oxnard residents and broadcasted on the public viewing TV channel 10/35. The Public Hearings are in compliance with the Americans with Disabilities Act. If the public requires special assistance to participate in a meeting, the individual would contact the City Clerk's Office. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for persons accessibility to the meeting. This notation is included on all city Agenda's.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	OXNARD	
CDBG Administrator	OXNARD	Housing Department
HOPWA Administrator		
HOME Administrator	OXNARD	Housing Department
ESG Administrator	OXNARD	Housing Department
HOPWA-C Administrator		

Table 1 – Responsible Agencies

Narrative (optional)

The City of Oxnard has designated the Housing Department's Grants Management Division to develop the Annual Action Plan, the Comprehensive Annual Performance and Evaluation Report, and the Regional Consolidated Plan. The Housing Department's Grant Management Division will also act as grants management of several public and private agencies that will implement and administer programs and activities under the Plan.

Consolidated Plan Public Contact Information

City of Oxnard
Housing Department
435 South D Street Oxnard CA 93030
Phone: (805) 385-8096
E-mail: emilio.ramirez@oxnard.org

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

Federal regulations require that a participating jurisdiction consult extensively with community service providers, other jurisdictions and other entities with a potential interest in or knowledge of that jurisdiction's housing and non-housing community development issues. Staff have developed and followed a detailed schedule which provides for and encourages citizen participation emphasizing the participation of persons of low- and moderate-income.

The regional consolidated plan and the annual action plan represent a comprehensive planning effort mainly led by Housing Department-Grants Management Division staff, with involvement of (1) local government experts; (2) the social service community; (3) residents; and, (4) consultation with other local HUD entitlement communities. The following items are examples of the consultations efforts:

- Grants Management Division staff work closely with other City staff members such as: Affordable Housing and Rehabilitation; Homeless Assistance Program; Development Services; Utilities; Treasury; Oxnard Housing Authority; Community Development Services; Code Compliance; Geographical Information System; Recreation and Community Services; and Finance to ensure that careful consideration is given to the City's identified needs, and that programs and services are cost-effective and meet specific goals and objectives in order to develop and implement the Regional ConPlan and the AAP.
- City staff members in the Department and/or Divisions; Affordable Housing and Rehabilitation, Homeless Assistance Program, Development Services, Utilities, Treasury, Oxnard Housing Authority, Community Development Services, Code Compliance, Geographical Information System, Recreation and Community Services and Finance provide supportive services as needed to accomplish ConPlan development efforts.
- Housing staff during the fiscal year cycle continue to provide HUD program workshops to social service agencies and the opportunities for the residents to participate in the public hearings.
- The Housing staff finalized the City of Oxnard Analysis of Impediments to Fair Housing (AI), which is required by HUD to be submitted once every five years. In January of 2019, the City and the County of Ventura agreed to collaborate on the production of the AI, which was completed and adopted by the Oxnard City Council in May of 2020.

The City engaged Magellan Advisors in its development of a fiber master plan, and the City is also considering a broader discussion regarding broadband. The goal is to provide improved connectivity to underserved communities while also identifying opportunities for economic development. Oxnard is also collaborating with neighboring cities and the County of Ventura to improve connectivity within the region.

According to 2019 data from the U.S. Census Bureau, 80.3% of Oxnard households have a broadband Internet subscription, which highlights the fact that there is still work to be done to address the digital divide. The City is analyzing various data sources to more accurately assess broadband needs. These sources include residential fixed broadband deployment data collected on FCC Form 477, the NTIA's Indicators of Broadband Need (which uses several different data sources to show information on broadband availability in the United States), and carrier service information where available. This is the most recent Broad Band Information. We received no updated to date.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City consulted with the agencies/organizations while preparing the AAP, through public hearings, workshops, forum meetings, and training sessions (individuals and group discussions):

- The City of Oxnard City Council conducted two (2) public hearings, on 12/15/2021 and 5/17/2022, as prescribed in the Citizen Participation Plan.
- A community Fair Housing workshop, free to the public, was conducted by the Housing Rights Center seminar were January 19, 2022 and January 26, 2022. Another workshop is scheduled for May 17, 2022.
- Consultations with four affordable housing developers (Cabrillo Economic Development Corporation, Habitat for Humanity, People Self-Help Housing, and Many Mansions) were held throughout the year;
- Attended the regional Continuum of Care (CoC) meetings to discuss the application, homeless needs and program directions and strategies;
- The City of Oxnard Commission on Homelessness conducts monthly meetings;
- Facilitated monthly meetings bringing together service providers and the Police Department's Homeless Liaison Unit to coordinate services and planning;
- Participated in Encampment Response Task Force meetings with Ventura County;
- Participate in monthly Veterans Case Conferencing meetings with the CoC, Veterans Affairs and service providers;
- City Lead for Ventura County annual Homeless Point In Time Count;
- Chair for a Regional Advisory Council for Mercy House (emergency shelter service provider);

- Participate in monthly Community Intervention Court meetings with the police department, service providers, and city attorney

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Ventura County Continuum of Care Alliance (CoC) is a regional consortium covering all communities in Ventura County. The CoC is a collaborative group dedicated to promoting a safe, desirable and thriving community by ending homelessness in Ventura County. The CoC is comprised of a Board of Directors and five sub committees (Homeless Management Information System (HMIS) Steering Committee, Data Performance and Evaluation, Public Information and Outreach, Coordinated Intake, and Housing Service and Coordination). Within these standing committees and the CoC body, are representatives from local housing authorities, homeless service providers, homeless health care, mental health, veterans' services, law enforcement, education, local homeless task forces, business leaders and city/county government representatives.

The coordination of housing assistance and services for homeless persons continues to be implemented through a broad range of public and private funding and service providers that reach: chronically homeless individuals and families with children, veterans, unaccompanied youth, the recently homeless and those at risk of becoming homeless. City staff participate as well on the City's Affordable Housing Team, OHA, the Homeless Committee, which is comprised of the Mayor Pro Tem and another City Council member. Other entities involved in the development of policy and implementation of the provision of services include the City Council-appointed Commission on Homelessness, regional bodies such as the Ventura County Housing and Homeless Coalition, the South Coast Collaborative Regional HMIS implementation committee, the Southern California Regional CoC Collaborative, and the Ventura County CoC Alliance.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The CoC's Data Performance and Evaluation Sub Committee is tasked with establishing performance measures and new policies and procedures for all homeless grant funds and activities. The HMIS Steering Committee is tasked with developing the policies and procedures that govern HMIS, which is administered by the County of Ventura.

City staff continue to work with the CoC to develop performance standards for and evaluation of outcomes for ESG-funded projects and activities. Through participation on regional sub-committees staff also continue to inform HMIS policies, procedures, operations and administration.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities

Table 2- next page

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Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CITY OF OXNARD
	Agency/Group/Organization Type	PHA Services - Housing Services-homeless Service-Fair Housing Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City of Oxnard Public Housing Authority and the Affordable Housing Division are under the direction of the Housing Director of the City of Oxnard, as is the Grants Management Division. A bi-monthly management meeting was held for all Housing staff, including OHA staff. The topics were comprehensive and specific with detailed instructions on handling the issues which can be related to housing, homelessness and/or community partnership. Because the OHA is a component unit of the City and a Division of the City Housing Department, coordination occurs on a daily basis.

2	Agency/Group/Organization	MERCY HOUSE
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Discussed outreach, case management and homeless services provided by Mercy House to support overnight shelter for the homeless.
3	Agency/Group/Organization	PEOPLES SELF HELP
	Agency/Group/Organization Type	Non-Profit
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	During the current fiscal year People Self-Help Housing submitted a funding application requesting HOME program funding for the development of a 100% affordable housing development, known as Cypress Place at Garden City. The project will consist of two phases. HOME funding is being requested for the first phase, which will include a total of 90 rental units (inclusive of one unrestricted manager's unit).
4	Agency/Group/Organization	Habitat for Humanity of Ventura County
	Agency/Group/Organization Type	Non-Profit CHDO
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	During the current fiscal year Habitat for Humanity requested a HOME program funding application for development of a new project. However, Habitat for Humanity has not submitted an application yet.

5	Agency/Group/Organization	Many Mansions
	Agency/Group/Organization Type	Non-Profit CHDO
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Many Mansions submitted a funding application for development of an 87 unit development in downtown, known as Central Terrace Apartments in 2020. While the City initially considered HOME funds as the funding source, the City instead provided City in-lieu funds. In 2022 Many Mansions secured all funding necessary to move forward with this project and is estimated to begin construction in June 2022. The development will be 100% affordable and will provide 8 City in-lieu units and will also be receiving 35 Project Based Vouchers from the Oxnard Housing Authority to provide 35 permanent supportive housing units to homeless households and will also provide on-site supportive services. Many Mansions is in the process of obtaining land use approvals for Phase II of their downtown development, Phase II of their development is known as Aspire Apartments. Many Mansions has expressed interest in submitting an application for HOME-ARP funding for this project or the use of other funds, for a gap-financing loan, but given that the City is still required to complete a community engagement process and submit a plan to HUD to determine the use of HOME-ARP funds, the City is not able to consider any applications for use of these funds at this time.
6	Agency/Group/Organization	CABRILLO ECONOMIC DEVELOPMENT CORPORATION
	Agency/Group/Organization Type	Non-Profit CHDO
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Cabrillo applied for HOME CHDO development assistance funds to construct 57- rental units which will include housing for farmworker families, located at the corner of Pleasant Valley Road and Etting Road, Oxnard, CA 93033. The Housing Department previously issued a conditional letter of approval to Cabrillo for this development, however, given that the conditional approval was for a 42 unit development which has now been increased to 57 units, the Housing Department is currently in the process of reviewing their updated application for consideration of HOME funds.
7	Agency/Group/Organization	THE KINGDOM CENTER
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Victims of Domestic Violence Services-homeless
	What section of the Plan was addressed by Consultation?	ADA compliance and resource development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Kingdom Center was toured by staff and determined areas of the facility that could be upgraded, enhanced and modified to promote greater access for persons with disabilities. In 2020-2021, architectural plans were completed for the project, and it is anticipated that the construction phase of the project will commence in 2022. The project includes not only ADA improvements and increased accessibility in the exterior of the complex, but also an expansion of bathroom capacity to meet the needs of the client population.
8	Agency/Group/Organization	County of Ventura Human Services Agency
	Agency/Group/Organization Type	Services-homeless Services-Health Other government - County

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Created and implemented a coordinated plan conducting encampment response at a large homeless encampment. The City conferred with the Ventura county Public Health Department regarding addresses of housing units wherein children have been identified as lead-poisoned in the City of Oxnard. Prior to implementation of the 2022 Annual Action Plan, the City will receive a list of addresses if such a list exists. Any rehabilitation activities on housing units constructed prior to 1978 will have lead hazards identified and actions taken to remove the hazard. The City's Affordable Housing Division does not own or manage any housing units. All units for which HOME and CDBG assistance is provided for homebuyer assistance or homeowner rehabilitation are administered in compliance with HUD's HOME or CDBG regulations for lead-based paint, as applicable inspections requirements. With respect to units owned or assisted by the Oxnard Housing Authority, there have been no cases of Public Housing tenants and/or Section 8 participant households reporting or having been discovered to have poisoned children or any child with "Environmental Intervention Blood Lead Level"(EBLL). OHA staff provides a brochure related to lead based paint hazards to all new program participants and tenants. Maintenance staff attends training and seminars to stay current with the State of California Lead Awareness Training requirements.
9	Agency/Group/Organization	Housing Rights Center
	Agency/Group/Organization Type	Service-Fair Housing

What section of the Plan was addressed by Consultation?	Fair Housing, Discrimination
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City contracts with a professional fair housing service provider, the Housing Rights Center (HRC), through a regional agreement with the County of Ventura. The HRC provides fair housing counseling, discrimination complaint investigation, complaint processing, and dispute resolutions services for Oxnard tenants, home seekers, and housing providers. In addition, twice every year the HRC staff provides free fair housing training seminars for the public, along with a bi-annual training presented to the staff of the Oxnard Housing Authority and city housing staff on their fair housing obligations and responsibilities.

Identify any Agency Types not consulted and provide rationale for not consulting

Not Applicable

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Ventura County CEO's Office	The goals of the Strategic Plan overlap with the goals of each plan by ensuring homeless persons have access to adequate services to help reduce the incidence of homelessness.
Oxnard Housing Authority Agency Plan	Oxnard Housing Authority	The OHA Plan presents the program policies and procedures related to Public Housing units and the Section 8 housing program, which overlaps with the AAP for delivering and providing affordable housing units to Oxnard residents. OHA is currently administering 15 set aside homeless preference vouchers per fiscal year, 77 VASH vouchers, 46 Emergency Housing vouchers, 10 Family Unification vouchers and 40 Mainstream vouchers.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
City of Oxnard Housing Element	State of California Housing and Community Development (HCD)	The City's updated 6th Cycle 2021-2022 Housing Element, which the City adopted in October 2021, identifies and analyzes the current and future housing needs of residents within the City of Oxnard (City) and establishes housing goals, policies, and programs to meet the needs of certain special populations and provide adequate development opportunities for the private and non-profit sectors. The housing requirements of lower income households and special needs groups are given particular attention.
Regional Housing Needs Allocation (RHNA)	Southern California Association of Governments (SCAG)	The City is in the region covered by the Southern California Association of Governments (SCAG). For each Housing Element planning cycle, SCAG is required to determine the Regional Housing Need Assessment (RHNA) allocation for each city and unincorporated county areas within the SCAG region. For the 2021-2029 6th Cycle Housing Element period, SCAG has allocated to the City 8,549 dwelling units, of which 2,911 units are required to be affordable to lower income households and 1,538 are affordable to moderate income households

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

Implementation of the 2022 Action Plan requires coordination and compliance with the local and regional needs established by the City of Oxnard, County of Ventura, Southern California Association of Governments and the State of California. California state law requires Metropolitan Planning Organizations (MPOs) to determine the existing and projected housing need for their regions. The County of Ventura and City of Oxnard are part of the Southern California Association of Governments (SCAG) MPO, which also includes Los Angeles, Orange, Riverside, San Bernardino, and Imperial counties. For each Housing Element planning cycle, SCAG determines the share of existing and projected housing need by affordability level using the Regional Housing Need Assessment (RHNA) process for its 192 member jurisdictions.

City of Oxnard's General Plan contains a Housing Element that makes "adequate provision for the existing and projected housing needs of all economic segments of the community." The Housing Element must be revised and updated every eight years after 2010 due to SB 375. A community is not obligated to actually provide housing to all in need but the Regional Housing Needs Allocation (RHNA) is a "distribution of housing development capacity" that each city and county must zone for in a planning period for all economic levels, though the housing requirements of lower income households and special needs groups are given particular attention. RHNA is integral to the development of a

Sustainable Community Strategy. The Housing Element is a planning document, requiring the City to plan for meeting its “fair share” of the regional housing market need. The RHNA sets local housing and land use capacity goals to support future growth, including transit oriented, mixed use and infill development.

The time frame during which housing accomplishments towards the RHNA can be counted (RHNA cycle) is June 30, 2021 through October 31, 2029. The City seeks to conserve and rehabilitate existing housing as well as provide opportunities for new development. The 2021-2029 SCAG RHNA determined that 2,911 units are required to be affordable to lower income households and 1,538 are affordable to moderate income households.

The City Housing Department’s mission is to promote the general welfare of the City by remedying unsafe and substandard housing, and by relieving the shortage of affordable housing for City residents. This mission is consistent with the City’s General Plan and laws governing our housing funds and resources. The purpose of the Housing Department is to provide decent, safe, attractive, sanitary, and well maintained housing for eligible low and very low income families in a manner that promotes commitment, exemplary customer service, economy, efficiency, and the social well-being of the residents.

All City housing projects undertaken with federal funds from HUD or other state or federal funding source must comply with the requirements of the City’s Housing Element, General Plan, SCAG, State of California Housing and Community Development Department (HCD) and HUD.

AP-12 Participation – 91.105, 91.200(c)

- 1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

Citizen Participation Outreach Table- next page

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Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Administrative Public Hearing occurred on December 15, 2021; Multiple persons attended the public hearing	1st Public Hearing- (1) verbal comment was presentation was very informative. Poll results were street improvement, increase affordable housing, homebuyer assistance and youth program are most needed.	All comments accepted	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	Non-targeted/broad community	Advertisement for the public hearing notice and the 30-day public comment period was published in the Vida newspaper in English and Spanish on November 11, 2021; English and Spanish versions of Notices were broadcasted on Public Channel 10/35, Public Notices regarding Public Hearings sent out to Oxnard Residents, 65 notices mailed out, and Notices were posted on the City of Oxnard website both in Spanish and English.	No comments were received	No comments were received	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Entitlement Grant Workshops	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing Interested parties/application for grant funds	9 people attended the Workshop for CDBG and HESG	Comments were application timeline, low/moderate area map, SAMs number, homeless person income, budget information for previous year not funded by grant, timeline for public facility & improvement projects, additional documents for application	All comments accepted	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Resident Survey	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community	6 people submitted Resident survey to provide need in the community. Survey provided in English & Spanish.	Comments are kitchen at senior center for hot meals; ADA compliance on sidewalk corners, new restrooms in parks, air filter units in public buildings such as colonia library, rec, multi service center and senior apts. Community safety, actively address homeless issues that affect community safety; OPAC rehabilitation; Fix most transit streets such as Gonzalez Road; City needs to complete the mitigations of	All comments accepted	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
				specific plans before the city approves new specific plans		
5	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing Low/mod income Oxnard residents	Second public hearing will be held on May 17, 2022	2nd Public Hearing comments - will be updated after the meeting	All comments accepted	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Newspaper Ad	Non-targeted/broad community	Advertisement for 2nd public hearing notice and the 30-day public comment period was published in the Vida newspaper in English and Spanish on April 14, 2022; English and Spanish versions of Notices were broadcasted on Public Channel 10/35, Public Notices regarding Public Hearings sent out to Oxnard Residents, 65 notices mailed out, and Notices were posted on the City of Oxnard website both in Spanish and English.	Comments will be updated after meeting held	Comments will be updated after meeting held	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
7	Internet Outreach	Non-targeted/broad community	Not Measured	No comments received	No Comments Received	https://www.oxnard.org/city-department/housing/grants-management/

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

In Plan year 2022, the Estimated HUD funding amounts to City of Oxnard are CDBG \$2,515,741, HOME \$764,831 and HESG \$219,551, a total of \$3,500,123 in entitlement grants from HUD. In addition, estimated program income of \$100,000 for CDBG programs and \$100,000 for HOME programs. The source of program income comes principally from repayment of loans and recaptures from defaults. Those funds will be used

towards meeting the goals and objectives of the 2022 AAP.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,515,741	100,000	0	2,615,741	5,174,585	Block grant from HUD to address housing, community development, and economic development needs. 2022 CDBG ESTIMATE Allocation and Program income is \$2,615,741; the total is \$2,615,741 available resources from CDBG Plan year 2022. Uses of the available resources will be according to the funding priorities set forth in the ConPlan. The specific Activities will be set up in IDIS. The uses of funds will be capped according to the HUD regulations for: (1) Admin and Planning - no more than 20%, or \$523,148 and (2) Public Services up to 15%, or \$392,361. The 2022 balance will be distributed as Public Improvements & Other City Programs as detailed by the City during the AAP process.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	764,831	100,000	0	864,831	1,526,840	Grant from HUD to address affordable housing needs. In plan year 2022, HOME ESTIMATE allocation is \$764,831 and expected program income is \$100,000; total of \$864,831. Uses of funds are; (1) Administration - no more than 10% or \$86,483 and (2) CHDO Set Asides - at 15% or \$114,724. In addition, \$663,624 is available for housing development. In addition to the CHDO set aside of \$114,724.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	219,551	0	0	219,551	401,620	Grant from HUD to address needs and services for homeless persons or persons at risk of becoming homeless. Plan year 2022 Available resources for HESG is \$219,551. The limited availability of HESG resources is spread across the uses identified in this table. 1) HESG Administration and Planning costs are no more than 7.5% or \$16,466 and (2) Emergency Shelter and Street Outreach cost is no more than 60%, or \$131,730. The 2022 balance will be distributed as Homeless Prevention, HMIS, & Rapid Re-Housing eligible activities as detailed by the City during the AAP process.
Other	public - federal	Other	0	0	0	0	0	Allocated in PY 2020, \$5,255,055 in ESG-CV funding to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless prevention activities to mitigate impacts of COVID-19

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG funds are leveraged by city and subrecipients providers with government agency, in-kind, private foundations and contributions monies who provide services to low/moderate income persons. Affordable housing developments utilizing HOME funds typically use HOME monies to leverage millions of dollars in state, federal, and private financing. HESG funds are leveraged by non-profit agencies providers with government agency, in-kind, private foundations, Ventura County Continuum of Care monies who provide critical services such as assisted housing, services and shelter to vulnerable populations who are at-risk of becoming homelessness or homeless persons and families. HOME funds are matched at a greater than 25% level by recipients of HOME funds, city, and other participants. HESG funds are matched dollar for dollar by subrecipients' providers. The city matched for Administration portion only.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The city property leased for homeless shelter at 1450 S. Rose Ave, Oxnard, CA
Temporary Emergency Shelter at 351 South K Street, Oxnard, CA
Oxnard Housing Authority Public Housing Sites

Discussion

The resources for 2022 AAP will accomplish more activities but will not meet all the needs prevalent throughout the city.

Allocated in PY 2020, CARES Act funding is included in "Other" section in table above, \$3,088,367 in CDBG-CV funds to be used to prevent, prepare for and respond to the coronavirus and \$5,255,055 in ESG-CV funding to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless prevention activities to mitigate the impacts of COVID-19. CDBG-CV and ESG-CV allocation in 2020-21.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding Estimate	Goal Outcome Indicator
1	Improve Supply of Affordable Housing	2020	2024	Affordable Housing		New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Disaster Planning and Recovery	CDBG: \$550,000 HOME: \$778,348	Rental units constructed: 5 Household Housing Unit Homeowner Housing Rehabilitated: 7 Household Housing Unit Direct Financial Assistance to Homebuyers: 10 Households Assisted
2	Enhance Economic Stability	2020	2024	Non-Housing Community Development		Increase Job Skills Facade Improvements Local Entrepreneurship	CDBG: \$196,000	Businesses assisted: 5 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding Estimate	Goal Outcome Indicator
3	Increase Social Services	2020	2024	Non-Homeless Special Needs		Housing Support and Stability Assistance for Senior Residents Social Services Youth Activities and Services Disaster Planning and Recovery	CDBG: \$392,361	Public service activities other than Low/Moderate Income Housing Benefit: 1200 Persons Assisted
4	Work to End Homelessness	2020	2024	Homeless		Homelessness	ESG: \$203,085	Tenant-based rental assistance / Rapid Rehousing: 10 Households Assisted Homeless Person Overnight Shelter: 155 Persons Assisted Other: 250 Other
5	Create Quality Neighborhoods	2020	2024	Non-Housing Community Development		Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure	CDBG: \$954,232	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20,000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding Estimate	Goal Outcome Indicator
6	Effective Administration	2020	2024	Planning and Administration		New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure	CDBG: \$523,148 HOME: \$86,483 ESG: \$16,466	Other: 0 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Improve Supply of Affordable Housing
	Goal Description	Create and preserve stable, safe, and resilient affordable housing opportunities for homeowners and renters including special needs groups such as farmworkers, persons with disabilities, and the elderly throughout Ventura County.
2	Goal Name	Enhance Economic Stability
	Goal Description	Enhance economic stability and prosperity by increasing economic opportunities for residents through job skills training and promotion of local entrepreneurship.
3	Goal Name	Increase Social Services
	Goal Description	Increase access to health and wellness services, youth activities, senior activities, and social service activities for residents.
4	Goal Name	Work to End Homelessness
	Goal Description	Work alongside the Ventura County Continuum of Care to end homelessness within Ventura County by providing housing, emergency shelter, and social services to homeless persons or those at risk of homelessness.
5	Goal Name	Create Quality Neighborhoods
	Goal Description	Enhance access to quality, resilient, and livable neighborhoods by improving publicly owned facilities and infrastructure such as parks, streets, sidewalks, and community buildings, including improving accessibility to meet Americans with Disabilities Act (ADA) standards.
6	Goal Name	Effective Administration
	Goal Description	Create and maintain effective housing and community development programs that address the priority needs listed within the Consolidated Plan, comply with all U.S. Housing and Urban Development (HUD) requirements, and achieve the goals and objectives set out by each Ventura County jurisdiction.

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Projects

AP-35 Projects – 91.220(d)

Introduction

These are 2022 Plan year Projects designed to accomplish the goals and objectives of the 2022 AAP. The 2022 Projects will organize Activities in IDIS under the Projects setup in this section of AAP. The Projects are New Rental Housing, Housing Support and Stability, Economic Opportunity, Rehabilitation and Preservation, Assistance for Senior Residents, Other Public Services, Youth Activities and Services, Homelessness, Parks and Community Space, and Administration and Planning.

Projects

#	Project Name
1	NEW RENTAL HOUSING
2	COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) RESERVE
3	HOMEOWNERSHIP OPPORTUNITIES
4	ECONOMIC OPPORTUNITES
5	REHABILITATION AND PRESERVATION
6	ASSISTANCE FOR SENIOR RESIDENTS
7	OTHER PUBLIC SERVICES
8	YOUTH ACTIVITIES AND SERVICES
9	HOMELESS ASSISTANCE
10	PARKS AND COMMUNITY SPACE
11	ADMINISTRATION

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities are based on the annual needs identified in coordination with other city departments. Public service allocations are determined by the participation from other providers to meet the goals of the ConPlan. HOME funds are balanced between development projects and single family housing needs. HESG allocation are targeted exclusively for the needs of the homeless population.

AP-38 Project Summary
Project Summary Information

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1	Project Name	NEW RENTAL HOUSING
	Target Area	NA
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	New Rental Housing
	Funding Estimate	HOME: \$663,624
	Description	PARTICIPATION IN HOUSING DEVELOPMENT FUNDING ASSISTANCE
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	5 LOW INCOME HOUSEHOLDS
	Location Description	CITY OF OXNARD, CALIFORNIA
	Planned Activities	FINANCIAL ASSISTANCE TO A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE DEVELOPMENT OF AT LEAST 5 HOUSING UNITS FOR LOW INCOME HOUSEHOLDS IN OXNARD. THIS PROJECT INCLUDES 15% OF HOME ESTIMATED ALLOCATION SET ASIDE FOR CHDO'S, OR \$114,724.
2	Project Name	COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) RESERVE
	Target Area	NA
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	New Rental Housing
	Funding Estimate	HOME: \$ 114,724
	Description	PARTICIPATION IN HOUSING DEVELOPMENT FUNDING ASSISTANCE
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	NA
	Location Description	CITY OF OXNARD, CALIFORNIA

	Planned Activities	THIS PROJECT IS THE 15% OF HOME ESTIMATED ALLOCATION SET ASIDE FOR CHDO'S, OR \$114,724.
3	Project Name	HOMEOWNERSHIP OPPORTUNITIES
	Target Area	NA
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	Homeownership Opportunities
	Funding Estimate	CDBG: \$250,000
	Description	DOWN PAYMENT ASSISTANCE
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	10 HOUSEHOLD HOUSING UNIT
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
4	Planned Activities	VENTURA COUNTY COMMUNITY DEVELOPMENT CORPORATION WILL PROVIDE FINANCIAL DOWN PAYMENT ASSISTANCE FOR LOW- AND MODERATE-INCOME HOUSING HOUSEHOLDS IN OXNARD.
	Project Name	ECONOMIC OPPORTUNITES
	Target Area	NA
	Goals Supported	Enhance Economic Stability
	Needs Addressed	Local Entrepreneurship
	Funding Estimate	CDBG: \$196,000
	Description	BUSINESS ASSISTANCE
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	5 BUSINESS ASSISTED
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD AND LOW- AND MODERATE INCOME AREAS

	Planned Activities	ECONOMIC DEVELOPMENT COLLABORATIVE WILL PROVIDE BUSINESS ASSISTANCE FOR BUSINESS IN LOW- AND MODERATE-INCOME AREAS
5	Project Name	REHABILITATION AND PRESERVATION
	Target Area	NA
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	Rehabilitation & Preservation of Existing Housing
	Funding Estimate	CDBG: \$300,000
	Description	REHABILITATION OF HOUSING UNITS
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	7 HOUSEHOLDS HOUSING UNITS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	REHABILITATION OF HOMEOWNER UNITS FOR LOW-MODERATE INCOME HOUSEHOLDS
6	Project Name	ASSISTANCE FOR SENIOR RESIDENTS
	Target Area	NA
	Goals Supported	Increase Social Services
	Needs Addressed	Assistance for Senior Residents
	Funding Estimate	CDBG: \$72,500
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2022 CDBG ESTIMATED ALLOCATION AND PROGRAM INCOME. FUNDING FOR SENIOR SERVICES TO INCREASE THE QUALITY OF LIFE
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	300 PERSONS WILL BE ASSISTED WITH SENIOR SERVICES
	Location Description	CITY-WIDE; VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD

	Planned Activities	1) ASSISTING WITH DAILY NEEDS FOR SENIORS BY CAREGIVERS VOLUNTEERS ASSISTING THE ELDERLY AND CITY OF OXNARD RECREATION AT 2) PALM VISTA SENIOR CENTER
7	Project Name	OTHER PUBLIC SERVICES
	Target Area	NA
	Goals Supported	Increase Social Services
	Needs Addressed	Social Services
	Funding Estimate	CDBG: \$45,000
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2022 CDBG ESTIMATED ALLOCATION AND PROGRAM INCOME. FUNDING FOR HOMELESS SERVICES AND HEALTH CARE SERVICES.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	75 LOW-INCOME INDIVIDUALS WILL BE ASSISTED WITH SUBSIDIZED HEALTH CARE SERVICES AND 410 HOMELESS INDIVIDUALS WILL BE ASSISTED WITH EMERGENCY SHELTER AND SERVICES.
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
8	Planned Activities	1) EMERGENCY SHELTER FOR HOMELESS BY COUNTY OF VENTURA HUMAN SERVICES AGENCY RAIN PROGRAM, 2) HOMELESS SERVICES BY SHELTER CARE RESOURCES AND 3) SUBSIDIZED HEALTH CARE SERVICES BY LIVINGSTON MEMORIAL VISITING NURSES ASSOCIATION
	Project Name	YOUTH ACTIVITIES AND SERVICES
	Target Area	NA
	Goals Supported	Increase Social Services
	Needs Addressed	Youth Activities and Services
	Funding Estimate	CDBG: \$274,861
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2022 CDBG ESTIMATED ALLOCATION AND PROGRAM INCOME. FUNDING FOR YOUTH RECREATIONAL AND EDUCATIONAL PROGRAMS; YOUTH FROM LOW- AND MODERATE- INCOME HOUSEHOLDS.
	Target Date	6/30/2023

	Estimate the number and type of families that will benefit from the proposed activities	750 YOUTH WILL BE ASSISTED WITH YOUTH SERVICES/RECREATIONAL AND EDUCATIONAL PROGRAMS IN LOW-MODERATE NEIGHBORHOODS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	CITY OF OXNARD RECREATION AT 1) COLONIA MEMORIAL PARK GYM, 2) SOUTHWINDS YOUTH CENTER AND 3) POLICE ACTIVITIES LEAGUE AND 4) CREATIVE YOUTH DEVELOPMENT BY OXNARD PERFORMING ARTS CENTER CORPORATION
9	Project Name	HOMELESS ASSISTANCE
	Target Area	NA
	Goals Supported	Work to End Homelessness
	Needs Addressed	Homelessness
	Funding Estimate	ESG: \$219,551
	Description	HEARTH Emergency Solutions Grant funds to provide financial assistance to various service providers for Emergency Shelter and Street Outreach subject to 60% Cap; Homeless Prevention, Rapid Re-Housing, and HMIS activities to serve homeless individuals and families, and those at-risk of becoming homeless. Street Outreach and Emergency Shelter activities will be limited to 60% of HESG estimated allocation, or \$131,730. Administration and planning cost subject to caps (7.5% of allocation estimated), estimated \$16,466. All HESG subrecipients are required by the City of Oxnard to provide matching funds of a dollar for every dollar HESG grant dollars received.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	KINGDOM CENTER WILL PROVIDE EMERGENCY SHELTER TO 140 INDIVIDUALS; TURNING POINT FOUNDATION WILL PROVIDE EMERGENCY SHELTER TO 15 INDIVIDUALS; MERCY HOUSE WILL PROVIDE RAPID REHOUSING TO 10 HOUSEHOLDS; THE SALVATION ARMY WILL PROVIDE STREET OUTREACH TO 250 INDIVIDUALS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD

	Planned Activities	1) THE KINGDOM CENTER WILL PROVIDE EMERGENCY SHELTER AND , 2)TURNING POINT FOUNDATION WILL PROVIDE EMERGENCY SHELTER, 3) MERCY HOUSE WILL PROVIDE RAPID REHOUSING, 4) STREET OUTREACH WILL BE PROVIDED BY THE SALVATION ARMY AND 5) CITY OF OXNARD WILL PROVIDE ADMINISTRTAION AND PLANNING
10	Project Name	PARKS AND COMMUNITY SPACE
	Target Area	NA
	Goals Supported	Create Quality Neighborhoods
	Needs Addressed	Parks and Community Space
	Funding Estimate	CDBG: \$954,232
	Description	PUBLIC IMPROVEMENTS OF PUBLIC PARKS AND COMMUNITY SPACE WITHIN LOW- AND MODERATE INCOME AREAS
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	THIS PROJECT WILL ACCOUNT FOR TANGIBLE IMPROVEMENTS TO PUBLIC IMPROVEMENTS IN LOW-MOD CENSUS TRACT NEIGHBORHOODS, ESTIMATED AT 20,000 PERSONS
	Location Description	LOW AND MODERATE INCOME AREAS
	Planned Activities	COURT RECONSTRUCTION AND RESURFACING AT OXNARD PARKS: 1) SOUTHWINDS PARK, 2) COMMUNITY CENTER EAST PARK, 3) BECK PARK, 4) LEMONWOOD PARK, 5) WILSON PARK, 6) ORCHARD PARK, 7) COLONIA PARK, AND 8) SEA AIR PARK
11	Project Name	ADMINISTRATION
	Target Area	NA
	Goals Supported	Effective Administration

	Needs Addressed	New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure
	Funding Estimate	CDBG: \$523,148 HOME: \$86,483
	Description	ADMINISTRATION AND PLANNING COSTS SUBJECT TO CAPS FOR EACH FUNDING SOURCE; CDBG (20% of Estimated Allocation & PI) AND HOME (10% of Estimated Allocation & PI)
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	ADMINISTRATION AND PLANNING ACTIVITIES WILL BENEFIT FAMILIES CITYWIDE. AN ESTIMATED 202,000 PERSONS WILL BENEFIT FROM THIS ACTIVITY OF WHICH OVER 60% ARE LOW- AND MODERATE- INCOME RESIDENTS.
	Location Description	CITYWIDE
	Planned Activities	COORDINATION OF ALL CDBG AND HOME ADMINISTRATION AND PLANNING ACTIVITIES

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Geographic Distribution

Rationale for the priorities for allocating investments geographically

The need for affordable housing (funded from CDBG and HOME) is present throughout the City. CDBG funds for public improvements are based on LMI persons within LMA Neighborhoods. Economic development is allocated based on the percentage of LMI persons jobs created on a citywide basis. Regarding the Public Services category of the CDBG funds, the proposed projects will focus on the basic needs of the residents such as health care, essential and supportive services, as well as housing services. The special population such as seniors, homeless and youth will continue to receive their funding for the healthcare needs, education needs, shelter support and recreational needs.

HESG allocations are based on the limited clientele are distributed citywide.

HOME funds are distributed based on the income eligibility of the clients and citywide basis. The Homeownership program as well as the Housing Rehabilitation program: homeowners will improve the beautiful appearance of the home and the safety of the neighborhood.

Discussion

As always, the City of Oxnard will continue to look for available public and private resources and creative ways to fund the needy programs.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Lower-income households continue to pay a high percentage of their income for housing, compared to other income groups. A large percentage of lower-income renters tend to experience overcrowding and inadequate housing conditions as housing problems. In order to help provide decent and affordable housing, and improve the social and economic status for LMI households in Oxnard, the following programs will be available during the next program year:

1. Homeownership Assistance Programs
2. Rehabilitation of Single-Family and Mobile home Housing Units
3. Construction of new affordable dwelling units

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	22
Special-Needs	0
Total	22

Table 8 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	5
Rehab of Existing Units	7
Acquisition of Existing Units	10
Total	22

Table 9 - One Year Goals for Affordable Housing by Support Type

Discussion

City of Oxnard's Affordable Housing Division (AHRD) offers CDBG grants funds for rehabilitation of owner-occupied single family housing and mobile homes for local residents. Ventura County Development Corporation (VCCDC) will utilize CDBG grant funds for Oxnard residents to provide a down-payment assistance program. AHRD will also continue to provide financial assistance to Community Housing Development Organizations (CHDO) and affordable housing developers to develop affordable housing units throughout the City subject to available funding and as permitted by the funding

source. Loan information is provided to interested residents at homeownership fairs, workshops, and on the City of Oxnard's Housing Department website.

AP-60 Public Housing – 91.220(h)

Introduction

Oxnard Housing Authority (OHA) currently administers 520 public housing units, 1,890 Section 8 rental assistance vouchers, which includes 77 VASH vouchers, 40 Mainstream vouchers, 10 Family Unification vouchers, 46 Emergency Housing vouchers, and provides support services through its Resident Services program and Family Self-Sufficiency (FSS) program. The needs of public housing residents are supported with a Resident Services program which offers a variety of services to families and youth on-site. The FSS program supports and promotes public housing and Section 8 families with homeownership opportunities and economic self-sufficiency. The FSS Program provides one-on-one counseling and individual assistance to families that participate in this program. Marking flyers for the residential rehabilitation program and the home buyer program are also available in the City's Housing Department lobby.

Actions planned during the next year to address the needs to public housing

Modernization projects for the public housing units, where most needed, are funded through its Capital Fund program. Each year, in its Annual Plan and Statement, the Capital Fund Program re-prioritizes those projects identified in the 5 year plan.

For Fiscal year 2022/23, the following capital improvement projects for public housing units are planned:

- OHA Wide Improvements related to Pre-HUD REAC Inspections \$190,000
- OHA Wide Electrical improvements \$450,000
- Cal 31-3 Colonia Village Landscaping improvements \$100,000

Total Planned projects for 2023 \$ 740,000

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Homeownership opportunities are promoted by offering public housing families homeownership counseling services by Ventura County Community Development Corporation (VCCDC). In addition, families are informed of these services through its Family Self-Sufficiency Program and distribution of flyers to all households.

Public housing residents are encouraged to participate in public housing tenant associations that

advocate on behalf of tenants to support efforts to improve public housing stock and living conditions.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not Applicable

Discussion

In order to respond to the increasing need for affordable housing units within the community, OHA and the Housing Department will continue to seek new resources of financing new housing development projects and partnering with developers, owners, and CHDO's.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Jurisdictions that receive federal funds for homeless assistance are typically required to conduct a Point In Time Count (PIT) of homeless persons each year. Due to the COVID-19 pandemic and a surge during the month of January, Ventura County requested and was granted an extension to complete the count in February. The PIT count was completed on February 23 2022, the City of Oxnard participated as a city lead in participation with the Police Department's Homeless Liaison Unit. At the time of writing, the data has not yet been compiled. We are anticipating results over the coming weeks.

The "Ventura County 2020 Homeless Count and Subpopulation Survey: Final Report", published in April 2020. The report is at the following website: <https://s33020.pcdn.co/wp-content/uploads/2020/04/2020-VC-Homeless-Count-Report-Final.pdf>

In summary, the PIT count is a snapshot of homeless people who could be enumerated on one specific day. The 2020 PIT counted a total of 379 unsheltered homeless persons in Oxnard. This the most current information.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Oxnard continued the operation of a year round homeless shelter and navigation center located on K Street in Oxnard. The City of Oxnard contracted Mercy House to operate the navigation center. The navigation center will continue its operation for the next twelve-month period and beyond. The City responded to the COVID-19 pandemic by expanding shelter space to a second location across the street from the main site on K street. Following a COVID-19 outbreak, the shelter reduced capacity to 80 following guidance from Public Health. Oxnard has launched an effort to develop a new construction mixed-use development that will include a new and replacement navigation center and 110-bed homeless shelter plus other support services and fifty-six units of permanent supportive housing. We expect that this new project will be in operation within 1.5 to 2 years and will continue operating the shelter at the K street location until that time.

The City continued working with the Salvation Army to provide street outreach services that includes practical assistance, housing navigation, employment assistance, health navigation and crisis intervention with the ultimate goal of transitioning chronically-homeless individuals towards stable housing. The Street Outreach Team coordinates with Mercy House and the Oxnard Navigation Center as well as the Homeless Liaison Officers with the Oxnard Police Department.

This year, we partnered with Ventura County Health Care Agency to enact an encampment response program. The program consists of a street outreach team along with non-congregate emergency shelter by using motel rooms. This project involves proactive engagement with people living in encampments throughout the city, and relocation assistance to emergency shelter where clients are connected with a case manager to work towards a housing plan.

Addressing the emergency shelter and transitional housing needs of homeless persons

The emergency shelter and transitional housing needs of homeless persons are currently being addressed by several service providers throughout Ventura County. The emergency shelter needs in the area are met by the following providers: Mercy Housing in operation of the Oxnard Navigation Center, Ventura County Rescue Mission - single men over the age of 18 with rotating stay schedule, 10 nights in/5 nights out; Kingdom Center - emergency shelter for single women and women with children; Lighthouse Mission for Women and Children - single women and women with children; and Turning Point Foundation - mentally ill individuals.

Transitional housing needs are currently being met by the following providers: Kingdom Center - single women and women with children; Khepera House - single men; Many Mansions - transition aged youth, single women and women with children; Turning Point Foundation - single mentally ill persons; Salvation Army - families, single parents and single persons; VC-HSA - families, single parents and children, and single persons; Project Understanding - families and single parent households.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

There are many providers that are working diligently to assist homeless persons from not only finding housing, but also to prevent further incidents of homelessness. The Oxnard Housing Authority has the use of Homeless Set Aside vouchers in issuance of Housing Choice Vouchers and is actively offering permanent housing opportunities. Specific vouchers that the Oxnard Housing Authority uses to address homelessness are Homeless Set Aside Vouchers, Mainstream housing vouchers that are prioritized for non-elderly adults with disabilities who are currently homeless or leaving an institution, and Emergency Housing Vouchers through the American Rescue Plan Act.

The Ventura County Human Services Agency utilizes both County General Funds and the City's Emergency Solutions Grant to provide eviction prevention and rapid re-housing services to all of these populations; they will continue to do this in the forthcoming operating year. Additionally, Ventura County Veterans Services, Homeless Health Care and Ventura County Behavioral Health all work closely

with the service providers to provide other supportive services to assist in reducing the incidence of homelessness as they have also done in the recent past.

OHA works in conjunction with the Veteran Administration to administer 77 housing vouchers for homeless veterans under the VASH program. This program targets chronically homeless veterans.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The CoC has documented discharge policies of all of the above mentioned services that spell out various directions to ensure persons are not discharged into homelessness. Additionally, as stated earlier, HSA works with qualifying low-income persons and families to avoid homelessness. This is done with the utilization of HESG and Ventura County allocated general fund dollars. Under the CoC discharge policy, in fulfilling the State Mandated Policy (state law related to the discharge protocol), the following are found:

1. Health Care Facilities: the County health care system describes the discharge policy as interdisciplinary responsibility. For the persons who require ongoing medical and nursing care and who have no identifiable address they may be discharged to a respite program at the RAIN project, a County operated transitional housing project. Others, upon discharge routinely go to group homes, board and care facilities, or reunite with families and friends.
2. Mental Health Facilities: the Ventura County Medical Center Psychiatric Inpatient Unit with the collaboration of Ventura County Behavioral Health and various community agencies provide discharge planning and placement assistance to patients, when leaving the mental health facilities.
3. Foster care and other youth facilities: the goal is to provide assisted services to eligible youth and young adults between the ages of 16 and 21 in making a successful transition from foster care to independent living and achieve self-sufficiency. In addition to the County Children and Family Services, a Transitional Age Youth (TAY) center, operated by Pacific Clinic is also available.
4. Corrections programs and institutions: upon release, inmates are able to obtain housing in transitional and permanent housing programs, group homes, and sober living homes as well as with family and friends.

Discussion

The CoC has incorporated each of the following goals of Opening Doors into its 20-year plan to end

homelessness:

1. Ending chronic homelessness through targeted street outreach (CDBG-Community Action-One Stop Shelter, CoC-Oxnard Homeless Outreach Program, VCHSA-Rapid Re-housing, HESG-Winter Warming Shelter), discharge planning and implementation of a housing first approach.
2. Preventing and ending homelessness among veterans by providing permanent supportive housing beds, in addition to Section 8 HUD VASH vouchers.
3. Preventing and ending homelessness for families, youth, and children by 2020 through rapid rehousing program and homeless prevention activities. The CoC set a path to ending all types of homelessness in its 10-year plan by implementing a coordinated assessment system-Pathways to Home. As a result, the number of chronic homeless, veterans, families, and youth continue to demonstrate positive results.

All of the above objectives are still in progress and will be folded into a regional plan and strategy lead by the County of Ventura.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Environmental review, general planning, zoning, and related local land use regulations and development standards are all extensions of local government police powers to protect life and property, minimize nuisances, and achieve a desired quality of life as expressed through a participatory democratic process. Certain barriers to affordability are imposed by the mandates created by State Law (such as preparing and adopting a General Plan and conducting environmental reviews), are adopted for safety or civil rights reasons (such as the imposition of seismic construction standards in quake-prone areas, or requiring compliance with accessibility or visibility design standards), or enacted to remedy or prevent a specific local issue (such as requiring landscaping to deter graffiti). The term “barrier” should not be interpreted in the context that local development standards and development review procedures are inhibiting the provision of quality affordable housing that would otherwise be developed, but are the cumulative effect of the development requirements imposed by the layers of government regulations and laws that impact residential development.

Discussion:

The City strives to consistently implement all policies and procedures, to review local development standards and development review procedures in such a way as to avoid and ensure that such do not have unintended negative consequences, and to improve policies and procedures so as to increase the opportunities and feasibility of developing affordable housing, especially for special needs and very low- and low-income units). The City will continue to engage in these efforts to identify and minimize any barriers over which the City has legal authority, in accordance with applicable law.

AP-85 Other Actions – 91.220(k)

Introduction:

The City will implement the goals and strategies of the Consolidated Plan to achieve the other actions listed in the next section.

Actions planned to address obstacles to meeting underserved needs

The City will continue to utilize available resources to fund administrative support activities to meet the underserved needs in the community. The City will continue to work with the appropriate state agencies to administer the assets of the former redevelopment agency in the appropriate manner, and to the benefit of the LMI community whenever possible and feasible. Limited availability of funding from federal, state and other sources;

High cost of housing and provisions in the area which increases the difficulty of meeting affordable housing needs;

Reduced or frozen funding from state and other sources due to inadequate state revenue; the housing and credit crisis causing a negative effect;

A tight job market has produced an increased demand for production of new housing which is not being met, increasing home prices. Salaries are not commensurate with the high cost of housing in this market. These two factors combine to exacerbate the affordability crisis; and,

Credit crisis has limited the availability of capital to develop housing for low-and moderate-income households and special needs groups. City staff will address the challenges of existing and new obstacles in PY 2022 by focusing on the following programmatic and administrative areas: Staff will continue to research the availability of future funding resources that leverage the development of affordable housing units, inclusive of grants, bond financing, Section 108 funding and partnering with other affordable housing developers. CDBG and other funds will be used to fund administrative support for programs that serve the needs of LMI citizens citywide. This is especially critical now that no redevelopment agency funding is available, given that redevelopment agencies no longer exist in California. Staff will continue to collaborate with private-sector partners when appropriate in the development and construction of affordable housing. Staff will continue to collaboratively work with the service provider community, non-profit organizations, and neighboring cities and local governmental agencies within the County of Ventura to identify projects that also meet federal community development program eligibility and which can comply with timely draw-down requirements.

Actions planned to foster and maintain affordable housing

Actions planned to reduce lead-based paint hazards

Any rehabilitation activities on housing units constructed prior to 1978 will have lead hazards identified

and actions taken to remove the hazard. The City's Affordable Housing Division does not own or manage any housing units. All units for which HOME and CDBG assistance is provided for homebuyer assistance or homeowner rehabilitation are administered in compliance with HUD's HOME or CDBG regulations for lead-based paint, as applicable. With respect to units owned or assisted by the Oxnard Housing Authority, there have been no cases of Public Housing tenants and/or Section 8 participant households reporting or having been discovered to have poisoned children or any child with "Elevated Blood Lead Level". OHA staff provides a brochure related to lead based paint hazards to all new tenants and program participants. Maintenance staff attends training and seminars to stay current with the State of California Lead Awareness Training requirements.

Actions planned to reduce the number of poverty-level families

Eliminating poverty is a clear concern in Oxnard and Ventura County in general. Efforts are constantly underway to improve the quality of life and economic well-being of the residents through collaborative efforts of the following agencies and their programs to provide needed skills for individuals seeking jobs and thereby getting them out of poverty:

- City Corp
- Oxnard Housing Authority
- County of Ventura-Human Services Agency
- City's youth programs such Police Activities League programs, Colonia Gymnasium and Southwinds Youth Center programs

Actions planned to develop institutional structure

Extensive public and private partnerships have been established and organized to address the City's housing, homeless, and community development needs: Entitlement Grants workshops and training, Affordable Housing workshops for homeowners, Relocation meetings for residents, Fair Housing training and other scheduled meetings (such as Pre-construction meetings, Commission on Homelessness meetings, and meetings with County Continuum of Care Council, Housing Committee meetings).

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to collaborate with public and private housing and social service agencies to meet the goals and objectives of the Consolidated Plan. This could be from ongoing meetings, special meetings and task force.

Discussion:

The City anticipates new inclusionary affordable housing to be developed within several proposed specific plans and other new projects, including the Central Terrace Apartments, which will include 9

City inclusionary units as well as 77 other 100% affordable units. The 2nd and B project (Homeless Solutions Center) will provide 6 City inclusionary units as well as 49 other 100% affordable units. Based on a thorough review, the City does not believe that the current inclusionary housing program is a constraint to the development of housing in addition to the incentives and concessions currently being offered and conversations with local developers who have been able to work within the requirement of the inclusionary housing program and produce housing. To further ensure the program does not pose a constraint, the City has included a monitoring process.

Other actions that the City of Oxnard will continue to improve compliance assessment for all its HUD funded programs and projects by 1) monitoring program and financial performance; 2) compliance with Environmental review: each project is reviewed for compliance with the National Environmental Protection Act. The City will utilize a consulting agreement to assist and perform the environmental reviews for housing developments and facility improvement projects, more complicated, and time consuming projects; 3) Labor Compliance Act: the City reviews and perform the contract administration of all CDBG-funded construction projects; 4) Section 3 Compliance: this function is also performed by the City; 5) Procurement and Purchasing: The City has its own procurement and purchasing policies managed by staff in the Finance Department; 6) Partnerships with Citizen Advisory Groups: Inter-Neighborhood Council Forum, Commission on Homelessness, Parks and Recreation and Community Services Commission, Mobilehome Park Rent Review Board, and Senior Services Commission.

Continued Actions planned to foster and maintain affordable housing:

The affordable housing additive zones, adopted on October 19, 2021 via Ordinance 2999, are zoning designations that provide opportunities for the development of affordable residential housing to help the City reach its regional housing needs allocation (RHNA).

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Other forms of local investments for housing that may be available to projects include financing

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from the City's in-lieu fees, CDBG, and Permanent Local Housing Allocation (PLHA) funding. Additionally, the City also provides homebuyer assistance through the use of program income received from BEGIN and CALHOME State funded grant programs.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Refer to Questions # 3 for Resale Provisions & procedures.

Recapture:

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Refer to Question #2 for Recapture provisions and procedures.

Resale

Provisions

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City currently does not have any plans to invest HOME funds in this type of activity.

Emergency Solutions Grant (ESG) Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

The City does not provide any direct assistance under the HESG program. All written standards vary by service providers and assistance type. However, all providers must ensure recipients meet the minimum qualifications established by HUD for each eligible funded activity. HESG Policies and Handbook is in the process of updating and will be provided to all HESG subrecipients when finalized.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Regional Ventura County Continuum of Care Alliance has established centralized or coordinated assessment system, Pathways to Home, that provides coordination intake as well as systems to avoid duplication of effort and redundancies.

Pathways to Home is centralized to provide identical information and system-wide tracking through HMIS, of all homeless individuals who seek and /or receive assistance at any one of the various service providers, or through the County directly.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The process for making all sub-awards for HESG recipients are as follows:

- a. The City formally posts the Notice of Available Funds (NOFA) in the regional newspaper, on the City's website, and emails and paper mail are sent to all existing and potential service providers from Ventura to Los Angeles.
 - b. All interested agencies attend information workshop/application training on the process, which includes all deadline dates and times.
 - c. Interested agencies then submit their application, project overview and qualifications
 - d. The funding recommendations are adjusted to meet the available resources and cap requirements; reviewed by management and then submitted to the City Council for approval.
 - e. All applicants are contacted and urged to attend the City Council meeting in which the items fall on the agenda. All supporting comments and grievances are done at this time.
 - f. The Mayor and City Council directs the City Manager and staff to move forward with final processing.
 - g. Staff prepare all contracts for execution. Additionally, all internal processes are completed in order to encumber funds to each individual agency.
 - h. Contracts are completed and services can begin on July 1.
 - i. All HESG contracts are awarded for two years
4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City meets the homeless participation requirement by having a homeless and formerly homeless person serve on the City's Commission on Homelessness. In addition, each entity receiving city HESG funding is also asked to provide information as to how they involve the homeless.

5. Describe performance standards for evaluating ESG.

PERFORMANCE MEASURES

Performance measures are in place to ensure the efficient administration of all HESG funded activities. Additionally, along with the utilization of the HMIS, these measures will hopefully help to reduce the length of time of family and individuals remain homelessness, reduce the overall incidence of homelessness, and monitor the overall use of emergency shelters. Some of the activity

measures are as follows:

- **Emergency Shelters:** Excluding winter shelters, must be able to document placement of a minimum of 10 percent of the homeless persons or households served in the Program Year into transitional or permanent housing.
- **Transitional Housing:** must be able to document placement of a minimum of 50 percent of the households who completed the transitional housing program in the Program Year into permanent housing. "Household" is defined as all clients including single individuals and families.
- **Rapid Re-housing:** must show continued housing of clients receiving assistance for at least three months after receiving assistance. This should be done via case management of clients, documentation and HMIS entry and exit dates.
- **Eviction Prevention:** must show continued housing of clients receiving assistance for at least three months. This should be done via case management of clients, documentation and HMIS entry and exit dates.
- **All clients,** with the exception of victims of domestic violence, must be entered into the Regional HMIS within 15 days of receiving service(s), and must be exited from the system within 30 day of program completion or termination.
- **MINIMUM STANDARDS:** Sub-grantees are expected to have taken steps to meet the Minimum Standards for Homeless Programs within thirty days of executing the Program Year contract.
- **BUILDING AND HABITABILITY STANDARDS:** Any building for which HESG funding is used for renovation, major rehabilitation or conversion must meet local government safety and sanitation standards. In addition, the Sub-Grantee must meet a number of basic standards to ensure that shelter and housing facilities funded through the HESG program are safe, sanitary and adequately maintained.
- **MONITORING:** City staff will monitor the use of grant funds through a combination of a thorough review of submitted reports, review of audit or financial statements, and monitoring and site visits. The City will continue to develop and implement eligible activities using the grant funds and through the monitoring and review processes and techniques in order to comply with the federal specific requirements.

Homeless Assistance Division continues to fund all the activities prescribed in the HEARTH act. With the sub-recipients cooperation, the City's HESG will continue to provide substantial additional leverage funds to invest in the various programs in order to assist the homeless population toward the goal of reduction and ending homelessness. Also, HESG limits the cost categories for administration and planning to 7.5% or \$16,466 and 60% for street outreach and emergency shelter \$131,730; total \$148,196 for those cost categories. The remaining balance, a total of \$71,355 or 32.5% towards rapid re-housing support.

**2021 Annual Action Plan
2020 Annual Action Plan
Budget Reallocation**

Program	Activity (Award Amount)	Updated Activity	Proposed Amount	Reason for Reallocation
HESG 2021	Street Outreach (\$ 101,730) The Oxnard Housing Department, Homeless Services Division	The Salvation Army (Street Outreach)	\$ 101,730.00	Move Street Outreach Funds to The Salvation Army
		Total Reallocation HESG:	\$ 101,730.00	
HESG 2020	Case Management Homeless Prevention and Rapid Re-Housing (\$ 71,853) The Oxnard Housing Department, Homeless Services Division	Mercy House (Rapid Rehousing)	\$ 71,853.00	Changing Homeless Prevention and Rapid Re-Housing activity to Rapid Rehousing activity and Funding for Mercy House
		Subtotal:	\$ 71,853.00	
	Street Outreach (\$ 52,649) The Oxnard Housing Department, Homeless Services Division	Turning Point Foundation (Emergency Shelter)	\$ 52,649.00	Changing Street Outreach activity to Emergency Shelter activity and Funding for Turning Point Foundation
		Subtotal:	\$ 52,649.00	
		Total Reallocation HESG:	\$ 124,502.00	

City of Oxnard

2021 Annual Action Plan 2nd Amendment

DRAFT

May 2022

Prepared by:

City of Oxnard – Housing Department – Grants Management

435 South D Street, Oxnard, California, 93030



Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

SECOND ACTION PLAN AMENDMENT UPDATE – City of Oxnard amendment to update project to the HEARTH Emergency Solutions Grant (HESG) to the second year 2021 Annual Action Plan in the 2020-2024 Ventura County Regional Consolidated Plan, per City of Oxnard Council Action on June 15, 2021. This is a substantial amendment and requires the second amendment to this document. The amendment is exclusively for the HESG funds as changes to a specific project have been identified in the AP-38 of this report.

1. Introduction

The City of Oxnard is within Ventura County, California, located northwest of Los Angeles and southwest of Santa Barbara. Oxnard is the largest city in the county with the population of 208,881, according to the United States Census Bureau population estimates in 2019. The regulations of the United States Department of Housing and Urban Development (HUD) require that an Annual Action Plan (AAP) be submitted for each plan year within an agency's Consolidated Plan.

The City of Oxnard (City) joined the Ventura County Regional Consolidated Plan (Regional ConPlan) is a five year plan document covering five plan years from 2020-2024. The Ventura County Regional Consolidated Plan is a collaborative document between all incorporated cities and the unincorporated areas of Ventura County, California. Collaborating in the development of the Regional Consolidated Plan are the Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, Santa Paula, San Buenaventura (City of Ventura), Simi Valley, and Thousand Oaks. The Regional ConPlan document is to comply with the HUD requirement to submit the City of Oxnard's Annual Action Plan for plan year 2021.

In the Regional ConPlan, the priorities that need to be addressed for community development and housing needs of the City of Oxnard are identified. The AAP's annually identify the resources available to address those needs identified in the Regional ConPlan, describe the activities that will be undertaken designed to meet the annual goals and objectives that relate to the identified needs as determined in the Regional ConPlan, describe the geographic areas targeted for assistance, include the Citizen Participation Plan, and set the basis for performance monitoring whereby results are measured as goals accomplished and outcome indicators.

Goals and objectives of the community needs identified in the Regional ConPlan will be accomplished by activities specified by the City's AAPs. With the 2021 AAP, the City will implement activities that continue to strive to derive positive outcomes that were set forth as goals for the Regional ConPlan period, Plan Year 2021. The current AAP will cover the period of July 1, 2021 to June 30, 2022 (plan year 2021). Herein are described the expected federal, state and local resources, the priorities and specific objectives the City desires to achieve, and the activities that will be undertaken throughout the 2021 plan year.

In recent years, the City's allocation of entitlement grant funds from HUD has either increased or remained

relatively unchanged but this year's allocation slightly decreased. The Plan year 2021 allocations are; Community Development Block Grant (CDBG) \$2,515,741 a decrease of 2.3%, HOME Investment Partnerships (HOME), \$764,831 a decrease of 1.4% and Hearth Emergency Solutions Grant (HESG), \$219,551 a decrease of 0.7%. Total HUD entitlement grant funds decreased by 4.4%, to \$3,500,123.

The City's goals, as identified in the Regional ConPlan, can be found throughout this AAP, and are designed to principally serve extremely-low, low-, and moderate-income residents by addressing the following:

- Improve the Supply of Affordable Housing
- Enhance Economic Stability
- Increase Social Services
- Work to End Homelessness
- Create Quality Neighborhoods
- Effective Administration

The AAP describes the resources expected to be available in the coming program year from federal, state, local and private sources, and also includes a description of the activities that will be undertaken to meet the specific objectives.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The City is being guided by HUD's Office of Community Planning Development Outcome Performance Measurement System to address the high priority needs stated in its Regional ConPlan. When funding an activity, the City determines which of three HUD objectives best describes the purpose of the activity. The three objectives are:

- Suitable Living Environment (SL) - In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- Decent Housing (DH) - The activities that typically would be found under this objective are designed to cover the wide range of housing programs possible under HOME, CDBG or HESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.

- Creating Economic Opportunities (EO) - This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The City combines the information reported to HUD in the FY 2019-20 Consolidated Annual Performance and Evaluation Report (CAPER) and the directives from HUD in the determination and recommendation of the FY 2021-22 AAP proposed projects.

The three major program areas underlining CDBG, HESG and HOME entitlement grants, such as (1) Decent and Affordable Housing, (2) Suitable Living Environment, and (3) Economic Opportunities, coupled with the Continuum of Care (CoC) of Homelessness have received a high priority in the 2020-24 Regional ConPlan. The goals and accomplishments for Plan year 2021 are summarized in the attached table.

The FY 2021-22 AAP is the second year of implementing the Regional ConPlan. Accomplishments achieved during the program year (PY) 2019 (July 1, 2019 through June 30, 2020) were evaluated in detail in the PY 2019 CAPER. The CAPER was completed and submitted to HUD on December 26, 2020. Due to the Public Health Order response to COVID-19, the annual goals were difficult to meet at the end of the 3rd Quarter and 4th Quarter in FY 2019-20. Stay at Home orders were issued and activities were reduced significantly or halted in order to meet the health and safety of recipients. Therefore, subrecipient were unable to meet their performance goals in FY 2019-20.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

SECOND ACTION PLAN AMENDMENT UPDATE- For purposes of the Action Plan Amendment, the public hearing is scheduled on May 17, 2022 during the full Council meeting and prior to the council meeting a Committee meeting is scheduled on April 26, 2022. A 30-day public comment period was conducted between April 15, 2022 and May 17, 2022. Comments are pending during the comment period.

FIRST ACTION PLAN AMENDMENT UPDATE – For purposes of the Action Plan Amendment, there were two public hearings scheduled: the first on March 22, 2022 during the Committee Hearing, and the second on April 5, 2022 during the full Council meeting. A 30-day public comment period was conducted between March 4, 2022 and April 5, 2022. Comments are pending during the comment period.

As part of the AAP development, the City staff scheduled two public hearings: (1) March 1, 2021 and (2) June 15, 2021:

The Administrative Public Hearing-March 1, 2021 provided the opportunity for the public to comment on unmet needs for FY 2021-22 AAP. As part of the development process of the AAP, City Staff developed a mailing list of more than 65 addresses consisting of organizations, the faith community, service providers; and cities within Ventura County were provided a copy of the public hearing in English and Spanish. The administrative public hearing notices in English and Spanish were included in the Neighborhood News packets which were distributed weekly for a month prior to the public meeting to approximately 230 Oxnard residents. The public hearing notice was published in the Ventura County Star newspaper in English and was published in the Vida newspaper in Spanish, posted on the City website and broadcasted on the public viewing TV Channels 10/35. The public comment period started January 28, 2021 and ended on March 1, 2021. During the public comment period there were no written public comments submitted and one (1) verbal public comment was received during the public hearing.

Pursuant to the Ventura County Public Health Official's order and Governor's Executive Order N-33-20, all city buildings are temporarily closed to the public. Pursuant to the Governor's Executive Order N-29-20, meetings may be conducted via video conference and/or teleconference. The Administrative Public hearing was held via video conference/teleconference. City Council Chamber, 305 West Third Street, Oxnard, California was closed to the public.

Oxnard residents were encouraged to participate remotely by accessing a meeting link posted on the City's Housing Department website at oxnard.org/city-department/housing/grants-management/. Oxnard residents were encouraged to submit comments via email before 3 p.m. to grantsmanagement@oxnard.org and the comments will be provided during the meeting.

Second public hearing –June 15, 2021 is scheduled (1) to provide the opportunity to the public to comment on the projects recommended for funding for FY 2021-22 AAP; and (2) to receive recommendations and direction from the City Council regarding the FY 2021-22 AAP grant funding. As part of the development process of the AAP, City Staff developed a mailing list of more than 65 addresses consisting of organizations, the faith community, service providers; and cities within Ventura County will be provided a copy of the public hearing in English and Spanish. The public hearing notices in English and Spanish were included in the Neighborhood News packets which were distributed weekly for a month prior to the public meeting to approximately 230 Oxnard residents. The public hearing notice was published in the Vida newspaper in English and Spanish, posted on the City website and broadcasted on the public viewing TV Channels 10/35. The public comment period started May 13, 2021 and end on June 15, 2021. During the public comment period there was one (1) written public comment submitted and no verbal public comment was received during the public hearing.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

SECOND ACTION PLAN AMENDMENT UPDATE – All comments will be accepted, however, currently this information is pending throughout the 30-day public comment period.

FIRST ACTION PLAN AMENDMENT UPDATE – All comments will be accepted, however, currently this information is pending throughout the 30-day public comment period.

First Administrative Public Hearing: March 1, 2021. During the first Public Hearing, there was (1) one verbal comment submitted. In addition, no written comments were submitted during the public comment period. The comment was that help is needed for people being unjustly evicted from their rental properties and need location to have access and help to the internet.

Second Public Hearing: June 15, 2021

During the second Public Hearing, there was (1) one written comment submitted during the public comment period. In addition, no verbal comments were submitted. The comments were requesting that the City Council consider to eliminate CDBG funding recommendation for Code Enforcement funding of \$285,000 and Fair Housing program of \$94,980. Written comment stated objection to funding CDBG funds for Code Enforcement and City should fund with the City budget. Also, requested Code Compliance reports. Written comment stated jurisdictions in the county and Ventura County should pool CDBG resources to formulate and execute a proactive fair housing program in Ventura County

6. Summary of comments or views not accepted and the reasons for not accepting them

SECOND ACTION PLAN AMENDMENT UPDATE – Comments pending during the 30-day public comment period. Final amendment will provide an update, however, all comments will be accepted for the record.

FIRST ACTION PLAN AMENDMENT UPDATE – Comments pending during the 30-day public comment period. Final amendment will provide an update, however, all comments will be accepted for the record.

During the first Public Hearing, all comments were accepted.

During the second Public Hearing, all comments were accepted.

7. Summary

SECOND ACTION PLAN AMENDMENT UPDATE – Comments pending

FIRST ACTION PLAN AMENDMENT UPDATE – COMMENTS PENDING

The City is committed to provide funds that serve the most disadvantaged residents while following HUD's directives. The City increased awareness of the Annual Action Plan's public review activities and process by providing the public notice in various ways.

The City sent notices of the public hearing to more than 65 addresses consisting of organizations, the faith community, service providers and cities within Ventura County. The public hearing notices in English and Spanish were included in the Neighborhood News packets which were distributed weekly prior to the Hearing to approximately 230 Oxnard residents and broadcasted on the public viewing TV channel 10/35.

The Public Hearings are in compliance with the Americans with Disabilities Act. If the public requires special assistance to participate in a meeting, the individual would contact the City Clerk's Office. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for persons accessibility to the meeting. This notation is included on all city Agenda's.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	OXNARD	
CDBG Administrator	OXNARD	Housing Department
HOPWA Administrator		
HOME Administrator	OXNARD	Housing Department
ESG Administrator	OXNARD	Housing Department
HOPWA-C Administrator		

Table 1 – Responsible Agencies

Narrative (optional)

The City of Oxnard has designated the Housing Department's Grants Management Division to develop the Annual Action Plan, the Comprehensive Annual Performance and Evaluation Report, and the Regional Consolidated Plan. The Housing Department's Grant Management Division will also act as grants management of several public and private agencies that will implement and administer programs and activities under the Plan.

Consolidated Plan Public Contact Information

City of Oxnard
Housing Department
435 South D Street Oxnard CA 93030
Phone: (805) 385-8096
E-mail: emilio.ramirez@oxnard.org

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

Federal regulations require that a participating jurisdiction consult extensively with community service providers, other jurisdictions and other entities with a potential interest in or knowledge of that jurisdiction's housing and non-housing community development issues. Staff have developed and followed a detailed schedule which provides for and encourages citizen participation emphasizing the participation of persons of low- and moderate-income.

The regional consolidated plan and the annual action plan represent a comprehensive planning effort mainly led by Housing Department-Grants Management Division staff, with involvement of (1) local government experts; (2) the social service community; (3) residents; and, (4) consultation with other local HUD entitlement communities. The following items are examples of the consultations efforts:

- Grants Management Division staff work closely with other City staff members such as: Affordable Housing and Rehabilitation; Homeless Assistance Program; Development Services; Utilities; Treasury; Oxnard Housing Authority; Community Development Services; Code Compliance; Geographical Information System; Recreation and Community Services; and Finance to ensure that careful consideration is given to the City's identified needs, and that programs and services are cost-effective and meet specific goals and objectives in order to develop and implement the Regional ConPlan and the AAP.
- City staff members in the Department and/or Divisions; Affordable Housing and Rehabilitation, Homeless Assistance Program, Development Services, Utilities, Treasury, Oxnard Housing Authority, Community Development Services, Code Compliance, Geographical Information System, Recreation and Community Services and Finance provide supportive services as needed to accomplish ConPlan development efforts.
- Housing staff during the fiscal year cycle continue to provide HUD program workshops to social service agencies and the opportunities for the residents to participate in the public hearings.
- The Housing staff finalized the City of Oxnard Analysis of Impediments to Fair Housing (AI), which is required by HUD to be submitted once every five years. In January of 2019, the City and the County of Ventura agreed to collaborate on the production of the AI, which was completed and adopted by the Oxnard City Council in May of 2020.

The City engaged Magellan Advisors in its development of a fiber master plan, and the City is also considering a broader discussion regarding broadband. The goal is to provide improved connectivity to underserved communities while also identifying opportunities for economic development. Oxnard is also collaborating with neighboring cities and the County of Ventura to improve connectivity within the region.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The City consulted with the agencies/organizations while preparing the AAP, through public hearings, workshops, forum meetings, and training sessions (individuals and group discussions):

- The City of Oxnard City Council conducted two (2) public hearings, on 3/1/2021 and 6/15/2021, as prescribed in the Citizen Participation Plan.
- A community Fair Housing workshop, free to the public, was conducted by the Housing Rights Center in May of 2020, and a second Oxnard-specific seminar is scheduled for May of 2021. The HRC also provided fair housing training for Oxnard Housing Authority staff in December of 2020 and January of 2021.
- Frequent consultations with representatives of Oxnard's three certified CHDOs (Cabrillo Economic Development Corporation, Habitat for Humanity, and Many Mansions) were held throughout the year;
- Attended the regional Continuum of Care (CoC) meetings to discuss the application, homeless needs and program directions and strategies;
- Participated in an intensive workshop with the Ventura County CoC on COVID Coordinated Response Investment Planning.
- The City of Oxnard Commission on Homelessness conducted 6 meetings in 2020-21, and plans to conduct one more prior to June 30, 2021.
- The City of Oxnard has executed an agreement with Mercy House for the full time operation of the Oxnard Navigation Center, which is a 110-bed overnight shelter;
- The City of Oxnard has executed an agreement with Mercy House for the operation of a Street Outreach team to provide outreach and case management services to the unsheltered population.
- Facilitated monthly meetings bringing together service providers and the Police Department's Homeless Liaison Unit to coordinate services and planning.
- Coordinated with Ventura County to plan response and provide services to a large homeless encampment.
- Due to the COVID-19 pandemic, the Point-in-Time count of the unsheltered population did not take place. City staff participated in the discussions around that decision. The City regularly contributes information on the sheltered homeless persons count by sharing numbers of guests served by the emergency shelter.
- Requested representation for the Grants Application Review Panel from Inter Neighborhood Council Organization executive board members and Neighborhood Council chairpersons.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Ventura County Continuum of Care Alliance (CoC) is a regional consortium covering all communities in Ventura County. The CoC is a collaborative group dedicated to promoting a safe, desirable and thriving community by ending homelessness in Ventura County. The CoC is comprised of a Board of Directors and five sub committees (Homeless Management Information System (HMIS) Steering Committee, Data Performance and Evaluation, Public Information and Outreach, Coordinated Intake, and Housing Service and Coordination). Within these standing committees and the CoC body, are representatives from local housing authorities, homeless service providers, homeless health care, mental health, veterans' services,

law enforcement, education, local homeless task forces, business leaders and city/county government representatives.

The coordination of housing assistance and services for homeless persons continues to be implemented through a broad range of public and private funding and service providers that reach: chronically homeless individuals and families with children, veterans, unaccompanied youth, the recently homeless and those at risk of becoming homeless. City staff participate as well on the City's Affordable Housing Team, OHA, the Homeless Committee, which is comprised of the Mayor Pro Tem and another City Council member. Other entities involved in the development of policy and implementation of the provision of services include the City Council-appointed Commission on Homelessness, regional bodies such as the Ventura County Housing and Homeless Coalition, the South Coast Collaborative Regional HMIS implementation committee, the Southern California Regional CoC Collaborative, and the Ventura County CoC Alliance. The City's Housing Department also oversees the Fair Housing Program. An example of how the City directly provides funding and staff support to coordinate housing assistance include such interventions as a City Police Department implemented program that combines a ride along case manager with officers patrolling areas frequented by chronically homeless and recently homeless individuals and families allows for immediate needs assessments and referrals to appropriate agencies.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The CoC's Data Performance and Evaluation Sub Committee is tasked with establishing performance measures and new policies and procedures for all homeless grant funds and activities. The HMIS Steering Committee is tasked with developing the policies and procedures that govern HMIS, which is administered by the County of Ventura.

City staff continue to work with the CoC to develop performance standards for and evaluation of outcomes for ESG-funded projects and activities. Through participation on regional sub-committees staff also continue to inform HMIS policies, procedures, operations and administration.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CITY OF OXNARD
	Agency/Group/Organization Type	PHA Services - Housing Services-homeless Service-Fair Housing Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City of Oxnard Public Housing Authority and the Affordable Housing Division are under the direction of the Housing Director of the City of Oxnard, as is the Grants Management Division. A bi-monthly management meeting was held for all Housing staff, including OHA staff. The topics were comprehensive and specific with detailed instructions on handling the issues which can be related to housing, homelessness and/or community partnership. Because the OHA is a component unit of the City and a Division of the City Housing Department, coordination occurs on a daily basis.
2	Agency/Group/Organization	MERCY HOUSE
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Discussed outreach, case management and homeless services provided by Mercy House to support overnight shelter for the homeless.
3	Agency/Group/Organization	PEOPLES SELF HELP
	Agency/Group/Organization Type	Non-Profit
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	During the current fiscal year People Self-Help Housing submitted a funding application requesting HOME program funding for the development of a 100% affordable housing development, known as Cypress Place at Garden City. The project will consist of two phases. HOME funding is being requested for the first phase, which will include a total of 90 rental units (inclusive of one unrestricted manager's unit).
4	Agency/Group/Organization	Habitat for Humanity of Ventura County
	Agency/Group/Organization Type	Non-Profit CHDO
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Habitat for Humanity completed construction of 6 single family homes for sale to low income families, located at First and Hayes last fiscal year with the use of HOME and In-Lieu funds. During the current fiscal year Habitat for Humanity requested a HOME program funding application for development of a new project. However, Habitat for Humanity has not submitted an application yet.
5	Agency/Group/Organization	Many Mansions
	Agency/Group/Organization Type	Non-Profit CHDO
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Many Mansions received HOME and affordable housing in-lieu funds to construct 5 HOME units and 2 in-lieu units in a 40-unit rental development for low income veterans and families. The development completed construction in August 2019. Many Mansions submitted a funding application for development of an 87 unit development in downtown, known as Central Terrace Apartments. The City anticipates going to Council for consideration of a gap-financing loan towards the development of 8 of 87 units in the development, however, while the City initially considered HOME funds as the funding source, the City will now be requesting to use City in-lieu funds instead. Many Mansions is in the process of obtaining land use approvals for Phase II of their downtown developments, Phase II of their development is known as Aspire Apartments. Many Mansions has expressed interest in submitting an application for HOME funding for this project or the use of other funds, for a gap-financing loan, but they have not yet submitted an application.
6	Agency/Group/Organization	CABRILLO ECONOMIC DEVELOPMENT CORPORATION
	Agency/Group/Organization Type	Non-Profit CHDO
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Cabrillo applied for HOME CHDO development assistance funds to construct 42-rental units for farmworker families, located at the corner of Pleasant Valley Road and Etting Road, Oxnard, CA 93033. The Housing Department has issued a conditional letter of approval to Cabrillo, final commitment of HOME funds will occur after Cabrillo has secured all other funding sources and meet all HOME funding requirements.

7	Agency/Group/Organization	THE KINGDOM CENTER
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Victims of Domestic Violence Services-homeless
	What section of the Plan was addressed by Consultation?	ADA compliance and resource development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Kingdom Center was toured by staff and determined areas of the facility that could be upgraded, enhanced and modified to promote greater access for persons with disabilities. In 2020, architectural plans were completed for the project, and it is anticipated that the construction phase of the project will commence in 2021. The project includes not only ADA improvements and increased accessibility in the exterior of the complex, but also an expansion of bathroom capacity to meet the needs of the client population.
8	Agency/Group/Organization	County of Ventura Human Services Agency
	Agency/Group/Organization Type	Services-homeless Services-Health Other government - County
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Lead-based Paint Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Created and implemented a coordinated plan conducting encampment response at a large homeless encampment. Ventura County provides healthcare services through their Backpack Medicine Project, and the City provides outreach and engagement into shelter and housing services. The City conferred with the Ventura county Public Health Department regarding addresses of housing units wherein children have been identified as lead-poisoned in the City of Oxnard. Prior to implementation of the 2021 Annual Action Plan, the City will receive a list of addresses if such a list exists. Any rehabilitation activities on housing units constructed prior to 1978 will have lead hazards identified and actions taken to remove the hazard. The City's Affordable Housing Division does not own or manage any housing units. All units for which HOME and CDBG assistance is provided for homebuyer assistance or homeowner rehabilitation are administered in compliance with HUD's HOME or CDBG regulations for lead-based paint, as applicable inspections requirements. With respect to units owned or assisted by the Oxnard Housing Authority, there have been no cases of Public Housing tenants and/or Section 8 participant households reporting or having been discovered to have poisoned children or any child with "Environmental Intervention Blood Lead Level"(EBLL). OHA staff provides a brochure related to lead based paint hazards to all new program participants and tenants. Maintenance staff attends training and seminars to stay current with the State of California Lead Awareness Training requirements.
9	Agency/Group/Organization	Housing Rights Center
	Agency/Group/Organization Type	Service-Fair Housing

What section of the Plan was addressed by Consultation?	Fair Housing, Discrimination
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City contracts with a professional fair housing service provider, the Housing Rights Center (HRC), through a regional agreement with the County of Ventura. The HRC provides fair housing counseling, discrimination complaint investigation, complaint processing, and dispute resolutions services for Oxnard tenants, home seekers, and housing providers. In addition, twice every year the HRC staff provides free fair housing training seminars for the public, along with a bi-annual training presented to the staff of the Oxnard Housing Authority and city housing staff on their fair housing obligations and responsibilities.

Identify any Agency Types not consulted and provide rationale for not consulting

Not Applicable

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Ventura County CEO's Office	The goals of the Strategic Plan overlap with the goals of each plan by ensuring homeless persons have access to adequate services to help reduce the incidence of homelessness.
Oxnard Housing Authority Agency Plan	Oxnard Housing Authority	The OHA Plan presents the program policies and procedures related to Public Housing units and the Section 8 housing program, which overlaps with the AAP for delivering and providing affordable housing units to Oxnard residents. OHA is currently administering 15 set aside homeless preference vouchers per fiscal year, and 77 VASH vouchers

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
City of Oxnard Housing Element	State of California Housing and Community Development (HCD)	HCD approves the City's Housing Element. The City's updated Housing Element indicates that as of March 2017, 2,497 of 4,199 affordable housing units remain to be built as indicated on the Southern California Association of Governments (SCAG) and Regional Housing Needs Allocation (RHNA)
Regional Housing Needs Allocation (RHNA)	Southern California Association of Governments (SCAG)	SCAG RHNA sets the low and moderate income housing needs allocations for the City as City is within the SCAG boundaries. The City's Housing element relies on the allocations by SCAG to develop local affordable housing needs. The 2014-2021 SCAG RHNA determined that 4,199 affordable housing units would be required in the City of Oxnard from 2014-2021. The updated Housing Element indicates that as of March 2017, 2,497 affordable housing units remain to be built

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

Implementation of the 2021 Action Plan requires coordination and compliance with the local and regional needs established by the City of Oxnard, County of Ventura, Southern California Council of Governments and the State of California.

The Southern California Association of Governments (SCAG), the nation's largest metropolitan planning organization (MPO), representing six counties, 191 cities and more than 18 million residents in Southern California, is mandated by federal and state law to research and draw up plans for transportation, growth management, hazardous waste management and air quality. SCAG undertakes a variety of planning and policy initiatives that regulate housing development.

One of these planning tools is the Regional Housing Needs Allocation (RHNA), it establishes the need for affordable housing development in cities and counties within its region.

City of Oxnard's general plan contains a housing element that makes "adequate provision for the existing and projected housing needs of all economic segments of the community." The housing element must be revised and updated every eight years after 2010 due to SB 375. A community is not obligated to actually provide housing to all in need but the Regional Housing Needs Allocation (RHNA) is a "distribution of housing development capacity" that each city and county must zone for in a planning period. It is not a "construction need allocation," and is integral to the development of a Sustainable Community Strategy. The housing element is a planning document, requiring the City to plan for meeting its "fair share" of regional housing market need. The RHNA will set local housing and land use capacity goals to support future growth, including transit oriented, mixed use and infill development.

The time frame during which housing accomplishments towards the Regional Housing Needs Allocation (RHNA) can be counted (RHNA cycle) is January 1, 2014 through October 31, 2021. The City seeks to conserve and rehabilitate existing housing as well as provide opportunities for new development. The 2014-2021 SCAG RHNA determined that 4,199 affordable housing units would be required in the City of Oxnard. The City's updated Housing Element indicates that as of March 2017, 2,497 affordable housing units remain to be built.

The City Housing Department's mission is to promote the general welfare of the City by remedying unsafe and substandard housing, and by relieving the shortage of affordable housing for City residents. This mission is consistent with the City's General Plan and laws governing our housing funds and resources. The purpose of the Housing Department is to provide decent, safe, attractive, sanitary, and well maintained housing for eligible low and very low income families in a manner that promotes commitment, exemplary customer service, economy, efficiency, and the social well-being of the residents.

All City housing projects undertaken with federal funds from HUD or other state or federal funding source must comply with the requirements of the City's Housing Element, General Plan, SCAG, State of California Housing and Community Development Department (HCD) and HUD.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City of Oxnard follows the guidance established in the Oxnard Citizen Participation Plan (OCP) approved on July 10, 2018, which updates the local procedures pursuant to the requirements of Title 24, CFR Section 91.105(a).

The Oxnard Citizen Participation Plan sets forth the procedures for the development of the annual action plan, the consolidated plan, and any substantial amendments to these plans, as well as procedures for the preparation of the comprehensive annual performance and evaluation and the assessment of fair housing. (See Attachments: Grantee Unique Appendices)

The City of Oxnard encourages citizen participation by consulting with citizens, public service organizations, City staff and allows public comments and public input throughout the development process of the plans addressed in the citizen participation plan. City of Oxnard provides assistance to citizens that are unable to speak English, minorities and those with disabilities to participate in the process of developing the plans addressed in the citizen participation plan. The 2021 AAP was developed in conjunction with residents and organizations through a public participation process that included workshops and public hearings conducted by City staff:

- 1) Two public hearings were held; the first was an administrative public hearing and the final public hearing was before City of Oxnard City Council where citizen's public comments were allowed and required by the citizen participation plan;
- 2) Two workshops for CDBG, HOME and HESG programs conducted by Housing Department staff, followed up by multiple consultations, as well as, providing technical assistance to the community and agencies (service providers) through emails, phone conversations, and meeting; the community meeting were held on 2/14/21 and 3/2/21 during the day and evening; the meeting were held virtually;
- 3) All applications for funding were reviewed by Housing - Grants Management staff for eligibility and grants compliance and then forwarded to management;
- 4) Meetings were conducted by Housing – Grant management staff for sub-recipients awardees;

Citizen Participation Outreach

Table on next page

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	3/1/21 Administrative Public Hearing; Published 1st Public Hearing Notice in the Ventura County Star newspaper in English and Spanish Notice in VIDA newspaper; English and Spanish versions of Notices were broadcasted on Public Channel 10/35, Public Notices regarding Public Hearings sent out to Oxnard Residents for first Public Hearing, 65 notices mailed out, and Notices were posted on the City of Oxnard website both in Spanish and English.	1st Public Hearing- Comment is help for people being unjustly evicted from their rental properties and need location to have access and help to the internet	All comments accepted	NA
2	Entitlement Grant Workshops	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing Interested parties/application for grant funds	8 people attended the Workshop for CDBG and HESG	Comments were application requirements are DUNS number, SAMS, insurance requirements. Asked about the National Objectives list and application deadlines. When completing the application, determine the activity fall under which category. and which grant type.	All comments accepted	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Resident Survey	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community	3 people submitted Resident survey to provide need in the community. Survey provided in English & Spanish.	Comments are need employment program for homeless people, housing for rental assistance and home assistance	All comments accepted	NA
4	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing Low/mod income Oxnard residents	6/15/21 Public Hearing; Published in English and Spanish Notice of 2nd Public Hearing in VIDA newspaper; English and Spanish versions of Notices were broadcasted on Public Channel 10/35, Public Notices regarding Public Hearings sent out to Oxnard Residents for first Public Hearing, 65 notices mailed out, and Notices were posted on the City of Oxnard website both in Spanish and English.	2nd Public Hearing comments - The comments were requested that the City Council consider to eliminate the CDBG funding recommendation for Code Enforcement and Fair Housing program. Written comment stated objection to funding CDBG funds for Code Enforcement and City should fund with the City budget. Also, requested Code Compliance reports. Written comment stated jurisdictions in the county and Ventura County should pool CDBG resources to formulate and execute a proactive fair housing program in Ventura County.	All comments accepted	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Program Coordinating Committee meetings	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing Cross-section of community	General meeting of community non-profits that serve various segments of the community	Round table discussion- No Comments Received	No Comments received	NA
6	Internet Outreach	Non-targeted/broad community	Not Measured	No comments received	No Comments Received	https://www.oxnard.org/city-department/housing/grants-management/

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

In Plan year 2021, the formula grant calculations of HUD allocations to City of Oxnard are CDBG \$2,515,741, HOME \$764,831 and HESG \$219,551, a total of \$3,500,123 in entitlement grants from HUD. In addition, estimated program income of \$100,000 for CDBG programs and \$100,000 for HOME programs. As well as, CDBG prior year resources of \$200,000. This will increase total available resources from the 2021 Plan year to \$3,900,123. The source of program income comes principally from repayment of loans and recaptures from defaults. Those funds will be used towards meeting the goals and objectives of the 2021 AAP.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,515,741	100,000	200,000	2,815,741	7,790,326	Block grant from HUD to address housing, community development, and economic development needs. 2021 CDBG Allocation and Program income is \$2,615,741 and Prior Year resources of \$200,000; the total is \$2,815,741 available resources from CDBG Plan year 2021. Uses of the available resources will be according to the funding

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								priorities set forth in the ConPlan. The specific Activities will be set up in IDIS. The uses of funds will be capped according to the HUD regulations for: (1) Admin and Planning - no more than 20%, or \$523,148 and (2) Public Services up to 15%, or \$392,361. The 2021 balance will be distributed as Public Improvements & Other City

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								Programs as detailed by the City during the AAP process.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	764,831	100,000	0	864,831	2,391,671	Grant from HUD to address affordable housing needs. In plan year 2021, HOME allocation is \$764,831 and expected program income is \$100,000; total of \$864,831. Uses of funds are; (1) Administration - no more than 10% or \$86,483 and (2) CHDO Set Asides - at 15% or \$114,724. In addition, \$663,624 is available for housing development

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								. In addition to the CHDO set aside of \$114,724.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	219,551	0	0	219,551	621,171	Grant from HUD to address needs and services for homeless persons or persons at risk of becoming homeless. Plan year 2021 Available resources for HESG is \$219,551. The limited availability of HESG resources is spread across the uses identified in this table. 1) HESG Administration and Planning costs are no more than

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								7.5% or \$16,466 and (2) Emergency Shelter and Street Outreach cost is no more than 60%, or \$131,730. The 2021 balance will be distributed as Homeless Prevention, HMIS, & Rapid Re-Housing eligible activities as detailed by the City during the AAP process.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Other	0	0	0	0	0	Allocated in PY 2020, \$5,255,055 in ESG-CV funding to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless prevention activities to mitigate impacts of COVID-19

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG funds are leveraged by city and subrecipients providers with government agency, in-kind, private foundations and contributions monies who provide services to low/moderate income persons. Affordable housing developments utilizing HOME funds typically use HOME monies to leverage millions of dollars in state, federal, and private financing. HESG funds are leveraged by non-profit agencies providers with government agency, in-kind, private foundations, Ventura County Continuum of Care monies who provide critical services such as assisted housing, services and shelter to vulnerable populations who are at-risk of becoming homelessness or homeless persons and families. HOME funds are matched at a greater than 25% level by recipients of HOME funds, city, and other participants. HESG funds are matched dollar for dollar by subrecipients' providers. The city matched for Administration portion only.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The city property leased for homeless shelter at 1450 S. Rose Ave, Oxnard, CA
Temporary Emergency Shelter at 351 South K Street, Oxnard, CA
Oxnard Housing Authority Public Housing Sites

Discussion

The resources for 2021 AAP will accomplish more activities but will not meet all the needs prevalent throughout the city.

Allocated in PY 2020, CARES Act funding is included in "Other" section in table above, \$3,088,367 in CDBG-CV funds to be used to prevent, prepare for and respond to the coronavirus and \$5,255,055 in ESG-CV funding to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless prevention activities to mitigate the impacts of COVID-19. CDBG-CV and ESG-CV allocation in 2020-21.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Improve Supply of Affordable Housing	2020	2024	Affordable Housing		New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Disaster Planning and Recovery	CDBG: \$750,000 HOME: \$778,348	Rental units constructed: 5 Household Housing Unit Homeowner Housing Rehabilitated: 6 Household Housing Unit Housing Code Enforcement/Foreclosed Property Care: 2000 Household Housing Unit Other: 14 Other
2	Enhance Economic Stability	2020	2024	Non-Housing Community Development		Increase Job Skills Facade Improvements Local Entrepreneurship	CDBG: \$294,755	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15000 Persons Assisted Businesses assisted: 25 Businesses Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Increase Social Services	2020	2024	Non-Homeless Special Needs		Housing Support and Stability Assistance for Senior Residents Social Services Youth Activities and Services Disaster Planning and Recovery	CDBG: \$392,361	Public service activities other than Low/Moderate Income Housing Benefit: 2000 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 150 Households Assisted
4	Work to End Homelessness	2020	2024	Homeless		Housing Support and Stability Homelessness	ESG: \$203,085	Tenant-based rental assistance / Rapid Rehousing: 30 Households Assisted Homeless Person Overnight Shelter: 140 Persons Assisted Other: 100 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Quality Neighborhoods	2020	2024	Non-Housing Community Development		Housing Support and Stability Assistance for Senior Residents Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure	CDBG: \$855,477	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 124500 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Effective Administration	2020	2024	Planning and Administration		New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery	CDBG: \$523,148 HOME: \$86,483 ESG: \$16,466	Other: 0 Other

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OMB Control No: 2506-0117

(exp. 09/30/2021)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
						Utilities and Public Infrastructure		

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Improve Supply of Affordable Housing
	Goal Description	Create and preserve stable, safe, and resilient affordable housing opportunities for homeowners and renters including special needs groups such as farmworkers, persons with disabilities, and the elderly throughout Ventura County.
2	Goal Name	Enhance Economic Stability
	Goal Description	Enhance economic stability and prosperity by increasing economic opportunities for residents through job skills training and promotion of local entrepreneurship.
3	Goal Name	Increase Social Services
	Goal Description	Increase access to health and wellness services, youth activities, senior activities, and social service activities for residents.
4	Goal Name	Work to End Homelessness
	Goal Description	Work alongside the Ventura County Continuum of Care to end homelessness within Ventura County by providing housing, emergency shelter, and social services to homeless persons or those at risk of homelessness.

5	Goal Name	Create Quality Neighborhoods
	Goal Description	Enhance access to quality, resilient, and livable neighborhoods by improving publicly owned facilities and infrastructure such as parks, streets, sidewalks, and community buildings, including improving accessibility to meet Americans with Disabilities Act (ADA) standards.
6	Goal Name	Effective Administration
	Goal Description	Create and maintain effective housing and community development programs that address the priority needs listed within the Consolidated Plan, comply with all U.S. Housing and Urban Development (HUD) requirements, and achieve the goals and objectives set out by each Ventura County jurisdiction.

Projects

AP-35 Projects – 91.220(d)

Introduction

SECOND ACTION PLAN AMENDMENT UPDATE – HESG funding of \$101,730 for Street Outreach activity was previously awarded to Oxnard Housing Department, Homeless Services Division. In order to enact the street outreach service, these funds will be reallocated to The Salvation Army.

FIRST ACTION PLAN AMENDMENT UPDATE – Two projects through the mid-year reallocation are being proposed; the first is Cuesta Pocket Park and the second is a site acquisition for future housing for the homeless. Cuesta Pocket Park is being funded by funds previously awarded to Thrive Mentorship Program, and the site acquisition will be funded by funds previously awarded to three park playground projects – Johnson Creek Playground, Thompson Park Playground, and Sierra Linda Park Playground. Projects being defunded are due to no activities occurring to date.

These are 2021 Plan year Projects designed to accomplish the goals and objectives of the 2021 AAP. The 2021 Projects will organize Activities in IDIS under the Projects setup in this section of AAP. The Projects are New Rental Housing, Housing Support and Stability, Economic Opportunity, Rehabilitation and Preservation, Assistance for Senior Residents, Other Public Services, Youth Activities and Services, Homelessness, Parks and Community Space, Public Facilities and Improvements, Public Facilities-Fire Protection Equipment and Administration and Planning.

Projects

#	Project Name
1	NEW RENTAL HOUSING
2	HOUSING SUPPORT AND STABILITY
3	ECONOMIC OPPORTUNITES
4	REHABILITATION AND PRESERVATION
5	ASSISTANCE FOR SENIOR RESIDENTS
6	OTHER PUBLIC SERVICES
7	YOUTH ACTIVITIES AND SERVICES
8	HOMELESS ASSISTANCE

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#	Project Name
9	PARKS AND COMMUNITY SPACE
10	PUBLIC FACILITIES AND IMPROVEMENTS
11	PUBLIC FACILITIES-FIRE PROTECTION EQUIPMENT
12	Administration

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities are based on the annual needs identified in coordination with other city departments. Public service allocations are determined by the participation from other providers to meet the goals of the ConPlan. HOME funds are balanced between development projects and single family housing needs. HESG allocation are targeted exclusively for the needs of the homeless population.

AP-38 Project Summary
Project Summary Information

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(exp. 09/30/2021)

OMB Control No: 2506-0117

1	Project Name	NEW RENTAL HOUSING
	Target Area	
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	New Rental Housing
	Funding	HOME: \$778,348
	Description	PARTICIPATION IN HOUSING DEVELOPMENT FUNDING ASSISTANCE
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	5 LOW INCOME HOUSEHOLDS
	Location Description	CITY OF OXNARD, CALIFORNIA
	Planned Activities	FINANCIAL ASSISTANCE TO A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE DEVELOPMENT OF 5 HOUSING UNITS FOR LOW INCOME HOUSEHOLDS IN OXNARD. THIS PROJECT INCLUDES 15% OF HOME ALLOCATION SET ASIDE FOR CHDO'S, OR \$114,724.
2	Project Name	HOUSING SUPPORT AND STABILITY
	Target Area	
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	Housing Support and Stability
	Funding	CDBG: \$265,000
	Description	HOUSING SERVICES
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	3 HOUSING UNIT, 6 HOUSEHOLDS (REHABILITATION), 5 HOUSING UNITS- HOUSING SERVICE; TOTAL OF 14 HOUSEHOLDS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD

	Planned Activities	HOUSING SERVICES FOR LOW - MODERATE INCOME HOUSING HOUSEHOLDS
3	Project Name	ECONOMIC OPPORTUNITES
	Target Area	
	Goals Supported	Enhance Economic Stability Create Quality Neighborhoods
	Needs Addressed	Local Entrepreneurship
	Funding	CDBG: \$294,755
	Description	BUSINESS ASSISTANCE AND NEIGHBORHOOD IMPROVEMENTS
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	25 BUSINESS ASSISTED; THE NEIGHBORHOOD ACTIVITY WILL TARGET LOW-MOD CENSUS TRACT NEIGHBORHOODS, ESTIMATED AT 7,500 PERSON
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD AND LOW- AND MODERATE INCOME AREAS
	Planned Activities	ECONOMIC DEVELOPMENT COLLABORATIVE WILL PROVIDE BUSINESS ASSISTANCE FOR BUSINESS IN LOW-MODERATE INCOME AREAS AND SOUTHWINDS NEIGHBORHOOD IMPROVEMENTS BY OXNARD HOUSING DEPARTMENT
4	Project Name	REHABILITATION AND PRESERVATION
	Target Area	
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	Rehabilitation & Preservation of Existing Housing
	Funding	CDBG: \$485,000
	Description	REHABILITATION OF HOUSING UNITS; CODE ENFORCEMENT AND COMPLIANCE
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	6 HOUSEHOLDS HOUSING UNITS 2,000 HOUSEHOLD HOUSING UNITS (CODE COMPLIANCE)
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	REHABILITATION OF HOMEOWNER UNITS FOR LOW-MODERATE INCOME HOUSEHOLDS (PY); SUPPORT THE CODE ENFORCEMENT ACTIVITIES OF THE CITY OF OXNARD DEVELOPMENT SERVICES TO IMPROVE QUALITY OF LIFE AND PROPERTY ISSUES
5	Project Name	ASSISTANCE FOR SENIOR RESIDENTS
	Target Area	
	Goals Supported	Increase Social Services
	Needs Addressed	Assistance for Senior Residents
	Funding	CDBG: \$47,500
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2021 CDBG ALLOCATION AND PROGRAM INCOME. FUNDING FOR SENIOR SERVICES TO INCREASE THE QUALITY OF LIFE
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	100 PERSONS WILL BE ASSISTED WITH SENIOR SERVICES
	Location Description	CITY-WIDE; VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
6	Planned Activities	1) ASSISTING WITH DAILY NEEDS FOR SENIORS BY CAREGIVERS VOLUNTEERS ASSISTING THE ELDERLY, CITY OF OXNARD RECREATION AT 2) PALM VISTA SENIOR CENTER
	Project Name	OTHER PUBLIC SERVICES
	Target Area	
	Goals Supported	Increase Social Services
	Needs Addressed	Social Services

	Funding	CDBG: \$249,861
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2021 CDBG ALLOCATION AND PROGRAM INCOME. FUNDING FOR FAIR HOUSING COUNSELING, SUBSTANCE ABUSE SERVICES, FOOD PANTRY, HOMELESS SERVICES AND HEALTH CARE SERVICES.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	100 LOW-INCOME INDIVIDUALS WILL BE ASSISTED WITH SUBSIDIZED HEALTH CARE SERVICES, FAIR HOUSING SERVICES WILL ASSIST 150 FAMILIES, 350 INDIVIDUALS WILL BE ASSISTED WITH FOOD PANTRY, 30 INDIVIDUALS WILL BE ASSISTED WITH SUBSTANCE ABUSE SERVICES, 250 INDIVIDUALS WILL BE ASSISTED WITH HEALTH SERVICES AND 260 HOMELESS INDIVIDUALS WILL BE ASSISTED WITH EMERGENCY SHELTER AND SERVICES.
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	1) CITY OF OXNARD FAIR HOUSING PROGRAM, 2) EMERGENCY SHELTER FOR HOMELESS BY COUNTY OF VENTURA HUMAN SERVICES AGENCY RAIN PROGRAM, SHELTER CARE RESOURCES FOR 3) HOMELESS SERVICES BY AND 4) FOOD PANTRY, 5) SUBSTANCE ABUSE SERVICES BY THRIVE MENTORSHIP UPDATE: CUESTA DEL MAR POCKET PARK 6) COMMUNITY PARAMEDICINE BY CITY OF OXNARD FIRE DEPARTMENT AND 7) SUBSIDIZED HEALTH CARE SERVICES BY LIVINGSTON MEMORIAL VISITING NURSES ASSOCIATION
7	Project Name	YOUTH ACTIVITIES AND SERVICES
	Target Area	
	Goals Supported	Increase Social Services
	Needs Addressed	Youth Activities and Services
	Funding	CDBG: \$95,000
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2021 CDBG ALLOCATION AND PROGRAM INCOME. FUNDING FOR YOUTH RECREATIONAL AND EDUCATIONAL PROGRAMS; YOUTH FROM LOW- AND MODERATE-INCOME HOUSEHOLDS.
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	910 YOUTH WILL BE ASSISTED WITH YOUTH SERVICES/RECREATIONAL AND EDUCATIONAL PROGRAMS IN LOW-MODERATE NEIGHBORHOODS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	CITY OF OXNARD RECREATION AT 1) COLONIA GYM, 2) COLONIA BOXING GYM, 3) SOUTHWINDS YOUTH CENTER AND 4) POLICE ACTIVITIES LEAGUE
8	Project Name	HOMELESS ASSISTANCE
	Target Area	
	Goals Supported	Work to End Homelessness
	Needs Addressed	Homelessness
	Funding	ESG: \$219,551
	Description	Administration and Planning costs subject to 7.5% Cap, or \$16,466. HEARTH Emergency Solutions Grant funds to provide financial assistance to various service providers for Emergency Shelter and Street Outreach subject to 60% Cap; Homeless Prevention, Rapid Re-Housing, and HMIS activities to serve homeless individuals and families, and those at-risk of becoming homeless. Street Outreach and Emergency Shelter activities will be limited to 60% of HESG allocation, or \$131,730. All HESG subrecipients are required by the City of Oxnard to provide matching funds of a dollar for every dollar HESG grant dollars received.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	KINGDOM CENTER WILL PROVIDE EMERGENCY SHELTER TO 140 INDIVIDUALS; MERCY HOUSE WILL PROVIDE RAPID REHOUSING TO 15 INDIVIDUALS; CITY OF OXNARD HOUSING DEPARTMENT, HOMELESS DIVISION WILL PROVIDE STREET OUTREACH TO 100 INDIVIDUALS AND RAPID RE-HOUSING TO 15 HOMELESS HOUSEHOLDS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD

	Planned Activities	1) ADMINISTRATION OF HESG BY CITY OF OXNARD, 2) KINGDOM CENTER WILL PROVIDE EMERGENCY SHELTER AND ,3) MERCY HOUSE WILL PROVIDE RAPID REHOUSING, 4) <i>CITY OF OXNARD HOUSING DEPARTMENT, HOMELESS DIVISION</i> WILL PROVIDE STREET OUTREACH, AND 5) RAPID RE-HOUSING; UPDATE: 5) SALVATION ARMY WILL PROVIDE STREET OUTREACH
9	Project Name	PARKS AND COMMUNITY SPACE
	Target Area	
	Goals Supported	Create Quality Neighborhoods
	Needs Addressed	Parks and Community Space
	Funding	CDBG: \$500,953
	Description	PUBLIC IMPROVEMENTS OF PUBLIC PARKS AND COMMUNITY SPACE WITHIN LOW- AND MODERATE INCOME AREAS
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	THIS PROJECT WILL ACCOUNT FOR TANGIBLE IMPROVEMENTS TO PUBLIC IMPROVEMENTS IN LOW-MOD CENSUS TRACT NEIGHBORHOODS. THE ACTIVITIES WILL TARGET LOW-MOD CENSUS TRACT NEIGHBORHOODS, ESTIMATED AT 15,000 PERSONS
	Location Description	LOW AND MODERATE INCOME AREAS
10	Planned Activities	1) JOHNSON CREEK PLAYGROUND, 2) SIERRA LINDA PARK PLAYGROUND, AND 3) THOMPSON PARK PLAYGROUND
	Project Name	PUBLIC FACILITIES AND IMPROVEMENTS
	Target Area	
	Goals Supported	Create Quality Neighborhoods
	Needs Addressed	Utilities and Public Infrastructure
	Funding	CDBG: \$134,274
	Description	PUBLIC FACILITIES AND IMPROVEMENTS
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	THE ACTIVITIES WILL TARGET LOW-MOD CENSUS TRACT NEIGHBORHOODS, ESTIMATED AT 16,000 PERSONS.
	Location Description	LOW AND MODERATE INCOME AREAS
	Planned Activities	1) COLONIA NEIGHBORHOOD FACILITIES AND 2) SOUTHWIND NEIGHBORHOOD DESIGN PROJECT
11	Project Name	PUBLIC FACILITIES-FIRE PROTECTION EQUIPMENT
	Target Area	
	Goals Supported	Create Quality Neighborhoods
	Needs Addressed	Disaster Planning and Recovery Utilities and Public Infrastructure
	Funding	CDBG: \$220,250
	Description	PUBLIC FACILITIES -FIRE PROTECTION EQUIPMENT
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	THIS PROJECT IS CITY-WIDE AND WILL ACCOUNT FOR IMPROVEMENTS TO PUBLIC FACILITIES-FIRE PROTECTION EQUIPMENT. THE CITY-WIDE ACTIVITIES WILL ASSIST APPROX 208,000 PERSONS, OF WHICH OVER 60% ARE LOW/MOD INCOME RESIDENTS, ESTIMATED AT 124,800 PERSONS.
	Location Description	CITYWIDE
	Planned Activities	1) EMERGENCY OPERATIONS EKG MONITORS AND 2) FIRE STATION 1 SECURITY FENCING
12	Project Name	Administration
	Target Area	
	Goals Supported	Effective Administration

	Needs Addressed	New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure
	Funding	CDBG: \$523,148 HOME: \$86,483
	Description	ADMINISTRATION AND PLANNING COSTS SUBJECT TO CAPS FOR EACH FUNDING SOURCE; CDBG (20% of Allocation & PI) AND HOME (10% of Allocation & PI)
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	ADMINISTRATION AND PLANNING ACTIVITIES WILL BENEFIT FAMILIES CITYWIDE. AN ESTIMATED 208,000 PERSONS WILL BENEFIT FROM THIS ACTIVITY OF WHICH OVER 60% ARE LOW- AND MODERATE- INCOME RESIDENTS.
	Location Description	CITYWIDE
	Planned Activities	COORDINATION OF ALL CDBG AND HOME ADMINISTRATION AND PLANNING ACTIVITIES
13	Project Name	SITE ACQUISITION
	Target Area	
	Goals Supported	Create Quality Neighborhoods

	Needs Addressed	Housing Support and Stability Streets and Streetscapes Parks and Community Space Utilities and Public Infrastructure
	Funding	CDBG: \$700,953
	Description	SITE ACQUISITION FOR A HOUSING PROJECT, OR MORE THAN ONE HOUSING PROJECT.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	BETWEEN 35 AND 60 HOUSEHOLDS
	Location Description	CITYWIDE
	Planned Activities	THE PROPOSED PROJECT WILL ASSIST WITH ADA IMPROVEMENTS, UPDATED PARKING LOTS, AND OTHER INFRASTRUCTURE NEEDS.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The primary objectives of the ConPlan programs are to benefit LMI residents, therefore, the City's CDBG funds will be targeted to extremely low, low, and moderate-income persons. The City has traditionally dedicated 100 percent of its CDBG resources to activities that exclusively benefit LMI persons. CDBG funds will be used to serve the LMI persons Citywide and in Low-Moderate Areas (LMA). This trend is expected to continue in PY 2021. Also, the City will continue to assist the low-income persons citywide with HOME and HESG funds. The target areas are: (1) Citywide, with 68 percent of the total entitlement funds; and, (2) the LMA Census Tract, 32 percent. The total entitlement includes the administration and planning funding.

Geographic Distribution

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The need for affordable housing (funded from CDBG and HOME) is present throughout the City. CDBG funds for direct benefit category-capital improvements and code enforcement are allocated based on the percentage of LMI persons within the LMA neighborhoods. Regarding the Public Services category of the CDBG funds, the proposed projects will focus on the basic needs of the residents such as health care, essential and supportive services, as well as housing services. The special population such as seniors, homeless and youth will continue to receive their funding for the healthcare needs, nutrition needs, education needs, shelter support and recreational needs.

HESG allocations are based on the limited clientele are distributed citywide.

HOME funds are distributed based on the income eligibility of the clients and citywide basis. These allocations also cover designated areas targeted by Code Compliance efforts to reduce and eliminate the deterioration of the areas through the Homeownership program as well as the Housing Rehabilitation program: homeowners will improve the beautiful appearance of the home and the safety of the neighborhood.

Discussion

As always, the City of Oxnard will continue to look for available public and private resources and creative

ways to fund the needy programs.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

HOME affordable housing loans for down payment assistance or rehabilitation will leverage affordable housing loan programs, funded by State of CA, such as BEGIN and CAL-HOME. HOME development financing assistance will leverage development funds from State of California, developer equity, private financing, and tax credit financing.

Lower-income households continue to pay a high percentage of their income for housing, compared to other income groups. A large percentage of lower-income renters tend to experience overcrowding and inadequate housing conditions as housing problems. In order to help provide decent and affordable housing, and improve the social and economic status for LMI households in Oxnard, the following programs will be available during the next program year:

1. Homeownership Assistance Programs
2. Rehabilitation of Single-Family and Mobile home Housing Units
3. Construction of new affordable dwelling units

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	14
Special-Needs	0
Total	14

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	5
Rehab of Existing Units	3
Acquisition of Existing Units	6
Total	14

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

City of Oxnard's Affordable Housing Division (AHRD) offers HOME grant funds to finance homebuyer assistance and CDBG grants funds for rehabilitation of owner-occupied single family housing and mobile homes for local residents. AHRD will also continue to provide financial assistance to Community Housing Development Organizations (CHDO) and affordable housing developers to develop affordable housing units throughout the City subject to available funding and as permitted by the funding source. Loan information is provided to interested residents at homeownership fairs, workshops, and on the City of Oxnard's Housing Department website.

AP-60 Public Housing – 91.220(h)

Introduction

Oxnard Housing Authority (OHA) currently administers 520 public housing units, 1,890 Section 8 rental assistance vouchers, which includes 77 VASH vouchers and provides support services through its Resident Services program and Family Self-Sufficiency (FSS) program. The needs of public housing residents are supported with a Resident Services program which offers a variety of services to families and youth on-site. The FSS program supports and promotes public housing and Section 8 families with homeownership opportunities and economic self-sufficiency. The FSS Program provides one-on-one counseling and individual assistance to families that participate in this program. Marking flyers for the residential rehabilitation program and the home buyer program are also available in the City's Housing Department lobby.

Actions planned during the next year to address the needs to public housing

Modernization projects for the public housing units, where most needed, are funded through its Capital Fund program. Every 5 years the Capital Fund program conducts a PNA (Physical Need Assessment) throughout the entire housing units and sends out survey questionnaires to the residents to assess the physical deficiencies in their units. It also collects input from Maintenance and Public Housing Staff. All the collected deficiencies get translated into capital improvement projects and get tabulated into a 5 year action plan. Each year, in its Annual Plan and Statement, Capital Fund re-prioritizes those projects identified in the 5 year plan.

For Fiscal year 2021/22, the following capital improvement projects for public housing units are planned:

Cal 31-8 (Palm Vista) Drain Lines \$300,000 and 504 Compliance \$ 355,000

Cal 31-7 (Scattered sites) Additional Parking \$ 50,000

Total Planned projects for 2021 \$ 705,000

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Homeownership opportunities are promoted by offering public housing families homeownership counseling services by Ventura County Community Development Corporation (VCCDC). In addition, families are informed of these services through its Family Self-Sufficiency Program and distribution of flyers to all households.

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Public housing residents are encouraged to participate in public housing tenant associations that advocate on behalf of tenants to support efforts to improve public housing stock and living conditions.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not Applicable

Discussion

In order to respond to the increasing need for affordable housing units within the community, OHA and the Housing Department will continue to seek new resources of financing new housing development projects and partnering with developers, owners, and CHDO's.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Jurisdictions that receive federal funds for homeless assistance are typically required to conduct a Point In Time Count (PIT) of homeless persons each year. Due to the COVID-19 pandemic, Ventura County requested and was granted an exemption from HUD. Until our planned count in 2022, we will be using data from the 2020 PIT count that was conducted on January 29, 2020.

The "Ventura County 2020 Homeless Count and Subpopulation Survey: Final Report", published in April 2020. The report is at the following website: <https://s33020.pcdn.co/wp-content/uploads/2020/04/2020-VC-Homeless-Count-Report-Final.pdf>

In summary, the PIT count is a snapshot of homeless people who could be enumerated on one specific day. The 2020 PIT counted a total of 379 unsheltered homeless persons in Oxnard.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Oxnard continued the operation of a year round homeless shelter and navigation center located on K Street in Oxnard. The City of Oxnard contracted Mercy House to operate the navigation center. The navigation center will continue its operation for the next twelve-month period and beyond. The City responded to the COVID-19 pandemic by expanding shelter space to a second location across the street from the main site on K street so that we can maintain the 110 bed capacity while following public health protocol for social distancing. Oxnard has launched an effort to develop a new construction mixed-use development that will include a new and replacement navigation center and 110-bed homeless shelter plus other support services and fifty-six units of permanent supportive housing. We expect that this new project will be in operation within twenty-four months and will maintain the interim operation on K Street until relocation is possible.

In May 2020, the City began working with the Salvation Army to provide street outreach services that includes practical assistance, housing navigation, employment assistance, health navigation and crisis intervention with the ultimate goal of transitioning chronically-homeless individuals towards stable housing. During the next year, Oxnard will engage a new street outreach team to offer navigation for basic needs, services and shelter. The street outreach team will coordinate with Mercy House and the Oxnard

Navigation Center as well as the Homeless Liaison Officers with the Oxnard Police Department.

In these 12 months, we plan to increase our street outreach capacity to engage with a greater number of unsheltered homeless persons with the additional tool of administering vouchers for non-congregate emergency shelter primarily through the use of motel vouchers.

Addressing the emergency shelter and transitional housing needs of homeless persons

The emergency shelter and transitional housing needs of homeless persons are currently being addressed by several service providers throughout Ventura County. The emergency shelter needs in the area are met by the following providers: Mercy Housing in operation of the Oxnard Navigation Center, Ventura County Rescue Mission - single men over the age of 18 with rotating stay schedule, 10 nights in/5 nights out; Kingdom Center - emergency shelter for single women and women with children; Lighthouse Mission for Women and Children - single women and women with children; and Turning Point Foundation - mentally ill individuals.

Transitional housing needs are currently being met by the following providers: Kingdom Center - single women and women with children; Khepera House - single men; Many Mansions - transition aged youth, single women and women with children; Turning Point Foundation - single mentally ill persons; Salvation Army - families, single parents and single persons; VC-HSA - families, single parents and children, and single persons; Project Understanding - families and single parent households.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

There are many providers that are working diligently to assist homeless persons from not only finding housing, but also to prevent further incidents of homelessness. The Oxnard Housing Authority has the use of Homeless Set Aside vouchers in issuance of Housing Choice Vouchers and is actively offering permanent housing opportunities. During the 2020 – 2021 fiscal year the Oxnard Housing Authority expects to house 75 otherwise homeless families with the use of Housing Choice Vouchers. The Oxnard Housing Authority also received an allocation of 40 Mainstream housing vouchers that are prioritized for non-elderly adults with disabilities who are currently homeless or leaving an institution.

The Ventura County Human Services Agency utilizes both County General Funds and the City's Emergency

Solutions Grant to provide eviction prevention and rapid re-housing services to all of these populations; they will continue to do this in the forthcoming operating year. Additionally, Ventura County Veterans Services, Homeless Health Care and Ventura County Behavioral Health all work closely with the service providers to provide other supportive services to assist in reducing the incidence of homelessness as they have also done in the recent past.

OHA works in conjunction with the Veteran Administration to administer 77 housing vouchers for homeless veterans under the VASH program. This program targets chronically homeless veterans.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The CoC has documented discharge policies of all of the above mentioned services that spell out various directions to ensure persons are not discharged into homelessness. Additionally, as stated earlier, HSA works with qualifying low-income persons and families to avoid homelessness. This is done with the utilization of HESG and Ventura County allocated general fund dollars. Under the CoC discharge policy, in fulfilling the State Mandated Policy (state law related to the discharge protocol), the following are found:

1. Health Care Facilities: the County health care system describes the discharge policy as interdisciplinary responsibility. For the persons who require ongoing medical and nursing care and who have no identifiable address they may be discharged to a respite program at the RAIN project, a County operated transitional housing project. Others, upon discharge routinely go to group homes, board and care facilities, or reunite with families and friends.
2. Mental Health Facilities: the Ventura County Medical Center Psychiatric Inpatient Unit with the collaboration of Ventura County Behavioral Health and various community agencies provide discharge planning and placement assistance to patients, when leaving the mental health facilities.
3. Foster care and other youth facilities: the goal is to provide assisted services to eligible youth and young adults between the ages of 16 and 21 in making a successful transition from foster care to independent living and achieve self-sufficiency. In addition to the County Children and Family Services, a Transitional Age Youth (TAY) center, operated by Pacific Clinic is also available.
4. Corrections programs and institutions: upon release, inmates are able to obtain housing in transitional and permanent housing programs, group homes, and sober living homes as well as with family and friends.

Discussion

The CoC has incorporated each of the following goals of Opening Doors into its 20-year plan to end homelessness:

1. Ending chronic homelessness through targeted street outreach (CDBG-Community Action-One Stop Shelter, CoC-Oxnard Homeless Outreach Program, VCHSA-Rapid Re-housing, HESG-Winter Warming Shelter), discharge planning and implementation of a housing first approach.
2. Preventing and ending homelessness among veterans by providing permanent supportive housing beds, in addition to Section 8 HUD VASH vouchers.
3. Preventing and ending homelessness for families, youth, and children by 2020 through rapid rehousing program and homeless prevention activities. The CoC set a path to ending all types of homelessness in its 10-year plan by implementing a coordinated assessment system-Pathways to Home. As a result, the number of chronic homeless, veterans, families, and youth continue to demonstrate positive results.

All of the above objectives are still in progress and will be folded into a regional plan and strategy lead by the County of Ventura.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Barriers or constraints to the affordability of housing exist in many forms. A particular building code that to one sector might be interpreted as a “negative” public policy that acts as a barrier to affordable housing may to another sector be seen as a life-saving necessity – for example, seismic safety construction requirements. The same can be said for zoning and land use regulations. It should be noted that in Ventura County, local growth limitations have been adopted by direct ballot measures. Some of these measures entail costs which can affect housing supply and the cost of housing that is produced.

Barriers to exit homelessness include the lack of a permanent, year round shelter and the lack of housing units for those at the very low- and low- income spectrum. Because of the high cost to develop housing for these populations and limited public funding to subsidize the development of new affordable housing units, developers often do not have the resources to develop the number of units necessary to house this population. When this occurs, badly needed units go undeveloped, thus further limiting housing opportunities for those hardest to house.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Environmental review, general planning, zoning, and related local land use regulations and development standards are all extensions of local government police powers to protect life and property, minimize nuisances, and achieve a desired quality of life as expressed through a participatory democratic process. Certain barriers to affordability are imposed by the mandates created by State Law (such as preparing and adopting a General Plan and conducting environmental reviews), are adopted for safety or civil rights reasons (such as the imposition of seismic construction standards in quake-prone areas, or requiring compliance with accessibility or visibility design standards), or enacted to remedy or prevent a specific local issue (such as requiring landscaping to deter graffiti). The term “barrier” should not be interpreted in the context that local development standards and development review procedures are inhibiting the provision of quality affordable housing that would otherwise be developed, but are the cumulative effect of the development requirements imposed by the layers of government regulations and laws that impact residential development.

Discussion:

The City strives to consistently implement all policies and procedures, to review local development

standards and development review procedures in such a way as to avoid and ensure that such do not have unintended negative consequences, and to improve policies and procedures so as to increase the opportunities and feasibility of developing affordable housing, especially for special needs and very low- and low-income units). The City will continue to engage in these efforts to identify and minimize any barriers over which the City has legal authority, in accordance with applicable law.

AP-85 Other Actions – 91.220(k)

Introduction:

The City will implement the goals and strategies of the Consolidated Plan to achieve the other actions listed in the next section.

Actions planned to address obstacles to meeting underserved needs

The City will continue to utilize available resources to fund administrative support activities to meet the underserved needs in the community. The City will continue to work with the appropriate state agencies to administer the assets of the former redevelopment agency in the appropriate manner, and to the benefit of the LMI community whenever possible and feasible. Limited availability of funding from federal, state and other sources;

High cost of housing and provisions in the area which increases the difficulty of meeting affordable housing needs;

Reduced or frozen funding from state and other sources due to inadequate state revenue; the housing and credit crisis causing a negative effect;

A tight job market has produced an increased demand for production of new housing which is not being met, increasing home prices. Salaries are not commensurate with the high cost of housing in this market. These two factors combine to exacerbate the affordability crisis; and,

Credit crisis has limited the availability of capital to develop housing for low-and moderate-income households and special needs groups. City staff will address the challenges of existing and new obstacles in PY 2021 by focusing on the following programmatic and administrative areas: Staff will continue to research the availability of future funding resources that leverage the development of affordable housing units, inclusive of grants, bond financing, Section 108 funding and partnering with other affordable housing developers. CDBG and other funds will be used to fund administrative support for programs that serve the needs of LMI citizens citywide. This is especially critical now that no redevelopment agency funding is available, given that redevelopment agencies no longer exist in California. Staff will continue to collaborate with private-sector partners when appropriate in the development and construction of affordable housing. Staff will continue to collaboratively work with the service provider community, non-profit organizations, and neighboring cities and local governmental agencies within the County of Ventura to identify projects that also meet federal community development program eligibility and which can

comply with timely draw-down requirements.

Actions planned to foster and maintain affordable housing

The City utilizes its Inclusionary Housing Program to provide significant numbers of affordable housing units. To ensure that Oxnard has enough opportunity sites suitable for residential development and to meet the remaining RHNA affordable allocation of 2,497 lower income and moderate units and 53 above moderate income units, the City is relying on the following:

- The All Affordable Housing Opportunity Program (AAHOP) and Affordable Housing (AH) additive zone (see Supplement 2) with an inventory of 2,067 units on 38 AAHOP sites
- 66 Vacant and Underutilized Sites (see Supplement 2)

The City of Oxnard has adopted several ordinances that establish inclusionary affordable housing requirements for new developments. Relevant ordinances are City Council Ordinances 2721 and 2615. The Inclusionary Housing Program provides for in-lieu fee payments that can replace the on-site units within a development subject to approval by the City Council. The City is currently in the process of completing a study to increase the City's in-lieu fee. In-lieu fees for development project are as follows:

For-Sale Units: If the in-lieu request is granted, the developer is required to make a payment of 1 percent of the sales price of each for sale unit in the project based on increments of \$50,000, with a minimum payment of \$5,000 for each unit.

Rental Units: A payment is required for each rental unit. The price is adjusted every six months by the percentage increase or decrease for the previous six months as determined by the Los Angeles Riverside-Orange County Consumer Price Index for all urban consumers.

The City Council generally prefers on-site affordable housing as opposed to payment of in-lieu fees. A project that is approved for in-lieu payments has usually agreed to another public benefit through a Development Agreement that justifies the in-lieu payment. In-lieu payments are made when the developer applies for building permits for the approved units. The in-lieu fees collected provide funding support in the form of developer loans to new affordable housing projects and are almost always leveraged with other funding sources. The current in-lieu fund balance is approximately \$2.8 million.

Possible incentives may include, but are not limited to, the following:

- Assistance with accessing and applying for funding (based on availability of federal, state, local foundations, and private funds)
- Mortgage-subsidy or down payment assistance programs to assist first- time homebuyers and

other qualifying households, when such funds are available

- Expedited/streamlined application processing and development review
- Modification of development requirements, such as reduced setbacks and parking standards on a case-by-case basis
- Density bonus

Actions planned to reduce lead-based paint hazards

The City will coordinate activities with the County of Ventura Department of Health and Human Services to reduce lead-based paint hazards in accordance with federal regulations. Any rehabilitation activities on housing units constructed prior to 1978 will have lead hazards identified and actions taken to remove the hazard. The City's Affordable Housing Division does not own or manage any housing units. All units for which HOME and CDBG assistance is provided for homebuyer assistance or homeowner rehabilitation are administered in compliance with HUD's HOME or CDBG regulations for lead-based paint, as applicable. With respect to units owned or assisted by the Oxnard Housing Authority, there have been no cases of Public Housing tenants and/or Section 8 participant households reporting or having been discovered to have poisoned children or any child with "Elevated Blood Lead Level". OHA staff provides a brochure related to lead based paint hazards to all new tenants and program participants. Maintenance staff attends training and seminars to stay current with the State of California Lead Awareness Training requirements.

Actions planned to reduce the number of poverty-level families

Eliminating poverty is a clear concern in Oxnard and Ventura County in general. Efforts are constantly underway to improve the quality of life and economic well-being of the residents through collaborative efforts of the following agencies and their programs to provide needed skills for individuals seeking jobs and thereby getting them out of poverty:

- City Corp
- Community Action of Ventura County
- Oxnard Housing Authority
- County of Ventura-Human Services Agency
- City's youth programs such Police Activities League programs, Colonia Gymnasium, Colonia Recreation Center and Boxing programs

Actions planned to develop institutional structure

Extensive public and private partnerships have been established and organized to address the City's

housing, homeless, and community development needs: Entitlement Grants workshops and training, Affordable Housing workshops for homeowners, Relocation meetings for residents, Fair Housing training and other scheduled meetings (such as Pre-construction meetings, Commission on Homelessness meetings, and meetings with County Continuum of Care Council, Housing Committee meetings).

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to collaborate with public and private housing and social service agencies to meet the goals and objectives of the Consolidated Plan. This could be from ongoing meetings, special meetings and task force.

Discussion:

The City anticipates significant numbers of inclusionary affordable housing to be developed within several proposed specific plans and other new projects. Based on a thorough review, the City does not believe that the current inclusionary housing program is a constraint to the development of housing in addition to the incentives and concessions currently being offered and conversations with local developers who have been able to work within the requirement of the inclusionary housing program and produce housing. To further ensure the program does not pose a constraint, the City has included a monitoring process.

Other actions that the City of Oxnard will continue to improve compliance assessment for all its HUD funded programs and projects by 1) monitoring program and financial performance; 2) compliance with Environmental review: each project is reviewed for compliance with the National Environmental Protection Act. The City has a consulting agreement with Rincon to assist and perform the environmental reviews for housing developments and facility improvement projects, more complicated, and time consuming projects; 3) Labor Compliance Act: the City reviews and perform the contract administration of all CDBG-funded construction projects; 4) Section 3 Compliance: this function is also performed by the City; 5) Procurement and Purchasing: The City has its own procurement and purchasing policies managed by staff in the Finance Department; 6) Partnerships with Citizen Advisory Groups: Inter-Neighborhood Council Forum, Commission on Homelessness, Parks and Recreation and Community Services Commission, Mobilehome Park Rent Review Board, and Senior Services Commission.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

In addition to the 20% cap for Administration, the City of Oxnard also allocates 15% of 2021 CDBG funds for public services such as recreation programs for youth, homeless services, senior services and fair housing activities. The balance of the funds will be allocated to housing activities, code compliance and public facilities and improvements. In the event of an emergency (such as an earthquake, flooding, or hurricane ...) the City will cut the non-committed funds from other existing projects in order to fund the urgent need within the allowable range. However, the urgent need to meet the following tests: (1) the existing conditions pose a serious and immediate threat to the health and welfare of the community, (2) the existing conditions are recent or recently became urgent, generally 18 months, (3) the City cannot finance on its own, (4) and when other funding sources are not available.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 100.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Other forms of local investments for housing that may be available to projects include financing from the City's in-lieu fees, CDBG, and Permanent Local Housing Allocation (PLHA) funding. Additionally, the City also provides homebuyer assistance through the use of program income received from BEGIN and CALHOME State funded grant programs.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Refer to Questions # 3 for Resale Provisions & procedures.

Recapture:

Provisions

- "In the event that the homebuyer fails to satisfy the requirements during the term of the loan, or otherwise defaults, the City shall exercise its legal rights, as set forth in the promissory note and deed of trust, in order to recover the monetary assistance previously provided to the maximum extent permitted by law."
- "If the recapture provisions are triggered by a sale of the housing unit, (whether voluntary or involuntary –such as foreclosure) or other default, the City shall take all necessary steps to recover the full amount of HOME funds from the net proceeds. The phrase 'net proceeds' is defined as the sales price, minus the loan repayment of the first trust deed (other than HOME funds) and any closing costs."

The HOME Program regulations allow the City to recapture the entire HOME Subsidy, in the event the loan recipient violates the affordability and or term period requirements. However, should the 'net proceeds' not cover the entire HOME Subsidy or not cover any of the HOME Subsidy, the City is required to forgive the remaining balance of the direct HOME Subsidy.

- During the term of the loan, the homeowner must repay the loan if it is sold, transferred or

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refinanced without the City's permission and/or with cash out to the homeowner or the homeowner does not occupy the residence as a primary residence.

Procedures

The City utilizes an agreement which includes restrictions, and a promissory note secured by a deed of trust which is recorded with the Ventura County Recorder's Office.

Staff monitors and requires certification annually by the homeowner that the property is owner-occupied to determine if recapture provisions shall be invoked upon discovery of violations for owner-occupancy or unauthorized transfers.

The City will exercise the rights stipulated in the promissory note, secured by the deed of trust that was recorded with the County Recorder's Office.

Should Borrower transfer (as that term is defined in the Note) the Property during the occupancy period, City shall require that Borrower pay from the net proceeds the full amount of the Loan. For purposes of this Loan Agreement, "net proceeds" shall mean the sales price minus loan repayment (other than CDBG funds) and closing costs.

In the event net proceeds are not sufficient to discharge the full amount of the Loan during the occupancy period plus enable the Borrower to recover his or her initial investment in the Property and documented costs of any capital improvements, Borrower shall share the net proceeds with City. The City's share of the net proceeds shall be calculated as follows:

$$(\text{Amount of Loan} / \text{Amount of Loan} + \text{Borrower's Investment}) = \% \text{ of Net Proceeds that City is entitled to.}$$

Should the net proceeds not discharge the full amount of the Loan, City shall forgive the remaining balance.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Refer to Question #2 for Recapture provisions and procedures.

Resale

Provisions

During the affordability period, the homeowner must resell to another low-income homebuyer if the property is refinanced without the City's permission and/or with cash out to the homeowner or the homeowner does not occupy the residence as a primary residence.

The original homebuyer receives a fair return on investment, (i.e., the homebuyer's down payment plus capital improvements made to the house. It is important to note that in certain circumstances,

such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price); and

In the event that the homebuyer fails to satisfy the requirements during the term, or otherwise defaults, the City shall exercise its legal rights, as set forth in the Resale Restriction Agreement.

Procedures

The City utilizes a Resale Restriction Agreement (RRA) secured by a deed of trust which is recorded with the Ventura County Recorder's Office.

Staff monitors and requires certification annually by the homeowner that the property is owner-occupied to determine if resale provisions shall be invoked upon discovery of violations for owner-occupancy or unauthorized transfers.

If the homeowner defaults or fails to satisfy requirements during the term, the City will exercise the rights stipulated in the Resale Restriction Agreement.

Property must be sold to an eligible low-income homebuyer which shall acquire the unit subject to the continuation of restrictions provided in the RRA through an assumption agreement.

The purchase price must be affordable for a low-income household who earns up to 80% of the area median income, provided by HUD. The monthly cost for principal, interest, taxes, insurance, HOA fees, utilities, and maintenance should not be more than 30% of the monthly income for the household or otherwise stated in the RRA. There is no preference to a particular segment of the low-income population.

The resale price is calculated using one of two ways methods described below. The method used is identified in the RRA:

Determined as the affordable housing cost for a family at 80% of AMI paying no more than 30% of the monthly income for the household or in accordance of California Health And Safety Code 50025.5, whichever is lesser, but not less than the original price paid by homebuyer, or

Determination using a CPI method to calculate the increase (or decrease) in value of the property. The U.S. Bureau of Labor Statistics Consumer Price Index – All Urban Consumers for the Los Angeles-Riverside- Orange Counties Area (all items based 1982-1984=100) provides the CPI on the date of the calculation and the CPI on the purchase date. The calculation is the CPI on the date of the calculation minus the CPI on the purchase date, plus the cost of improvements to property evidenced with receipts, less 7% depreciation, plus the costs of bringing the housing unit up to current building codes and in a salable condition.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that

will be used under 24 CFR 92.206(b), are as follows:

The City currently does not have any plans to invest HOME funds in this type of activity.

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

The City does not provide any direct assistance under the HESG program any longer. All written standards vary by service providers and assistance type. However, all providers must ensure recipients meet the minimum qualifications established by HUD for each eligible funded activity. HESG Policies and Handbook are provided to all HESG subrecipients.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Regional Ventura County Continuum of Care Alliance has established centralized or coordinated assessment system, Pathways to Home, that provides coordination intake as well as systems to avoid duplication of effort and redundancies.

Pathways to Home is centralized to provide identical information and system-wide tracking through HMIS, of all homeless individuals who seek and /or receive assistance at any one of the various service providers, or through the County directly.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The process for making all sub-awards for HESG recipients are as follows:

- a. The City formally posts the Notice of Available Funds (NOFA) in the regional newspaper, on the City's website, and emails and paper mail are sent to all existing and potential service providers from Ventura to Los Angeles.
- b. All interested agencies attend information workshop/application training on the process, which includes all deadline dates and times.
- c. Interested agencies then submit their application, project overview and qualifications
- d. The funding recommendations are adjusted to meet the available resources and cap requirements; reviewed by management and then submitted to the City Council for approval.
- e. All applicants are contacted and urged to attend the City Council meeting in which the items fall on the agenda. All supporting comments and grievances are done at this time.

- f. The Mayor and City Council directs the City Manager and staff to move forward with final processing.
 - g. Staff prepare all contracts for execution. Additionally, all internal processes are completed in order to encumber funds to each individual agency.
 - h. Contracts are completed and services can begin on July 1.
 - i. All HESG contracts are awarded for two years
4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City meets the homeless participation requirement by having a homeless and formerly homeless person serve on the City's Commission on Homelessness. In addition, each entity receiving city HESG funding is also asked to provide information as to how they involve the homeless.

5. Describe performance standards for evaluating ESG.

PERFORMANCE MEASURES

Performance measures are in place to ensure the efficient administration of all HESG funded activities. Additionally, along with the utilization of the HMIS, these measures will hopefully help to reduce the length of time of family and individuals remain homelessness, reduce the overall incidence of homelessness, and monitor the overall use of emergency shelters. Some of the activity measures are as follows:

- Emergency Shelters: Excluding winter shelters, must be able to document placement of a minimum of 10 percent of the homeless persons or households served in the Program Year into transitional or permanent housing.
- Transitional Housing: must be able to document placement of a minimum of 50 percent of the households who completed the transitional housing program in the Program Year into permanent housing. "Household" is defined as all clients including single individuals and families.
- Rapid Re-housing: must show continued housing of clients receiving assistance for at least three months after receiving assistance. This should be done via case management of clients, documentation and HMIS entry and exit dates.
- Eviction Prevention: must show continued housing of clients receiving assistance for at least three months. This should be done via case management of clients, documentation and HMIS entry and exit dates.
- All clients, with the exception of victims of domestic violence, must be entered into the Regional HMIS within 15 days of receiving service(s), and must be exited from the system within 30 day of

program completion or termination.

- **MINIMUM STANDARDS:** Sub-grantees are expected to have taken steps to meet the Minimum Standards for Homeless Programs within thirty days of executing the Program Year contract.
- **BUILDING AND HABITABILITY STANDARDS:** Any building for which HESG funding is used for renovation, major rehabilitation or conversion must meet local government safety and sanitation standards. In addition, the Sub-Grantee must meet a number of basic standards to ensure that shelter and housing facilities funded through the HESG program are safe, sanitary and adequately maintained.
- **MONITORING:** City staff will monitor the use of grant funds through a combination of a thorough review of submitted reports, review of audit or financial statements, and monitoring and site visits. The City will continue to develop and implement eligible activities using the grant funds and through the monitoring and review processes and techniques in order to comply with the federal specific requirements.

Homeless Assistance Division continues to fund all the activities prescribed in the HEARTH act. With the sub-recipients cooperation, the City's HESG will continue to provide substantial additional leverage funds to invest in the various programs in order to assist the homeless population toward the goal of reduction and ending homelessness. Also, HESG limits the cost categories for administration and planning to 7.5% or \$16,466 and 60% for street outreach and emergency shelter \$131,730; total \$148,196 for those cost categories. The City's 2021 action plan allows the maximum toward \$16,466 administration and planning, and a total of \$71,355 or 32.5% towards rapid re-housing support.

Annual Action Plan
2021

80

City of Oxnard

2020 Annual Action Plan – 4th Amendment

DRAFT

May 2022

Prepared by:

City of Oxnard – Housing Department – Grants Management

435 South D Street, Oxnard, California, 93030



Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

FOURTH ACTION PLAN AMENDMENT UPDATE – City of Oxnard amendment to change activities to the HEARTH Emergency Solutions Grant (HESG) to the first year 2020 Annual Action Plan in the 2020-2024 Ventura County Regional Consolidated Plan, per City of Oxnard Council Action on June 16, 2020. This is a substantial amendment and requires the fourth amendment to this document. The amendment is exclusively for the HESG funds as changes to specific projects have been identified in the AP-38 of this report.

THIRD ACTION PLAN AMENDMENT UPDATE – City of Oxnard CARES Act amendment to add specific projects to the Emergency Solutions Grant (CARES ACT) (ESG-CV) to the first year 2020 Annual Action Plan in the 2020-2024 Ventura County Regional Consolidated Plan, per City of Oxnard Council Action on October 6, 2020. This is the third amendment to this document. The amendment is exclusively for the ESG-CV funds as specific projects have been identified in the AP-38 of this report, and the unallocated funds have been re-allocated to emergency shelter services.

Housing and community development resources are currently available in Ventura Urban County and Entitlement Jurisdictions include:

- Community Development Block Grant (CDBG) funds
- HOME Investment Partnerships Program (HOME) funds
- Emergency Solutions Grant (ESG) funds
- General funds (tax levy)
- Housing Successor Funds (formerly low-moderate Redevelopment Agency Funds)
- HUD Section 108 Loan funds
- HUD Housing Choice Voucher Program (through the Area Housing Authority of Ventura County, Oxnard Housing Authority, Housing Authority of the City of San Buenaventura, Santa Paula)

Housing Authority, and the Housing Authority of the City of Port Hueneme)

- California Housing Finance Agency funds (CalHFA)
- State Housing and Community Development (HCD) housing funds
- State transportation funds
- Ventura County Housing Trust Fund
- CARES Act Community Development Block Grant (CDBG-CV) funds
- CARES Act Emergency Solutions Grant (ESG-CV) funds

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements						Block grant from HUD to address housing, community development, and economic development needs.
		Public Services	2,573,996	100,000	352,000	3,025,996	10,406,067	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	775,947	100,000	0	875,947	3,256,502	Grant from HUD to address affordable housing needs.
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	221,083	0	0	221,083	840,722	Grant from HUD to address needs and services for homeless persons or persons at risk of becoming homeless.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Other	8,343,372	0	0	8,343,372	0	\$5,255,055 in ESG-CV funding to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless prevention activities to mitigate impacts of COVID-19

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The jurisdictions leverage federal resources against other sources of federal, state, local, and private funding to maximize the impact of CDBG, HOME, and ESG funds. Leveraging varies from activity to activity depending on the project scope. For instance, the Federal Low-Income Housing Tax Credit (LIHTC), historic tax credits, and various affordable housing loan and grant products from the CA Department of Housing and Community Development and the Federal Home Loan Bank can be leveraged with HOME funding to develop affordable housing.

Although the CDBG program does not require a match, the HOME program and the ESG program require funding match. The HOME program requires a 25 percent non-federal cash or non-cash match of the

annual grant amount or entitlement, less 10 percent for administration and five percent for Community Housing Development Organization (CHDO) operating support.

ESG match is required on a one-to-one basis (100 percent match). ESG grantees report required match detail to the Ventura County Continuum of Care (CoC) on a monthly or semi-annual basis. Matching contributions from ESG grantees (cash or non-cash) may be obtained from any source, including any federal source other than the ESG program, as well as state, local, and private sources, per 24 CFR 576.201.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Most County-owned property is used to house County operations or is deed-restricted, limiting its feasibility for new uses. The County has been evaluating land it owns, as it becomes available, for the purpose of providing affordable housing and will continue to consider land that is deemed as surplus for the needs identified in the Regional Consolidated Plan. The County has initiated the use of a surplus building in San Buenaventura for a year-round emergency shelter for homeless persons. The building is currently being renovated and is expected to begin serving clients early in 2020. Additionally, late in 2019 the County released a Request for Qualifications and Concept Proposals for a County-owned property located in the unincorporated area for an affordable housing development, with a permanent supportive housing component.

Discussion

Anticipated CARES Act funding is included in "Other" section in table above, \$3,088,367 in CDBG-CV funds to be used to prevent, prepare for and respond to the coronavirus and \$5,255,055 in ESG-CV funding to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless prevention activities to mitigate the impacts of COVID-19.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Improve Supply of Affordable Housing	2020	2024	Affordable Housing		New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Disaster Planning and Recovery	CDBG: \$1,030,153 HOME: \$788,353 CDBG-CV: \$1,205,948	Rental units constructed: 5 Household Housing Unit Rental units rehabilitated: 8 Household Housing Unit Homeowner Housing Added: 6 Household Housing Unit Tenant-based rental assistance / Rapid Rehousing: 90 Households Assisted Housing Code Enforcement/Foreclosed Property Care: 2000 Household Housing Unit
2	Enhance Economic Stability	2020	2024	Non-Housing Community Development		Increase Job Skills Facade Improvements Local Entrepreneurship	CDBG-CV: \$400,000	Jobs created/retained: 20 Jobs Businesses assisted: 20 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Increase Social Services	2020	2024	Non-Homeless Special Needs		Housing Support and Stability Assistance for Senior Residents Social Services Youth Activities and Services Disaster Planning and Recovery	CDBG: \$401,099 CDBG-CV: \$563,510	Public service activities other than Low/Moderate Income Housing Benefit: 28300 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 150 Households Assisted
4	Work to End Homelessness	2020	2024	Homeless		Housing Support and Stability Homelessness	ESG: \$221,083 CDBG-CV: \$301,236 ESG-CV: \$4,732,505	Tenant-based rental assistance / Rapid Rehousing: 45 Households Assisted Homeless Person Overnight Shelter: 505 Persons Assisted Homelessness Prevention: 20 Persons Assisted Other: 300 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Quality Neighborhoods	2020	2024	Non-Housing Community Development		Housing Support and Stability Assistance for Senior Residents Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure	CDBG: \$707,945	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 125000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Effective Administration	2020	2024	Planning and Administration		New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure	CDBG: \$534,799 HOME: \$87,594 CDBG-CV: \$617,673 ESG-CV: \$522,500	Other: 0 Other

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Improve Supply of Affordable Housing
	Goal Description	Create and preserve stable, safe, and resilient affordable housing opportunities for homeowners and renters including special needs groups such as farmworkers, persons with disabilities, and the elderly throughout Ventura County. Provide housing support to households impacted by COVID-19. CDBG-CV funds will be used to prevent, prepare for and respond to coronavirus.
2	Goal Name	Enhance Economic Stability
	Goal Description	Enhance economic stability and prosperity by increasing economic opportunities for residents through job skills training and promotion of local entrepreneurship. Provide economic development support to businesses impacted by COVID-19. CDBG-CV funds will be used to prevent, prepare for and respond to coronavirus.
3	Goal Name	Increase Social Services
	Goal Description	Increase access to health and wellness services, youth activities, senior activities, and social service activities for residents. Public service activities supporting response to COVID-19. CDBG-CV funds will be used to prevent, prepare for and respond to coronavirus.
4	Goal Name	Work to End Homelessness
	Goal Description	Work alongside the Ventura County Continuum of Care to end homelessness within Ventura County by providing housing, emergency shelter, and social services to homeless persons or those at risk of homelessness. Provide homeless service activities for persons experiencing homelessness impacted by COVID-19. ESG-CV funds will be used to prevent, prepare for and respond to coronavirus pandemic among individuals and families who are homeless or receiving homeless prevention activities to mitigate impacts of COVID-19. CDBG-CV funds will be used to prevent, prepare for and respond to coronavirus.

5	Goal Name	Create Quality Neighborhoods
	Goal Description	Enhance access to quality, resilient, and livable neighborhoods by improving publicly owned facilities and infrastructure such as parks, streets, sidewalks, and community buildings, including improving accessibility to meet Americans with Disabilities Act (ADA) standards.
6	Goal Name	Effective Administration
	Goal Description	Create and maintain effective housing and community development programs that address the priority needs listed within the Consolidated Plan, comply with all U.S. Housing and Urban Development (HUD) requirements, and achieve the goals and objectives set out by each Ventura County jurisdiction. Administrative tasks supporting activities to prevent, prepare for and respond to coronavirus. (CDBG-CV 20% cap of Allocation and ESG-CV 10% cap of Allocation). Subject to the CARES Act and emergency policy from HUD, including program regulations and waivers.

Projects

AP-35 Projects – 91.220(d)

Introduction

These are 2020 Plan year Projects designed to accomplish the goals and objectives of the 2020 AAP. The 2020 Projects will organize Activities in IDIS under the Projects setup in this section of AAP. The Projects are New Rental Housing, Housing Support and Stability, Homeownership Opportunities, Rehabilitation and Preservation, Assistance for Senior Residents, Other Public Services, Youth Activities and Services, Homelessness, Parks and Community Space, Public Facilities and Improvements, Public Facilities-Fire Protection Equipment and Administration and Planning.

Additionally, three new projects will be used to track activities as a result of CARES Act Amendment, CV-COVID RESPONSE, CV-ADMINISTRATION AND ESG20-OXNARD.

Projects

#	Project Name
1	NEW RENTAL HOUSING
2	HOUSING SUPPORT AND STABILITY
3	HOMEOWNERSHIP OPPORTUNITY
4	REHABILITATION AND PRESERVATION
5	ASSISTANCE FOR SENIOR RESIDENTS
6	OTHER PUBLIC SERVICES
7	YOUTH ACTIVITIES AND SERVICES
8	HOMELESS ASSISTANCE
9	PARKS AND COMMUNITY SPACE
10	PUBLIC FACILITIES AND IMPROVEMENTS
11	PUBLIC FACILITIES-FIRE PROTECTION EQUIPMENT
12	ADMINISTRATION
13	CV-COVID RESPONSE
14	CV-ADMINISTRATION
15	ESG20-OXNARD

Table 3 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities are based on the annual needs identified in coordination with other city departments. Public service allocations are determined by the participation from other providers to meet the goals of the ConPlan. HOME funds are balanced between development projects and single

family housing needs. HESG allocation are targeted exclusively for the needs of the homeless population.

AP-38 Project Summary
Project Summary Information

1	Project Name	NEW RENTAL HOUSING
	Target Area	
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	New Rental Housing
	Funding	HOME: \$788,353
	Description	PARTICIPATION IN HOUSING DEVELOPMENT FUNDING ASSISTANCE
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	5 LOW INCOME HOUSEHOLDS
	Location Description	CITY OF OXNARD. CALIFORNIA
	Planned Activities	FINANCIAL ASSISTANCE TO A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE DEVELOPMENT OF 5 HOUSING UNITS FOR LOW INCOME HOUSEHOLDS IN OXNARD. THIS PROJECT INCLUDES 15% OF HOME ALLOCATION SET ASIDE FOR CHDO'S, OR \$131,392.
2	Project Name	HOUSING SUPPORT AND STABILITY
	Target Area	
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	Housing Support and Stability
	Funding	CDBG: \$200,000
	Description	HOUSING SERVICES
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	5 HOUSING UNIT, 8 HOUSEHOLDS (REHABILITATION), 6 HOUSING UNITS- HOUSING SERVICE; TOTAL OF 19 HOUSEHOLDS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	HOUSING SERVICES FOR LOW - MODERATE INCOME HOUSING HOUSEHOLDS
3	Project Name	HOMEOWNERSHIP OPPORTUNITY
	Target Area	

	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	Homeownership Opportunities
	Funding	CDBG: \$125,000
	Description	HOMEOWNERSHIP ASSISTANCE
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	6 HOUSEHOLDS ASSISTED
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	HOMEOWNERSHIP ASSISTANCE FOR LOW-MODERATE INCOME HOUSING HOUSEHOLDS
4	Project Name	REHABILITATION AND PRESERVATION
	Target Area	
	Goals Supported	Improve Supply of Affordable Housing
	Needs Addressed	Rehabilitation & Preservation of Existing Housing
	Funding	CDBG: \$705,153
	Description	REHABILITATION OF HOUSING UNITS; CODE ENFORCEMENT AND COMPLIANCE
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	8 HOUSEHOLDS HOUSING UNITS 2,000 HOUSEHOLD HOUSING UNITS (CODE COMPLIANCE)
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	AFFORDABLE HOUSING RENTAL UNITS FOR LOW-MODERATE INCOME HOUSEHOLDS; SUPPORT THE CODE ENFORCEMENT ACTIVITIES OF THE CITY OF OXNARD DEVELOPMENT SERVICES TO IMPROVE QUALITY OF LIFE AND PROPERTY ISSUES
5	Project Name	ASSISTANCE FOR SENIOR RESIDENTS
	Target Area	
	Goals Supported	Increase Social Services

	Needs Addressed	Assistance for Senior Residents
	Funding	CDBG: \$47,500
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2021 CDBG ALLOCATION AND PROGRAM INCOME. FUNDING FOR SENIOR SERVICES TO INCREASE THE QUALITY OF LIFE
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	300 PERSONS WILL BE ASSISTED WITH SENIOR SERVICES
	Location Description	CITY-WIDE
	Planned Activities	1) ASSISTING WITH DAILY NEEDS FOR SENIORS BY CAREGIVERS VOLUNTEERS ASSISTING THE ELDERLY, CITY OF OXNARD RECREATION AT 2) PALM VISTA SENIOR CENTER
6	Project Name	OTHER PUBLIC SERVICES
	Target Area	
	Goals Supported	Increase Social Services
	Needs Addressed	Social Services
	Funding	CDBG: \$149,299
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2021 CDBG ALLOCATION AND PROGRAM INCOME. FUNDING FOR SENIOR SERVICES TO INCREASE THE QUALITY OF LIFE
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	125 LOW-INCOME INDIVIDUALS WILL BE ASSISTED WITH SUBSIDIZED HEALTH CARE SERVICES, FAIR HOUSING SERVICES WILL ASSIST 150 FAMILIES, AND 150 HOMELESS INDIVIDUALS WILL BE ASSISTED WITH EMERGENCY SHELTER AND SERVICES.
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	1) CITY OF OXNARD FAIR HOUSING PROGRAM, 2) EMERGENCY SHELTER FOR HOMELESS BY COUNTY OF VENTURA HUMAN SERVICES AGENCY RAIN PROGRAM, 3) HOMELESS SERVICES BY SHELTER CARE RESOURCES, 4) SUBSIDIZED HEALTH CARE SERVICES BY LIVINGSTON MEMORIAL VISITING NURSES ASSOCIATION

7	Project Name	YOUTH ACTIVITIES AND SERVICES
	Target Area	
	Goals Supported	Increase Social Services
	Needs Addressed	Youth Activities and Services
	Funding	CDBG: \$204,300
	Description	PUBLIC SERVICES SUBJECT TO 15% CAP OF 2021 CDBG ALLOCATION AND PROGRAM INCOME. FUNDING FOR YOUTH RECREATIONAL AND EDUCATIONAL PROGRAMS; YOUTH FROM LOW- AND MODERATE-INCOME HOUSEHOLDS.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	1700 YOUTH WILL BE ASSISTED WITH YOUTH SERVICES/RECREATIONAL AND EDUCATIONAL PROGRAMS IN LOW-MOD NEIGHBORHOODS
	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	CITY OF OXNARD RECREATION AT 1) COLONIA GYM, 2) COLONIA BOXING GYM, 3) COLONIA RECREATION CENTER, 4) POLICE ACTIVITIES LEAGUE, 5) RECREATION ON THE GO AND 6) COLONIA LIBRARY EDUCATIONAL PROGRAM
8	Project Name	HOMELESS ASSISTANCE
	Target Area	
	Goals Supported	Work to End Homelessness
	Needs Addressed	Homelessness
	Funding	ESG: \$221,083
	Description	MERGED EXPECTED RESOURCES, PROJECT FUNDING AND NARRATIVES WITH PROJECT ESG20-OXNARD. THIS PROJECT IS NOT AVAILABLE FOR ACTIVITIES.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	KINGDOM CENTER WILL PROVIDE EMERGENCY SHELTER TO 140 INDIVIDUALS; TURNING POINT WILL PROVIDE EMERGENCY SHELTER TO 15 MENTALLY-ILL PERSONS; CITY OF OXNARD HOUSING DEPARTMENT, HOMELESS DIVISION WILL PROVIDE STREET OUTREACH TO 100 INDIVIDUALS; RAPID RE-HOUSING TO 15 HOMELESS HOUSEHOLDS and HOMELESS PREVENTION ASSISTANCE TO 20 HOMELESS PERSONS

	Location Description	VARIOUS LOCATIONS THROUGHOUT CITY OF OXNARD
	Planned Activities	1) ADMINISTRATION OF HESG BY CITY OF OXNARD, 2) KINGDOM CENTER WILL PROVIDE EMERGENCY SHELTER AND , 3) EMERGENCY SHELTER FOR MENTALLY ILL BY TURNING POINT FOUNDATION, 4) CITY OF OXNARD HOUSING DEPARTMENT, HOMELESS DIVISION WILL PROVIDE STREET OUTREACH, 4) RAPID RE-HOUSING, AND 5) HOMELESS PREVENTION
9	Project Name	PARKS AND COMMUNITY SPACE
	Target Area	
	Goals Supported	Create Quality Neighborhoods
	Needs Addressed	Parks and Community Space
	Funding	CDBG: \$118,000
	Description	PUBLIC IMPROVEMENTS OF PUBLIC PARKS AND COMMUNITY SPACE WITHIN LOW- AND MODERATE INCOME AREAS
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	THIS PROJECT WILL ACCOUNT FOR TANGIBLE IMPROVEMENTS TO PUBLIC IMPROVEMENTS IN LOW-MOD CENSUS TRACT NEIGHBORHOODS. THE ACTIVITIES WILL TARGET LOW-MOD CENSUS TRACT NEIGHBORHOODS, ESTIMATED AT 60,000 PERSONS.
	Location Description	LOW AND MODERATE INCOME AREAS
	Planned Activities	1) PLEASANT VALLEY PARK BALL COURT AND 2) LA COLONIA GREEN ALLEYS
10	Project Name	PUBLIC FACILITIES AND IMPROVEMENTS
	Target Area	
	Goals Supported	Create Quality Neighborhoods
	Needs Addressed	Utilities and Public Infrastructure
	Funding	CDBG: \$746,945
	Description	PUBLIC FACILITIES AND IMPROVEMENTS
	Target Date	6/30/2021

	Estimate the number and type of families that will benefit from the proposed activities	THIS PROJECT IS CITY-WIDE AND WILL ACCOUNT FOR IMPROVEMENTS TO CITY FACILITIES. THE CITY-WIDE ACTIVITIES WILL ASSIST APPROX 209,000 PERSONS, OF WHICH OVER 60% ARE LOW/MOD INCOME RESIDENTS, ESTIMATED AT 125,000 PERSONS
	Location Description	CITY-WIDE
	Planned Activities	1) HOMELESS SHELTER PORTABLE FACILITIES, 2) MULTI SERVICE CENTER REHABILITATION, 3) ONE STOP FACILITY AND 4) POLICE ACTIVITY LEAGUE (PAL) REHABILITATION 5)HOMELESS SHELTER IMPROVEMENTS AT 1450 SOUTH ROSE AVE
11	Project Name	PUBLIC FACILITIES-FIRE PROTECTION EQUIPMENT
	Target Area	
	Goals Supported	Create Quality Neighborhoods
	Needs Addressed	Disaster Planning and Recovery Utilities and Public Infrastructure
	Funding	CDBG: \$195,000
	Description	PUBLIC FACILITIES -FIRE PROTECTION EQUIPMENT
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	THIS PROJECT IS CITY-WIDE AND WILL ACCOUNT FOR IMPROVEMENTS TO PUBLIC FACILITIES-FIRE PROTECTION EQUIPMENT. THE CITY-WIDE ACTIVITIES WILL ASSIST APPROX 209,000 PERSONS, OF WHICH OVER 60% ARE LOW/MOD INCOME RESIDENTS, ESTIMATED AT 125,000 PERSONS.
	Location Description	CITYWIDE
	Planned Activities	1) EMERGENCY OPERATIONS CENTER
12	Project Name	ADMINISTRATION
	Target Area	
	Goals Supported	Effective Administration

	Needs Addressed	New Rental Housing Housing Support and Stability Homeownership Opportunities Rehabilitation & Preservation of Existing Housing Assistance for Senior Residents Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness Streets and Streetscapes Parks and Community Space Disaster Planning and Recovery Utilities and Public Infrastructure
	Funding	CDBG: \$534,799 HOME: \$87,594
	Description	ADMINISTRATION AND PLANNING COSTS SUBJECT TO CAPS FOR EACH FUNDING SOURCE; CDBG (20% of Allocation & PI) AND HOME (10% of Allocation & PI)
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	ADMINISTRATION AND PLANNING ACTIVITIES WILL BENEFIT FAMILIES CITYWIDE. AN ESTIMATED 209,000 PERSONS WILL BENEFIT FROM THIS ACTIVITY OF WHICH OVER 60% ARE LOW- AND MODERATE- INCOME RESIDENTS.
	Location Description	CITYWIDE
	Planned Activities	COORDINATION OF ALL CDBG AND HOME ADMINISTRATION AND PLANNING ACTIVITIES
13	Project Name	CV-COVID RESPONSE
	Target Area	
	Goals Supported	Enhance Economic Stability Increase Social Services Work to End Homelessness

	Needs Addressed	Housing Support and Stability Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness
	Funding	CDBG-CV: \$2,470,694
	Description	CDBG activities to prevent, prepare for and respond to coronavirus. Subject to the CARES Act and emergency policy from HUD, including program regulations and waivers. The CV-COVID RESPONSE activities total \$2,470,694.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 21,000 person will benefit from the Fire Paramedicine activity for low and moderate income residents. 21,000 persons will be assisted with Food Share activity; 14,000 persons will be assisted with Health Sanitation activity; 250 homeless individuals will be assisted with emergency shelter and services; 150 youth will be assisted with youth services and educational programs; 10 persons will be assisted by job development and training; rental assistance program will assist 500; and technical assistance activity will assist 20 businesses. These activities are in low-moderate income neighborhoods.
	Location Description	Citywide and Low and Moderate Income Areas.
	Planned Activities	City of Oxnard Fire Department will provide 1) Fire Paramedicine & PPE; City of Oxnard Cultural & Community Services will provide 2) Food Share, 3) Health-Sanitation Program, 4) Homeless Shelter Expansion, 5) Homework Center at Colonia Gym, South Oxnard Center, Durley Park Youth Center; City of Oxnard Housing Department will provide 6) Homeless Outreach, 7) Homeless Encampment Response, 8) Vocational Job Development & Training, 9) Business Improvement-South Oxnard; City of Oxnard Housing Authority will provide 10) Rental Assistance Program; and Community of Action of Ventura County will provide 11) Oxnard Homeless Services.
14	Project Name	CV-ADMINISTRATION
	Target Area	
	Goals Supported	Effective Administration

	Needs Addressed	Housing Support and Stability Increase Job Skills Facade Improvements Local Entrepreneurship Social Services Youth Activities and Services Homelessness
	Funding	CDBG-CV: \$617,673
	Description	Administrative tasks supporting activities to prevent, prepare for and respond to coronavirus. (20% cap of Allocation) Subject to the CARES Act and emergency policy from HUD, including program regulations and waivers. The CV-ADMINISTRATION Project total is \$617,673.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Administration and planning activities will benefit families citywide. An estimated 209,000 persons will benefit from this activity of which over 60% are low- and moderate- income residents.
	Location Description	Citywide.
	Planned Activities	Coordination of all CDBG-CV Administration and planning activities.
15	Project Name	ESG20-oxnard
	Target Area	
	Goals Supported	Work to End Homelessness
	Needs Addressed	Homelessness
	Funding	ESG: \$221,083 ESG-CV: \$5,255,005

Description	HESG ANNUAL \$221,083 - Administration and Planning costs subject to 7.5% Cap, or \$16,581. HEARTH Emergency Solutions Grant funds to provide financial assistance to various service providers for Emergency Shelter and Street Outreach subject to 60% Cap; Homeless Prevention, Rapid Re-Housing, and HMIS activities to serve homeless individuals and families, and those at-risk of becoming homeless. Street Outreach and Emergency Shelter activities will be limited to 60% of HESG allocation, or \$132,649. All HESG subrecipients are required by CITY OF OXNARD to provide matching funds of a dollar for every dollar HESG grant dollar received. ESG-CV ANTICIPATED RESOURCES ALLOW \$5,476,088 OF ESG-CV ACTIVITIES TO PREVENT, PREPARE FOR AND RESPOND TO CORONAVIRUS.
Target Date	6/30/2022
Estimate the number and type of families that will benefit from the proposed activities	HESG PY 2020 Annual grant will assist Kingdom Center with Emergency Shelter activity funds for 140 individuals; assist Turning Point with Emergency Shelter funds for 15 mentally ill persons; City of Oxnard Housing Department, Homeless Division with funds to contract for a provider to assist with Street Outreach to 100 individuals; Rapid Re-Housing to 15 Homeless households and Homeless Prevention assistance to 20 homeless persons. Amendment (4th)- Updated: Turning Point will assist an additional 15 mentally ill persons with the Emergency Shelter funds. Mercy House will assist 8 homeless household with Rapid Rehousing funds. With CARES Act, ESG-CV funds - Homeless activities planned are Emergency Shelter to 350 homeless persons; Rapid Re-Housing to 30 individuals; Street Outreach to 200 individuals.
Location Description	Various locations throughout City of Oxnard.

	Planned Activities	PY 2020 HESG Annual activities will be; 1) Administration of HESG activities, 2) Kingdom Center will provide Emergency Shelter for families, 3) Emergency Shelter for mentally ill by Turning Point Foundation, 4) City of Oxnard Housing Department, Homeless Division will provide Street Outreach, 4) Rapid Re-Housing, and 5) Homeless Prevention. AMENDMENT (4th)—Updated activities 4) Turning Point Foundation will provide Emergency Shelter, 5) Mercy House will provide Rapid Re-Housing. AMENDMENT(3rd) – Updated activities Oxnard ESG-CV funds will provide 1) Homeless Expansion Shelter (Mercy House – Emergency Shelter) at K Street, 2) Temporary Homeless Shelter at PAL (Mercy House Emergency Shelter), Emergency Shelter Maintenance (at K Street and PAL) 3) Temporary Emergency Shelter at 2nd Street (terminated), and Emergency Shelter (Turning Point Foundation), and Emergency Shelter Services (Ventura County Healthcare Services) 4) Case Management & Rapid Re-Housing, 5) Homeless Encampment Response-Outreach, 6) Street Outreach (Ventura County Health Care Services Agency and the Salvation Army) and 7) Tenant-Based Rental Assistance (United Way-Forward Home) and 8) Administration of ESG-CV.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The primary national objectives of the ConPlan programs are to benefit LMI residents, therefore, the City's CDBG funds will be targeted to extremely low, low, and moderate-income persons. The City has traditionally dedicated 100 percent of its CDBG resources to activities that exclusively benefit LMI persons. CDBG funds will be used to serve the LMI persons Citywide and in Low-Moderate Areas (LMA). This trend is expected to continue in PY 2020. Also, the City will continue to assist the low-income persons citywide with HOME and HESG funds. The target areas are: (1) Citywide, with 89 percent of the total entitlement funds; and, (2) the LMA Census Tract, 11 percent. The total entitlement includes the administration and planning funding.

Geographic Distribution

Rationale for the priorities for allocating investments geographically

The need for affordable housing (funded from CDBG and HOME) is present throughout the City. CDBG funds for direct benefit category-capital improvements and code enforcement are allocated based on the percentage of LMI persons within the LMA neighborhoods. Regarding the Public Services category of the CDBG funds, the proposed projects will focus on the basic needs of the residents such as health care, essential and supportive services, as well as housing services. The special population such as seniors, homeless and youth will continue to receive their funding for the healthcare needs, nutrition needs, education needs, shelter support and recreational needs.

HESG allocations are based on the limited clientele are distributed citywide.

HOME funds are distributed based on the income eligibility of the clients and citywide basis. These allocations also cover designated areas targeted by Code Compliance efforts to reduce and eliminate the deterioration of the areas through the Homeownership program as well as the Housing Rehabilitation program: homeowners will improve the beautiful appearance of the home and the safety of the neighborhood.

Discussion

As always, the City of Oxnard will continue to look for available public and private resources and creative ways to fund the needy programs.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

HOME affordable housing loans for down payment assistance or rehabilitation will leverage affordable housing loan programs, funded by State of CA, such as BEGIN and CAL-HOME. HOME development financing assistance will leverage development funds from State of California, developer equity, private financing, and tax credit financing.

Lower-income households continue to pay a high percentage of their income for housing, compared to other income groups. A large percentage of lower-income renters tend to experience overcrowding and inadequate housing conditions as housing problems. In order to help provide decent and affordable housing, and improve the social and economic status for LMI households in Oxnard, the following programs will be available during the next program year:

1. First time Homebuyer Loan Program
2. Homeownership Assistance Program
3. Rehabilitation of Single-Family and Mobile home Housing Units
4. Rehabilitation of Housing Rental Units
5. Construction of new affordable dwelling units
6. Preservation of 520 public housing rental units and 1,840 Section 8 vouchers (including 15 set aside vouchers for homeless persons and 67 VASH vouchers for veterans)

One Year Goals for the Number of Households to be Supported	
Homeless	50
Non-Homeless	2,360
Special-Needs	250
Total	2,660

Table 4 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	2,145
The Production of New Units	5
Rehab of Existing Units	6
Acquisition of Existing Units	10

One Year Goals for the Number of Households Supported Through	
Total	2,166

Table 5 - One Year Goals for Affordable Housing by Support Type
Discussion

City of Oxnard's Affordable Housing Division (AHRD) offers HOME grant funds to finance homebuyer assistance and rehabilitation of owner-occupied single family housing for local residents. AHRD will also continue to provide financial assistance to Community Housing Development Organizations (CHDO) to develop affordable housing units throughout the City subject to available funding and as permitted by the funding source. Loan information is provided to interested residents at homeownership fairs, workshops, and on the City of Oxnard's Housing Department website.

AP-60 Public Housing – 91.220(h)

Introduction

Oxnard Housing Authority (OHA) currently administers 520 public housing units, 1,840 Section 8 rental assistance vouchers, which includes 67 VASH vouchers and provides support services through its Resident Services program and Family Self-Sufficiency (FSS) program. The needs of public housing residents are supported with a Resident Services program which offers a variety of services to families and youth on-site. The FSS program supports and promotes public housing and Section 8 families with homeownership opportunities and economic self-sufficiency. The FSS Program provides one-on-one counseling and individual assistance to families that participate in this program. Marketing flyers for the residential rehabilitation program and the home buyer program are also available in the City's Housing Department lobby.

Actions planned during the next year to address the needs to public housing

Modernization projects for the public housing units, where most needed, are funded through its Capital Fund program. Every 5 years the Capital Fund program conducts a PNA (Physical Need Assessment) throughout the entire housing units and sends out survey questionnaires to the residents to assess the physical deficiencies in their units. It also collects input from Maintenance and Public Housing Staff. All the collected deficiencies get translated into capital improvement projects and get tabulated into a 5 year action plan. Each year, in its Annual Plan and Statement, Capital Fund re-prioritizes those projects identified in the 5 year plan.

For Fiscal year 2020/21, the following capital improvement projects for public housing units are planned:

Cal 31-2 (Felicia Court) Roofing	\$250,000
Exterior Doors	\$220,000
Cal 31-8 (Palm Vista) Boiler Replacement	\$ 10,000
Cal 31-5 (Plaza Vista) Kitchen Cabinets	\$175,000
Cal 31-7 (Scattered sites) Kitchen Cabinets	\$350,000
Building Improvements	\$ 10,000
 Total Planned projects for 2020	 \$1,015,000

In 2019, the Oxnard Housing Authority retired 144 public housing units, the impacted public housing residents were issued Section 8 Project Based Vouchers for the Las Cortes Project and any remaining families were given Section 8 tenant based vouchers to relocate to a unit in the private market.

Actions to encourage public housing residents to become more involved in management and

participate in homeownership

Homeownership opportunities are promoted by offering public housing families homeownership counseling services by Ventura County Community Development Corporation (VCCDC). In addition, families are informed of these services through its Family Self-Sufficiency Program and distribution of fliers to all households.

Public housing residents are encouraged to participate in public housing tenant associations that advocate on behalf of tenants to support efforts to improve public housing stock and living conditions.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not Applicable

Discussion

In order to respond to the increasing need for affordable housing units within the community, OHA and the Housing Department will continue to seek new resources of financing new housing development projects and partnering with developers, owners, and CHDO's.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Jurisdictions that receive federal funds for homeless assistance are required to conduct a Point In Time Count (PIT) of homeless persons each year. The 2020 PIT count was conducted on January 29, 2020.

The "Ventura County 2020 Homeless Count and Subpopulation Survey: Final Report", published in April 2020. The report is at the following website <https://s33020.pcdn.co/wp-content/uploads/2020/04/2020-VC-Homeless-Count-Report-Final.pdf>

In summary, the PIT count is a snapshot of homeless people who could be enumerated on one specific day. The 2020 PIT counted a total of 379 unsheltered homeless persons in Oxnard.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In the previous twelve months the City of Oxnard established a year around homeless shelter and navigation center located on K Street in Oxnard. The City of Oxnard contracted Mercy House to operate the navigation center. The navigation center will continue its operation for the next twelve-month period and beyond. Oxnard has launched an effort to develop a new construction mixed-use development that will include a new and replacement navigation center and 110-bed homeless shelter plus other support services and fifty-four units of permanent supportive housing. We expect that this new project will be in operation within thirty-six months and will maintain the interim operation on K Street until relocation is possible.

During the next year, Oxnard will engage a new street outreach team to offer navigation for basic needs, services and shelter. The street outreach team will coordinate with Mercy House and the Oxnard Navigation Center as well as the Homeless Liaison Officers with the Oxnard Police Department.

Addressing the emergency shelter and transitional housing needs of homeless persons

The emergency shelter and transitional housing needs of homeless persons are currently being addressed by several service providers throughout Ventura County. The emergency shelter needs in the area are met by the following providers: Mercy Housing in operation of the Oxnard Navigation Center, Ventura County Rescue Mission - single men over the age of 18 with rotating stay schedule, 10 nights in/5 nights out; Kingdom Center - emergency shelter for single women and women with children; Lighthouse Mission for Women and Children - single women and women with children; and Turning

Point Foundation - mentally ill individuals.

Transitional housing needs are currently being met by the following providers: Kingdom Center - single women and women with children; Khepera House - single men; Many Mansions - transition aged youth, single women and women with children; Turning Point Foundation - single mentally ill persons; Salvation Army - families, single parents and single persons; VC-HSA - families, single parents and children, and single persons; Project Understanding - families and single parent households.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

There are many providers that are working diligently to assist homeless persons from not only finding housing, but also to prevent further incidents of homelessness. The Oxnard Housing Authority has created a homeless preference in issuance of Housing Choice Vouchers and is actively offering permanent housing opportunities. During the 2019 – 2020 fiscal year the Oxnard Housing Authority expects to house fifty otherwise homeless families with the use of Housing Choice Vouchers.

The Ventura County Human Services Agency utilizes both County General Funds and the City's Emergency Solutions Grant to provide eviction prevention and rapid re-housing services to all of these populations; they will continue to do this in the forthcoming operating year. Additionally, Ventura County Veterans Services, Homeless Health Care and Ventura County Behavioral Health all work closely with the service providers to provide other supportive services to assist in reducing the incidence of homelessness as they have also done in the recent past.

OHA works in conjunction with the Veteran Administration to administer 67 housing vouchers for homeless veterans under the VASH program. This program targets chronically homeless veterans.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The CoC has documented discharge policies of all of the above mentioned services that spell out various directions to ensure persons are not discharged into homelessness. Additionally, as stated earlier, HSA works with qualifying low-income persons and families to avoid homelessness. This is done with the

utilization of HESG and Ventura County allocated general fund dollars. Under the CoC discharge policy, in fulfilling the State Mandated Policy (state law related to the discharge protocol), the following are found:

1. **Health Care Facilities:** the County health care system describes the discharge policy as interdisciplinary responsibility. For the persons who require ongoing medical and nursing care and who have no identifiable address they may be discharged to a respite program at the RAIN project, a County operated transitional housing project. Others, upon discharge routinely go to group homes, board and care facilities, or reunite with families and friends.
2. **Mental Health Facilities:** the Ventura County Medical Center Psychiatric Inpatient Unit with the collaboration of Ventura County Behavioral Health and various community agencies provide discharge planning and placement assistance to patients, when leaving the mental health facilities.
3. **Foster care and other youth facilities:** the goal is to provide assisted services to eligible youth and young adults between the ages of 16 and 21 in making a successful transition from foster care to independent living and achieve self-sufficiency. In addition to the County Children and Family Services, a Transitional Age Youth (TAY) center, operated by Pacific Clinic is also available.
4. **Corrections programs and institutions:** upon release, inmates are able to obtain housing in transitional and permanent housing programs, group homes, and sober living homes as well as with family and friends.

Discussion

The CoC has incorporated each of the following goals of Opening Doors into its 20-year plan to end homelessness:

1. Ending chronic homelessness through targeted street outreach (CDBG-Community Action-One Stop Shelter, CoC-Oxnard Homeless Outreach Program, VCHSA-Rapid Re-housing, HESG-Winter Warming Shelter), discharge planning and implementation of a housing first approach.
2. Preventing and ending homelessness among veterans by providing permanent supportive housing beds, in addition to Section 8 HUD VASH vouchers.
3. Preventing and ending homelessness for families, youth, and children by 2020 through rapid rehousing program and homeless prevention activities. The CoC set a path to ending all types of homelessness in its 10-year plan by implementing a coordinated assessment system-Pathways to Home. As a result, the number of chronic homeless, veterans, families, and youth continue to demonstrate positive results.
4. All of the above objectives are still in progress and will be folded into a regional plan and strategy lead by the County of Ventura.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Barriers or constraints to the affordability of housing exist in many forms. A particular building code that to one sector might be interpreted as a “negative” public policy that acts as a barrier to affordable housing may to another sector be seen as a life-saving necessity – for example, seismic safety construction requirements. The same can be said for zoning and land use regulations. It should be noted that in Ventura County, local growth limitations have been adopted by direct ballot measures. Some of these measures entail costs which can affect housing supply and the cost of housing that is produced.

Barriers to exit homelessness include the lack of a permanent, year round shelter and the lack of housing units for those at the very low- and low- income spectrum. Because of the high cost to develop housing for these populations and limited public funding to subsidize the development of new affordable housing units, developers often do not have the resources to develop the number of units necessary to house this population. When this occurs, badly needed units go undeveloped, thus further limiting housing opportunities for those hardest to house.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Environmental review, general planning, zoning, and related local land use regulations and development standards are all extensions of local government police powers to protect life and property, minimize nuisances, and achieve a desired quality of life as expressed through a participatory democratic process. Certain barriers to affordability are imposed by the mandates created by State Law (such as preparing and adopting a General Plan and conducting environmental reviews), are adopted for safety or civil rights reasons (such as the imposition of seismic construction standards in quake-prone areas, or requiring compliance with accessibility or visitability design standards), or enacted to remedy or prevent a specific local issue (such as requiring landscaping to deter graffiti). The term “barrier” should not be interpreted in the context that local development standards and development review procedures are inhibiting the provision of quality affordable housing that would otherwise be developed, but are the cumulative effect of the development requirements imposed by the layers of government regulations and laws that impact residential development.

Discussion:

The City strives to consistently implement all policies and procedures, to review local development standards and development review procedures in such a way as to avoid and ensure that such do not have unintended negative consequences, and to improve policies and procedures so as to increase the opportunities and feasibility of developing affordable housing, especially for special needs and very low- and low-income units). The City will continue to engage in these efforts to identify and minimize any

barriers over which the City has legal authority, in accordance with applicable law.

AP-85 Other Actions – 91.220(k)

Introduction:

The City will implement the goals and strategies of the Consolidated Plan to achieve the other actions listed in the next section.

Actions planned to address obstacles to meeting underserved needs

The City will continue to utilize available resources to fund administrative support activities to meet the underserved needs in the community. The City will continue to work with the appropriate state agencies to administer the assets of the former redevelopment agency in the appropriate manner, and to the benefit of the LMI community whenever possible and feasible. Limited availability of funding from federal, state and other sources;

High cost of housing and provisions in the area which increases the difficulty of meeting affordable housing needs;

Reduced or frozen funding from state and other sources due to inadequate state revenue; the housing and credit crisis causing a negative effect;

A tight job market has produced an increased demand for production of new housing which is not being met, increasing home prices. Salaries are not commensurate with the high cost of housing in this market. These two factors combine to exacerbate the affordability crisis; and,

Credit crisis has limited the availability of capital to develop housing for low-and moderate-income households and special needs groups. City staff will address the challenges of existing and new obstacles in PY 2020 by focusing on the following programmatic and administrative areas: Staff will continue to research the availability of future funding resources that leverage the development of affordable housing units, inclusive of grants, bond financing, Section 108 funding and partnering with other affordable housing developers. CDBG and other funds will be used to fund administrative support for programs that serve the needs of LMI citizens citywide. This is especially critical now that no redevelopment agency funding is available, given that redevelopment agencies no longer exist in California. Staff will continue to collaborate with private-sector partners when appropriate in the development and construction of affordable housing. Staff will continue to collaboratively work with the service provider community, non-profit organizations, and neighboring cities and local governmental agencies within the County of Ventura to identify projects that also meet federal community development program eligibility and which can comply with timely draw-down requirements.

Actions planned to foster and maintain affordable housing

The City utilizes its Inclusionary Housing Program to provide significant numbers of affordable housing units. To ensure that Oxnard has enough opportunity sites suitable for residential development and to meet the remaining RHNA affordable allocation of 2,497 lower income and moderate units and 53 above moderate income units, the City is relying on the following:

- The All Affordable Housing Opportunity Program (AAHOP) and Affordable Housing (AH) additive

zone (see Supplement 2) with an inventory of 2,067 units on 38 AAHOP sites

- 66 Vacant and Underutilized Sites (see Supplement 2)

The City of Oxnard has adopted several ordinances that establish inclusionary affordable housing requirements for new developments. Relevant ordinances are City Council Ordinances 2721 and 2615. The Inclusionary Housing Program provides for in-lieu fee payments that can replace the on-site units within a development subject to approval by the City Council. The City is currently in the process of completing a study to increase the City's in-lieu fee. In-lieu fees for development project are as follows:

For-Sale Units: If the in-lieu request is granted, the developer is required to make a payment of 1 percent of the sales price of each for sale unit in the project based on increments of \$50,000, with a minimum payment of \$5,000 for each unit.

Rental Units: A payment is required for each rental unit. The price is adjusted every six months by the percentage increase or decrease for the previous six months as determined by the Los Angeles Riverside-Orange County Consumer Price Index for all urban consumers.

The City Council generally prefers on-site affordable housing as opposed to payment of in-lieu fees. A project that is approved for in-lieu payments has usually agreed to another public benefit through a Development Agreement that justifies the in-lieu payment. In-lieu payments are made when the developer applies for building permits for the approved units. The in-lieu fees collected provide funding support in the form of developer loans to new affordable housing projects and are almost always leveraged with other funding sources. The current in-lieu fund balance is approximately \$2.8 million.

Possible incentives may include, but are not limited to, the following:

- Assistance with accessing and applying for funding (based on availability of federal, state, local foundations, and private funds)
- Mortgage-subsidy or down payment assistance programs to assist first- time homebuyers and other qualifying households, when such funds are available
- Expedited/streamlined application processing and development review
- Modification of development requirements, such as reduced setbacks and parking standards on a case-by-case basis
- Density bonus

Actions planned to reduce lead-based paint hazards

The City will coordinate activities with the County of Ventura Department of Health and Human Services to reduce lead-based paint hazards in accordance with federal regulations. Any rehabilitation activities on housing units constructed prior to 1978 will have lead hazards identified and actions taken to remove the hazard. The City's Affordable Housing Division does not own or manage any housing units. All units for which HOME and CDBG assistance is provided for homebuyer assistance or homeowner

rehabilitation are administered in compliance with HUD's HOME or CDBG regulations for lead-based paint, as applicable. With respect to units owned or assisted by the Oxnard Housing Authority, there have been no cases of Public Housing tenants and/or Section 8 participant households reporting or having been discovered to have poisoned children or any child with "Elevated Blood Lead Level". OHA staff provides a brochure related to lead based paint hazards to all new tenants and program participants. Maintenance staff attends training and seminars to stay current with the State of California Lead Awareness Training requirements.

Actions planned to reduce the number of poverty-level families

Eliminating poverty is a clear concern in Oxnard and Ventura County in general. Efforts are constantly underway to improve the quality of life and economic well-being of the residents through collaborative efforts of the following agencies and their programs to provide needed skills for individuals seeking jobs and thereby getting them out of poverty:

- City Corp
- Community Action of Ventura County
- Oxnard Housing Authority
- County of Ventura-Human Services Agency
- City's youth programs such Police Activities League programs, Colonia Gymnasium, Colonia Recreation Center and Boxing programs

Actions planned to develop institutional structure

Extensive public and private partnerships have been established and organized to address the City's housing, homeless, and community development needs: Entitlement Grants workshops and training, Affordable Housing workshops for homeowners, Relocation meetings for residents, Fair Housing training and other scheduled meetings (such as Pre-construction meetings, Commission on Homelessness meetings, and meetings with County Continuum of Care Council, Housing Committee meetings).

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to collaborate with public and private housing and social service agencies to meet the goals and objectives of the Consolidated Plan. This could be from ongoing meetings, special meetings and task force.

Discussion:

The City anticipates significant numbers of inclusionary affordable housing to be developed within several proposed specific plans and other new projects. Based on a thorough review, the City does not believe that the current inclusionary housing program is a constraint to the development of housing in

addition to the incentives and concessions currently being offered and conversations with local developers who have been able to work within the requirement of the inclusionary housing program and produce housing. To further ensure the program does not pose a constraint, the City has included a monitoring process.

Other actions that the City of Oxnard will continue to improve compliance assessment for all its HUD funded programs and projects by 1) monitoring program and financial performance; 2) compliance with Environmental review: each project is reviewed for compliance with the National Environmental Protection Act. The City has a consulting agreement with Rincon to assist and perform the environmental reviews for housing developments and facility improvement projects, more complicated, and time consuming projects; 3) Labor Compliance Act: the City reviews and perform the contract administration of all CDBG-funded construction projects; 4) Section 3 Compliance: this function is also performed by the City; 5) Procurement and Purchasing: The City has its own procurement and purchasing policies managed by staff in the Finance Department; 6) Partnerships with Citizen Advisory Groups: Inter-Neighborhood Council Forum, Commission on Homelessness, Parks and Recreation and Community Services Commission, Mobilehome Park Rent Review Board, and Senior Services Commission.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

In addition to the 20% cap for Administration, the City of Oxnard also allocates 15% of 2020 CDBG funds for public services such as recreation programs for youth, homeless services, senior services and fair housing activities. The balance of the funds will be allocated to housing activities, code compliance and public facilities and improvements. In the event of an emergency (such as an earthquake, flooding, or hurricane ...) the City will cut the non-committed funds from other existing projects in order to fund the urgent need within the allowable range. However, the urgent need to meet the following tests: (1) the existing conditions pose a serious and immediate threat to the health and welfare of the community, (2) the existing conditions are recent or recently became urgent, generally 18 months, (3) the City cannot finance on its own, (4) and when other funding sources are not available.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Other forms of local investments for housing that may be available to projects include financing from the City's in-lieu fees, CDBG funding. Additionally, the City also provides homebuyer assistance through the use of program income received from BEGIN and CALHOME State funded grant programs.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Refer to Questions # 3 for Resale Provisions & procedures.

Recapture:

Provisions

- "In the event that the homebuyer fails to satisfy the requirements during the term of the loan, or otherwise defaults, the City shall exercise its legal rights, as set forth in the promissory note and deed of trust, in order to recover the monetary assistance previously provided to the maximum extent permitted by law."
- "If the recapture provisions are triggered by a sale of the housing unit, (whether voluntary or involuntary –such as foreclosure) or other default, the City shall take all necessary steps to recover the full amount of HOME funds from the net proceeds. The phrase 'net proceeds' is defined as the sales price, minus the loan repayment of the first trust deed (other than HOME funds) and any closing costs."

The HOME Program regulations allow the City to recapture the entire HOME Subsidy, in the event the loan recipient violates the affordability and or term period requirements. However, should the 'net proceeds' not cover the entire HOME Subsidy or not cover any of the HOME Subsidy, the City is required to forgive the remaining balance of the direct HOME Subsidy.

- During the term of the loan, the homeowner must repay the loan if it is sold, transferred or refinanced without the City's permission and/or with cash out to the homeowner or the homeowner does not occupy the residence as a primary residence.

Procedures

The City utilizes an agreement which includes restrictions, and a promissory note secured by a deed of trust which is recorded with the Ventura County Recorder's Office.

Staff monitors and requires certification annually by the homeowner that the property is owner-occupied to determine if recapture provisions shall be invoked upon discovery of violations for owner-occupancy or unauthorized transfers.

The City will exercise the rights stipulated in the promissory note, secured by the deed of trust that was recorded with the County Recorder's Office.

Should Borrower transfer (as that term is defined in the Note) the Property during the occupancy period, City shall require that Borrower pay from the net proceeds the full amount of the Loan. For purposes of this Loan Agreement, “net proceeds” shall mean the sales price minus loan repayment (other than CDBG funds) and closing costs.

In the event net proceeds are not sufficient to discharge the full amount of the Loan during the occupancy period plus enable the Borrower to recover his or her initial investment in the Property and documented costs of any capital improvements, Borrower shall share the net proceeds with City. The City’s share of the net proceeds shall be calculated as follows:

$$(\text{Amount of Loan} / \text{Amount of Loan} + \text{Borrower's Investment}) = \% \text{ of Net Proceeds that City is entitled to.}$$

Should the net proceeds not discharge the full amount of the Loan, City shall forgive the remaining balance.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Refer to Question #2 for Recapture provisions and procedures.

Resale Provisions

During the affordability period, the homeowner must resell to another low-income homebuyer if the property is refinanced without the City’s permission and/or with cash out to the homeowner or the homeowner does not occupy the residence as a primary residence.

The original homebuyer receives a fair return on investment, (i.e., the homebuyer’s down payment plus capital improvements made to the house. It is important to note that in certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price); and

In the event that the homebuyer fails to satisfy the requirements during the term, or otherwise defaults, the City shall exercise its legal rights, as set forth in the Resale Restriction Agreement.

Procedures

The City utilizes a Resale Restriction Agreement (RRA) secured by a deed of trust which is recorded with the Ventura County Recorder’s Office.

Staff monitors and requires certification annually by the homeowner that the property is owner-occupied to determine if resale provisions shall be invoked upon discovery of violations for owner-occupancy or unauthorized transfers.

If the homeowner defaults or fails to satisfy requirements during the term, the City will exercise the

rights stipulated in the Resale Restriction Agreement.

Property must be sold to an eligible low-income homebuyer which shall acquire the unit subject to the continuation of restrictions provided in the RRA through an assumption agreement.

The purchase price must be affordable for a low-income household who earns up to 80% of the area median income, provided by HUD. The monthly cost for principal, interest, taxes, insurance, HOA fees, utilities, and maintenance should not be more than 30% of the monthly income for the household or otherwise stated in the RRA. There is no preference to a particular segment of the low-income population.

The resale price is calculated using one of two ways methods described below. The method used is identified in the RRA:

Determined as the affordable housing cost for a family at 80% of AMI paying no more than 30% of the monthly income for the household or in accordance of California Health And Safety Code 50025.5, whichever is lesser, but not less than the original price paid by homebuyer, or

Determination using a CPI method to calculate the increase (or decrease) in value of the property.

The U.S. Bureau of Labor Statistics Consumer Price Index – All Urban Consumers for the Los Angeles-Riverside- Orange Counties Area (all items based 1982-1984=100) provides the CPI on the date of the calculation and the CPI on the purchase date. The calculation is the CPI on the date of the calculation minus the CPI on the purchase date, plus the cost of improvements to property evidenced with receipts, less 7% depreciation, plus the costs of bringing the housing unit up to current building codes and in a salable condition.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City currently does not have any plans to invest HOME funds in this type of activity.

Emergency Solutions Grant (ESG) Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

The City does not provide any direct assistance under the HESG program any longer. All written standards vary by service providers and assistance type. However, all providers must ensure recipients meet the minimum qualifications established by HUD for each eligible funded activity. HESG Policies and Handbook are provided to all HESG subrecipients.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Regional Ventura County Continuum of Care Alliance has established centralized or coordinated

assessment system, Pathways to Home, that provides coordination intake as well as systems to avoid duplication of effort and redundancies.

Pathways to Home is centralized to provide identical information and system-wide tracking through HMIS, of all homeless individuals who seek and /or receive assistance at any one of the various service providers, or through the County directly.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The process for making all sub-awards for HESG recipients are as follows:

- a. The City formally posts the Notice of Available Funds (NOFA) in the regional newspaper, on the City's website, and emails and paper mail are sent to all existing and potential service providers from Santa Barbara to Los Angeles.

- b. All interested agencies attend information workshop/application training on the process, which includes all deadline dates and times.

- c. Interested agencies then submit their application, project overview and qualifications

- d. The Review Panel included representatives from City Advisory Groups.

- e. The Review Committee reviews all proposals and provides a scores for each eligible application. The funding recommendations are derived based on the scores.

- f. The funding recommendation are adjusted to meet the available resources and cap requirements; reviewed by management and then submitted to the City Council for approval.

- g. All applicants are contacted and urged to attend the City Council meeting in which the items fall on the agenda. All supporting comments and grievances are done at this time.

- h. The Mayor and City Council directs the City Manager and staff to move forward with final processing.

- i. Staff prepare all contracts for execution. Additionally, all internal processes are completed in order to encumber funds to each individual agency.

- j. Contracts are completed and services can begin on July 1.

- k. All HESG contracts are awarded for two years.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR

576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City meets the homeless participation requirement by having a homeless and formerly homeless person serve on the City's Commission on Homelessness. In addition, each entity receiving city HESG funding is also asked to provide information as to how they involve the homeless.

5. Describe performance standards for evaluating ESG.

PERFORMANCE MEASURES

Performance measures are in place to ensure the efficient administration of all HESG funded activities. Additionally, along with the utilization of the HMIS, these measures will hopefully help to reduce the length of time of family and individuals remain homelessness, reduce the overall incidence of homelessness, and monitor the overall use of emergency shelters. Some of the activity measures are as follows:

- **Emergency Shelters:** Excluding winter shelters, must be able to document placement of a minimum of 10 percent of the homeless persons or households served in the Program Year into transitional or permanent housing.
- **Transitional Housing:** must be able to document placement of a minimum of 50 percent of the households who completed the transitional housing program in the Program Year into permanent housing. "Household" is defined as all clients including single individuals and families.
- **Rapid Re-housing:** must show continued housing of clients receiving assistance for at least three months after receiving assistance. This should be done via case management of clients, documentation and HMIS entry and exit dates.
- **Eviction Prevention:** must show continued housing of clients receiving assistance for at least three months. This should be done via case management of clients, documentation and HMIS entry and exit dates.
- **All clients,** with the exception of victims of domestic violence, must be entered into the Regional HMIS within 15 days of receiving service(s), and must be exited from the system within 30 day of program completion or termination.
- **MINIMUM STANDARDS:** Sub-grantees are expected to have taken steps to meet the Minimum Standards for Homeless Programs within thirty days of executing the Program Year contract.
- **BUILDING AND HABITABILITY STANDARDS:** Any building for which HESG funding is used for renovation, major rehabilitation or conversion must meet local government safety and sanitation standards. In addition, the Sub-Grantee must meet a number of basic standards to ensure that shelter and housing facilities funded through the HESG program are safe, sanitary and adequately maintained.
- **MONITORING:** City staff will monitor the use of grant funds through a combination of a thorough review of all submitted reports, review of audit or financial statements, and monitoring and site visits.

The City will continue to develop and implement eligible activities using the grant funds and through the monitoring and review processes and techniques in order to comply with the federal specific requirements.

Homeless Assistance Division continues to fund all the activities prescribed in the HEARTH act. With the sub-recipients cooperation, the City's HESG will continue to provide substantial additional leverage funds to invest in the various programs in order to assist the homeless population toward the goal of reduction and ending homelessness. Also, HESG limits the cost categories for administration and planning to 7.5% or \$16,581 and 60% for street outreach and emergency shelter \$132,649; total \$149,230 for those cost categories. The City's 2020 action plan allows the maximum toward \$16,581 administration and planning, and a total of \$71,853 or 32.5% toward other activities such as homeless prevention and rapid re-housing support.

Appendix - Alternate/Local Data Sources

1	Data Source Name Data submitted by OHA
	List the name of the organization or individual who originated the data set. Jesus Andrade, Senior Housing Specialist of the OHA, provided the attached data for Public Housing and Section 8 Programs
	Provide a brief summary of the data set. The data set provided is more accurate than the default data.
	What was the purpose for developing this data set? Not applicable
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Not applicable
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Not applicable

	What is the status of the data set (complete, in progress, or planned)? Not applicable
2	Data Source Name MA-25 Public and Assisted Housing
	List the name of the organization or individual who originated the data set. Jesus Andrade, Senior Housing Specialist for OHA
	Provide a brief summary of the data set. More accurate data than default data
	What was the purpose for developing this data set? More accurate data than default data
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Not Applicable
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Not Applicable
	What is the status of the data set (complete, in progress, or planned)? Not Applicable
3	Data Source Name CHARACTERISTICS OF RESIDENTS
	List the name of the organization or individual who originated the data set. Jesus Andrade, Senior Housing Specialist of OHA, provided the data
	Provide a brief summary of the data set. The data set information are more current information based on the PIC system.
	What was the purpose for developing this data set? N/A
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? N/A
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? N/A

	What is the status of the data set (complete, in progress, or planned)? N/A
4	Data Source Name Race of Residents NA - 35
	List the name of the organization or individual who originated the data set. Jesus Andrade, Senior Housing Specialist of OHA, provided attached information
	Provide a brief summary of the data set. This data is more accurate than default data.
	What was the purpose for developing this data set? This data is more accurate than default data.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? N/A
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? N/A
	What is the status of the data set (complete, in progress, or planned)? N/A
5	Data Source Name Ethnicity of Residents NA - 35
	List the name of the organization or individual who originated the data set. Jesus Andrade, Senior Housing Specialist, of OHA provided the attached information.
	Provide a brief summary of the data set. This information is more accurate than the default data.
	What was the purpose for developing this data set? This data is more accurate than the default data.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? N/A
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? N/A

	What is the status of the data set (complete, in progress, or planned)? N/A
6	Data Source Name 2011-2015 ACS
	List the name of the organization or individual who originated the data set. US Census Bureau, American Community Survey (ACS) 2011-2015 5-year estimates.
	Provide a brief summary of the data set. The American Community Survey is an ongoing, annual survey conducted by the US Census Bureau to gather demographic, employment, housing, educational, socioeconomic, and other types of data regarding individuals and households in communities across the country.
	What was the purpose for developing this data set? The American Community Survey is conducted monthly, every year, to gather current information on communities across the country. The data are used by state and local entities to determine priority needs and inform decision-making processes such as the allocation of financial resources and services.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? The American Community Survey includes a randomized sample of about 3.5 million addresses covering all 50 states, the District of Columbia, and Puerto Rico.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? The American Community Survey data used in this report are from the 2011-2015 ACS 5-year estimates.
	What is the status of the data set (complete, in progress, or planned)? The American Community Survey 1-year and 5-year estimates are published annually by the US Census Bureau.
7	Data Source Name 2011-2015 CHAS
	List the name of the organization or individual who originated the data set. The Comprehensive Housing Affordability Strategy (CHAS) data are an annual, customized tabulation of data from the American Community Survey (ACS) performed by the US Census Bureau for the US Department of Housing and Urban Development.

	Provide a brief summary of the data set. CHAS data include information from the ACS pertaining to housing needs and problems, disaggregated by income, race/ethnicity, and other household types. The data also include housing market data including estimates on unit age, unit size, and unit risk of lead-paint exposure.
	What was the purpose for developing this data set? CHAS data can be used by state and local decision-makers to identify priority needs in communities across the country. HUD can also use CHAS data to distribute grant funds.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? CHAS data are derived from the American Community Survey (ACS) which includes a randomized sample of about 3.5 million addresses covering all 50 states, the District of Columbia, and Puerto Rico.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? The CHAS data used in this report are 2011-2015 5-year estimates derived from the American Community Survey.
	What is the status of the data set (complete, in progress, or planned)? The Census Bureau performs CHAS tabulations for HUD each year. HUD publishes CHAS data 5-year averages annually.
8	Data Source Name 2013-2017 ACS
	List the name of the organization or individual who originated the data set. US Census Bureau, American Community Survey (ACS) 2013-2017 5-year estimates.
	Provide a brief summary of the data set. The American Community Survey is an ongoing, annual survey conducted by the US Census Bureau to gather demographic, employment, housing, educational, socioeconomic, and other types of data regarding individuals and households in communities across the country.
	What was the purpose for developing this data set? The American Community Survey is conducted monthly, every year, to gather current information on communities across the country. The data are used by state and local entities to determine priority needs and inform decision-making processes such as the allocation of financial resources and services.

	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? The American Community Survey includes a randomized sample of about 3.5 million addresses covering all 50 states, the District of Columbia, and Puerto Rico.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? The American Community Survey data used in this report are from the 2013-2017 ACS 5-year estimates.
	What is the status of the data set (complete, in progress, or planned)? The American Community Survey 1-year and 5-year estimates are published annually by the US Census Bureau.
9	Data Source Name 2000 Census
	List the name of the organization or individual who originated the data set. US Census Bureau, 2010 decennial Census.
	Provide a brief summary of the data set. The Census is conducted every ten years by the US Census Bureau to count the entire population in all 50 states and territories.
	What was the purpose for developing this data set? The Census counts the US population to provide data to lawmakers and other entities. The data support many essential functions such as determining congressional and state districts and directing the allocation of federal funding.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? The Census sends questionnaires by phone, mail, or online to every home address located in the 50 states and territories.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? The Census gathers data over the calendar year.
	What is the status of the data set (complete, in progress, or planned)? The Census is published every ten years by the US Census Bureau.
10	Data Source Name PIC (PIH Information Center)

	List the name of the organization or individual who originated the data set. The US Department of Housing and Urban Development releases annual Picture of Subsidized Households data.
	Provide a brief summary of the data set. Picture of Subsidized Households data include basic program information on HUD subsidized housing units as well as basic demographic and socioeconomic data on the households currently living in those units.
	What was the purpose for developing this data set? Picture of Subsidized Households data provides basic information on the housing units and resident households of federally assisted housing administered by HUD.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Picture of Subsidized Households data are available for jurisdictions with HUD subsidized housing for all 50 states and territories.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Picture of Subsidized Households data is available for the years 2010-2019. The data used in this report are from 2015.
	What is the status of the data set (complete, in progress, or planned)? HUD publishes Picture of Subsidized Households data annually.
11	Data Source Name 2011-2015 ACS and 2015 LEHD
	List the name of the organization or individual who originated the data set. US Census Bureau, American Community Survey (ACS) 2011-2015 5-year estimates. The Longitudinal Employer-Household Dynamics (LEHD) data are derived from the Original² Employment Statistics (LODES) and are produced by the US Census Bureau.
	Provide a brief summary of the data set. The American Community Survey is an ongoing, annual survey conducted by the US Census Bureau to gather demographic, employment, housing, educational, socioeconomic, and other types of data regarding individuals and households in communities across the country. LEHD data include geographic, economic, and demographic information on jobs, employment location, and residence location of employees.

	What was the purpose for developing this data set? The American Community Survey is conducted monthly, every year, to gather current information on communities across the country. The data are used by state and local entities to determine priority needs and inform decision-making processes such as the allocation of financial resources and services. LEHD data are accessible through the OntheMap mapping tool and were developed to visualize where employees work and reside. How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? The American Community Survey includes a randomized sample of about 3.5 million addresses covering all 50 states, the District of Columbia, and Puerto Rico. LEHD data encompass all 50 states, the District of Columbia, and Puerto Rico, however, not every jurisdiction has data available for every year and/or not every variable is available for each jurisdiction for each year. What time period (provide the year, and optionally month, or month and day) is covered by this data set? The American Community Survey data used in this report are from the 2011-2015 ACS 5-year estimates. LEHD data include data from 2002-2017 and present data from Quarter 2 (April – June) as the reference period for each calendar year. The data used in this report are from 2015. What is the status of the data set (complete, in progress, or planned)? The American Community Survey 1-year and 5-year estimates are published annually by the US Census Bureau. The Census Bureau publishes LEHD data annually.
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2022 ANNUAL ACTION PLAN

2021 ANNUAL ACTION PLAN AMENDMENT

2020 ANNUAL ACTION PLAN AMENDMENT

Emilio Ramirez, Director
Housing Department
City Council
May 17, 2022

ANNUAL ACTION PLAN

CDBG



Community Development Block Grant
Building Better Neighborhoods



Home Investment Partnerships
Program



Emergency Solutions Grant

COMMUNITY DEVELOPMENT BLOCK GRANT



ANNUAL ACTION PLAN

CDBG Categories

**FY 2022-
2023
Requested**

**FY 2022-2023
Recommend
ed**

Administration

\$ 523,148

\$ 523,148

Public Services

Caregivers: Volunteers
Assisting the Elderly

\$ 12,500

\$ 12,500

County of Ventura-Human
Services Agency RAIN

\$ 30,000

\$10,000

Livingston Memorial
Visiting Nurses

\$ 20,000

\$ 20,000

Oxnard Recreation-
Colonia

Memorial Park Veterans
Gym

\$ 100,000

\$ 95,000

Oxnard Cultural & Comm
Services-Palm Vista
Senior Center

\$ 60,000

\$ 60,000



COUNTY OF VENTURA

ANNUAL ACTION PLAN

<u>Public Services</u> <u>Continued</u>	FY 2022- 2023 <u>Requested</u>	FY 2022- 2023 <u>Recommend</u> <u>ed</u>
Oxnard Recreation- Police Activities League	\$ 100,000	\$ 100,000
Oxnard Recreation- Southwinds Youth Center	\$ 75,000	\$ 60,000
Shelter Care Resources- Foundation First	\$35,500	\$ 15,000
Oxnard Performing Arts Center Corporation-Creative Youth Development	\$ 20,000	\$19,861
Easterseals Southern California - Diagnostic Clinics	\$ 20,000	\$ 0
Oxnard Housing- Fair Housing	\$ 98,051	\$ 0
<i>Public Service Total</i>	<i>\$ 571,051</i>	<i>\$ 392,361</i> <i>(Estimate)</i>



ANNUAL ACTION PLAN

Public Improvements & Other Programs

FY 2022-2023
Requested

FY 2022-2023
Recommended

Oxnard Housing AHRD-
Residential Rehabilitation Loan
Program

\$ 300,000

\$ 300,000



Economic
Development
Collaborative-
Business Loan
Program

\$ 196,000

\$ 196,000

Ventura County Community
Development Corporation
(Hope to Home Down Payment
Assistance)

\$ 250,000

\$ 250,000



Public Works-Court
Reconstruction and
Resurfacing

\$ 954,232

\$954,232

Public Works-El Rio West
Sidewalks

\$ 504,000

\$ 0

ANNUAL ACTION PLAN

Public Improvements & Other Programs Continued

FY 2022-2023 Requested

FY 2022-2023 Recommended

Oxnard Public Works-
Camino del Sol
Community Garden
Expansion and
Improvement

\$ 520,000

\$ 0

Oxnard Housing AHRD-
Residential
Rehabilitation
Underwriting

\$ 87,000

\$ 0

Oxnard Housing AHRD-
Housing Services

\$ 239,350

\$ 0

Oxnard Development
Services-Code
Compliance

\$285,000

\$ 0

***Public Improvements &
Other Programs Total***

\$ 3,335,582

\$1,700,232

ANNUAL ACTION PLAN

<u>CDBG</u>	<u>FY 2022-2023 Requested</u>	<u>FY 2022-2023 Recommended</u>
Administration (20%)	\$ 523,148	\$ 523,148
Public Service	\$ 571,051	\$392,361
Public Improvements & Other Programs	\$ 3,335,582	\$ 1,700,232
<u>CDBG Total</u>	<u>\$ 4,429,781</u>	<u>\$ 2,615,741</u> <u>(Estimate)</u>

EMERGENCY SOLUTIONS GRANT



ANNUAL ACTION PLAN

Hearth Emergency Solutions Grant	<u>FY 2022-2023 Requested</u>	<u>FY 2022-2023</u> <u>Recommended</u>
Administration (7.5%)	\$16,466	\$ 16,466
Turning Point Foundation - Emergency Shelter	\$ 55,000	\$ 37,480
The Salvation Army- Street Outreach	\$ 200,000	\$ 64,250
The Kingdom Center- Emergency Shelter	\$33,000	\$ 30,000
Mercy House Living Centers- Rapid Rehousing	\$56,818	\$ 71,355
HESG TOTAL	\$ 361,824	\$ 219,551 (Estimate)



**GABRIEL'S
HOUSE**



MERCYHOUSE

HOME INVESTMENT PARTNERSHIPS



**Home Investment Partnerships
Program**

ANNUAL ACTION PLAN

HOME	<u>FY 2021- 2022 Approved</u>	<u>FY 2022- 2023 Recommended</u>
Administration (10%)	\$86,483	\$86,483
CHDO Set-Aside (>15%)	\$114,724	\$114,724
Affordable Housing Development Project	\$663,624	\$663,624
HOME TOTAL	\$ 864,831	\$864,831 (Estimate)



THIRD AMENDMENT 2021 ANNUAL ACTION PLAN

Substantial Amendment to 2021 Annual Action Plan per Citizen Participation Plan

2021 HESG Activity and Organization- Move Street Outreach funds to The Salvation Army \$101,730

Program	Activity & Organization (Award Amount)	Activity & Organization	Proposed Amount
HESG 2021	Street Outreach (\$101,730)	Street Outreach (\$101,730)	\$101,730
	Oxnard Housing Department, Homeless Services Division	The Salvation Army	

FOURTH AMENDMENT 2020 ANNUAL ACTION PLAN

Substantial Amendment to 2020 Annual Action Plan per Citizen Participation Plan

2020 HESG New Activity and Organization:

2020 HESG	Activity & Organization (Award Amount)	New Activity & Organization	Proposed Amount
	Case Management Homeless Prevention and Rapid Re-Housing (\$ 71,853)	Rapid Rehousing (\$71,853)	\$71,853
	Oxnard Housing Department, Homeless Services Division	Mercy House	
	Street Outreach (\$ 52,649)	Emergency Shelter (\$52,649)	\$ 52,649
	Oxnard Housing Department, Homeless	Turning Point Foundation	

RECOMMEDATION

That the City Council:

1. Conduct a public hearing to receive comments regarding the 2020 and 2021 Annual Action Plan Amendments, and the Plan Year 2022 Annual Action Plan draft document with funding recommendations for the third year of the 2020-2024 Ventura County Regional Consolidated Plan.

RECOMMEDATION

That the City Council:

2. Approve the 2022 Annual Action Plan with recommended use of funds for selected activities that conform with City of Oxnard consolidated plan goals as defined in the Ventura County Regional Consolidated Plan for the three entitlement grants, Community Development Block Grant, Home Investments Partnership grant and the Emergency Solutions Grant to be submitted to the United States Department of Housing and Urban Development, as prescribed;
3. Approve the updated changes in activities pertinent to the 2021 Annual Action Plan Amendment and Plan Year 2020 Annual Action Plan Amendment related to HEARTH Emergency Solutions Grant;

RECOMMEDATION

That the City Council:

4. Authorize the City Manager and his designees, to incorporate the actual HUD grant allocation in the 2022 Annual Action Plan including increasing or decreasing approved activities by 10% of approved recommendation based on the actual HUD grant allocation;
5. Authorize the City Manager and his designees, to incorporate any recommended changes resulting from the public input to the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment, as directed by the City Council, including amending any budget appropriations approved by the City Council;

RECOMMEDATION

That the City Council:

6. Authorize the City Manager and his designees, to execute the required applications, certifications, and other pertinent documents for the submission of the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment to the United States Department of Housing and Urban Development, Office of Community Planning and Development;
7. Authorize the City Manager, and his designees, to execute HUD agreements and sign all agreements for the implementation of the Annual Action Plan including subrecipients, interdepartmental, and intradepartmental agreements.



QUESTIONS?

Written comments to:
emilio.ramirez@oxnard.org



CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. L.1

DATE: May 17, 2022

TO: City Council

FROM: Steve Naveau, Human Resources Director, (805) 385-7947, steve.naveau@oxnard.org

SUBJECT: Agreement for Third Party Administration of Workers' Compensation Claims. (0/5/5)

RECOMMENDATION

That the City Council approve and authorize the Mayor to execute Agreement No. A-8455 with CorVel Enterprise Comp., Inc. in an amount not to exceed \$1,515,000 for a 5-year term for workers' compensation claims administration and adjustment services.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/eiQVFwcV4Js>

BACKGROUND

Staff is requesting authorization to enter into Agreement No. A-8455 with CorVel Enterprise Comp., Inc. ("CorVel") to provide workers' compensation claims management services, which include investigative, adjustment, administrative and legal support services for the City's claims associated with employee industrial injuries. The agreement is for a five-year term and is in an amount not-to-exceed \$1,515,000 (an average of \$303,000 per year).

Workers' Compensation claims administration and adjustment is the process of tracking, controlling and resolving claims for injuries to City employees occurring on the job.

In January 2022, a Request for Proposal (RFP) was issued and advertised on the City's website and sent to 13 vendors known to perform this work. The City received a total of ten (10) proposals. Based upon the criteria identified in the RFP, City staff evaluated the proposals and selected 3 firms as finalists for oral interviews. Of these top 3 firms, CorVel was ultimately selected as the most qualified to perform the work due to its overall responsiveness to the RFP, the most advantageous staffing model to the City, demonstrated public agency experience, the experience and ability of its staff, and the firm's operating philosophy. CorVel also provided the best pricing structure compared to all other proposers. This agreement would be for a five-year term at the following estimated amounts per year (each fiscal year includes a CPI factor estimated at 5% and an allowance for additional costs pursuant to the Rates and Cost Exhibit of the Agreement):

FY 22-23:	\$ 280,175*
FY 23-24:	287,934
FY 24-25:	301,330
FY 25-26:	315,395
FY 26-27:	330,166
Total	\$1,515,000

* Includes first year start-up costs of \$5,000.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

The costs of Agreement No. A-8455 will be budgeted annually in the Workers' Compensation Fund 702 (account# 702-1702-852.82-09-Svcs Other Prof/Contract) annually over the 5-year term to cover the cost of the agreement. The annual cost of services from CorVel are estimated to be lower than with the City's previous workers' compensation claims management provider.

COMMITTEE OUTCOME

This item was included on the May 10, 2022, Finance and Governance Committee Agenda . The Committee outcome was not known as of the time this agenda report was drafted. Due to the need for an implementation/transition period of 45 days prior to the July 1, 2022, start date, it was necessary to include this item on the City Council agenda of May 17, 2022.

Prepared by: Mike More, Human Resources Manager

ATTACHMENTS

1. Attachment No 1 - A-8455 CorVel Enterprise Comp Inc vf
2. Attachment No 2 - CC Presentation WC TPA

**AGREEMENT FOR PROFESSIONAL SERVICES
COVER PAGE**

- (1) Agreement Start Date: July 1, 2022
- (2) Consultant: CorVel Enterprise Comp., Inc.
- (3) Services: Workers' compensation claims administration and adjustment services.
- (4) Schedule of Services: Ongoing third party administration services over a 5-year term.
- (5) Agreement Ending Date: June 30, 2027
- (6) Total Agreement Amount: Not to Exceed \$1,515,000
- (7) City's Project Manager: Human Resources Manager
- (8) Consultant's Project Manager: Laura Day, Vice President
- (9) Insurance Coverage: INS-A
- (10) Addresses for Notice:

FOR CONSULTANT:

CorVel Enterprise Comp, Inc.
1920 Main Street Suite 900
Irvine CA 92614
Attn: Legal Department

And

CorVel Corporation
10750 4th Street
Rancho Cucamonga CA 91730
Attn: Laura Day, Vice President

FOR CITY:

City of Oxnard Human Resources
300 West Third Street, 1st Floor
Oxnard, CA 93030
Attn: Risk Manager

- (11) Contact Emails:

*CONSULTANT'S PROJECT
MANAGER:*

Laura_day@corvel.com

CITY'S PROJECT MANAGER:

mike.more@oxnard.org

The Agreement for Professional Services is attached hereto and incorporated herein by this reference. The following exhibits are also attached hereto and incorporated herein by this reference into the Agreement:

- ☒ Scope of Services Exhibit
- ☒ Description of Services Exhibit
- ☒ Claims Administration Standards Exhibit
- ☒ Rates and Costs Exhibit
- ☒ Insurance Exhibit (INS-A)
- ☒ CareMc License Agreement and My Care Smartphone Claims App Attachment Exhibit

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is entered into in Ventura County, California, on the date that is written as "(1) Agreement Start Date" on the Cover Page, which is attached hereto and incorporated herein by this reference. This Agreement is entered by and between the City of Oxnard ("City") and the person or entity listed as "(2) Consultant" on the Cover Page, subject to the following terms and conditions:

1. Scope of Services. Consultant shall provide to City the services listed as "(3) Services" on the Cover Page (the "Services"). Consultant shall provide the Services during the term of this Agreement, as set forth below, according to the schedule written as "(4) Schedule of Services" on the Cover Page, and as further explained in the Scope of Services Exhibit, which is attached hereto and incorporated herein by this reference. In the event of any conflict between the terms of this Agreement and any incorporated document(s), the terms of this Agreement shall control.
2. Standard of Performance. Consultant shall undertake and complete the Services to conclusion using the standard of care, skill and diligence normally provided by a professional person in the performance of similar consulting services.
3. Correction of Errors. Consultant shall correct, at its expense, all errors which may be disclosed during review of the Services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by City, and the cost thereof shall be paid by Consultant.
4. Term. This Agreement shall begin on the date that is written as "(1) Agreement Start Date" on the Cover Page and shall end on the date that is written as "(5) Agreement Ending Date" on the Cover Page. Time is of the essence in this Agreement.
5. Compensation. For the Services performed during the term of this Agreement, City shall pay Consultant an amount not to exceed the amount that is listed as "(6) Total Agreement Amount" on the Cover Page, at the rates listed in Rates and Costs Exhibit, attached hereto and incorporated herein by this reference. The rates in Rates and Costs Exhibit shall be in effect through the end of this Agreement. Except as otherwise expressly provided in this Agreement, City shall not be responsible for expenses incurred by Consultant in performing the Services.
6. Invoices. Consultant shall submit a payment request to City by the end of each calendar month listing the Services provided, costs of those Services, and total amount due for the month. Each invoice must also list the current balance on the Agreement, including that invoice, as well as the months remaining on the term of the Agreement. Invoices may be emailed to: invoices@oxnard.org.
7. Acceptance of Payment. Consultant's acceptance of final payment made pursuant to this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services. City's payment shall not constitute nor be deemed a release of the responsibility and liability of Consultant for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant and its employees, agents and subcontractors. Consultant shall provide City with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.
8. Non-Appropriation of Funds. Payments to be made to Consultant by City for the Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of City. In the event City does not appropriate sufficient funds for payment of the Services beyond the current fiscal year, this Agreement shall cover payment for the Services only up to the conclusion of the last fiscal year in which City appropriated sufficient funds and shall automatically terminate at that fiscal year's conclusion.

9. Coordination of Services. The Services shall be coordinated with the person in the position listed in “(7) City’s Project Manager” on the Cover Page, subject to the direction of the City Manager and Department Director. Consultant hereby designates the person in the position listed in “(8) Consultant’s Project Manager” on the Cover Page as the person responsible for the Services who shall coordinate with City’s Project Manager in making binding decisions in line with this Agreement on behalf of Consultant.

10. Personnel. Consultant represents that it has, or shall secure at its own expense, all personnel required to perform the Services. Any person who performs engineering services pursuant to this Agreement shall be licensed as a Civil Engineer by the State of California and in good standing. Consultant shall make reasonable efforts to maintain the continuity of Consultant’s staff who are assigned to perform the Services. Consultant may associate with or employ associates or subcontractors in the performance of the Services, but at all times shall Vendor be responsible for its associates and subcontractors’ labor, advice or materials provided in furtherance of providing the Services. Should any of Consultant’s employees, assigns or subcontractors not conduct him- or herself appropriately, as determined by the City’s Project Manager, in the process of providing the Services or any portion thereof, the City’s Project Manager may notify the Consultant’s Project Manager, who shall immediately handle the problem, as determined appropriate by him or her, such that the problem does not persist.

11. Additional Work. City may request additional specified work under this Agreement. The City’s Project Manager must authorize all such work in writing before commencement. Consultant shall perform such work, and City shall pay for such additional work, in accordance with Rates and Costs Exhibit. Should the work not fall under any such listed rate or cost, Consultant shall submit a quote for all additional work, which the City’s Project Manager must approve in writing by before any such work may commence. The City shall compensate Consultant for any work that does not fall under a rate or cost listed in the Rates and Costs Exhibit, and for which Consultant did not obtain the City’s Project Manager’s written approval before work commenced, as determined by the City’s Project Manager in his or her sole discretion.

12. Audit. City shall have the option of inspecting, auditing and/or reproducing all records and other written materials used by Consultant in preparing its billings to City as a condition precedent to any payment to Consultant. Consultant will promptly furnish all documents requested by City. Additionally, if this Agreement is in excess of \$10,000, the State Auditor may examine and audit Consultant for a period of 3 years after final payment under the Agreement. Regardless of whether a State audit is permitted, Consultant shall maintain and preserve all such records for a period of at least 3 years after final payment under the Agreement. Consultant shall include a copy of this Section 12 in all contracts with its subcontractors, and Consultant shall be responsible for immediately obtaining those records or other written material from its subcontractors upon a request by the State Auditor and/or City.

13. Termination. City may terminate this Agreement at any time, with or without cause and without penalty, upon 15 days prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 10 calendar days from the date of delivery or mailing of such notice. Consultant may terminate this Agreement at any time, with or without cause and without penalty, upon 30 days prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 10 calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed before the date of termination. In the event of termination of this Agreement by either party due to no fault or failure of performance by Consultant, City shall pay Consultant compensation for all Services satisfactorily completed in accordance with all of the terms and provisions of this Agreement, as determined by the City, before the effective date of termination; provided, in no event shall the Consultant receive an amount exceeding that which would have been paid to Consultant for the full performance of the Services.

14. Hold Harmless, Defense and Indemnity.

If Consultant provides any architectural, landscape architectural, engineering or land surveying (“design professional”) services, to the maximum extent permitted by law, Consultant shall hold harmless, defend, and indemnify City, its legislative and advisory bodies, and the City’s officials, directors, officers, employees, and agents (collectively, “Indemnitees”) from and against any and all claims, demands, causes of action, damages,

injuries, liabilities, losses, penalties, fines, judgments, costs or expenses, including reimbursement of attorneys' fees, court costs and costs of alternative dispute resolution, including but not limited to those relating to death or injury to any person and injury to any property (collectively, "Claims"), to the extent that the Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant or of any of its officers, employees, subcontractors or agents in the performance of the Agreement or in the failure to comply with any of the obligations contained in this Agreement. Consultant's obligation to defend is a separate and distinct obligation from Consultant's duty to indemnify and applies through final judgment, including exhaustion of any appeals. Consultant shall be obligated to defend Indemnitees in all legal, equitable, administrative, or special proceedings, with counsel approved by the City Attorney, to the extent required herein immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that the liability is caused in whole or in part by the negligence or willful misconduct of any of the Indemnitees.

If Consultant provides no design professional services, to the maximum extent permitted by law, Consultant shall hold harmless, defend and indemnify the Indemnitees from and against any and all Claims, which arise out of, pertain to, or relate to the performance of this Agreement, or the failure to comply with any of the obligations contained in this Agreement, by Consultant or of any of its officials, directors, officers, employees, subcontractors, or agents. Consultant's obligation to defend is a separate and distinct obligation from Consultant's duty to indemnify and applies through final judgment, including exhaustion of any appeals. Consultant shall be obligated to defend Indemnitees in all legal, equitable, administrative, or special proceedings, with counsel approved by the City Attorney, immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that the liability is caused in whole or in part by the negligence or willful misconduct of any of the Indemnitees.

a. The review, acceptance or approval of Consultant's work or work product by any of the Indemnitees shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This Section 14 shall survive completion of the Services or termination of this Agreement. The provisions of this Section 14 shall not be restricted by and does not affect the provisions of this Agreement relating to insurance.

15. Insurance. Consultant shall obtain and maintain during the performance of any services under this Agreement the insurance coverages listed within the insurance document stated in "(9) Insurance Coverage" on the Cover Page and in the Insurance Exhibit, which is attached hereto and incorporated herein by this reference, unless the City's Risk Manager waives, in writing, the requirement that Consultant obtain and maintain such insurance coverages. Consultant shall, before performance of any Services, file with the City's Risk Manager evidence of insurance coverage as specified in "(9) Insurance Coverage" on the Cover Page and in the Insurance Exhibit. Maintenance of insurance coverages by Consultant is a material element of this Agreement. Consultant's failure to maintain or renew insurance coverages or to provide renewal evidence, and any lapse in insurance coverage, may be considered a material breach of this Agreement.

16. Documents and Materials.

a. All final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data, photographs, specifications, information, images, video files, media, or other deliverables prepared, created, drawn, calculated, photographed or developed by Consultant pursuant to this Agreement ("Documents and Materials") shall be the City's property without restriction or limitation upon its use, duplication or dissemination. All Documents and Materials shall be considered "works made for hire," and all Documents and Materials and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of the City without restriction or limitation upon their use, duplication or dissemination by the City. Consultant shall not obtain or attempt to obtain copyright protection as to any Documents and Materials. Consultant hereby assigns to the City all ownership and any and all intellectual property rights to the Documents and Materials that are not otherwise vested in the City pursuant to this Section 16.

b. Consultant shall deliver all Documents and Materials to City's Project Manager upon completion of the Services or termination of this Agreement without additional cost or expense to the City. Additionally,

anytime at City's request, City shall be entitled to possession of, and Consultant shall furnish to City's Project Manager within 10 calendar days, any or all of the Documents and Materials without additional cost or expense to the City. In both situations, if Consultant prepares Documents and Materials on a computer, Consultant shall provide City with said Documents and Materials both in a printed format and in an electronic format that is acceptable to the City. Consultant may retain copies of these Documents and Materials but must request permission from the City before use, duplication or dissemination of these Documents and Materials for any purpose other than for the Services provided to the City pursuant to this Agreement.

c. Any substantive modification of the Documents and Materials by City staff or any use of the completed Documents and Materials for other City projects, or any use of incomplete Documents and Materials, without the written consent of Consultant, shall be at City's sole risk and without liability or legal exposure to Consultant.

d. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Documents and Materials, and that the City has full legal title to and the right to use, duplicate or disseminate the Documents and Materials. Consultant shall defend, indemnify and hold Indemnitees harmless from any loss, claim or liability in any way related to a claim that City's use of any of the Documents and Materials is violating federal, state or local laws, any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the services and Documents and Materials. In the event the use of any of the Documents and Materials by the City is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its own expense, shall: secure for City the right to continue using the Documents and Materials by suspension of any injunction, or by procuring a license or licenses for City; or modify the Documents and Materials so that they become non-infringing while remaining in compliance with the requirements of this Agreement.

e. This Section 16 shall survive the termination of this Agreement.

17. Confidentiality of Information.

a. For the purposes of this Agreement, "Confidential Information" means all information, in whatever form transmitted, relating to the past, present or future business affairs of the City, including without limitation, (i) technical information, including patent, copyright, trade secret, and other proprietary information, techniques, sketches, drawings, models, inventions, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulas; or (ii) non-technical information, including without limitation finances, financial and accounting data and information, suppliers, customers, customer lists, purchasing data and any other information belonging to the City or to a third party whose information is in the City's possession or control under obligations of confidentiality, and which is disclosed to Consultant or is developed by Consultant in whole or in part at the City's expense.

b. All Documents and Materials shall be considered Confidential Information and shall not be reproduced, transmitted, disclosed or used by the Consultant without the written consent of the City, except as may be necessary for Consultant to fulfill its obligations to the City.

c. Notwithstanding the above, these limitations shall not apply to information that (i) is already known to Consultant at the time of that information's disclosure or becomes publicly known through no wrongful act or omission of Consultant, (ii) is communicated to a third party with the express written consent of City and is not subject to restrictions on further use or disclosure, (iii) is independently developed by Consultant and has no relation to this Agreement, or (iv) is required by law, court order, court-issued subpoena or other legal process to be disclosed; provided, however, that before making such disclosure, Consultant shall immediately provide City with written notice and a reasonable opportunity for City to object to the disclosure or to take action to maintain the confidentiality of the information, unless such prior disclosure is legally impermissible.

d. Consultant shall use reasonable care to protect the Confidential Information. In the event of a breach or threatened breach of this Agreement, City shall be entitled to obtain an injunction prohibiting any such breach, the costs of which shall be paid by Consultant. Any relief granted shall be in addition to and not in lieu of any other legal or equitable relief, including money damages. The parties acknowledge that Confidential Information is valuable and unique and that disclosure of the Confidential Information in breach of this Agreement may result in irreparable injury to the City.

e. Other than an obligation upon the City to deal in good faith, the City makes no warranties and shall bear no liability or responsibility for errors or omissions in any Confidential Information disclosed under this Agreement or for any business decisions made by Consultant in reliance on any Confidential Information disclosed under this Agreement.

f. This Section 17 shall survive the termination of this Agreement.

18. Independent Contractor. Consultant is and shall at all times remain, as to City, a wholly independent contractor. Neither City nor any of its employees or agents shall have control over the conduct of Consultant or any of its employees, except as stated in this Agreement. Consultant has and shall retain the right to exercise full control over the employment, direction, means of performance, location, compensation and discharge of all persons assisting Consultant, and it is free to dispose of all portions of its time which it is not obligated to devote to City in such a manner and to such persons, firms, or corporations as Consultant wishes except as expressly provided in this Agreement. This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine; provided, however, that performing such services shall not materially interfere with the Services Consultant shall perform for the City. Except as City's Project Manager specifies in writing, Consultant and its employees and agents have no authority, express or implied, to act on behalf of City in any capacity, to incur any debt, obligation or liability on behalf of City, bind City in any manner, or otherwise act on behalf of City as an agent. Consultant and its employees are not employees of City. Consultant and its employees are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, and health, life, dental, long-term disability and workers' compensation insurance benefits. Consultant shall not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant agrees to pay all required taxes on amounts paid to Consultant under this Agreement, and to indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Consultant's subcontractors, material suppliers, directors, officers, employees, agents and representatives, including compliance with social security requirements, federal and State income tax withholding, and all other regulations governing employer-employee relations, as applicable. City shall have the right to offset against the amount of any compensation due to Consultant under this Agreement any amount due to City from Consultant as a result of its failure to promptly pay to City any reimbursement or indemnification arising under this Section 18.

19. Nondiscriminatory Employment. Consultant shall not unlawfully discriminate against any individual based on race, color, religion or religious creed, national origin, ancestry, ethnic group identification, primary language, physical disability, mental disability, medical condition, genetic information, marital status, gender, gender identity, gender expression, sex, sexual orientation, age, immigration status, citizenship or military and veteran status. Consultant understands and agrees that it is bound by and will comply with all legal nondiscrimination mandates. For every subcontractor who will perform Services, Consultant shall be responsible for such subcontractor's compliance with this Section 19.

20. Consultant's Representations. Consultant represents, covenants and guarantees that: a) Consultant is licensed, qualified, and capable of furnishing the labor, materials, and expertise necessary to perform the Services in accordance with the terms and conditions set forth in this Agreement; b) there are no obligations, commitments, or impediments of any kind that will limit or prevent Consultant's full performance under this Agreement; c) to the extent required by the standard of practice, Consultant has investigated and considered the scope of Services

performed, has carefully considered how the Services should be performed, and understands the facilities, difficulties and restrictions attending performance of the Services under this Agreement.

21. Compliance with Laws. In performing the Services under this Agreement, Consultant shall comply with all applicable laws, ordinances and regulations. Before providing any Services under this Agreement, Consultant shall, at its own expense, obtain and maintain all required certificates, licenses and permits, including a City business tax certificate.

22. Conflict of Interest. If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a “governmental decision” as described in Title 2, Section 18701(a)(2) of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement. Furthermore, Consultant shall not to accept any employment or representation during the term of this Agreement or within 12 months after completion of the Services which is or may likely make Consultant “financially interested,” as provided in California Government Code Sections 1090 and 87100, in any decisions made by City on any matter in connection with which Consultant has been retained pursuant to this Agreement.

23. Fictitious Name. If Consultant has a fictitious name, Consultant shall submit to City a new Fictitious Business Name Statement approved by any California county before Consultant's prior Fictitious Business Name Statement expires if such expiration may occur during the term of this Agreement, including any term amendment.

24. Non-Assignability. This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Consultant shall not assign or transfer any interest in this Agreement or any part thereof, whether by assignment or novation, without City's prior written consent, which may be withheld for any reason or for no reason at all. Any purported assignment without written consent shall be null, void, and of no effect, and Consultant shall hold harmless, defend and indemnify Indemnitees from and against all Claims arising from or relating to any unauthorized assignment.

25. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant.

26. Applicable Law; Venue. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to the Agreement shall be in the Ventura County Superior Court.

27. Titles. The titles used in this Agreement are for convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part of it.

28. Force Majeure. Neither City nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include but are not be limited to acts of God, riots, acts of war, epidemics, fire, earthquakes, or other disasters.

29. Authority. Any person executing this Agreement on behalf of Consultant warrants and represents that s/he has the authority to execute this Agreement on behalf of Consultant and to bind it to the performance of these obligations.

30. Binding Agreement. The parties do not intend this Agreement to be binding upon them and shall not be held liable to its terms until it is fully executed by all required signers.

31. Integration; Amendment. This Agreement, including any other documents incorporated herein by specific reference, constitutes the entire and integrated agreement of City and Consultant regarding the subject matter described herein. This Agreement supersedes all prior oral or written communications, negotiations,

representations, agreements and promises. This Agreement may not be modified or amended, nor any provision or breach waived, except in a writing, signed by both parties, that expressly refers to this Agreement.

32. Construction. In the event of any asserted ambiguity in or dispute regarding the interpretation of any matter herein, the interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or who drafted the Agreement in whole or in part.

33. No Waiver. Waiver by either party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default that may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default.

34. Attorneys' Fees. The prevailing party shall be entitled to recover reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney's Office) and expenses, including investigation fees and expert witness fees, in addition to any other relief to which that party may be entitled, in any legal action or other proceeding, including an action for declaratory relief, for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement.

35. Notice. Except as otherwise required by law, a notice or communication authorized or required by this Agreement shall be in writing and shall be deemed received—on (a) the day of delivery if delivered by hand or overnight courier service during City's regular business hours or (b) the third business day following deposit in the United States mail, postage prepaid—to the addresses listed as "(10) Addresses for Notice" on the Cover Page or at such other address as one party may notify the other in writing.

36. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement transmitted by email to Project Managers' emails listed in "(11) Contact Emails" on the Cover Page or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

37. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date that is written as “(1) Agreement Start Date” on the Cover Page.

CITY OF OXNARD

CORVEL ENTERPRISE COMP., INC.

☐ John C. Zaragoza, Mayor¹ _____ Date _____
☐ Alexander Nguyen, City Manager _____
☐ Daniel White, Purchasing Manager _____
☐ , Buyer _____

Brandon O’Brien, CFO _____ Date _____

Richard Schweppe, Assistant Treasurer _____ Date _____

ATTEST:

Rose Chaparro, City Clerk (only if Mayor signs) _____ Date _____

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney (always required) _____ Date _____

¹ The City Council must authorize and the Mayor must sign any agreement over \$200,000 annually. The City Manager may authorize and sign any agreement over \$100,000 but up to \$200,000 annually. The Purchasing Manager may authorize and sign any agreement up to \$100,000 annually. A Buyer may authorize and sign any agreement up to \$25,000 annually.

SCOPE OF SERVICES EXHIBIT

- I. Consultant shall administer the workers' compensation claims of City in accordance with the Public Risk Innovation, Solutions, and Management (PRISM) Claims Administration Guidelines attached hereto as the Claims Administration Standards Exhibit.
- II. Consultant shall ensure that all workers' compensation claims are processed in accordance with California law, codes, rules, and regulations as promulgated by the Administrative Director and the Manager of the Office of Self-Insured Plans (OSIP) of the Department of Industrial Relations (DIR).
- III. Consultant shall initiate prompt processing of all claims presented to Consultant upon notification by City in writing, facsimile transmission, electronically, or via telephone.
- IV. Staffing and Caseload
 - a. Consultant shall provide the following staffing model to service City's workers compensation claims:
 - i. 1 Claims Supervisor
 - ii. 2 full-time dedicated Indemnity Adjusters
 - iii. 1 designated Future Medical/Medical-Only Adjuster
 - iv. 1 Claims Assistant support staff
 - v. 1 Benefit Tech support staff
 - b. Consultant agrees that each Indemnity Adjuster shall have a caseload not to exceed 150 open indemnity claims. Indemnity claims are counted as one claim. Future medical claims and medical only claims are counted as two-to-one (2:1) indemnity claims.
- V. Penalties
 - a. Any penalties assessed to City for delays in benefits that are the direct result of the delay by Consultant shall be the responsibility of Consultant. Any penalties that are assessed as of the direct result of delay by City shall be the responsibility of City.
 - b. Any penalties assessed by the Division of Workers' Compensation Audit Unit for which Consultant made negligent error as identified by a State auditor shall be the responsibility of Consultant. City shall be responsible for paying penalties for which City has made a negligent error as identified by a State auditor.
 - c. Consultant shall be responsible for any and all penalties that are the result of late payments pursuant to the statutory requirements for timely payments. If the penalties are paid from the trust fund as an add-on to a bill or benefit, Consultant shall reimburse City on a quarterly basis. The check and a report outlining all penalties shall be submitted to the City within thirty (30) calendar days after the quarter ends on March 31, June 30, September 30, and December 31.
- VI. Medicare Set Aside Allocations and SCHIP Reporting
 - a. Provide an account manager and designated back-up to timely report to the reporting agent all judgments, settlements, awards, above the threshold limits as periodically required by the Medicare, Medicaid, and SCHIP Extension Act of 2001 (MMSEA) for all Medicare-eligible claimants.
 - b. Protect Medicare's interest in both conditional liens and future payments of medical expenses for all Medicare-eligible claimants to the extent it is reasonably appropriate because of the exposure, the injuries, and the then-existing and future anticipated medical treatment costs.

- c. Hold harmless, defend, and indemnify the City for any fines or Medicare reimbursements required to be paid as a result of Consultant's failure to timely report any Medicare-eligible judgments, awards, or settlements, or for any claim that there was a failure on the part of Consultant to adequately protect Medicare's conditional or future medical payment rights of reimbursement.

VII. Financial Administration

- a. City will establish a zero-balance bank trust account from which Consultant shall make all indemnity, medical, and allocated loss expense payments. Payment authorization limits and payment policies will be established by City and reviewed from time to time with Consultant. Consultant's monthly service fee shall not be paid from the trust account.
- b. Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.
- c. All allocated loss expenses shall be charged to the applicable claim file out of the City's trust account.
- d. The City or its designated representative shall be authorized to visit Consultant's facilities to perform claims audits. All data and documents pertaining to the City's claims shall be made available to City or its designated auditor, at no additional cost to City.
- e. No charges to City for payments made on behalf of persons who were not valid employees of City at the date of injury shall be accepted for payment by the City.
- f. Consultant shall assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. Each adjuster shall have passed the State of California Department of Industrial Relations, Self Insurance Administrator's Examination; or, as a minimum requirement, no less than one (1) adjuster shall not have successfully passed this State examination. However, an adjuster that has not passed the State examination shall be enrolled in appropriate courses leading to certification within two (2) years.
- g. Consultant shall ensure that other personnel, such as management, clerical, accounting, and data processing staff, which may be required to satisfactorily provide the services required under this Agreement, shall be provided by Consultant with the agreed fee schedule under the RATES AND COSTS EXHIBIT incorporated into this Agreement. City understands that the personnel referred to in this paragraph need not be dedicated to the exclusive use of the City.
- h. Consultant shall reconcile the bank trust account on a monthly basis and provide the reconciliation in Microsoft Excel format to City electronically via secure email.

VIII. Claims Reporting: Consultant shall provide all of the following reports to City on a monthly basis or as requested

- a. Workers' Compensation Claim Detail Report: this report includes individual claim information that can be filtered and arranged according to a multitude of report parameters and valuations. This report includes individual claim information that can be valued as of different points in time.
- b. Workers compensation claims summary reports by annual reporting period.
- c. Payment Register Detail Report: this report summarizes payments issued between two dates and can be filtered and arranged according to different report parameters.

- d. Loss Experience Summary Report: this report shows the number of open and closed claims and associated financial information that can be filtered and arranged according to different report parameters.
- e. OSHA Form 300 – This is the OSHA Log of Work-Related Illness and Injuries. Federal law requires employers to record all reportable injuries and illness that occur in the workplace on this form.
- f. OSHA Form 300A – This is the OSHA Summary of Work-Related Injuries and Illnesses. Federal law requires employers to post this form in the workplace annually.
- g. OSHA Form 301 – This is the OSHA Injury and Illness Incident Report which is required by the United States Department of Labor's Occupational Safety and Health Administration (OSHA) for employer provided workplace incident records.
- h. Workers' Compensation Lag Time Report: this report shows the lag time between the date the injury occurred, the date the employer was notified and the date the injury was reported to Consultant. This report helps to understand how costly lag times may be affecting the workers' compensation program.
- i. Claims Scorecard: this report compares major data elements over certain time periods. In addition, the Claims Scorecard provides exception reporting commonly requested to help manage specific claims responsible for the majority cost of the program.
- j. Claims Safety Dashboard: this report is an interactive tool that allows the user to view information sorted by various filters and displayed on easy-to-read graphs. Information is displayed on up to six different information panels based on each user's account and dashboard preference settings.
- k. Ad Hoc Reporting: Ad hoc report inquiries can be made with data elements captured in the claims system. Most ad hoc reports are available in PDF and Excel formats. These reports can be run instantly or scheduled for regular output.
- l. 4850 Benefits Reporting including future liability, total incurred with 4850 benefits, total incurred without 4850 benefits and vouchers, and any excess insurance or subrogation recoveries.
- m. Listing of any administrative penalties paid during each month with the responsible party noted for each penalty paid. Consultant shall issue a check payable to City for reimbursement of any administrative penalties during the month which were the responsibility of Consultant. The check shall be submitted to City within 30 days of each monthly report.
- n. Report of subrogation claims showing each employee's name, claim number, date of injury, paid amount with 4850 benefits, paid amount without 4850 benefits, future liability, total incurred with 4850 benefits, total incurred without 4850 benefits and vouchers, and any excess or subrogation recoveries.
- o. Reports as required by the City's excess workers compensation carrier (PRISM).
- p. Annual OSIP Report: Public Entities Self-Insurer's Annual Report as required by the Department of Industrial Relations Office of Self-Insurance Plans.
- q. Other reports as listed by Consultant in its response to the RFP:
 - i. Annual Report to the State of California
 - ii. Monthly Listing of Open Claims by Department/Division
 - iii. Monthly Listing of Alphabetical Listing of All Active Claims
 - iv. Monthly Listing of Open Indemnity Claims
 - v. Bi-Weekly Indemnity Payments Report
 - vi. Monthly List of All Currently Denied Claims
 - vii. List of Delayed Claims to Include Expenses Paid During Delay Period
 - viii. Report of Litigation Referrals
 - ix. Report of Litigation Fees
 - x. Medical Case Management Claims

- xi. Excess Insurance Claims
- xii. Graphs for Each City Department Showing Severity and Frequency
- xiii. Graphs Showing Number of Injuries by Nature of Injury for each City Department and Combined
- xiv. Graphs Showing Number of Injuries by Body Part for each City Department and Combined
- xv. Days Lost Due to Injury
- xvi. Average Cost of Injury for Each City Department and Combined

IX. Online Access

- a. Consultant shall provide access to an online Executive Dashboard which provides a dynamic and interactive overview of City's program.
- b. Consultant shall provide access to an online reporting system so that City employees can run custom, standard, or ad-hoc reports as needed.
- c. Online access shall be provided to, at a minimum, 4 employees of City at no additional charge.

X. Training

- a. Consultant will provide the City's staff with in-service training on changes, proposed changes and statutes, and rules and regulations.
- b. Consultant shall provide City staff with training on an online Executive Dashboard as needed.
- c. Consultant shall provide City staff with training on its online reporting system.

XI. Meetings

- a. Consultant shall conduct claims review meetings every two months with City.
- b. Consultant will provide a comprehensive overview of the City's program during annual stewardship meetings.

DESCRIPTION OF SERVICES

Workers' Compensation Claims Management Services Terms and Conditions

I. DESCRIPTION OF WORKERS' COMPENSATION CLAIMS MANAGEMENT SERVICES

- (a) City shall promptly notify Consultant of all incidents subject to the services described in this Agreement.
- (b) First report of loss services involve gathering pertinent information related to a work injury and reporting such information to the appropriate state industrial accident board or commission as required by law, and is used to facilitate Consultant's initial review of the claim to determine whether the claim is likely to be medical-only or lost time and to help guide the initial determination of Services as defined under Section 1 of the Agreement that may be required ("First Report Services").
- (c) Consultant's Workers' Compensation Claims Management services provide City with a process to comply with City's workers' compensation issues in the applicable jurisdiction. Consultant shall provide workers' compensation claims management services set forth herein to City on behalf of employees that sustain work related injuries ("Injured Employees"). Consultant may subcontract with a third party to provide some portion or all of its claims management services obligations hereunder.

II. DELIVERY OF FIRST REPORT OF LOSS SERVICES

- (a) Consultant shall provide First Report Services to City upon receipt by Consultant of specific requests from City. Prior to the implementation of Consultant First Report Services and as required during the Term of this Agreement, City may provide Consultant with instructions regarding the scope and extent of the First Report Services to be performed by Consultant. Absent such instruction, Consultant First Report Services shall be performed as described below.
- (b) City shall initiate First Report Services by (i) entering such information online through CareMC, (ii) calling Consultant via a toll free number provided by Consultant, or (iii) faxing such information to the Consultant intake specialist. City or the City representative entering such information on CareMC, making such calls, or faxing such information shall provide Consultant with all information required to complete the First Report of Loss form required by the applicable state ("Required Information"). Required Information generally includes the following: name/address of claimant, date of incident, description of injuries, social security number, date of birth, employer, salary, and other descriptive information reasonably required by Consultant, and may include information required by applicable statute (e.g., employer TIN). Consultant shall (i) provide sufficient staff to handle all incoming calls, and (ii) be prepared to complete First Report of Loss forms for all applicable states.
- (c) Once the Required Information is validated and confirmed by a Consultant representative, First Report of Loss forms will be made available to City through the CareMC Application. Consultant will, upon request of City, provide a hard copy of the completed First Report of Loss form to the City. An electronic copy shall be available to City via CareMC. To the extent permitted by the applicable state industrial accident board or commission, the Required Information shall be transmitted electronically.
- (d) To the extent required by applicable statute or otherwise agreed in writing by Consultant, Consultant will file additional reports on earlier-filed First Reports of Loss ("Subsequent Reports").
- (e) Unless agreed to otherwise in writing by the parties, any questions or concerns from an industrial accident board or commission concerning First Reports of Loss forms completed by Consultant hereunder will be handled directly by Consultant. All such inquiries will receive an initial response within the next business day following Consultant's receipt of the inquiry. Consultant will keep City apprised of any inquiries it receives and the response thereto. Consultant will send a written response to the inquiry within five (5) business days outlining the nature of the inquiry and the resolution of same by Consultant. A copy

of such response will also be sent to the attention of the designated City representative if requested in writing by City. City shall have the right, but not the obligation, at any time and at City's expense, to interject itself into the inquiry between Consultant and the industrial accident board or commission, and in connection therewith to resolve the inquiry in a manner acceptable to City at its sole discretion, in which case City shall defend, indemnify and hold harmless Consultant from and against any claim, liability, damages or costs arising from City's handling of such inquiry or the resolution thereof.

III. DELIVERY OF CLAIMS MANAGEMENT SERVICES

(a) City shall arrange so that all claims and all related bills of any type, as well as all other correspondence that City receives relating to such claims, are sent directly to Consultant. Consultant shall perform all of the following "Claims Services" in connection with each portion of a Claim related to Workers' Compensation benefit payments:

Claims requiring work beyond the standard scope for each claim type will be invoiced at the next higher rate. The following section indicates the basis for the categorization of claims fees. City will be provided with reports that provide full transparency of the fees invoiced. Claims are defined hereunder as follows:

- Record Only – system notation of an event that does not require any claims handling, including contact or investigation. These are used solely for the purpose of record keeping.
- Medical Only – claims where time-off does not exceed the state waiting period and the scope of work is within the parameters noted in the Pricing section ("Fees"), Exhibit B.
- Indemnity – claims not otherwise classified as either Record Only or Medical Only as defined under Rates and Costs Exhibit.
- Lost Time - claims not otherwise classified as either Record Only or Medical Only as defined under Rates and Costs Exhibit.

All Claims Services provided by Consultant under this Agreement shall be performed in accordance with the guidelines set forth hereunder of this Workers' Compensation Claims Management Services Description of Services Schedule:

- (i) Consultant shall immediately assign each new Indemnity Claim and Medical Only Claim to Consultant's designated claims professional.
- (ii) Utilizing Consultant's CareMC Application or other applicable Consultant Online System, Consultant shall maintain a chronological record of all Claims Services performed by Consultant.
- (iii) Consultant shall make all filings related to Indemnity Claims and Medical Only Claims with the appropriate state Workers' Compensation regulatory authorities.
- (iv) Consultant shall maintain a complete and accurate claim file for each Indemnity Claim and Medical Only Claim.
- (v) Consultant shall perform reasonable and necessary administrative and clerical work including, without limitation, the following:
 - (A) Investigate all Indemnity Claims and Medical Only Claims.
 - (B) Determine and evaluate any coverage and/or compensability issues and provide City with appropriate recommendations and advice regarding the same.
 - (C) Adjust, handle, or settle to a conclusion those Indemnity Claims and Medical Only Claims that Consultant believes the City is legally obligated to pay under applicable state law and regulations, and in accordance with the authority granted to Consultant by City under the Agreement.

- (D) Prepare checks for payments of Indemnity claims, Medical Only Claims and Allocated Loss Adjustment Expenses.
 - (E) Prepare documents as necessary to close out Indemnity Claims and Medical Only Claims.
- (b) Consultant shall process claims and process the disbursement of benefit payments to claimants and providers entitled to such payments from City. Funding for the payment of all benefits to claimants, providers, vendors and “allocated loss adjustment expenses” (as defined below) is the sole responsibility of City and City agrees to be liable for and fund all proper claims processed by Consultant. Such payment shall be made through a bank account established by Consultant. There shall be one account established for claims relating to First Reports of Loss arising on or after July 1, 2022(the “bank account”). Consultant shall provide City with a check register in a mutually agreed format for each check run drawn on a bank account prior to mailing of the checks. Consultant also will provide City information as necessary for City to prepare periodic bank account reconciliation reports. City agrees to pay into the bank account funds sufficient to pay approved claims and to maintain the advance deposit set forth below and to provide Consultant with such authorizations as shall be necessary to make the required instruments valid claims against City. Notwithstanding the other provisions of this Agreement, if payments are not made when due, City shall be in default and subject to immediate termination by a prior thirty (30) day notice from Consultant to City with ability to cure by City to the satisfaction of Consultant, and Consultant shall have no liability for claims, penalties or other damages arising out of or relating to any such failures on the part of City.
- (i) City shall make an initial advance deposit into the bank account in an amount equal to One Hundred Thousand Dollars (\$100,000.00).
 - (ii) Allocated loss adjustment expenses (“ALAE”) generally encompasses costs which can be directly allocated to a particular claim. As used herein, that term shall include, but not necessarily be limited to, the following: claim adjustment costs and expenses incurred by Consultant or its subcontractor and allocated by Consultant to the investigation, adjustment and settlement or defense of a claim for benefits, including, without limitation, attorneys’ fees and disbursements; pre- and post- judgment interest; court reporter services and transcripts; deposition charges and transcripts; fees for service of process or summons; court costs; courier/express mail; appeal bonds and filing fees; travel, printing costs related to trials and appeals; witness and expert fees and expense; alternate dispute resolution fees and expense; mediation fees and expense; arbitration fees and expense; ombudsman fees and expense; medical examinations and reviews to determine issues such as causal connection, length or extent of disability, degree of permanency, and other issues related to determining liability of the City; laboratory costs; engineering fees and expense; autopsy fees and expense; independent adjuster and private investigator fees and expense; surveillance and activity checks; photography; fees and expense related to the defense of controverted or litigated claims, including subrogation recovery; medical cost containment expense including, but not limited to, medical bill auditing expenses, hospital and other treatment utilization reviews, including precertification/preadmission and concurrent or retrospective reviews; peer reviews; preferred medical provider network or similar organization expenses; medical fee review panel expense; pharmacy benefit management expense; drug testing expense; indexing fees; expense and fees related to Medicare set aside agreements; vocational rehabilitation or return to work expense; telephonic and field medical case management expense; fees and expense for reproduction of medical and/or hospital records; fees for police reports, birth certificates, death certificates, OSHA reports and other similar regulatory authority reports; copying fees assessed by a vendor other than TPA; translation services; legal bill

- audit expenses; other costs and expenses reasonably incurred and related to the investigation and defense of claims or the protection and collection of subrogation rights of the City; and other expenses that are not defined as losses and are directly related to and directly allocated to the handling of a particular claim for services that are required to be performed by statute or regulation. Unless expressly stated as a separate fee or otherwise included within Consultant's service fees, each of the above ALAE items is subject to reimbursement at the rate charged.
- (c) Consultant shall provide City with payment services through Check Writing services in accordance with specifications mutually agreed by City and Consultant.
 - (i) The checks referred to in Section II (d) will be drawn on Consultant's account at Wells Fargo Bank, Portland, Oregon or Consultant's account at such other bank as the parties of this Agreement may mutually accept, as evidenced by a letter or written document signed by both parties (hereafter, the "Bank"), with City identified on each check as the insurer or any insurance carrier as such may be required. Check Writing services shall also include IRS form 1099 filing and associated follow-up, bank reconciliation, and bank fees specifically related to such processing if City is using Consultant's bank account. Otherwise, such services will be subject to an additional fee.
 - (d) Consultant agrees to provide the following services to City relating to the processing and payment of claims:
 - (i) to receive claims and process payment of benefits in accordance with applicable State(s) program guidelines required for the payment of workers' compensation claims;
 - (ii) to correspond with the claimants, providers of services and vendors if additional information is deemed necessary to complete the processing of claims;
 - (iii) to determine the amount of benefits payable;
 - (iv) to provide notice to claimants as to the reason(s) for denial of benefits (when such are denied) and to provide for the review of such denied claims;
 - (v) to receive and process for payment claims for benefits incurred prior to the Effective Date in consideration for the separate fees established in the attached hereunder Rates and Costs Exhibit; and
 - (vi) at City's request, to provide specified additional services for such fees as the parties mutually agree;
 - (e) Consultant is not in any way to be deemed an insurer, underwriter or guarantor with respect to any benefits payable under City's workers' compensation program.
 - (f) Consultant may rely on instructions received from such person or persons as City may from time to time designate in writing, provided that no such instruction may vary the terms of this Agreement.
 - (g) Unless otherwise directed by City or precluded by law, Consultant shall seek subrogation recoveries on behalf of City and shall provide City with any recoveries obtained, minus the attorneys' fees and costs incurred in obtaining such recoveries. City represents and warrants that its workers' compensation program provides for rights of subrogation. City delegates and/or assigns these subrogation rights and third party recovery rights to Consultant as its agent for purposes of subrogation only, provided that City pre-approve all subrogation recoveries. City shall assist Consultant in its subrogation efforts by providing requested information and documentation. Consultant may engage the services of a subrogation management firm to assist with the identification and management of subrogation cases. The fees charged by the subrogation management firm will be deducted from any recovery. In those cases where the subrogation recovery efforts of the claimant's attorney should be compensated, City delegates to Consultant full authority to act on behalf of the City to negotiate reasonable attorneys' fees. In those instances where City's subrogation lien, in the

opinion of Consultant, should be compromised or abandoned, City delegates to Consultant full authority to act on behalf of City to compromise or abandon the lien. Any determination by Consultant with respect to subrogation liens shall be final and conclusive, unless rejected by the City or overturned by order of a court of competent jurisdiction.

- (h) Consultant shall assist, cooperate and participate with City, carriers and reinsurers in connection with claim reviews and audits and catastrophic injury claim analysis and excess claim related reporting.

IV. SERVICE CRITERIA, STANDARDS AND GUIDELINES

- (a) Assignments: City will notify Consultant, either via CareMC, telephone or facsimile, that City's employee has sustained a work related injury. All new Lost Time claims will be acknowledged and established by Consultant within the next business day following such notice. The acknowledgement will include the name and contact information of the assigned Adjuster.
- (b) Contacts: As warranted, and always with regard to lost time, or anticipated lost time claim situations, initial contact with the injured employee will be made within the next business day following receipt of a new assignment claim. Contact with the Physician, and employer, if required will be made by the next business day.
- (c) Investigation: Completed and documented within 30 days from date of assignment.

Case Management Services Terms and Conditions

1. DESCRIPTION OF SERVICES

- (a) Case management services are provided to manage a claimant's case in order to identify the most appropriate rehabilitative treatment and/or most cost-effective health care alternatives ("Case Management Services"). CorVel's nurse case managers may confer with the adjuster, attending physician, other medical providers, employer(s), attorney(s), the claimant and the claimant's family.
- (b) In certain states if requested by City, Case Management Services may include vocational rehabilitation services.

2. DELIVERY OF SERVICES

- (a) Consultant shall provide Case Management Services to City upon receipt by Consultant of specific requests from City as mutually agreed by both parties under the special handling instructions.
- (b) Telephonic Case Management: Telephonic case management ("TCM") includes a four-point contact with claimant, employer, claims professional and provider. Consultant case managers ("CMs") do the following: (i) facilitate communication among all appropriate parties regarding the diagnosis, prognosis and treatment plan provided by claimant's treating physician, (ii) channel or direct claimant to a PPO Network provider as appropriate, (iii) monitor and facilitate treatment planning, (iv) coordinate early return to work, and (v) subsequently provide periodic assessments of treatment and return to work plans. CMs may recommend additional services or coordinate claim closure, as appropriate.
- (c) Medical/Field Case Management: Consultant's medical/field case management ("Medical Case Management" or "MCM") personnel perform field based case management services as directed by the employer and/or Authorized TPA which may include on-site contact with claimant, employer, and provider, as well as telephonic communication with the claims professional. MCM's provide the CM services set forth in Section 1A (Description of Services" for Case Management Services above.
- (d) Vocational Case Management: Vocational case management services may include the following: (i) coordinating return to work, (ii) providing job analysis, (iii) assisting with job placement, (iv) providing expert testimony, (v) assisting with job development, (vi) providing job analysis of essential and non-essential duties for employers under the American's With Disabilities Act, (vii) providing vocational testimony, (viii) providing advice regarding job seeking skills, and (ix) providing transferable skills analysis.
- (e) Utilization Review:
 - (i) Consultant's utilization management program reviews proposed inpatient hospital admissions and ambulatory care to determine the appropriateness, frequency, length of stay, and setting for such proposed treatment. In addition, Consultant can monitor and assess the appropriate utilization of treatment for all orthopedic and soft tissue injuries requiring ambulatory diagnostics and treatment.
 - (ii) In California, certain medical diagnostics, treatments and durable medical equipment can be approved at the claims professional level. Utilizing the Adjuster Only Approval letter allows the claim specialist to expedite medically necessary care, meet California Division of Workers' Compensation (DWC) regulations and Senate Bill 1160 that requires all treatment determinations are included in a database reportable to the DWC. This process is completed by Consultant's California Utilization Management departments.
 - (iii) Consultant nurses make recommendations to the claims adjuster based on nationally accepted medical guidelines, including Optimed Managed Care System, a clinical protocol software; the American College of Occupational and Environmental Medicine (ACOEM) Occupational

Medicine Practice Guidelines: Evaluation and Management of Common Health Problems and Functional Recovery in Workers; other nationally accepted treatment practice guidelines, as well as any state mandated treatment guidelines.

- (iv) Any nurse recommendations for limitation or denial of care based on lack of medical necessity are reviewed by a Consultant Physician Advisor. The Physician Advisor makes a final recommendation to the claims adjuster to approve or deny. If a final recommendation is made to deny treatment, the treating physician is notified in writing of the decision and the appeals process.

(f) Pre-Hab (*Surgery Preparation*) and Rehabilitation (*Recovery*) Services:

Consultant provides Case Management Pre-Hab (*Surgery Preparation*) and Rehabilitation (*Recovery*) Services through a platform provided by Consultant's vendor PeerWell utilizing a smart phone based application (the "Platform") providing injured claimant(s) requiring a digital PreHab (surgery preparation) and Rehab (recovery) program to be used for specific musculoskeletal conditions. City's injured claimant will need to have a smartphone, Ipad or tablet to download and accept the app's terms and conditions. Such service shall be used in conjunction with Consultant's telephonic or field case management services. If City's injured claimant does not activate the Platform app, there will be no fee billed to City. Consultant's Pre-Hab (*Surgery Preparation*) and Rehabilitation (*Recovery*) Services will be made available to injured claimants with an existing claim in conjunction with any medical care, where the injured worker requests such care.

3. PROFESSIONAL FEE

- (a) Consultant's case management nurses and vocational rehabilitation counselors are required to be licensed in the jurisdictions they provide patient care or counseling. Consultant's case managers may provide care in multiple jurisdictions. Such case managers are required to maintain multiple state licenses and corresponding continuing education credits in maintaining these licenses. Additionally, Consultant's case managers are required to utilize up to date nationally recognized treatment guidelines, including American College of Occupational and Environmental Medicine (ACOEM), Official Disability Guidelines (ODG) and the MDGuidelines. An incremental professional fee as described hereunder in the attached Rates and Costs Exhibit shall be invoiced to City for the substantial costs associated with obtaining and maintaining the national guidelines for Consultant's case management nurses. Such professional fee allows Consultant to maintain the applicable licenses and certifications for Consultant's case managers as well as keeping appropriate treatment guidelines up to date.

Care Advocacy Services Terms and Conditions

1. DESCRIPTION OF SERVICES

- (a) Care Advocate nurse service (“Care Advocate nurse”) are provided immediately following the work injury to guide the claimant’s injury recovery, up to 30 days following injury. The Care Advocate nurses oversee clinical assessment of the injury severity, validate/secure medical information, act as patient advocates and set expectations for medical care and return to work. They identify the most appropriate treatment and/or most cost-effective health care alternatives. Care Advocate nurses may confer with the adjuster, attending physician, other medical providers, employer(s), attorney(s), the patient and the patient’s family.

2. DELIVERY OF SERVICES

- (a) Consultant shall provide Care Advocate Services as described hereunder and in Section 2 to City upon receipt by Consultant of specific requests from City, however unless otherwise agreed to by the parties, those cases that meet the Care Advocate referral criteria as mutually agreed shall be automatically referred to the Care Advocate Service.
- (b) Care Advocate nurse service: Care Advocate nurse service includes a four-point contact with claimant, employer, claims professional and provider. Consultant care advocates do the following: (i) facilitate communication among all appropriate parties regarding the diagnosis, prognosis and treatment plan provided by claimant’s treating physician, (ii) channel or direct claimant to a PPO Network provider as appropriate, (iii) monitor and facilitate treatment planning, (iv) coordinate early return to work, and (v) subsequently provide periodic assessments of treatment and return to work plans up to 30 days following the work injury. Care Advocate nurses may recommend additional services or coordinate claim closure, as appropriate.
- (c) Care Advocate nurses are responsible for completing detailed documentation within CareMC focusing on the claimant’s medical condition, treatment plan and return to work status. Documentation includes but is not limited to primary injury diagnosis, comorbidities, treatment plan, medical goals, obstacles to recovery, work status and return to work.
- (d) Care Advocate nurses act as nurse consultants to the claim team.
- (e) Care Advocate nurses act as claimant advocates.
- (f) Care Advocate nurses assess appropriate medical follow-up, work closely with the claim team to identify potential barriers to recovery that may require further follow-up or additional services and develop medical action plans to ensure timely recovery and restoration of function.

Bill Audit, Review and Payment Services Terms and Conditions

1. DESCRIPTION OF SERVICES

- (a) Consultant’s proprietary bill review program enables an application of the appropriate standard fee schedules or usual and customary values, includes PPO, Technical and Clinical Review, and CERiS, applied to provider bills.

2. DEFINITIONS

Bill (per Bill): Each transaction of a bill is considered a separate per bill count. Consultant is able to logically link transactions across logical sequences, but each is its own bill transaction.

Clean/Prepared Bill: When the provider charges are deemed to be an accurate reflection of the services rendered based on the provider's documentation. CorVel's network solutions savings such as Clinical Review and Technical Evaluation as defined hereunder such Description of Services and other review types can be applied first to the bill for the bill to qualify for the Prepared Bill status. Once at the prepared bill state Standard Fee Schedule savings can be applied.

Clinical Review: An additional level of review performed by nurses, system, or coding experts to evaluate appropriateness, relatedness of submitted charges with provided documentation.

Implant Analysis: Review of implant charges submitted to a proprietary pricing database and documentation. Implant Analysis results are included as part of Clinical Review.

Line Item Bill Review (LIBR):

Out of Network Line Item Bill Review:

- Original charge data
- U&C review by zip code
- Fee re-bundling and error removal
- Separation of charges by diagnosis/procedure
- Facility to facility cost comparison
- Individual facility chargemaster analysis and price trending

Fair and Reasonable - Universal Chargemaster: The Universal Chargemaster is a compilation of individual hospital line item descriptions from over 85% of the nation's hospitals. It is a virtual thesaurus of hospital billing terms, codes and abbreviations. Specific, unique line item descriptions are defined by the Universal Chargemaster and appropriately compared to the same service or supply for other hospitals in the same geographical area.

Minimum Transaction Fee (MTF): For each bill transaction if the fees on a bill transaction instance do not meet the minimum transaction fee amount, the difference between the fees and the min transaction fee will be automatically added to the fees.

Negotiations: A one time or ongoing agreement with the provider to accept a specific payment amount.

PPO Network Access: A preferred provider organization (PPO) is a medical care arrangement in which medical professionals and facilities provide services at a negotiated/contracted rate. PPO medical and healthcare providers are called preferred providers.

Provider Sendback: Sendbacks occurring when a bill instance does not have enough supporting information from the provider to be a Prepared Bill. The bill is sent back to the provider requesting further information.

Standard Fee Schedule: Savings defined as the amount reduced from the Prepared Bill status to the jurisdictional state fee schedule amounts when those amounts are expressly assigned a specific value, not through reference methodologies developed by a third party or federal agency.

Substantive Denials: Sendbacks occur when a bill instance does not have enough supporting information from the provider to be a Prepared Bill. The bill is sent back to the provider requesting further information. If the provider does not provide the necessary supporting information after 90 days of the send-back status all bill savings will be considered Substantive Denial Savings and charged accordingly through an automatic bill instance. If the bill is later submitted through another bill instance with further information from the provider, another review will occur which may reverse all or part of the Substantive Denial savings and fees.

Technical Evaluation: Applicable to bills when reimbursement is not fully addressed in the jurisdictional fee schedule. State regulations may require payment to be made in accordance with payment methodologies developed by a third party (typically the Centers for Medicare and Medicaid Services (CMS)), often with exceptions or special exemptions added by the state.

UCR: “UCR” is defined as:

- Usual – A charge is considered “Usual” if it is the fee that most providers in the area charge for the same service.
- Customary – A charge is considered “Customary” if it is within the range of fees that most providers who practice in the area charge.
- Reasonable – A charge is considered “Reasonable” if it is both usual and customary or if it is justified by the City because of complexity. City, Consultant or its designees use a nationally recognized third party database for UCR charges.

In determining UCR prevailing rates, customers, Consultant or their designees use either (a) Consultant’s Enhanced Bill Review database or other nationally recognized databases to provide benchmarks for hospital charges in a hospital Health Care Provider’s geographic area and (b) databases provided by FAIR Health, Inc. or other nationally recognized databases to provide benchmarks for charges by non-hospital Health Care Providers in the applicable geographic area. The UCR prevailing rate is the 80th percentile of the relevant database benchmark for the fees and charges in provider’s geographic area.

3. DELIVERY OF SERVICES

(a) City’s Obligations

- (i) During the term of this Agreement, unless agreed to otherwise by the parties in writing, City shall utilize Consultant exclusively for audit, review and repricing services for Bills related to workers’ compensation claims. A breach of the foregoing obligation shall constitute a material breach under this Agreement. Without limiting any other remedies available under law, a breach of the foregoing obligation with respect to PPO (as defined hereunder in Peer Review Description of Services) Provider Bills will result in immediate termination of all PPO discounts provided by Consultant as defined under the Rates and Costs Exhibit.

(b) Consultant’s Obligations Consultant shall provide bill review services defined hereunder and described herein to City upon receipt of specific requests from City. In the absence of instructions from City to the contrary, which Consultant must approve, Bill Review Services shall be performed as described herein.

- (i) Bill Review Services shall be completed within a reasonable period of time of Consultant’s receipt by Consultant of all necessary billing information from City (“Complete Billing Information”).
- (ii) To facilitate timely processing Consultant shall process (A) each Provider Bill within a reasonable period of time and within industry standards after Consultant’s receipt thereof, and (B) batches of Provider Bills on a daily basis or as volume dictates.

- (iii) Consultant shall process PPO Provider reimbursements on behalf of City in accordance with industry standards from receipt of the corresponding bill review audit analysis from Consultant.
 - (iv) Consultant will be responsible for monitoring, “flagging” and returning to City duplicate copies of a Bill (“Duplicates”).
 - (v) Any conflicts or complaints from medical providers (“Complaints”) concerning Bill Review Services completed by Consultant initially will be handled directly by Consultant. Consultant will provide an initial response to a Complaint and will send a written response to the complainant that summarizes the nature of the Complaint and the steps Consultant has taken to resolve it. City may be asked to interject itself into a Complaint between Consultant and a medical provider to resolve the Complaint in a manner acceptable to City and as needed by Consultant. Notwithstanding the foregoing, City shall retain full responsibility for payment of all benefits and any other expenses or services required to be paid or provided under applicable policies or state and federal workers’ compensation laws.
 - (vi) Consultant agrees to supply City in the Consultant’s standard format a transmission reflecting the results of the Bill Review Services provided hereunder.
- (c) Savings for the Fee schedule or usual and customary service shall be:
- (i) for states having a Standard Fee Schedule: (A) the medical provider’s original bill amount; less (B) the billed amount resulting from the allowance based on specified conversion factor(s) multiplied by referenced value(s).
 - (ii) for states not having a state mandated Fee Schedule: (A) the medical provider’s original bill amount; less (B) the bill amount resulting from UCR.
- (d) Scanning Services
- (i) Consultant will provide Scanning Services and, when appropriate, Optical Character Recognition (“OCR”) Services. Consultant will timely and within industry standards, scan all bills and attached medical notes delivered to Consultant necessary for providing Bill Review services. Subject to applicable law and obtaining any required authorizations, Consultant also shall provide Scanning Services for additional claim-related documentation.
 - (ii) All material scanned by Consultant hereunder shall be accessible to City through CareMC.

Clinical and Technical Assessment Services

Terms and Conditions

1. DESCRIPTION OF SERVICES

- (a) Clinical and Technical Assessment Services. Consultant provides this service to evaluate state specific complex rules and verify coding by providers when appropriate and supported by documentation. This can include clinical review to validate coding is correct for all applicable provider bills, ambulatory surgical center bills, and all hospital bills (inpatient and outpatient) including:
- (i) review and analysis of codes, charges, and billing structure for incorrect coding, incorrect billing, bundling, and up-coding of procedures which affect Standard Fee Schedule values;
 - (ii) review of bills, records, and documentation by a nurse and/or by a coder;
 - (iii) separation of charges not related to the compensable injury;
 - (iv) review and apply complex state specific rules;
 - (v) application of utilization review determinations and clinical edits;
 - (vi) diagnostic related group validation (i.e., verification that the diagnostic related group billed is appropriate for the services rendered); and
 - (vii) cost shifting of revenue and CPT codes.

2. DELIVERY OF SERVICES

- (a) Consultant will timely and within industry standards, complete Review Services and return the reviewed Bills to City, with any adjustments to identified overcharges.
- (b) Savings for the review services shall be:
- (i) for states having a state mandated Standard Fee Schedule: (A) the bill amount in the Fee Schedule; less (B) the bill amount resulting from the nurse review services.
 - (ii) for states not having a state mandated Standard Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the nurse review services.
 - (iii) for states having a state mandated Standard Fee schedule (A) the medical provider's original bill amount; less (B) the bill amount resulting from technical review services.
 - (iv) for states not having a state mandated Standard Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the technical review services.
- (c) Consultant Responsibilities
- (i) Consultant shall pay bills reviewed by Consultant in a timely manner in accordance with all state guidelines, and City agrees to waive any secondary vendor bill review and/or other retrospective reviews regarding all bills for which Consultant has secured a reduction from the original billed charges.
 - (ii) If a medical provider submits an appeal, the bill will be reviewed again and, if any adjustment is necessary, Consultant will provide that information on the Explanation of Review (EOR).

CERiS
(Hospital Bill Itemization Review Services; Negotiation Services; Implant Cost Review Service)
Terms and Conditions

1. DESCRIPTION OF SERVICES

- (a) Hospital Line Itemization Review Services. CERiS, a wholly owned subsidiary of CorVel Corporation, performs Services on Hospital Bills (inpatient and outpatient) consisting of procurement of actual bill itemization including (i) a line-by-line validation and comparison of the itemization description charges actually billed by a particular hospital to what CMS billing guidelines allow to be separately billed for in order to disallow inappropriate charges, and then will compare the valid itemization descriptions to the average itemization description charges utilized by other hospitals within a pre-designated geographic area, and (ii) a review of charges that fall outside of any pre-contracted discounts or fee schedules, and generates payment recommendations in accordance with the City's "Payors Allowable" language. This service does not itself include negotiation services nor Implant Cost Services.
- (b) Negotiation Services. (CERiS) will provide negotiation services with respect to all Hospital Bills (inpatient and outpatient). Consultant will contact the provider for agreement of the negotiated rate. A signed agreement regarding such rates will be maintained by Consultant. Consultant will use its commercially reasonable efforts to enter into an agreement with providers regarding negotiated rates in accordance with a mutually agreed upon schedule.
- (c) Implant Cost Review Service. (CERiS) includes Implant Cost Review services with respect to the applicability of the City's "Payors Allowable" plan or policy language that specifically addresses implant payments. Consultant will identify and provide the manufacturers implant cost through its proprietary repository of national implant invoice data. Consultant then determines the recommended payment in accordance with the City's "Payors Allowable". In the event there is insufficient implant invoice data for the requested implant, Consultant will notify the City and Consultant shall not be responsible for any costs, fees, damages or penalties for any such inability of Consultant to produce a cost savings per City's request.

2. DELIVERY OF SERVICES

- (a) When applicable Consultant will timely within industry standards, complete CERiS Services and return the reviewed Hospital Bills to City, together with a written summary of any adjustments to identified overcharges.
- (b) Savings for the CERiS Services shall be:
 - (i) for states having a state mandated Fee Schedule: (A) the bill amount in the Fee Schedule; less (B) the bill amount resulting from CERiS Services.
 - (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the CERiS Services.
- (c) City Responsibilities
 - (i) City shall pay bills reviewed by Consultant in a timely manner in accordance with all state guidelines, and agrees to waive any bill audit and/or other retrospective reviews regarding all bills for which Consultant has secured a reduction from the original billed charges.
 - (ii) City will identify all bills that are not eligible for CERiS Services due to: (A) compensability; (B) a pre-negotiated rate with City or other previously established discount; (C) services that are "review only" due to litigation or other non-payment issues; and (D) duplicate bills.
- (d) If a medical provider questions the adjustment and/or balance bills the patient, and the claim payor notifies Consultant of such communication, Consultant will provide documentation of its findings. If

the hospital provides corrective or qualifying information sufficient to alter our original adjustments, Consultant will revise its report, advise the claim payor of the new, corrected adjustment. Only in the event of a successful appeal of the reduction of the bill by the medical provider shall City be entitled to receive a credit for the portion of the fee previously charged for the amount of the adjustment successfully appealed.

Preferred Provider Network Access Services (PPO) **Terms and Conditions**

I. DESCRIPTION OF SERVICES

- (a) Consultant's preferred provider organization is a network of hospitals, physicians and other providers ("Participating Providers") that offer services at pre-negotiated Provider rates ("PPO Network"). Consultant also provides state certified preferred provider organization networks in states that maintain such networks.

II. DELIVERY OF SERVICES

- (a) Consultant will provide City with access to its PPO Network provided it is the exclusive preferred provider organization utilized by City. Consultant may at any time and in its sole discretion add and/or terminate any provider to or from the PPO Network.
- (b) Consultant will provide City with a web-based directory of its PPO Network providers.
- (c) City agrees that, during the Term of this Agreement City will not contract directly or indirectly with Participating Providers made known to City under this Agreement.
- (d) City will make reasonable effort to channel all Covered Persons to the Participating Providers as are allowed under the laws of that service area or state.

CAREIQ Services **Terms and Conditions**

I. DESCRIPTION OF SERVICES

CareIQ is Consultant Nationwide Ancillary Benefit Management Program. CareIQ's network is comprised of direct provider contracts, affiliate networks and national vendor agreements. CareIQ is responsible to pay rendering providers timely for covered and approved services performed.

The CareIQ Ancillary Benefit Management Program includes; referral management and coordination, billing and invoicing, credentialed provider network management, and/or clinical oversight of treatment.

Services Included; Durable Medical Equipment, Home Healthcare, Transportation, Interpretation, Imaging and Diagnostics, Independent Medical Examinations, Age of Injury Determinations, Physical Therapy, Occupational Therapy, and other Rehabilitation and Ancillary Healthcare services.

II. PAYMENT FOR CAREIQ SERVICES

Consultant shall invoice and bill the CareIQ Services directly to the specific claims file.

Consultant reserves the right to increase and amend the rates set forth herein by notifying City of such amendment in writing, and City shall, if such amendment is unacceptable, have thirty (30) days from the date said notice is received to reject such amendment by delivery of written notice of rejection to Consultant. If Consultant does not receive such notice of termination within such thirty (30) day period, the amendment to the rates shall be deemed accepted by City and this Agreement shall continue in full force and effect, as so amended.

Pharmacy Benefit Program Terms and Conditions

I. DESCRIPTION OF SERVICES.

- (a) Consultant shall be the exclusive provider of a Pharmacy Program inclusive of a PBM and a Provider Network representing participating pharmacy providers that are obligated upon and after identification of a participant within Consultant's PBM to:
 - i. Accept a contracted rate, and
 - ii. Apply mandated processes and Consultant's Formulary and Concurrent Drug Utilization Review program at point-of-service before dispensing prescribed medications.

II. DEFINITIONS.

- (a) "AWP" shall mean the Average Wholesale Price for a Brand or Generic Drug Product. Consultant bases City pricing off of the reported AWP value from Medi-Span and the date of service.
- (b) "AWP Discount" shall mean the PBM discounts Consultant applies, per City's negotiated rates, to covered brand and generic drug products, Compound Drugs and specialty medications.
- (c) "Brand Drug" shall mean a covered drug defined as a brand name drug in PBM proprietary Generic Code Conversion ("GCC") logic.
- (d) "Compound Drugs" shall be systematically identified when processing through the PBM via the Formulary. Drug compounding is often regarded as the process of combining, mixing, or altering ingredients to create a medication tailored to the needs of an individual patient. Compounding includes the combining of two or more drugs. Compounded drugs are not FDA-approved.
- (e) "Concurrent Drug Utilization Review" ("DUR") shall mean the algorithm systematically applied at a participating pharmacy before dispensing that considers the Presenting Drug's safety and efficacy in context with other drugs that have been dispensed. In addition, the algorithm includes applicable protocols and guidelines based on the Presenting Drug and specific claim history, such as the time period from the last fill of the same Drug.
- (f) "First Fill" shall mean a prescription filled by a Participating Pharmacy for a limited supply of Covered Drugs for a claim that is not, at the time, eligible. First Fill transactions follow Consultant's First Fill Formulary. The First Fill Formulary is for the immediate treatment of injuries, including common exposure drugs/vaccines. The pharmacy is instructed to fill any formulary prescription written by the treating physician, whether or not the claim is accepted as a workers' compensation claim. Most claims are ultimately accepted.
- (g) "Formulary" shall mean Consultant's Workers' Compensation Standard or state specific drug/drug class and brand/generic specific triggers systematically applied at a Participating Pharmacy before dispensing a Presenting Drug that prompts the pharmacy through its adjudication system to either: dispense the Presenting Drug, convert from brand to generic, and attain approval to dispense.
- (h) "Generic Drug" shall mean a Covered Drug, whether identified by its chemical, proprietary, or non-proprietary name, that (i) is accepted by the FDA as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient; and (ii) defined as a generic drug in

PBM proprietary GCC logic. In the adjudication process, Consultant applies City's negotiated Generic Drug discount rate to the AWP value of covered generic drugs.

- (i) "GCC" refers to PBM proprietary Generic Code Conversion logic. GCC logic converts Medi-Span codes to the brand and generic codes used for claims adjudication.
- (j) "Good Samaritan (Emergency) Fill" shall mean a limited supply of Covered Drugs that are outside of the Formulary and typically dispensed outside of normal business hours (overnight, weekends or holidays) by a Participating Pharmacy without City's or Consultant's approval in order to meet, in the pharmacist's professional judgment, an immediate or urgent need. City is responsible for payment of drug charges processed through good samaritan fills; Consultant assumes no liability.
- (k) "Mail Order Program" or "Home Deliver Program" shall mean the managed program from which Covered Drugs are dispensed and billed through Consultant's PBM. A pharmacy's status as a mail order pharmacy does not indicate participation in the Consultant PBM Mail Order Program. Mail Order participation is limited to designated pharmacies operating within the strict parameters of Consultant's Mail Order Program.
- (l) "Multi Source Brand" shall mean a Covered Drug specified as a brand name drug available from more than one manufacturer as determined by Consultant primarily using a combination of data fields provided to Consultant by Medi-Span (or another nationally available reporting source that may be selected by Consultant). Multi Source Brand Drugs are eligible for conversions to Generic Drugs at the Participating Pharmacy.
- (m) "Multi Source Generic" shall mean a Covered Drug specified as a multi source generic drug as determined by Consultant primarily using a combination of data fields provided to Consultant by Medi-Span (or another nationally available reporting source that may be selected by Consultant). Generic Drugs in their six month exclusivity period or limited supply drugs may be excluded from Multi Source Generic Drugs.
- (n) "PBM" shall mean Pharmacy Benefits Manager. Consultant performs as the PBM on behalf of its Citys.
- (o) "Presenting Drug" shall mean the drug ordered by the prescriber and presented on a signed prescription to a Participating Pharmacy and processed through Consultant's PBM.
- (p) "Rate application exceptions," per Billing and Payments of Pharmacy Program (below) sections (d) and (e), apply when either State Fee Schedule AWP values or City's negotiated pharmacy benefit management AWP discount rates are lower than Consultant's Acquisition Price. Consultant's Acquisition Price reflects Consultant's cost of the Covered Drug plus a processing and management fee.
- (q) "Single Source Brand" shall mean a Covered Drug specified as a brand name drug available from only one manufacturer as determined by Consultant primarily using a combination of data fields provided to Consultant by Medi-Span (or another nationally available reporting source that may be selected by Consultant). Single Source Brand Drugs are not eligible for conversions to Generic Drugs.
- (r) "Single Source Generic" shall mean a Covered Drug as determined by Consultant that may not have been purchased by pharmacies at standard Multi Source Generic Drug rates because of limited manufacturers, limited supply or exclusivity rights. In the adjudication process, City's Brand Drug AWP Discount value may be applied to Single Source Generic Drugs.

- (s) “Specialty Medications” shall mean certain pharmaceuticals, biotech or biological drugs, that are Covered Drugs used in the management of chronic or genetic disease, including but not limited to, injectable, infused, or oral medications, or products that otherwise require special handling. In the adjudication process, City’s Claims Professional’s approval is required, and City’s Brand Drug AWP Discount value and dispensing fee may be applied irrespective of the Presenting Drug’s GCC status.

III. DELIVERY OF SERVICES.

- (a) Consultant shall provide its Pharmacy Program’s PBM and Network for the benefit of City.
- (b) Eligibility, First Fill, Pharmacy Identification (ID) Cards, and Mail Order/Home Delivery.

Pharmacy ID cards contain the necessary data elements to enable a Participating Pharmacy provider to electronically process through and transmit claim data to Consultant’s PBM. The electronic transmission that occurs at the point of sale is required for application of Formulary, Concurrent Drug Utilization Review and contractual pricing.

- i. City agrees to promptly provide Consultant all information needed to produce and distribute Pharmacy ID cards to eligible claimants. Subject to applicable law, City will instruct eligible claimants to use the Pharmacy ID cards at participating network providers in order to facilitate the Pharmacy Program.
 - ii. Distribution of Pharmacy ID cards does not guarantee that Pharmacy ID cards will be appropriately utilized by eligible claimants or Participating Pharmacies; therefore, City understands that claims assigned by Pharmacies to third party billers or paper bills submitted by the Pharmacies are not adjudicated through the prospective PBM.
 - iii. Consultant, agrees to produce and distribute Pharmacy ID cards to Eligible Claimants upon receipt of all necessary Eligible Claimant information from City. Consultant will also send an introduction letter to the Eligible Claimant along with the Pharmacy ID card.
- a. Consultant will provide access for Eligible Claimants to the PBM Mail Order Program. Consultant will work with City to establish the parameters of the Mail Order Program and the process which will be utilized to encourage Eligible Claimant use of the Mail Order Program.
- (c) Consultant’s PBM will present a proprietary or state mandated Formulary to City. Upon presentation of identification to a Participating Pharmacy, the Formulary will trigger the Participating Pharmacy’s adjudication system to either:
 - i. Automatically dispense certain medications, or Obtain Prior Authorization (PA) approval from claims professional to dispense,
- (d) Consultant’s PBM will implement a Concurrent Drug Utilization Review (“DUR”) program on behalf of City, Concurrent DUR includes a review of the drug history at the time the prescription is presented. Absent City’s directions, DUR shall be performed in accordance with Consultant’s PBM’s standard service model.

IV. BILLING AND PAYMENTS OF PHARMACY PROGRAM.

- (a) Financial obligations of parties.
 - (i) City shall be financially responsible for all drug charges incurred by claimants for dispensed medications processed under Consultant’s PBM. Consultant assumes no liability for drug charges with the exceptions noted below in subsection iii.

- (ii) If the Consultant claims professional determines, upon receipt of Consultant's PBM invoice, that specific formulary and non-formulary drugs should not have been dispensed, the Consultant claims professional should inform the PBM as soon as possible.
 - 1. The pharmacy benefit management will request a reversal from the Participating Pharmacy. If granted, Consultant will reverse the drug charges, however, if the Pharmacy does not grant the pharmacy benefit management's request, City is responsible for payment of the drug charges; Consultant assumes no liability for drug charges with the exceptions noted below in subsection iii.
- (iii) Upon receipt of an invoice, Consultant claims professional may timely dispute charges for drugs that were dispensed in error, triggering Consultant's PBM to reverse the drug charges, by notifying Consultant for any of the following reasons:
 - 1. Consultant's PBM and/or the Participating Pharmacy's violation of Formulary or Utilization Review Parameters set forth in City's DUR program, or in the Claimant Level Formulary; or
 - 2. Duplicate or inadvertent entries or other clerical mistakes on a PBM invoice.

(b) Invoicing and Payment.

On a per Covered Drug basis Consultant will apply daily for all drug charges and fees related to the PBM directly to the claim file.

Consultant shall invoice and bill directly all prescription fees to the specific claims file.

Consultant uses Medi-Span as our AWP data source. Consultant's Medi-Span database is updated daily and AWP values are applied on the date of dispense.

In all states with the exception of California, City will be billed the lessor of the state fee schedule AWP or the Consultant's negotiated rate.

- (c) Both parties understand that pricing indices historically used (including under this Agreement) for determining the financial components of pharmacy billing rates are outside the control of Consultant and City. The parties also understand there are extra-market industry, legal, governmental and regulatory activities which may lead to changes relating to, or elimination of, these pricing indices that could alter the financial positions and expectations of both parties as intended under this Agreement.

Both parties agree that, upon entering into this Agreement and thereafter, their mutual intent has been and is to maintain pricing neutrality as intended and not to benefit one party to the detriment of the other. Accordingly, to preserve this mutual intent, if pricing neutrality does change and Consultant undertakes any or all of the following:

- (i) Changes the AWP source, or other source if AWP is not applicable, across its book of business (e.g., from Medi-Span to First Databank); or
- (ii) Maintains AWP, or other source if AWP is not applicable, as the pricing index with an appropriate adjustment in the event the AWP, or other, methodology and/or its calculation is changed, whether by the existing or alternative sources; or
- (iii) Transitions the pricing index from AWP, or other source if AWP is not applicable, to another index or benchmark (e.g., to Wholesale Acquisition Cost);

City's negotiated PBM pricing will be modified as reasonably and equitably necessary to maintain the pricing intent under this Agreement.

V. CALIFORNIA MODIFICATION

On April 15, 2016, the State of California Department of Industrial Relations applied the new Federal Upper Limit (FUL) index to the California Pharmacy Workers' Compensation Fee Schedule. The new FUL index has resulted in a need for Consultant to modify our current pricing structure based on the fee schedule changes and our contract language.

The FUL's impact and the modification is limited to generic drugs; brand drug pricing will not change. As per our contract, the modification will maintain "pricing neutrality" between both parties.

Peer Review/Medical Records Review Program

Terms and Conditions

I. DESCRIPTION OF SERVICES.

- (a) Consultant shall provide access, and deliver the services described hereunder in connection with such access, to a panel of medical professionals who have been credentialed by Consultant as “Credentialed Providers” and who will perform Peer Review (“Peer Reviews”) and Medical Record Reviews (“MRRs”).
- (b) Peer Review/Medical Record Review is defined as the process of reviewing and commenting on the work, decisions and/or recommendations by one’s equal (peer) to ensure that it meets specific criteria such as federal and state regulations, and nationally accepted standards of care in rendering medical services.

II. DELIVERY OF SERVICES.

- (a) Consultant shall work only with Credentialed Providers under this Agreement. “Credentialed Providers” are medical professionals with respect to whom Consultant has performed its standard credentialing process. Consultant shall also verify that the medical professionals who are Credentialed Providers meet all applicable statutory and/or legal requirements regarding who can conduct a Peer Review or MRR.
- (b) City shall have the right to nominate medical professionals as candidates for addition to the panel of Credentialed Providers provided by Consultant for access by City (“Credentialed Panel”), subject to such medical professionals being credentialed by Consultant as Credentialed Providers.
- (c) City shall have the right, with written notice to Consultant, to request that Consultant cease using a specific medical professional from the Credentialed Panel for City’s claimants. Upon receipt of such notice from City, Consultant shall promptly cease using the specified medical professional as requested by City in such notice.
- (d) City may submit a request for a Peer Review or a MRR via phone, fax, or electronically via Consultant’s CareMC website, if applicable.
- (e) Consultant shall ensure that the MRR is assigned to a provider within 2 business days of receipt of request or in accordance with applicable State law.
- (f) Consultant will copy required medical records for the Peer Review or MRR as provided by the City’s file handler or legal office. Consultant will obtain additional medical records as requested.
- (g) Consultant shall deliver to City completed Peer Review and MRR reports within 7 business days of assignment to the Credentialed Provider. Prior to such delivery to City, Consultant shall complete its quality review of such report.
- (h) Consultant shall provide City quarterly activity reports within twenty (20) business days following the applicable quarter.

Medicare Set-Aside Services Terms and Conditions

I. DESCRIPTION OF SERVICES

- a. Medicare Set-Asides: Consultant provides an extensive review of medical records and medical bills, producing a comprehensive report and cost projection outlining future Medicare eligible costs in anticipation of settling out future medical care on a City's employee or insured individual. Costs are determined through Consultant's proprietary Bill Review system as well as utilization of the online Red Book™ access for medication costs. Red Book™ is the accepted authority by Centers for Medicare Services ("CMS") for pricing on all medications.
- b. Life Care Plans/Future Cost Projections: Life Care Plans/Future Cost Projections are a plan for optimal utilization of health care dollars that document objective view of the future health needs, services and related costs. It provides for comprehensive reports summarizing medical treatment and care and outlining lifetime needs for a City's employee or injured individual when they are catastrophically injured. Life Care Plans/Future Cost Projections are also used both for litigious settlements as well as projecting reserves setting.
- c. Medicare Conditional Payment Resolution: Consultant's service includes securing Medicare Conditional Payment letters and disputing the Medicare Conditional Payments unrelated to the claim. Consultant communicates directly with the Medicare contractors, the CRC (Commercial Repayment Center) or BCRC (Benefits Coordination & Recovery Center) to resolve the Medicare Conditional Payment debt.

II. DELIVERY OF SERVICES OF MEDICARE SET ASIDES

- a. City shall provide the Consultant Medicare Set-Aside Hub office with a copy of the first report of injury, most recent two years of medical records and medical bills including indemnity payout, all operative reports, IMEs/AMEs as well as orders rendered by the workers' compensation judicial system. Appropriate releases for completion of request for service will be forwarded either to the City or, at the City's request, directly to counsel representing the injured worker to obtain the injured worker's signature.
- b. City may submit a request for a Medicare Set-Aside via email, phone, fax, or electronically via Consultant's CareMC website, if applicable.
- c. A certified Medicare Consultant ("Consultant") will review the medical records and bill summary, prepare a detailed summary of the records and a projection for future medical expense which are Medicare eligible. If requested, the Consultant will also provide a projection of those costs which are not Medicare eligible in order to provide the City with their total medical exposure.
- d. The Consultant will return the completed Medicare Set-Aside report to the City within fifteen (15) business days of receiving all relevant medical records and related information. If a rated age is warranted, the Consultant will acquire same. If the Medicare status of injured party is unknown or unclear, a request for Medicare status will be submitted to the Social Security Administration. Once the Medicare status is known, the Coordination of Benefits Contractor will be notified and conditional payments requested.

- e. Upon City's request, Consultant Medicare Set-Aside Hub office will submit through the web-portal all required documents to enable CMS to review and approve the proposal. Items submitted include the Medicare Set-Aside report, the tentative settlement amount, along with other required documentation, to the Centers for Medicare & Medicaid Services (CMS). Upon receipt, Consultant Medicare Set-Aside Hub office will forward the CMS Determination letter to the City. Final executed settlement documents (reflecting CMS recommended Medicare Set-Aside amount) will be provided to Consultant Medicare Set-Aside Hub by the City/counsel and then forwarded by Consultant to CMS through the web-portal.
- f. Upon request from City, Consultant shall provide City quarterly activity report within twenty (20) business days following the applicable quarter.

III. DELIVERY OF SERVICES OF LIFE CARE PLANS/FUTURE COST PROJECTIONS

- a. City shall provide all available medical records and billing to Consultant Medicare Set-Aside Hub office as well as any other pertinent records for initial review.
- b. For a Life Care Plan, a visit to the residence of the City's employee or injured individual with interview of claimant and family will be conducted after permission is acquired by the City. The interview will include evaluation of the home setting, extensive information gathering, and pictures of the various equipment and housing structures.
- c. Letters will be sent to all treating physicians to obtain their opinions on future medical treatments including medications and therapies for the claimant. The physician's opinions will be included as recommendations within the Life Care Plan summaries.
- d. Future cost projections are utilized to immediately set reserves for future medical needs regarding catastrophic or major injuries. Home visits are not conducted for a future cost projection.
- e. City may submit a request for a life care plan or future cost projection via email, phone, fax, or electronically via Consultant's CareMC website, if applicable.

**Medicare Agent Services
Liability Claims
Terms and Conditions**

I. DESCRIPTION OF SERVICES

In order to assist City, as a Responsible Reporting Entity (“RRE”), in complying with the mandatory quarterly electronic reporting requirements issued by the Centers for Medicare/Medicaid Services (“CMS”) under the Medicare/Medicaid and S-CHIP Extension Act of 2007, Section 111 (the “Act”) regarding certain injured parties who are Medicare Beneficiaries, Consultant provides Medicare Agent services as described below subject to the provisions of the final regulations to be issued by CMS.

II. DESCRIPTION OF MEDICARE AGENT SERVICES

- (a) Upon designation as City’s Medicare Agent, Consultant shall provide City assistance with City’s registration as a RRE.
- (b) Consultant and City will establish a manual interface to facilitate the exchange of specific claims data required to be reported to CMS under the Act; thereafter, as City’s designated Medicare Agent, Consultant will initiate a test file interface with CMS within the statutory timeframes required by CMS under the Act.
- (c) Upon successful completion of the test file interface, Consultant will commence an ongoing monthly query process on behalf of City where Consultant will transmit through the CMS Query Tool certain basic claims data elements (claimant name, social security number, date of birth and gender) on the liability claims the City provides to Consultant via the manual interface, for CMS to determine if such claim data elements match a valid CMS record indicating Medicare eligibility. Consultant will report the results of such query on CareMC and in a Monthly Eligibility Query report for City to review. In the event the Medicare Reporting Queue determines any such liability claim is invalid due to an error or missing information, then City shall be responsible for reviewing, researching and correcting such claims data from the Monthly Eligibility Query report supplied by Consultant to the City, for resubmission by Consultant through the CMS Query Tool on the next monthly query process transmission; provided, however, if City so requests, Consultant will provide such research regarding Medicare eligibility at an additional hourly rate and such research shall include claimant’s name, social security number, date of birth, gender and any other required data field.
- (d) Once it is determined through the Medicare Reporting Queue that a liability claimant is Medicare eligible, the City will provide Consultant through the manual interface all data elements necessary to commence the transmission of mandatory quarterly electronic claims reporting of those liability claimants to the CMS Benefits Coordination & Recovery Center (BCRC) on City’s behalf within the specific 7-day reporting period assigned to City by CMS. A copy of the initial report shall also be posted by Consultant on CareMC for City to review. The BCRC will confirm either acceptance of the Medicare eligible claims thus reported or return any files for which data is missing or incorrect. Consultant shall post on CareMC and provide Quarterly Claim Submission reports to the City with any error reports from the BCRC showing such files containing missing or incorrect data for City to research and correct by the manual interface to Consultant. Once corrected, Consultant will enter the data and resubmit such files to the BCRC during the next quarterly reporting file.
- (e) Consultant, as City’s designated Medicare Agent, will continue to electronically transmit to the BCRC on a quarterly basis all new and updated liability claims provided by the City to Consultant through the manual interface, identified through the Medicare Reporting Queue and the City provided Consultant the necessary data to report the City’s Medicare eligible claims.
- (f) Consultant, as City’s designated Medicare Agent, will also electronically transmit to the BCRC any monetary settlement data received by the City to Consultant through the manual

interface on City's Medicare eligible claims.

(g) Consultant shall provide City quarterly activity reports within twenty (20) business days following the applicable quarter.

III. LIMITATION OF LIABILITY REGARDING MEDICARE AGENT SERVICES

In order to assist City, as a RRE, in complying with the mandatory quarterly electronic reporting requirements issued by the CMS under the Medicare/Medicaid and S-CHIP Extension Act of 2007, Section 111 (the "Act") regarding certain injured parties who are Medicare Beneficiaries, Consultant agrees to provide Medicare Agent services as described in the Case Management Services Description of Services attached hereto subject to the provisions of the final regulations to be issued by CMS, including information relating to such claimant, and the establishment and maintenance of an electronic data interface with CMS's computer system to the extent required by law and within the time period required by CMS so as to avoid the incurrence of penalties and fines ("RRE Reporting Obligations").

(a) In order for City to meet its RRE Reporting Obligations, City shall promptly review the results of the Medicare Reporting Queue, research any errors or missing data and resubmit such corrected or missing data promptly to Consultant within the applicable timeframes so that Consultant can timely report such corrected or missing data to CMS.

(b) In the event that information supplied by City to Consultant is incorrect, incomplete or untimely delivered and prevents Consultant from completing a timely transmission to CMS, or leads to errors in transmissions to CMS, City shall be solely responsible for promptly resubmitting corrected data to Consultant, and Consultant will not be liable for any damages, fines, penalties or other amounts to the extent arising from such incorrect, incomplete or untimely delivered information. Consultant shall notify City via a posting on CareMC and the Quarterly Claim Submission report if Consultant receives notice from CMS that a transmission submitted by Consultant on behalf of City as an RRE contains incorrect, incomplete or untimely delivered information. The City shall correct errors necessary to complete successful transmission to CMS.

(c) City shall release Consultant from any and all penalties or other fines imposed by CMS and its related governmental agencies, in the event information supplied by City to Consultant is incorrect, incomplete or untimely delivered and prevents Consultant from submitting a report to CMS or leads to errors in submissions to CMS.

Clearinghouse Payer Agent Services Program Terms and Conditions

1. DESCRIPTION OF SERVICES

- (a) Clearinghouse Payer Agent Services: Consultant shall act as City's agent under this Agreement. Consultant's clearinghouse receives bills from health care providers in electronic form, verifies the data integrity of the information on the bills, and routes directly to Consultant's Bill Review system for completion of Consultant's Bill Review service. Explanation of Benefit (EOB) information will be transmitted to providers from Consultant in the ANSI 835 format. Consultant will send 835 data to health care providers via its clearinghouse upon Consultant's completion and approval of all Explanation of Benefits (EOB's) via Consultant's Bill Review service in compliance with the local governing state laws and regulations.
- (b) Compliance with applicable law: Consultant shall ensure that Clearinghouse Services are provided in compliance with the applicable laws, statutes, rules and regulations of the state service shall be provided in. City agrees to timely provide to Consultant information and assistance requested by Consultant and reasonably required to ensure such compliance.

2. SETUP AND DELIVERY OF SERVICES

- (a) Routing Directly to Bill Review: A test sample of City's bills will be pulled from the clearinghouse test system and imported to the bill review test system. Bill review results will be output to City through the existing format. Routing bills through Consultant's Test bill review system may require three to four weeks. Consultant will make reasonable efforts to begin testing within five business days of the request for services.

3. PRICING STRUCTURE

The cost of Clearinghouse Payer Agent Services is as follows:

- For City for which Consultant provides bill review services – No additional charge

Advocacy 24/7 Nurse Triage Services **Terms and Conditions**

Consultant shall provide to City the following Services related to Nursing Coordination of Care Services:

- Answer calls received 24 hours a day/7 days per week on Consultant maintained City triage telephone line.
- Instruct the caller / injured employee on first aid and or initial injury treatment.
- Facilitate assessment at a designated outpatient clinic or emergency room as needed.
- Follow up with the injured employee within 24 hours of initial report to evaluate current condition.
- Document all calls and communicate to appropriate parties.

An incident shall encompass

- The nurse receipt of the initial call,
- The gathering of necessary information and distribution of said information to the appropriate parties, and
- One clinical follow-up to the injured employee in the first 24 hours following the initial call.

Medication Review Services **Terms and Conditions**

I. DESCRIPTION OF SERVICES.

- (a) Consultant acknowledges there is a subset of patients in the system that do not improve despite extensive diagnostic testing and numerous treatments. Consultant knows these relatively fewer cases drive a disproportionate amount of costs. Interestingly, these “creeping catastrophic” claims often present as a simple strain or sprain injury or diffuse spinal pain. There is ample data to suggest that bio-psychosocial factors can amplify, sustain or mitigate a patient’s perception of disability in these cases. Consultant shall use clinical modeling to identify those patients at risk for delayed recovery and apply an interdisciplinary bio-psychosocial approach to their care.
- (b) Consultant offers a variety of interventions that are recommended depending on the severity and chronicity of the claim. They can be utilized separately or integrated in a more comprehensive management plan again depending on claim severity and patient characteristics.

II. DELIVERY OF SERVICES.

Medication Review:

- Consultant’s contracted physician will evaluate the medical necessity of each currently used or prescribed medication.
- Consultant’s contracted physician will recommend elimination of duplicative medications.
- Consultant’s contracted physician will determine and recommend medications that may replace and be equally or more effective than one or a group of currently

used/prescribed medications.

- Consultant's contracted physician will recommend medications that are pharmacologically similar to currently used or prescribed medications when available at a lower cost (same or similar class, less cost, generic when available).
- Consultant's contracted physician will attempt Peer to Peer contact by calling the PTP.
- Consultant's contracted physician will provide the City a written agreement from the prescribing physician (if agreement is reached) for alternate treatment plan.
- On cases where agreement is not met between Consultant and the primary treating physician a written report will be generated and sent to the City that includes a written summary of all activity that will include recommendations, rationales and potential savings identification made by Consultant's contracted physician.
- Allowances will be made for the attending primary treating physician to bill for their time spent on the teleconference at the applicable fee schedule.

Wellness Program:

Cases can be initially referred to a network of cognitive behavioral therapists who function to help the patient/claimant improve their pain coping skills, change their perception of disability and decrease fear-avoidance behaviors that are often a significant barrier for return to work.

TeleHealth Services Terms and Conditions

Consultant shall provide TeleHealth visits to City's injured employees who opt for such service for as level of care determinations are made through our 24/7 nurse triage hotline. A TeleHealth visit is a single synchronous virtual consultation through Consultant's third party vendor platform between a qualified professional and a claimant ("TeleHealth").

Consultant's 24/7 triage nurses are trained to provide an initial assessment and will provide immediate referral to medical care when needed. Nurses may refer to TeleHealth as appropriate (i.e., musculo-skeletal injuries).

- TeleHealth virtual visits are always an "option" for the injured employee.
- If opted by the injured employee, Consultant connects the injured employee to a physician immediately via a computer, tablet or phone.
- If the injured employee decides that he/she does not want a TeleHealth visit, Consultant will immediately offer to schedule the injured employee with a traditional, in-person PPO medical provider located at a convenient, clinic-based location.

A TeleHealth "visit" is defined as "A Consultation Unit" is a single synchronous consultation through the Platform between a Qualified Professional and a patient."

Workers' Compensation Lien Resolution Services Terms and Conditions

1. DESCRIPTION OF SERVICES

a) Lien Resolution Services. Consultant shall provide Lien Resolution Services for City through its CareMC Application to control and provide resolution and closures to lien file cases. Consultant shall utilize industry standard processes including having Consultant attend Workers Compensation Appeals Board ("WCAB") conferences & trials, and negotiate as required or applicable.

b) Workers Compensation Appeals Boards Serviced:

AHM – Anaheim	SBR – San Bernardino
OXN - Oxnard	SDO – San Diego
POM – Pomona	VNO – Van Nuys
RIV- Riverside	SAC – Sacramento
ANA - Santa Ana	OAK – Oakland
LBO – Long Beach	SFO – San Francisco
LAO – Los Angeles	STK – Stockton
MDR – Marina Del Rey	

c) Workers Compensation Appeals Boards Serviced on a case-by-case basis:

SBA – Santa Barbara	RED – Redding
SLO – San Luis Obispo	FRE – Fresno
SJO – San Jose	BAK – Bakersfield

2. DELIVERY OF SERVICES

a) Claim Referral. Lien resolution services are on a referral basis per claim and subject to prior City approval.

b) Reporting. Consultant shall provide monthly reports at no charge to City.

c) Case-in-chief walk-through service.

(i) Consultant shall provide Walk-throughs for pro-per cases, and as needed for litigated claims.

(ii) City's claims adjuster professional shall provide referrals for each lien resolution settlement agreement.

(iii) Consultant shall prepare all required documentation and file packets, obtain the adjudicating number and the order approving from the judges at the WCAB.

(iv) Results are reported by Consultant to City weekly at the end of the same week they are assigned.

d) Service and Review of Initial Discovery.

Consultant shall review, gather and serve all documents relevant to the case and the outstanding liens that will be necessary to satisfy the requirements of discovery and due process, including, but not limited to: Settlement documents, medical reports, Request for Authorizations ("RFA's") Utilization Review ("UR") determinations, objection letters, and bill review.

e) Declaration of Readiness Filings.

Consultant shall utilize an electronic filing of a declaration of readiness to proceed to request a hearing date with the WCAB in order to facilitate or expedite Lien Resolution and/or Litigation (if necessary).

f) Attendance at the WCAB for Lien Conference and/or Lien Trials

Consultant shall have its own experienced hearing representatives appear at the WCAB on behalf of the City with the goal of resolving any outstanding liens, or moving towards litigation (if necessary).

g) Litigation Review and Support

Consultant shall review and analyze the lien claimant evidence provided in support of Consultant's position when a matter is set for a lien trial.

h) Consultant's Obligations

- (i) Consultant shall provide Lien Resolution Services as described herein to City upon receipt of specific referral from City. In the absence of instructions from City to the contrary, which Consultant must approve, Lien Resolution Services shall be performed as described herein.
- (ii) Consultant shall complete its Lien Resolution Services within sixty (60) days of referrals without litigation, provided there are no delays from litigation.
- (iii) Any conflicts or complaints from providers and/or their lien claimant vendors ("Complaints") concerning Lien Resolution Services completed by Consultant initially will be handled directly by Consultant. Consultant will provide an initial response to a Complaint within one (1) business day following the date on which Consultant received the Complaint. Consultant will send a written response to the complainant within five (5) business days that summarizes the nature of the Complaint and the steps Consultant has taken to resolve it. A copy of this response will be sent to the attention of the designated City account representative. Different or more specific parameters of Consultant's authority to respond to and resolve Complaints hereunder may be agreed to mutually by the parties. Further, City shall have the right, but not the obligation, at any time, to interject itself into a Complaint between Consultant and a provider and to resolve the Complaint in a manner acceptable to City at its sole discretion. Notwithstanding the foregoing, City shall retain full responsibility for payment of all benefits and any other expenses or services required to be paid or provided under applicable policies or state and federal workers' compensation laws.
- (iv) Consultant agrees to supply City, at no additional cost, a transmission or report in the format in which it is then customarily stored by Consultant reflecting the results of Lien Resolution Services provided monthly. Such data shall be provided as to further allow for the application of Lien Resolution Service fees to the individual claim file and the payment of said fees.

3. PRICING PROCESSES

- (a) Pricing is based on a percent of savings after fee schedule application. There is a per lien cap that ensures the client pays no more than this maximum amount per lien. Some items, such as a walk-through service and an adequacy hearing are billed at a flat rate.
- (b) Method of Pricing: Percentage of savings per lien after fee schedule is applied, versus total billed amount. Savings is defined as the difference between total claimed lien amount after fee schedule reduction and final lien settlement amount, or amount ordered paid by WCAB.
- (i) For liens not subject to Official Medical Fee Schedules ("OMFS") nor Usual and Customary, pricing will be calculated at percentage of savings from overall difference between total amount billed and final lien settlement amount.
- (c) Authority to resolve liens without determination of OMFS granted by employer to expedite file closure will be invoiced at a reduced percentage of savings from the billed amount.
- (d) Litigation pricing is applied to liens that are the subject of a pre-trial conference statement. This includes, but is not limited to: service of trial exhibits, review of lien claimant trial exhibits, pre-trial and post-trial briefings as well as points & authorities, petitions for reconsideration, and petitions for costs and/or sanctions for frivolous litigation.

Claim Referral:

Lien resolution services are on a referral basis per claim, and subject to client approval.

CLAIMS ADMINISTRATION STANDARDS EXHIBIT

The following Standards ("Standards") have been adopted by the Public Risk Innovation, Solutions, and Management (PRISM) Joint Powers Authority in accordance with Article 18(b) of its Joint Powers Agreement. It is the intent of these Standards to ensure compliance with all applicable Labor Code and California Code of Regulations Sections. In the event that there exists a conflict between the Standards, the Labor Code or the Code of Regulations, the most stringent requirement shall apply. **These Standards are hereby incorporated into this Agreement between City and Consultant. To the extent that the Scope of Services Exhibit conflicts with these Standards, the Scope of Services Exhibit shall take precedence.**

I. CLAIM HANDLING - ADMINISTRATIVE

A. Case Load

1. Each claims examiner assigned to the Member should handle a targeted caseload of 150 but not to exceed 165 claims. In situations where caseloads include future medical and medical only claims, these claims shall be counted as 2:1 in the caseload limit.
2. Supervisory personnel should not handle a caseload, although they may handle specific issues or a small number of conflict claims.

B. Case Review and Documentation

1. Documentation shall reflect any significant developments in the file and include a plan of action. Plan of action statements shall be updated at the time of examiner diary review.
2. The examiner shall review indemnity and medical-only files at intervals not to exceed 45 calendar days. Future medical files shall be reviewed at intervals not to exceed 90 calendar days.
3. The supervisor shall review all new claims within 60 calendar days of initial set up and subsequently monitor activity on indemnity files at intervals not to exceed 120 calendar days. Future medical files shall be reviewed by the supervisor at intervals not to exceed 180 calendar days.
4. File contents shall comply with Code of Regulations Sections 10101, 10101.1 and 15400, and be kept in a neat and orderly fashion. If claims are maintained in a paperless system, documents shall be clearly identified (e.g., medical report, WCAB Orders, legal, etc.).

5. Medical Only Claims

- a. If a medical-only claim is still open at 90 calendar days, it shall be transferred to an indemnity examiner.
- b. If, at any time, it is anticipated there will be indemnity benefits paid, the claim shall be transferred to an indemnity claim type.
- c. If the medical-only claim remains open at 180 days, the claim shall be converted to an indemnity claim type, unless there is documentation showing that medical treatment will be ending and the claimant will be discharged from care within the next 30 days, or the claimant is only seeking treatment for a blood-borne pathogen exposure protocol.

C. Communication

1. Telephone Inquiries

Return calls shall be made within 1 working day of the original telephone inquiry. All documentation shall reflect these efforts.

2. Incoming Correspondence

All correspondence received shall be clearly stamped with the date of receipt.

3. Return Correspondence

All correspondence requiring a written response shall have such response completed and transmitted within 5 working days of receipt.

4. Ongoing Claimant Contact

On cases involving unrepresented injured workers who are off work, telephone contact shall be made at a minimum of once every 30 days and within 3 working days after discharge from the hospital or outpatient facility following a surgical procedure. This is in addition to nurse case management involvement on claims where nurse casemanagers are assigned.

D. Fiscal Handling

- 1. Fiscal handling for indemnity benefits on active cases shall be balanced with appropriate file documentation on a semi-annual

basis and prior to sending a benefit termination notice to verify that statutory benefits are paid appropriately. Balancing is defined as, “an accounting of the periods and amounts due in comparison with what was actually paid”.

2. In cases of multiple losses with the same person, payments shall be made on the appropriate claim file.

E. Medicare Reporting

Mandatory reporting to the Center for Medicaid Services (CMS) shall be completed directly or through a reporting agent in compliance with Section

111 of the Medicare Medicaid and SCHIP Extension Act of 2007 (“MMSEA”). Medicare eligibility shall be documented in the claim file at time of settlement evaluation.

II. CLAIM CREATION

A. Three-Point Contact

Three-point contact shall be conducted on all claims with the non-represented injured worker, employer representative and treating physician within 3 working days of receipt of the claim by the third party administrator or self-administered entity. If a nurse case manager is assigned to the claim, initial physician contact may be conducted by either the claims examiner or the nurse case manager. This initial contact should be substantive and clearly documented in the claim file. In the event a party is non-responsive, there shall be evidence of at least three documented attempts to reach the individual.

B. Compensability

1. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. In the event the claim is not received by the third party administrator or self-administered entity within 14 calendar days of the filing of the claim with the employer, the third party administrator or self-administered entity shall make the initial compensability determination within 7 calendar days of receipt of the claim.
2. Delay of benefit letters shall be mailed in compliance with the Division of Workers’ Compensation (DWC) guidelines. In the

event the employer does not provide notice of lost time to the third party administrator or self-administered entity timely to comply with DWC guidelines, the third party administrator or self-administered entity shall mail the benefit letters within 7 calendar days of notification.

3. The final compensability determination shall be made by the claims examiner or supervisor within 90 calendar days of employer receipt of the claim form.

C. AOE/COE Investigation

If a decision is made to delay benefits on a claim, an AOE/COE investigation shall be initiated within 3 working days of the decision to delay. This may include, but is not limited to, assigning out for witness/injured worker statements, initiating the QME/AME process, requesting medical records, etc.

D. Reserves

1. Using the information available at claim file set up, an initial reserve shall be established for the most probable case value.
2. The initial reserve shall be electronically posted to the claim within 14 calendar days of receipt of the claim.

E. Indexing

All claims shall be reported to the Index Bureau at time of initial set up and re-indexed on an as needed basis thereafter. Blood borne pathogen exposure claims are an exception to this requirement.

The EIA maintains membership with the Index Bureau that members can access.

III. CLAIM HANDLING – TECHNICAL

A. Payments

1. Initial Temporary and Permanent Disability Indemnity Payment
 - a. The initial indemnity payment shall be issued to the injured worker within 14 calendar days of knowledge of the injury and disability. In the event the third party administrator or self-administered entity is not notified of the injury and disability within 14 calendar days of the employer's knowledge, the third party administrator

or self-administered entity shall make payment within 7 calendar days of notification. Initial permanent disability payments shall be issued within 14 calendar days after the date of last payment of temporary disability. Effective 1/1/2013, permanent disability payments shall be issued upon approval of an Award pursuant to Labor Code Section 4650(b)(2). Prior to a PD Award, advances may be due if the employer has not offered the employee a position paying at least 85% of their wages and compensation at time of injury or the employee is not employed in a position paying at least 100% of their wages and compensation at time of injury. This shall not apply with salary continuation.

- b. The properly completed DWC Benefit Notice shall be mailed to the employee within 14 calendar days of the first day of disability. In the event the third party administrator or self-administered entity is not notified of the first day of disability until after 14 calendar days, the DWC Benefit Notice shall be mailed within 7 calendar days of notification.
- c. Self-imposed penalty shall be paid on late payments in accordance with Section III. A.7 of this document.
- d. Overpayments shall be identified and reimbursed timely where appropriate. The third party administrator or self-administered entity shall request reimbursement of overpaid funds from the party that received the funds. If necessary, a credit shall be sought as part of any resolution of the claim.

2. Subsequent Temporary and Permanent Disability Payments

- a. Eligibility for indemnity payments subsequent to the first payment shall be verified, except for established long-term disability.
- b. Ongoing indemnity payments shall be paid in accordance with Labor Code Section 4650(c).
- c. Subsequent DWC benefit notices shall be issued in accordance with CCR 9812.
- d. Self-imposed penalty shall be paid on late payments in accordance with Section III. A.7 of this document.

3. Final Temporary and Permanent Disability Payments

- a. All final indemnity payments shall be issued timely.
- b. The appropriate DWC benefit notices shall be issued in accordance with CCR 9812.
- c. Self-imposed penalty shall be paid on late payments in accordance with Section III. A.7. of this document.

4. Award Payments

- a. The claim file shall reflect demonstrated efforts to initiate/batch payments on undisputed Awards, Commutations, or Compromise and Release agreements within 10 working days following receipt of the appropriate document, unless the Award indicates payment is due sooner.
- b. For all claims in the primary workers' compensation program (PWC) and/or excess reportable claims, copies of all Awardsshall be provided to the Authority at time of payment.

5. Medical Payments

- a. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) shall be reviewed for correctness, approved for payment and paid within 60 days of receipt.
- b. The medical provider shall be notified in writing within 30 days of receipt of an itemized bill if a medical bill is contested, denied or incomplete.
- c. A bill review process should be utilized whenever possible. There should be participation in a PPO and/or MPN wheneverpossible.

6. Injured Worker Reimbursement Expense

- a. Reimbursements to injured workers shall be issued within 15 working days of the receipt of the claim for reimbursement.
- b. Advance travel expense payments shall be issued to the injured worker 10 working days prior to the anticipated date of travel.

7. Penalties

- a. Penalties shall be coded so as to be identified as a penalty payment.
- b. If the Member utilizes a third party administrator, the Member shall be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrator's plans for payment of such penalty, on a monthly basis.
- c. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

B. Medical Treatment

1. Each Member shall have in place a Utilization Review process as set forth in Labor Code Section 4610.
2. Disputes regarding utilization review determinations shall be resolved using the Independent Medical Review process set forth in Labor Code Section 4610.5.
3. Nurse case managers shall be utilized where appropriate. Rationale for assignment and continued necessity shall be documented in the claim notes at each regular diary review.
4. If enrolled in a Medical Provider Network, the network shall be utilized whenever appropriate.

C. Apportionment

1. Investigation into the existence of apportionment shall be documented.
2. If potential apportionment is identified, all efforts to reduce exposure shall be pursued.

D. Disability Management

1. The third party administrator or self-administered entity shall work proactively to obtain work restrictions and/or a release to full duty on all cases. The TPA or self-administered entity shall notify a designated Member representative immediately upon receipt of temporary work restrictions or a release to full duty,

and work closely with the Member to establish a return to work as soon as possible.

2. The third party administrator or self-administered entity shall notify a designated Member representative immediately upon receipt of an employee's permanent work restrictions so that the Member can determine the availability of alternative, modified or regular work.
3. If there is no response within 20 calendar days, the third party administrator or self-administered entity shall follow up with the designated Member representative.
4. Members shall have in place a process for complying with laws preventing disability discrimination, including Government Code Section 12926.1, which requires an interactive process with the injured worker when addressing a return to work particularly with permanent work restrictions.
5. Third party administrators or self-administered claims professional shall cooperate with members to the fullest extent, in providing medical and other information the member deems necessary for the member to meet its obligations under federal and state disability laws.

E. Supplemental Job Displacement Benefits

1. Supplemental Job Displacement Benefits – Dates of injury on or after 1/1/04 and before 1/1/13: Benefits pursuant to Labor Code Section 4658.5 shall be timely provided. Dates of injury on or after 1/1/13: Benefits pursuant to Labor Code 4658.7 shall be timely provided.
2. The third party administrator or self-administered entity shall secure the prompt conclusion of SJDB.

F. Reserving

1. Reserves shall be reviewed at regular intervals and at time of any significant event, e.g., surgery, P&S/MMI, return to work, etc., and adjusted accordingly. This review shall be documented in the file regardless of whether a reserve change was made. Where the SIP model does not apply, claims shall be reserved for the most probable value.
2. Indemnity reserves shall reflect actual temporary disability indemnity exposure with 4850 differential listed separately.

3. Permanent disability indemnity exposure shall include life pension reserve if appropriate.
4. Future medical claims shall be reserved in compliance with CCR 15300 (b)(4) allowing adjustment for reductions in the approved medical fee schedule, undisputed utilization review, medically documented non-recurring treatment costs and medically documented reductions in life expectancy.
5. Allocated expense reserves shall include medical cost containment, legal, investigation, copy service and other related fees.
6. A reserve worksheet shall be utilized and/or detailed rationale substantiating reserve levels shall be documented within the claim file.

G. Resolution of Claim

1. Within 10 working days of receiving medical information indicating that a claim can be finalized, the claims examiner shall begin appropriate action to finalize the claim.
2. Follow up finalization efforts shall continue and be documented at regular diary reviews until resolution is complete.
3. Settlement value shall be documented appropriately utilizing all relevant information.
4. Where settlement includes resolution of future medical for a Medicare beneficiary or an expected Medicare beneficiary, the settlement shall document the strategy to protect Medicare's secondary payer status.
5. Pursuant to CCR15400.2, claim files with awards for future benefits shall be reviewed for administrative closure two years after the last provision of benefits.

H. Settlement Authority

1. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority. The member shall be notified of any settlement request submitted to the EIA.
2. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the

settlement authority provided in any provision of the individual contract between the Member and the claims administrator.

3. Proof of settlement authorization(s) shall be maintained in the claim file.

IV. LITIGATED CASES

The third party administrator or self-administered entity shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

1. The third party administrator or self-administered entity shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations.
2. The third party administrator or self-administered entity shall, in consultation with the Member, assign defense counsel from a list approved by the Member. Initial referral and ongoing litigation management shall be timely and appropriate. The third party administrator or self-administered entity shall maintain control of the ongoing claim activities.
3. Settlement proposals directed to the Member shall be forwarded by the third party administrator, self-administered entity or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.
5. The third party administrator or self-administered entity shall comply with any reporting requirement of the Member.

V. SUBROGATION

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, attempts to obtain information regarding the identity of the

responsible party shall be made within 14 calendar days of recognition of subrogation potential.

2. Once identified, the third party shall be contacted within 14 calendar days with notification of the Member's right to subrogation and the recovery of certain claim expenses.
3. If the third party is a governmental entity, a claim shall be filed with the governing board (or State Board of Control as to State entities) within 6 months of the injury or notice of the injury. If the third party is a non-governmental entity, a complaint shall be filed in civil court within 2 years in order to preserve the statute of limitations.
4. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member shall be entitled.
5. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.
6. Whenever practical, the claims administrator shall aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured worker's net recovery for future benefit payments.
7. Member (and EIA if applicable) approval is required to waive pursuit of subrogation or agree to a settlement of a third party recovery. This approval shall be documented in the claim file. In cases of self-administered entities, a process shall be documented noting the authority levels within the member organization to waive pursuit of subrogation or agree to a settlement of a third party recovery.

VI. EXCESS COVERAGE

- A. Claims meeting the definition of reportable excess workers' compensation claims as defined by the Memorandum of Coverage Conditions Section shall be reported to the Authority within 5 working days of the day on which it is known the criterion is met. Utilize the Excess Workers' Compensation First Report Form available through the EIA website.

- B. Subsequent reports shall be transmitted to the Authority on a quarterly basis on all indemnity claims and on a semi-annual basis on all future medical claims or sooner if claim activity warrants, or at such other intervals as requested by the Authority, in accordance with Underwriting and Claims Administration Standards. Utilize the Excess Workers' Compensation Status Report Form available through the EIA website, or a comparable form to be approved by the Authority.
- C. Reimbursement requests shall be submitted in accordance with the Authority's reporting and reimbursement procedures on a quarterly or semi-annual basis depending on claims payment activity. Utilize the Excess Workers' Compensation Claim Reporting and Reimbursement Procedures available through the EIA website.
- D. A closing report with a copy of any settlement documents not previously sent shall be sent to the Authority.

Following is the history of amendments to this document:

Amended: March 4, 1988
Amended: October 7, 1988
Amended: October 6, 1995
Amended: October 1, 1999
Amended: June 6, 2003
Amended: March 2, 2007
Amended: July 1, 2009
Amended: July 1, 2011
Amended: March 2, 2012
Amended: October 4, 2013
Amended: July 1, 2019

RATES AND COSTS EXHIBIT

Workers' Compensation Claims Administration

Description	Pricing
Life of Contract Flat Annual Fee ¹ Includes 90 IND claims and 150 MO claims per year (<i>annual averages are reviewed at the end of each contract year to assess staffing. We do not anticipate a claim swing; these thresholds are simply put in place as a "guardrail"</i>) Plus all open claims (approx. 328 IND and 14 MO) Per claim Fee after maximum number of claims:	\$255,175.00
Medical-Only	\$175.00
Indemnity	\$1,300.00
Employer's Liability	\$1,300.00

Program Management

Description	Pricing
Data Conversion - Per Data Source	Included
Implementation Fee - One Time Fee	\$5,000.00
CareMC Access - Per Annum ² First 5 Full Access Users	Included
Each User over 5 - Per User, Per Year	\$1,000.00

¹ Includes Assistance with Self-Insured Data for State Reports, State Statistical Reporting & All State Filing Requirements

² Includes Executive Dashboard, Claim Details, Claims Summary Screen & Claims Reporting

Account Management and Technical Support

Description	Pricing
Account Management Staff	Included
(Optional Service, not to be engaged without the City's consent)	
Electronic Data Transmission	
Monthly File	\$250.00
Weekly File	\$600.00
Daily File	\$2,000.00
Training – Onsite and Online	Included
Technical Support	Included
State EDI Files	Included
Monthly Reporting	Included
Ad hoc Report Programming - Per Hour	\$200.00
Communication Materials/Posters	Pass through printing cost
Annual Banking Fees	One account included
Additional Account(s) - Per Account	\$1,000.00
Carrier TPA Oversight Fees ¹	Bill from Carrier to Client

¹ Fees charged by the carrier (Oversight fees, Tail Claim transfer / takeover fees, etc.) are the responsibility of the client and will be billed directly to the client by the carrier or by Consultant should Consultant be invoiced for such fees.

Intake and Immediate Intervention Services

Description	Pricing
Claim Intake (includes one FNOL distribution) - Per Intake	Included
Incident Only Reporting - Per Incident	Included
Advocacy 24/7 - Per Call	\$95.00
Telehealth Services	Fee Schedule or U&C value by CPT code

Allocated Expense Fees

Legal Services

Description	Pricing
Subrogation	25% of Recoveries
Legal Bill Auditing ¹	2.5% of gross legal charges reviewed
Indexing and OFAC Compliance - Per Index	\$15.00

¹ Fees will never exceed the savings generated

Bill Review Services

Description	Pricing
Bill Review: Includes Standard Fee Schedule and UCR - Per Bill ^{1,2}	\$8.50
+ Network Solutions Includes: ² Clinical Review, Implant Analysis, Line Item Bill Review, Negotiations, PPO Network Access, Substantive Denials, Technical Evaluation	24% of Savings
Minimum Transaction Fee ²	\$8.50
State EDI, Scanning/OCR, Initial 1099 Provider Notification Letter	Included

¹ Includes bill intake, document imaging, file upload, state EDI's, and initial 1099 provider notification letters.

² Minimum transaction fee (MTF) per bill transaction. Applied per transaction if all other applicable fees do not meet the minimum transaction fee. Applies to all transactions, including but not limited to, Specialty Bills, Duplicate Bills and bills sent for Re-consideration or Re-evaluation. There is a maximum bill review transaction fee of \$15,000.00.

Patient Management

Description	Pricing
Telephonic Case Management, Field Case Management and Return to Work Coordinator - Per Hour Alaska, California, Hawaii and New York All Other States ^{1,2}	\$135.00 \$124.00
Vocational Rehabilitation - Per Hour ²	\$175.00
Specialty Services (Catastrophic, Life Care Plan, Medicare Conditional Payments, Medicare Set Asides, Bilingual) - Per Hour	\$206.00
Nurse Utilization Review - Per Review	\$150.00
Physician Utilization Review - Per Review	\$275.00
UR Authorization Only (Adjuster Review) - CA - Per Review	\$40.00
Care Advocate - Per Claim	\$50.00
PeerWell App Access - Per Claim (One-Time Fee)	\$500.00

¹ Fee applies to all States with the exception of premium states (CA, HI, AK, and NY).

² Statutory rates supersede if applicable.

Prevailing IRS Mileage Rate applies.

Each invoice for Case Management Services shall have an additional professional service fee of \$39.00 billed to City.

Pharmacy Solutions

Description	Pricing
Retail Pharmacies	
Brand	AWP -17% + \$3.00 dispensing fee
Generic	AWP -45% + \$3.00 dispensing fee
Mail Order	
Brand	AWP -18% + \$2.00 dispensing fee
Generic	AWP -55% + \$2.00 dispensing fee
Clinical Modeling	
Integration of Pharmacy Data	Included
Dynamic Calculation/Display in Care ^{MC}	Included
Pharmacy Interventions	
Certified Pharmacy Technician	Included
Rx Nurse	Included
Nurse Management	Case Management hourly rate
Pharmacy Review - Per Review	\$375.00
Cognitive Behavioral Therapy - Per Hour	\$250.00
Medication Review - Per Hour	\$250.00

Ancillary Benefit Management Services

Description	Pricing
Medical Imaging Services	Varies by State and Diagnostic
Independent Medical Exam	See 2022 IME/Peer Fee Schedule
Physical and Occupational Therapy	Varies by State
Durable Medical Equipment	Varies by State and Equipment
IME Peer Review - Per Hour	See 2022 IME/Peer Fee Schedule
Transportation	Varies by State and Service
Translation	Varies by State and Service Level

Medicare Agent Reporting

Description	Pricing
Set up and engagement	Included
Monthly Maintenance	Included
Quarterly Reporting	Included

California Lien Program

Description	Pricing
Set up fee/minimum fee - Per Lien ¹	\$50.00
Percent of savings off Fee Schedule	20% of savings
Lien Cap	\$3,000.00
Lien Conference	\$500.00
Lien Trial	
Half Day	\$500.00
Full Day	\$750.00
DOR Filing	Included
Service and Review of Initial Discovery	Included
Litigation Review and Support - Per Hour	\$125.00

¹ Deducted from total fee if over \$100.00

State Certified Managed Care Networks

Description	Pricing
Implementation, Filing, Setup (one-time fee) ¹	
Standard Network - CA MPN	\$2,500.00 per network
Standard Network - CA MPN & CA Kaiser	\$3,500.00 per network
Custom Network - CA MPN	\$5,000.00 per network
Administration ²	CA MPN: +\$2.50/bill
Optional Services (Appointment Scheduling, Training, Panel Creation, etc.)	Varies by State

¹ Implementation & administration for all other MCOs (AR MCO, CT MCO, FL MCA, GA MCO, MN MCO, NE MCO, NH MCO, NJ MCO, OK CMP & WV MHCP) are included in bill review fees. Each applicable state represents a separate network.

² Additional bill fee is applied to all Bill Review transactions relating to the applicable state regardless of the bill's network utilization.

*The above pricing per claim is based on handling of all claims that occur and are reported during the agreement period. If life of contract pricing is selected, claims will be handled until closed or until the end of the agreement period, whichever comes first. If life of claim pricing is selected, claims will be handled until closed. Pricing is valid for first year of the contract. At the end of the first year and each year thereafter, all fees outlined on the claims and managed care pricing sheet shall increase the greater of CPI or 3.5%.
Any service not identified in this proposal will be provided at a later time.*

(2) **Fees for Additional Professional Services:** If City requires any additional professional services from Consultant relating to the Services or the CareMC Application, including but not limited to integration of the CareMC Application with EDI or other City systems, City shall submit a written request to Consultant for such services. Consultant shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions.

(3) **Billing and Payments for Case Management.** Consultant will invoice City monthly for all fees related to Case Management Services directly to the specific claims file. Billing for Case Management is based on actual time per activity. Activity is based on ten (10) minute, a sixth (.17) of an hour, units. Time billed that exceeds the base billing unit multiple, i.e., 10 minutes, 20 minutes, etc., will be converted to the next billing unit.

INSURANCE EXHIBIT INS-A



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
12/14/2021

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.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh Risk & Insurance Services 17901 Von Karman Avenue, Suite 1100 (949) 399-5800; License #0437153 Irvine, CA 92614 Attn: Newportbeach.Certrequest@marsh.com	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE INSURER A : Travelers Property Casualty Company of America INSURER B : The Continental Insurance Company INSURER C : Allied World National Assurance Company INSURER D : INSURER E : INSURER F :	
INSURED CorVel Enterprise Comp, Inc. Attn: Jay Villeda 1920 Main Street, Suite 900 Irvine, CA 92614	NAIC # 25674 35289 10690	

COVERAGES **CERTIFICATE NUMBER:** LOS-002469765-93 **REVISION NUMBER:** 23

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.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GENTL AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC OTHER:			TJGLSA9K05728221	04/30/2021	04/30/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			TJCAP9K05729421	04/30/2021	04/30/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp./Coll. Ded. \$ 500
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 10,000			CEU6075991079	04/30/2021	04/30/2022	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB2P6911372151K (AOS) UB2P6408322151R (AZ,MA,NE,WI)	04/30/2021	04/30/2022	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Managed Healthcare Prof. Liab.			0313-1676 (SIR: \$2,500,000)	11/30/2021	11/30/2022	Per Claim (Limit in USD) 5,000,000 Aggregate 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance.

CERTIFICATE HOLDER

CorVel Enterprise Comp, Inc.
1920 Main Street Suite 900
Irvine, CA 92614

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

Marsh Risk & Insurance Services

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ACORD 25 (2016/03)

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INSURANCE REQUIREMENTS FOR CONSULTANTS (WITH ERRORS AND OMISSIONS REQUIREMENT)

1. Consultant shall obtain and maintain during the performance of any services under this Agreement 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 Consultant, its agents, representatives, employees or subconsultants.

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 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. Professional liability/errors and omissions insurance appropriate to Consultant's profession to a minimum coverage of \$1,000,000, with neither Consultant nor listed subconsultants 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. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.

2. Consultant 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-A. 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 commencement of services. 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 sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No. _____
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@cbix.com
Via Fax: 678-259-1007

3. Consultant 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, 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. Consultant agrees that the commercial general liability and business automobile liability insurance policies shall be endorsed to name City, its City Council, officers, employees, agents and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees, agents and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-A 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. The insurer shall declare any deductibles or self-insured retentions to and be 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 Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Consultant shall also be applicable to Consultant's subconsultants. Consultant agrees to maintain appropriate agreements with subconsultants 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 commercial general liability and business automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that the Consultant/insurer use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the sample accord form.

INS-A.doc

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 [] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE \$1,000,000 PRODUCTS COMP/OP AGG. \$1,000,000 PERSONAL & ADV. INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
A	AUTOMOBILE LIABILITY [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$1,000,000
A	OTHER Errors and omissions insurance or malpractice insurance available for the insured's profession				Minimum coverage \$1,000,000 Each consultant/ & listed sub-consultant \$500,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER

CITY OF OXNARD

Attn: Insurance Compliance

Reference No. _____

P.O. Box 100085 – OX

Duluth, GA 30096

Via Email: cityofoxnard@ebix.com

Via Fax: 678-259-1007

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

[illegible]

CONSULTANT ENTERPRISE COMP, INC. CAREMC LICENSE AGREEMENT

This CareMC License Agreement (this “License Agreement”) is entered into as of July 1, 2022 (the “Effective Date”) by and between CorVel Enterprise Comp, Inc., a wholly-owned subsidiary of CorVel Corporation (“Consultant”), 1920 Main Street, Suite 900, Irvine, CA 92614 (“Consultant”) and City of Oxnard (“City”).

RECITALS

WHEREAS, Consultant has developed a proprietary software solution (the “CareMC Application”) which is accessible via the Consultant web site located at URL www.caremc.com (the “CareMC Site”), through which Consultant provides its customers with the option of utilizing certain Third Party Claims Administration Services and bundled Managed Care Services, including certain Bill Review Services, online (such automated and online components of Consultant’s Managed Care Services, “Online Services”); and **WHEREAS**, Consultant has developed a proprietary smartphone application (“My Care Services” smartphone app) for City and City’s claimants accessible via claimant’s own independent smartphone including but not limited to Apple’s iOS 7.0+ or Android 4.0+ or other smartphone device with such access capabilities; and

WHEREAS, Consultant provides its customers with the option of accessing certain Third Party Claims Administration Services and bundled Managed Care Services by means of Consultant’s proprietary software solution (the “CareMC Application”) via the Consultant web site located at the URL “www.caremc.com” (the “CareMC Site”); and

WHEREAS, Consultant and City have entered into a Professional Services Agreement (A-8455); and

WHEREAS, City desires to be provided with access to and use of the CareMC Application by means of an Internet browser under the terms and conditions set forth in this License Agreement.

NOW, THEREFORE, in consideration of the premises set forth above, the promises made herein, and other good and valuable consideration the receipt which is hereby acknowledged, the parties agree as follows:

1. ACCESS TO THE CAREMC APPLICATION

A. Terms of Use. The parties acknowledge and agree that the terms and conditions under which particular Third Party Claims Administration Services and bundled Managed Care Services are provided by Consultant and the terms and conditions under which City may access and use the CareMC Application in order to utilize the online and automated components of such Third Party Claims Administration Services and bundled Managed Care Service (the “Online Services”) shall be governed by the terms and conditions of this License Agreement.

B. My Care App. City agrees and acknowledges the terms and conditions that City’s claimants shall agree upon by utilizing Consultant’s My Care App as described hereunder as Attachment A to this License Agreement.

C. Registration Information. Prior to accessing the CareMC Application, City shall provide Consultant with certain registration information requested therein (“Registration Information”). City represents and warrants that (i) the Registration Information City provides is true, accurate, current and complete, and (ii) the Registration Information will be updated as necessary to keep such data true, accurate, current and complete.

D. Passwords and Levels of Access. As soon as practicable after the execution of this License Agreement, Consultant shall provide a master password to City that allows City initial access to the Online Services (the “Master Password”). City shall then designate a group of Authorized Users. The group of Authorized Users (“Restricted Users”) shall have access to all data available on the CareMC Site including data that constitutes or contains “personally identifiable information” (“PII Data”) as such term is defined in any applicable state or federal statutes or regulations. Each Restricted User shall initially access the Online Services by means of the Master Password, then shall be required to choose his/her own unique password (each, a “Restricted Password”) for all future access.

E. Security of Passwords. City acknowledges and agrees that it shall be solely responsible for (i) selecting Authorized Users, (ii) assigning the various levels of authority and access each Authorized User may have to the CareMC Application, Online Services and City Data, including by determining which Authorized Users shall be Non-Restricted Users, (iii) ensuring that only Authorized Users have access to the Master Password, only Restricted Users have access to the Restricted Passwords and only Non-Restricted Users have access to Non-Restricted Passwords, (iv) implementing a system to control, track and account for all Restricted Passwords and Non-Restricted Passwords, (v) strictly maintaining the confidentiality and integrity of the Master Password, Restricted Passwords and Non-Restricted Passwords and levels of authority among Authorized Users, and (iv) ensuring that Authorized Users shall at all times comply with the terms and conditions of this License Agreement. City further agrees that it shall notify Consultant immediately in writing if the security or integrity of a password has been compromised.

F. City Data. Responsibility for ensuring that the content and data input into the CareMC Application by City or Authorized Users (“City Data”) is accurate, reflects City’s requirements and is entered correctly lies solely with City. All data generated by and through City’s use of the CareMC Application and Online Services shall reside on Consultant’s server. Consultant reserves the right to temporarily suspend access to any City Data that it determines, in its sole discretion, violates the terms and conditions of this License Agreement or any applicable laws.

G. Changes to the CareMC Application. Consultant reserves the right, at any time in its sole discretion and without liability to City, to delete or change features of the CareMC Application, CareMC Site or Online Services provided such changes do not materially alter the functionality, efficiency or performance of the CareMC Application.

2. LICENSE AND RESTRICTIONS

A. Limited License. Subject to the terms and conditions of this License Agreement, Consultant grants to City during the License Term (as defined in Section 8A below) a limited, non-exclusive, non-transferable, non-sublicensable license to access and use, and allow Authorized Users to access and use, the CareMC Application via the CareMC Site solely for City's own internal business use and operations. City shall access and use the CareMC Application in accordance with the user's guides and online instruction provided to City by Consultant ("Documentation") and all applicable laws, statutes, rules and regulations.

B. Restrictions. City shall not, and shall not allow Authorized Users or any third party to (i) rent, lease, re-license or otherwise provide access to the CareMC Application or Online Services to any third party, (ii) alter, modify or create derivative works of the CareMC Application, (iii) use any reverse compilation, decompilation or disassembly techniques or similar methods to determine any design structure, concepts and construction method of the CareMC Application or replicate the functionality of the CareMC Application for any purpose, or (iv) copy the CareMC Application or any content, materials, information and other data provided by Consultant on the CareMC Site or used in providing the Online Services ("Consultant Content") and/or Documentation without Consultant's prior written consent.

C. Third Parties. City shall not allow any third party to have access to the CareMC Application or Online Services without prior written consent of Consultant and ensuring that (i) such third party enters into a legally enforceable written agreement with Consultant, or (ii) Consultant and City shall enter into a Letter Agreement whereby City assumes all responsibility and liability for access by such third party.

D. Ownership. Consultant owns and shall retain all right, title and interest in and to the CareMC Application, Documentation, CareMC Site, Online Services, Consultant Content and any intellectual property rights inherent therein or arising therefrom. In addition to Consultant's rights in the individual elements of the Consultant Content, Consultant owns a copyright in the selection, coordination, arrangement and enhancement of the Consultant Content. Neither City nor any Authorized User shall obtain any ownership rights, express or implied, or any other rights other than those expressly set forth herein in the CareMC Application, Documentation or Consultant Content.

E. Compliance Monitoring and Audits. Consultant may monitor and perform remote audits of City's use of the CareMC Application and CareMC Site for the purpose of verifying that City and Authorized Users are using the CareMC Application in compliance with the terms of this CareMC License Agreement. Consultant reserves the right, to temporarily suspend City's or any Authorized User's access to the CareMC Application in the event City or such Authorized User engages in, or Consultant in good faith suspects is engaged in, any unauthorized conduct. Upon such suspension, Consultant shall immediately inform City of such suspension and though the support of City resolve any issue which has arisen within a commercially reasonable timeframe.

3. INFRASTRUCTURE, MAINTENANCE AND SUPPORT

A. Consultant Infrastructure Obligations. Subject to City's compliance with the terms and conditions of this License Agreement, Consultant shall be responsible for providing and maintaining the hardware, software and other equipment required to host the CareMC Application for City ("CareMC Infrastructure"). The CareMC Infrastructure is subject to modification by Consultant from time to time for purposes such as adding new functionality, maximizing operating efficiency and upgrading hardware, provided such modifications shall not in the aggregate degrade the performance of the Online Services utilized by City. City understands and acknowledges that such modifications may require changes to City's Internet access and/or telecommunications infrastructure to maintain City's desired level of performance. Consultant shall give City reasonable prior written notice of any such modifications.

B. City Infrastructure Obligations. Except for the CareMC Infrastructure, which will be provided by Consultant, City shall be responsible for obtaining and maintaining all hardware, software, equipment, Internet access and/or telecommunications services and other items or services furnished by third party vendors or providers ("Third Party Providers") required to enable City to access and use the CareMC Application and CareMC Site as contemplated hereunder.

C. Support. Consultant will provide general support regarding questions on the CareMC Application and CareMC Site via email and by telephone from Monday through Friday between the hours of 5:00 a.m. and 6:00 p.m. Pacific Standard Time, excluding holidays.

D. Scheduled Maintenance. Consultant will use reasonable efforts to (i) perform any scheduled downtime outside of City's normal business hours, (ii) notify City of all scheduled downtimes at least seventy-two (72) hours in advance, and (iii) perform software updates to the CareMC Application with minimal disruption to City's use of the Online Services.

E. System Monitoring. Consultant will use reasonable efforts to continuously monitor its web servers and database servers to ensure that they are functioning properly.

F. Security. Consultant will implement and use reasonable efforts to maintain secure systems through the use of firewalls, virtual private networks (VPN), and other security technologies. Consultant will use reasonable efforts to as pursuant to applicable laws report to City any confirmed breach of Consultant's systems affecting City Data within seventy-two (72) hours .

G. Disaster Recovery and Backup. Consultant will use reasonable efforts to perform nightly backups of essential data on its web servers and database servers. Consultant has implemented third party backup and restoration technology to enable high speed recovery of data. Consultant utilizes redundant load balanced industry standard servers for 24x7, 365 day access, except for regularly scheduled system maintenance and upgrade processes. SQL Server databases are hosted on clustered servers offering fall-over capability, redundant

communication links, and load balanced application servers. Backup tapes are restored into a test environment not less than quarterly to confirm validity of backups. The CareMC Site has redundant inbound Internet and Intranet connectivity.

H. Professional Managed Care Services. If City requires any additional professional services relating to the CareMC Application or Online Services from Consultant including but not limited to integration with City's electronic data interfaces (EDIs) or other City systems, City shall submit a written request to Consultant for such services. Consultant shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions.

4. REPRESENTATIONS AND WARRANTIES

A. City Representations. City represents that (i) it has the legal authority to provide the City Data to Consultant hereunder, and (ii) it is fully aware and knowledgeable of and shall comply with its duties and responsibilities with respect to the privacy and confidentiality of medical records and protected health information under applicable federal and state laws, including but not limited to those imposed by applicable state and federal privacy and security laws. Upon written notice to City, Consultant may modify or temporarily suspend City's access to and use of the CareMC Application, Online Services and/or CareMC Site as necessary to comply with any law or regulation.

B. Consultant Warranties. Consultant warrants that (i) it shall use commercially reasonable professional practices and good workmanship in providing the CareMC Application, and (ii) City support will be performed consistent with generally accepted industry standards. These warranties extend only to City.

C. Exclusive Remedy. For any breach of the foregoing warranties, Consultant's entire liability and City's exclusive remedy will be the correction of the problems or errors that cause the breach of warranty, if feasible, or termination of the Agreement.

5. DISCLAIMERS AND LIMITATIONS OF LIABILITY

A. Disclaimers. TO THE EXTENT ALLOWED BY APPLICABLE LAW, EXCEPT FOR THE LIMITED WARRANTIES DESCRIBED IN SECTION 4B ABOVE, CONSULTANT MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, GOOD TITLE, SATISFACTORY QUALITY AND NONINFRINGEMENT. CITY SPECIFICALLY ACKNOWLEDGES AND AGREES AS FOLLOWS:

(i) Internet Usage. City acknowledges that the Internet is essentially an unregulated, insecure and unreliable environment, and that the ability of City to access and use the CareMC Application is dependent on the Internet and hardware, software and services provided by various Third Party Providers. CONSULTANT SHALL NOT BE RESPONSIBLE FOR CITY'S INABILITY TO ACCESS OR USE THE CAREMC APPLICATION TO THE EXTENT SOLELY CAUSED BY FAILURES OR INTERRUPTIONS OF ANY HARDWARE, SOFTWARE OR SERVICES PROVIDED BY CITY OR THIRD PARTY PROVIDERS.

(ii) CareMC Application. CITY ACKNOWLEDGES AND AGREES THAT CONSULTANT DOES NOT WARRANT THAT THE CAREMC APPLICATION OR ONLINE SERVICES ARE ERROR FREE, THAT CITY WILL BE ABLE TO ACCESS OR USE THE CAREMC APPLICATION OR ONLINE SERVICES WITHOUT PROBLEMS OR INTERRUPTIONS, OR THAT THE CAREMC SITE AND CAREMC APPLICATION ARE NOT SUSCEPTIBLE TO INTRUSION, ATTACK OR COMPUTER VIRUS INFECTION.

B. Exclusion of Damages.

(i) Exclusion of Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOST REVENUES) UNDER THIS AGREEMENT, WHETHER OR NOT FORESEEABLE AND REGARDLESS OF WHETHER CLAIMS UNDER THIS AGREEMENT ARE BROUGHT UNDER TORT, CONTRACT OR ANY OTHER LEGAL OR EQUITABLE THEORY.

(iii) Acknowledgment. The parties acknowledge that the limitations and disclaimers set forth in this Agreement were an essential element in setting consideration under this Agreement.

6. INDEMNIFICATION

A. Mutual Indemnification. Subject to section 6D below, each party shall defend any third party claim against the other party arising from the death of or physical injury to any person or damage to the indemnified party's property to the extent proximately caused by the negligence of the indemnifying party or its agents or employees, and indemnify and hold harmless the other party and its respective officers, directors and employees from and against damages, liabilities and reasonable costs and expenses, including reasonable legal fees ("Losses") incurred in connection therewith.

B. Indemnification by Consultant. Subject to Section 6D below, Consultant shall defend any third party suit or action against City to the extent such suit or action is based on a claim that City's permitted use of the CareMC Application under this Agreement constitutes an infringement of a United States patent, trademark, trade name, trade secret, copyright or other United States intellectual property right, and Consultant will pay those Losses finally awarded against City in any monetary settlement or final, non-appealable judgment of such suit or action which are specifically attributable to such claim. This indemnity does not apply to any claims based on City's use of the CareMC Application (i) in violation of this Agreement or the Documentation (as defined in the CareMC License Agreement), (ii) in combination with any other software, hardware, network or system where the alleged infringement relates to such combination, or (iii)

based on Consultant's compliance with City's instructions, designs or specifications where the alleged infringement relates to such compliance. If any portion of the CareMC Application becomes, or in Consultant's opinion is likely to become, the subject of a claim of infringement, then Consultant may, at its option and expense, procure for City the right to continue using the CareMC Application or replace or modify the affected portion of the CareMC Application so that it becomes non-infringing. If neither alternative is reasonably available, Consultant may terminate this Agreement. THE FOREGOING STATES CONSULTANT'S ENTIRE LIABILITY AND CITY'S SOLE REMEDY FOR INFRINGEMENT CLAIMS.

C. City Indemnification. Subject to Section 6D below, City shall defend, indemnify and hold harmless Consultant from Losses arising out of or relating to (i) City's misuse of, modification to, rejection of or failure to implement on a timely basis any of Consultant's recommendations made hereunder, (ii) acts or omissions by Consultant that were undertaken at the express direction of City, (iii) City's use of the CareMC Application in violation of the terms of the CareMC License Agreement, (iv) data or content included in or omitted from City Data (as defined in the CareMC License Agreement), (v) subject to Section 6A above, any claim by an employee of City or City's insureds brought against Consultant due to the recommendations made by Consultant hereunder and not caused by a breach by Consultant of its obligations hereunder in providing such recommendations, and (vi) any claim described in Section 6B(i)-(iii) above.

D. Conditions. The parties' indemnification obligations under this Section 6 are contingent upon: (i) the indemnified party giving prompt written notice to the indemnifying party of any claim under this Section (provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent, and only to the extent, that the indemnifying party shall have been actually prejudiced as a result of such failure), (ii) the indemnifying party having the right, but not the obligation, to assume sole control of the defense or settlement of the claim, and (iii) at the indemnifying party's request and expense, the indemnified party cooperating in the investigation and defense of such claim(s). If the indemnifying party assumes the defense of any claim hereunder, the indemnified party shall be entitled to participate in (but not control) such defense and to retain its own counsel, at its own expense. The indemnifying party shall not settle or consent to an adverse judgment in any such claim that adversely affects the rights or interests of the indemnified party or imposes additional obligations on the indemnified party, without the prior express written consent of the indemnified party.

7. INSURANCE

A. Consultant Insurance. Consultant, at its sole expense, agrees to maintain, at all times during the term of the Agreement, the required professional liability, errors and omissions, workers' compensation, general, and auto liability insurance coverages as set forth on the Certificate of Insurance provided with the executed Service Agreement with an effective date of *[insert date]*.

B. City Insurance. City, at its sole expense, agrees to keep in force comprehensive general liability insurance and professional liability insurance with coverage limits in accordance with acceptable industry standards for the term of this Agreement. Upon request by Consultant, City shall furnish Consultant with a certificate of such insurance. City shall provide Consultant with prior written notice of any cancellation, non-renewal or material change to any such insurance coverages pursuant to its insurance policies. It is agreed that City shall be deemed in compliance with this Section 7B by being self-insured under terms and conditions and with sufficient reserves as is customary within the industry for companies of comparable size and operations.

8. LICENSE TERM AND TERMINATION

A. Term. The Term of the License Agreement shall run coterminous with the Master Agreement unless terminated pursuant to Section 8B or 8C hereunder this License Agreement.

B. Termination for Convenience. Either party shall have the right to terminate this License Agreement for any reason or for no reason, upon ninety (90) days written notice to the other party.

C. Termination for Cause. This License Agreement may be terminated by either party for cause as follows: (i) upon thirty (30) days written notice if the other party breaches or defaults under any material provision of this Agreement and does not cures such breach prior to the end of such thirty (30) day period, (ii) effective immediately and without notice if the other party ceases to do business, or otherwise terminates its business operations, except as a result of an assignment, as permitted under the terms and conditions of this License Agreement, or (iii) effective immediately and without notice if the other party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other (and not dismissed within ninety (90) days).

D. Effect. Except to the extent expressly provided to the contrary herein, any right of action for breach of the License Agreement prior to termination, and the following provisions shall survive the termination of this License Agreement: Sections 1G, 2D, 4, 5 and 6. Additionally, upon termination or expiration of the License Agreement (i) Consultant shall provide City with any proprietary data belonging to City, in the current format in which it is stored at Consultant at the termination of the License Agreement, (ii) all licenses granted under this License Agreement shall terminate immediately, (iii) all rights to use the CareMC Application and Online Services shall cease immediately, and (iv) each party shall promptly return all information, documents, manuals and other materials belonging to the other party related to this License Agreement, whether in printed or electronic form, except as otherwise provided in this License Agreement, including without limitation all confidential information of the other party then currently in its possession.

9. CONFIDENTIALITY

A. Definition of Confidential Information. "Confidential Information" shall mean any non-public data, information and other materials regarding the products, services or business of a party (and/or, if either party is bound to protect the confidentiality of any third

party's information, of a third party) provided to either party by the other party where such information is marked or otherwise communicated as being "proprietary" or "confidential" or the like, or where such information should, by its nature, be reasonably considered to be confidential and/or proprietary. Without limiting the foregoing, the parties agree that (i) the CareMC Application, Documentation, Consultant Content (as defined in the in the CareMC License Agreement) and all software, source code, source documentation, inventions, know-how, and ideas, updates and any documentation and information relating thereto constitutes Confidential Information of Consultant, (ii) the City Data (as defined in the CareMC License Agreement) constitute Confidential Information of City, and (iii) this Agreement, the Exhibits and Schedules attached hereto, and the terms and conditions set forth herein and therein are Confidential Information of both parties.

B. Disclosure and Use of Confidential Information. The Confidential Information disclosed by either party ("Disclosing Party") to the other ("Receiving Party") constitutes the confidential and proprietary information of the Disclosing Party and the Receiving Party agrees to treat such Confidential Information in the same manner as it treats its own similar proprietary information, but in no case will the degree of care be less than reasonable care. The Receiving Party shall use the Confidential Information of the Disclosing Party only in performing under this Agreement and shall retain the Confidential Information in confidence and not disclose it to any third party (except as authorized under this Agreement) without the Disclosing Party's express written consent. The Receiving Party shall disclose the Disclosing Party's Confidential Information only to those employees and contractors of the Receiving Party who have a need to know such information for the purposes of this Agreement, and such employees and contractors must be bound by this Agreement or have entered into agreements with the Receiving Party containing confidentiality provisions covering the Confidential Information with terms and conditions at least as restrictive as those set forth herein.

C. Exceptions. Notwithstanding the foregoing, the parties' confidentiality obligations hereunder shall not apply to information which: (i) is already known to the Receiving Party prior to disclosure by the Disclosing Party, (ii) becomes publicly available without fault of the Receiving Party, (iii) is rightfully obtained by the Receiving Party from a third party without restriction as to disclosure, (iv) is approved for release by written authorization of the Disclosing Party, (v) is developed independently by the Receiving Party without use of or access to the Disclosing Party's Confidential Information, or (v) is required to be disclosed by law, rule, regulation, court of competent jurisdiction or governmental order, provided, however, that the Receiving Party shall advise the Disclosing Party of the Confidential Information required to be disclosed promptly upon learning thereof in order to afford the Disclosing Party a reasonable opportunity to contest, limit or assist the Receiving Party in crafting the disclosure, and then such disclosure shall be made only to the extent necessary to satisfy such requirements.

D. Use of Data. Nothing shall prohibit Consultant from using aggregate, non-identifying, statistical data generated through its customers', including City, use of the CareMC Application and Online Services for analytical purposes, provided that Consultant shall not use or disclose any such data or information in a manner that would reveal the identity of, or other confidential information concerning, City. Such aggregate, non-identifying statistical data could include, without limitation, statistics regarding usage of the CareMC Application and Online Services, the number of case referrals generated through the CareMC Application and Online Services and the efficiencies gained by Consultant customers through their use of the CareMC Application and Online Services.

10. GENERAL PROVISIONS

A. Choice of Law. This Agreement shall be governed by and construed under the laws of the State of California and the United States without regard to conflicts of laws provisions thereof. The parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement. The parties submit to the jurisdiction of the United States federal courts for the State of California and agree, that said courts have the sole and exclusive jurisdiction over any cause of action arising under or in connection with this Agreement.

B. Compliance with Laws. Both parties shall comply with all federal, state, and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

C. Contacts for Notices. All written notice required or permitted hereunder shall be in writing and shall be sufficient if personally delivered or sent by facsimile or internationally recognized delivery service to the address or fax number set forth below, unless such address or fax number is changed by notice, to the other party, as permitted hereunder. Any notices shall be deemed given on the date received, as indicated (i) by receipt of electronic answer back in the case of facsimile, or (ii) the records of the delivery service, if by courier.

If to Consultant:
 CorVel Corporation
 1920 Main Street, Suite 900
 Irvine, California 92614
 Attn: Legal Department
 Phone: (949) 851-1473
 Fax: (866) 434-2469
 Email: Corporate_Legal@Consultant.com
 If to City:

City of Oxnard Human Resources
300 West Third Street, 1st Floor
Oxnard, CA 93030
Attn: Risk Manager

D. Assignment. Neither this Agreement nor any rights, licenses or obligations hereunder, may be assigned by either party without the prior written consent of the non-assigning party. Notwithstanding the foregoing, Consultant may assign this Agreement to any acquiror of all or of substantially all of Consultant's equity securities, assets or business related to the subject matter of this Agreement. Any attempted assignment in violation of this Agreement shall be void and without effect.

E. Severability. Should any term of this Agreement be declared void or unenforceable by any arbitral tribunal or court of competent jurisdiction, such declaration shall have no effect on the remaining terms hereof, which shall continue in full force and effect.

F. Waiver. The failure of either party to enforce any rights granted hereunder or to take action against the other party in the event of any breach hereunder shall not be deemed a waiver by that party as to subsequent enforcement of rights or subsequent actions in the event of future breaches.

G. Relationship of the Parties. The relationship of Consultant and Licensee established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed (i) to give either party the power to direct or control the day-to-day activities of the other, or (ii) to constitute the parties as partners, franchisee-franchiser, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or otherwise give rise to fiduciary obligations between the parties.

H. Force Majeure. Except for the obligation to make payments, nonperformance by either party shall be excused to the extent that performance is rendered impossible by war, acts of terrorism, strikes, fire, flood, governmental acts or orders or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the control of the non-performing party.

I. Entire Agreement. This Agreement constitutes the entire, final, complete and exclusive agreement between the parties and supersedes all previous agreements or representations, oral or written, relating to the subject matter of this Agreement. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party. Both parties acknowledge having read the terms and conditions set forth in this Agreement and all attachments hereto, understand all terms and conditions, and agree to be bound thereby.

J. Counterparts. This Agreement may be executed in two counterparts, each of which shall be an original and together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties by their duly authorized representatives have executed this Agreement as of the Effective Date set forth above.

CORVEL ENTERPRISE COMP, INC.

CITY OF OXNARD

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT A

My Care Smartphone Claims App Attachment End User License Agreement

Such access shall provide City's claimants an opportunity to review the current status of their individual claim. For access by City claimant, such City claimant will be required to have a smartphone including but not limited to an Apple iOS 7.0+ smartphone or Android 4.0+ smartphone or other smartphone device with such access capabilities. City acknowledges the terms of Attachment A hereunder which shall be a part of the My Care App and which the End User ("Claimant") shall be responsible for. The My Care App is at no costs to City for these Services.

Terms are non-negotiable as these are part of the Smart Phone App

PLEASE READ THIS LICENSE AGREEMENT BEFORE USING THE APP. USE OF THE APP INDICATES END USER'S ACCEPTANCE OF THIS END USER LICENSE AGREEMENT. IF END USER DOES NOT AGREE WITH THE TERMS, END USER SHOULD NOT USE THE APP.

1. License Grant; License Restrictions. Either of Consultant Enterprise Comp, Inc. or Consultant Healthcare Corporation, as applicable, ("Consultant") provides the mobile software application program and user manual(s) or help files contained therein, and any modifications, updates, revisions, or enhancements thereto received by End User from Consultant (collectively, the "App"), and licenses its use solely pursuant to the terms stated below:

- a. End User is granted a nontransferable license to use the App under the terms stated in this Agreement for personal use. End User may not use the App for commercial purposes. Title and ownership of the App and of the copyright in the App remains with Consultant;
- b. The App may be used by End User on a single mobile device, which End User owns or uses and for which the App is designed to operate;
- c. End User may not make copies, translations, or modifications of or to the App. End User may not alter, obscure, or remove the copyright notice on any copy of the App;
- d. End User may not assign, sell, distribute, lease, rent, sublicense, or transfer the App or this license or disclose the App to any other person. End User may not reverse-engineer, disassemble, or decompile the App or otherwise attempt to discover the source code or structural framework of the App; and
- e. Consultant may terminate this Agreement and the license granted hereunder at any time. This Agreement and the license granted hereunder automatically terminates if End User fails to comply with any provision of this Agreement. End User agrees upon termination to: (i) cease using the App and providing or accessing any data or information by or through the App, and (ii) destroy the App, together with all copies, modifications, and merged portions in any form, including any copy on End User's mobile device or on any computer.

2. Limited Warranty. The App is provided "AS IS" and with all faults. NO WARRANTIES ARE EXPRESSED AND NONE SHALL BE IMPLIED. CONSULTANT SPECIFICALLY EXCLUDES ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. CONSULTANT DOES NOT WARRANT THAT USE OF THE APP WILL BE UNINTERRUPTED OR ERROR-FREE.

3. Maintenance & Support. The App is maintained by Consultant or its subcontractors. From time to time, Consultant may provide modifications, updates, revisions, or enhancements, all of which are offered pursuant to the terms and conditions of this Agreement. Consultant does not provide support to End Users. All support requests should be directed at End User's employer or other person responsible to manage End User's claims and not at Consultant.

4. Consent to use Data. All data or information submitted by End User through the App shall be used by Consultant in accordance with Consultant's Privacy Policy posted at:
<http://www.Consultant.com/privacy-policy/>

5. Limitations of Liability (End User). IN NO EVENT WILL CONSULTANT'S LIABILITY FOR ACTUAL DIRECT DAMAGES ARISING OUT OF THIS AGREEMENT OR THE USE OR PERFORMANCE OF THE APP EXCEED \$100. IN NO EVENT WILL CONSULTANT BE LIABLE FOR ANY LOST PROFITS, SALES, BUSINESS, DATA, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES RESULTING FROM THE USE OF THE APP OR OTHERWISE ARISING FROM THIS AGREEMENT, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. The parties agree that the above limits represent a reasonable allocation of risk.

6. Governing Law; Exclusive Jurisdiction. This Agreement is governed by the laws of California. End User agrees that the federal or state courts sitting in State of California, shall be the exclusive courts of jurisdiction and venue for any litigation, special proceeding or other proceeding as between the parties that may be brought, or arise out of, or in connection with, or by reason of this Agreement. The United Nations Convention on Contracts for the International Sale of Goods is expressly disclaimed.

7. Indemnification (End User). End User shall defend, indemnify and hold harmless Consultant from and against damages, liabilities and reasonable costs and expenses, including reasonable legal fees arising out of or relating to: (i) End User's use of the App in violation of the terms of this Agreement, (ii) data or content included in or omitted from content and data input into the App by End User or any other third party using End User's mobile device, and (iii) any claim by an employee of End User or End User's insureds brought against Consultant due to the recommendations made by Consultant through the App.

8. Disclaimer. Consultant shall not be responsible or liable for any third party claims arising from the negligent acts, errors, omissions, willful misconduct or fraud caused by End User in connection with its use of the App or otherwise attributable this Agreement.

9. Assignment. End User may not assign any of End User's rights or delegate any of End User's obligations under this Agreement without the prior written consent of Consultant. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

10. Notice. All notices required to be sent hereunder shall be in writing and shall be deemed to have been given when mailed by first class mail to the address listed below.

11. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force.

12. Waiver. The waiver by either party of a breach of any provision of this Agreement or the failure by either party to exercise any right hereunder shall not operate or be construed as a waiver of any subsequent breach of that right or as a waiver of any other right.

13. Export Administration. End User agrees to comply fully with all relevant export laws and regulations of the United States ("Export Laws") to assure that neither the App nor any direct product thereof is (1) exported, directly or indirectly, in violation of Export Laws; or (2) are used for any purposes prohibited by the Export Laws, including, without limitation, nuclear, chemical, or biological weapons proliferation.

14. Entire Agreement. This Agreement shall constitute the complete agreement between the parties and supersede all prior or contemporaneous agreements or representations, written or oral, concerning the subject matter of this Agreement. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party; no other act, document, usage or custom shall be deemed to amend or modify this Agreement.

15. Survival. The provisions of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 shall survive the termination of this Agreement.

Copyrights

Copyright © 2014 Consultant. All rights reserved.

This documentation and the corresponding App are the property of Consultant and are licensed to the user under the terms of this End User License Agreement. Unauthorized use or copying of the App, documentation, or any other associated materials is a violation of state and federal laws. These materials must be returned to Consultant if so demanded.

5-YEAR AGREEMENT WITH CORVEL ENTERPRISE COMP., INC. FOR THIRD PARTY WORKERS' COMPENSATION CLAIMS ADMINISTRATION SERVICES

Presented to the City Council

Mike More, Human Resources Manager

May 17, 2022



RECOMMENDATION

That the City Council approve and authorize the Mayor to execute Agreement No. A-8455 with CorVel Enterprise Comp., Inc. in an amount not to exceed \$1,515,000 for a 5-year term for workers' compensation claims administration and adjustment services.

BACKGROUND

- The City currently contracts with Acclamation Insurance Management Services, Inc. (AIMS) for workers' compensation claims administration services
 - Original Agreement: 5-Year term from July 1, 2012 – June 30, 2017
 - First Amendment: 5-year term from July 1, 2017 – June 30, 2022
- Staff conducted an RFP in January 2021 for workers' compensation claims administration services
 - Distributed RFP directly to 12 firms known to perform this work
 - Posted on [publicpurchase.com](https://www.publicpurchase.com)
 - Advertised on the City's website
 - 10 proposals received
 - Human Resources Department staff reviewed proposals and interviewed top 3 ranked firms

RESULTS

- CorVel Enterprise Comp., Inc. selected as the most qualified firm to be awarded the agreement
 - Overall responsiveness to the RFP
 - Most advantageous staffing model
 - Demonstrated public agency experience
 - Experience and ability of its staff
 - Competitive pricing structure
- Total cost of the agreement is not to exceed \$1,515,000 over 5 years (includes CPI factor estimated at 5% and an allowance for additional costs pursuant to the Rates and Cost Exhibit of the Agreement):

FY 22-23:	\$ 280,175*
FY 23-24:	287,934
FY 24-25:	301,330
FY 25-26:	315,395
FY 26-27:	<u>330,166</u>
Total	\$1,515,000

* Includes start-up costs of \$5,000

RECOMMENDATION

That the City Council approve and authorize the Mayor to execute Agreement No. A-8455 with CorVel Enterprise Comp., Inc. in an amount not to exceed \$1,515,000 for a 5-year term for workers' compensation claims administration and adjustment services.

Financial Impact

- None in the current fiscal year.
- This agreement will begin July 1, 2022 and is included as part of the FY 2022-23 Budget.



QUESTIONS



CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. L.2

DATE: May 17, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Public Works Department Update. (0/10/10)

RECOMMENDATION

That the City Council receive and file an update report from the Public Works Department with respect to an overview of department operations, programs, activities, challenges, opportunities and staffing.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/VxgZE8gMFZo>

BACKGROUND

This agenda item involves a verbal report to the City Council from the Public Works Director. This report is pre-recorded so that it is compliant with Measure M.

In his report, updates are provided to the City Council that include the following topics:

1. Department overview:
 - a. Administration
 - b. Asset Management & Maintenance
 - c. Engineering & Transportation
 - d. Environmental & Operations
 - e. Water Services
2. Department programs
3. Department activities
4. Department challenges/opportunities
5. Recruiting and staffing

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact in receiving this report.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Michael Wolfe, Public Works Director, Brian Yanez, Assistant Public Works Director, Steve Howlett, Assistant Public Works Director, Tatiana Arnaout, City Engineer

ATTACHMENTS

1. Presentation

Oxnard City Council Meeting May 17, 2022

REPORT TO CITY COUNCIL: PUBLIC WORKS DEPARTMENT UPDATE

Michael L. Wolfe, PE
Public Works Director

RECOMMENDATION

That the City Council receive and file a verbal update report from the Public Works Department.

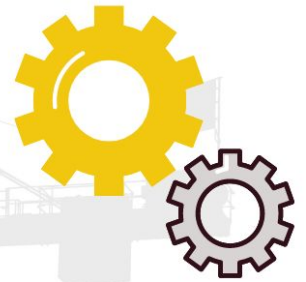
PRIORITIES

City Council

- Restore proper street paving cycle
- Repair Alleys
- Restore Proper maintenance of parks, parkways and medians, tree trimming cycle, and clean up the gateways to the City
- Ensure adequate future water supply
- Build an Aquatics Center in South Oxnard
- Repair seawalls

DEPARTMENT OVERVIEW

PUBLIC WORKS IS THE LARGEST DEPARTMENT IN THE CITY



ADMINISTRATION

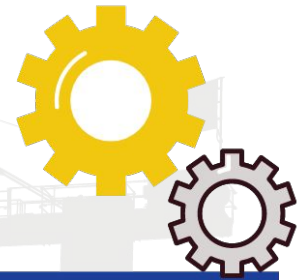
- FINANCE AND BUDGET
- CONTRACT MANAGEMENT

ASSET MANAGEMENT & MAINTENANCE

- PARKS/GOLF
- SPECIAL DISTRICTS
- FACILITIES MAINTENANCE

DEPARTMENT OVERVIEW

PUBLIC WORKS IS THE LARGEST DEPARTMENT IN THE CITY



ENGINEERING & TRANSPORTATION

- ENGINEERING
- TRANSPORTATION MOBILITY
- CAPITAL PROJECTS MANAGEMENT

ENVIRONMENTAL & OPERATIONS

- ENVIRONMENTAL RESOURCES (SOLID WASTE)
- STREETS MAINTENANCE
- FLEET SERVICES

WATER SERVICES

- WATER
- RECYCLED WATER
- WASTEWATER
- STORMWATER

Parks Division: Parks, Open Spaces, Street Landscapes, Urban Forest, GAP



PARKS MAINTENANCE

RESPONSIBLE FOR

- City parks
- Trees
- Street Landscapes
- Graffiti Action Program



Activities



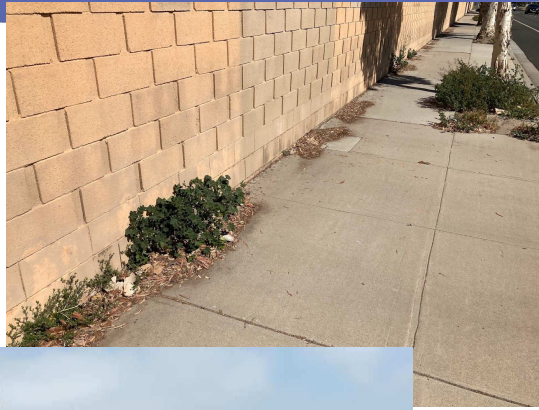
Challenges



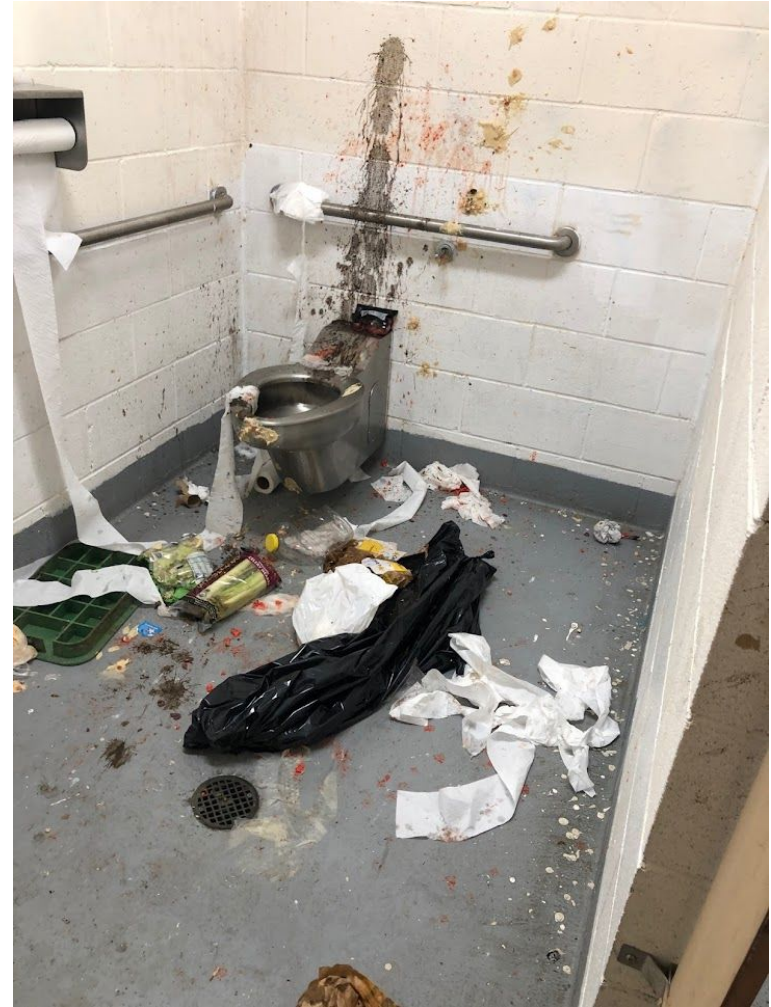
Opportunities



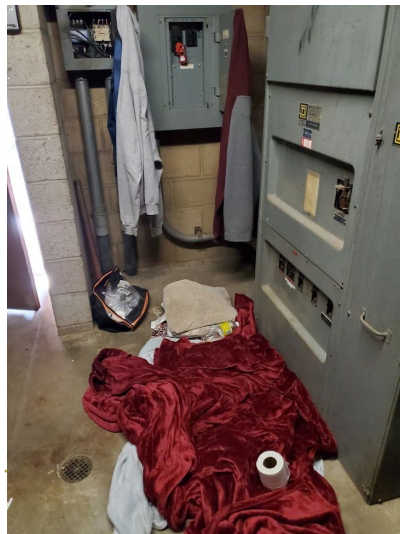
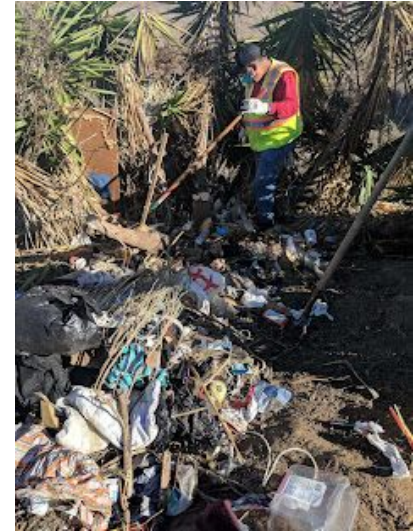
Parks Division: Parks, Open Spaces, Street Landscapes, Urban Forest, GAP



Parks Division - Parks



Parks Division - Parks



Parks Division - Parks

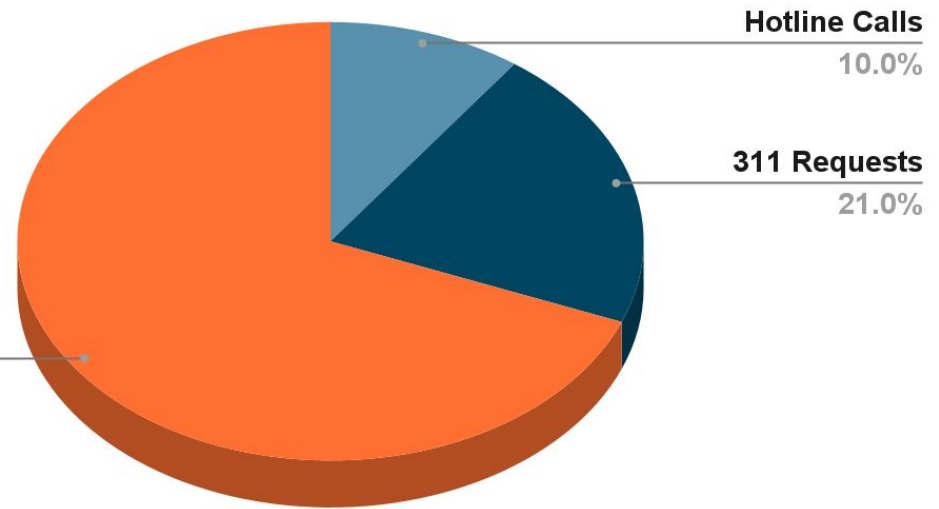


Parks Division-Graffiti Action Program

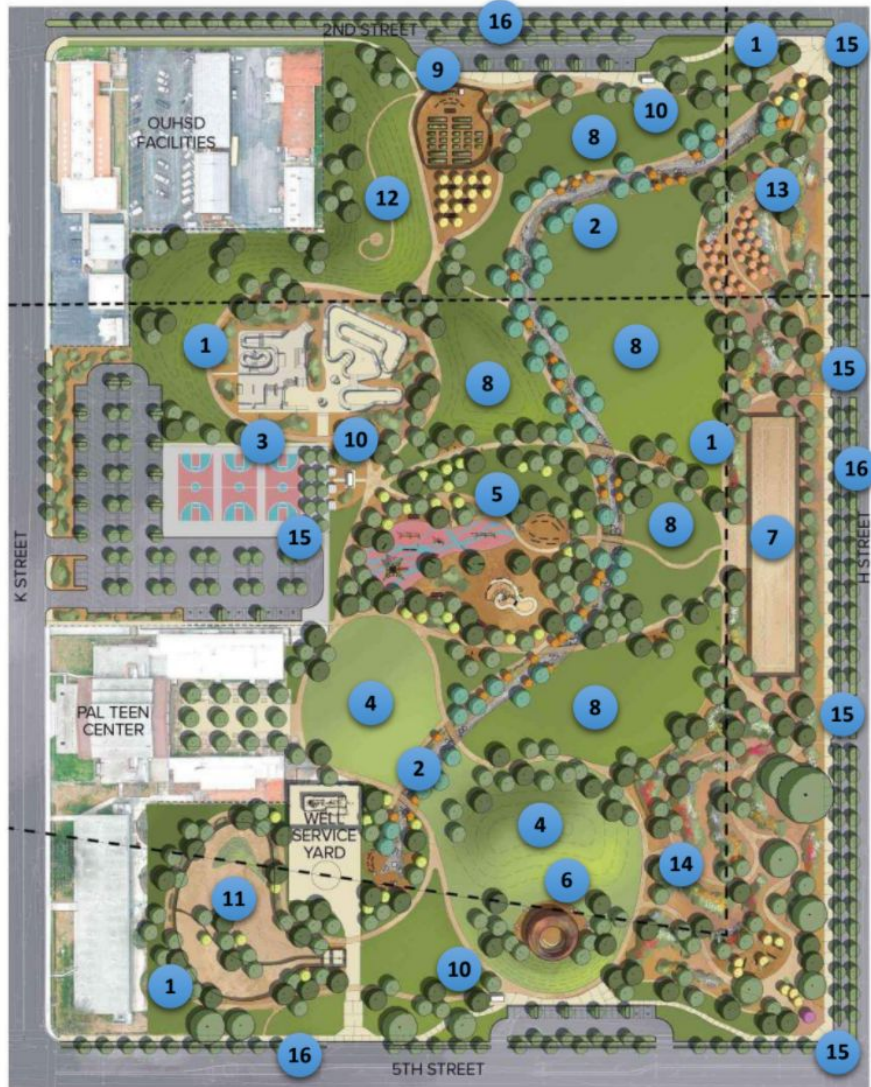
Source of graffiti abatement



Staff-Line of Site
69.0%



Parks Division - Parks



CITY OF
OXNARD
CALIFORNIA



PARKS & RECREATION



Special Districts



SPECIAL DISTRICTS

STAFF MANAGES

- Landscape Maintenance Districts
- Community Facilities Districts
- Waterways



Activities



Challenges



Opportunities



Special Districts



Special Districts



Facilities Maintenance



FACILITIES MAINTENANCE

STAFF MAINTAINS

- 45 active buildings
- Over 336,000 square feet of office space including police and fire stations



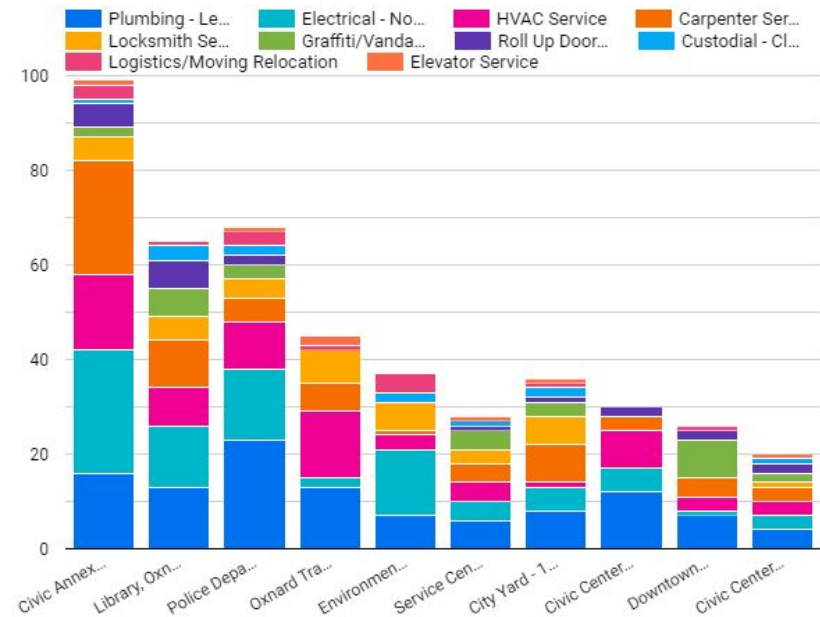
Activities



Challenges



Opportunities

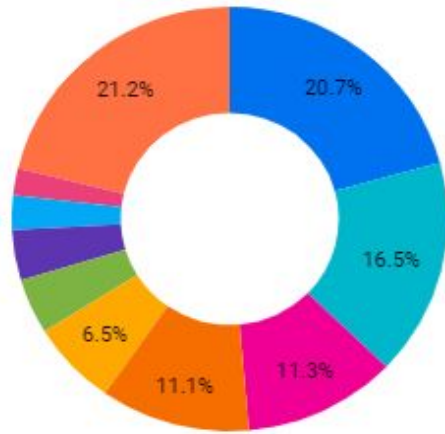


Facilities Maintenance

Roofs



Facilities Maintenance



- Plumbing - Leak, Running Sink/Toilet
- Electrical - No Power, Light Fixture Out
- HVAC Service
- Carpenter Service
- Locksmith Service
- Graffiti/Vandalism
- Roll Up Door & Gate Repairs
- Custodial - Cleaning Services Needed
- Logistics/Moving Relocation
- others



Facilities Maintenance



Engineering



CIP

**INCREASE TO CAPITAL
IMPROVEMENTS BUDGET**



Activities



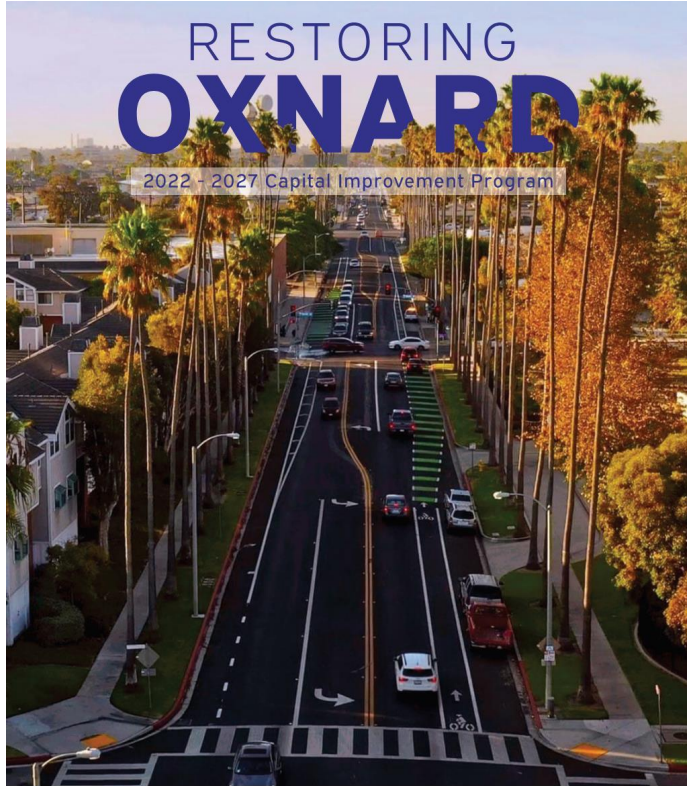
Challenges



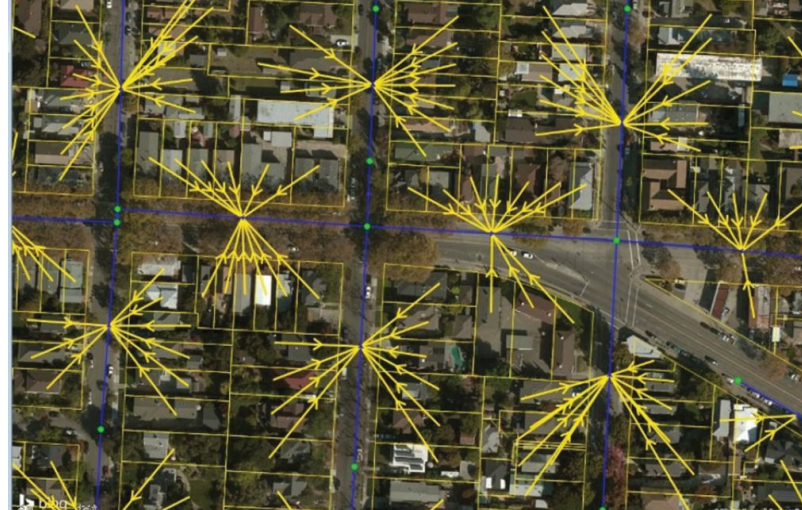
Opportunities



Engineering



Year 2 | Second of Three Years of
Restoration Investments



Engineering



Engineering

30

Projects

In Design Phase

10

Projects

(over \$70M)

In Bid Phase

15

Projects

Over
\$80M

In Construction
Phase

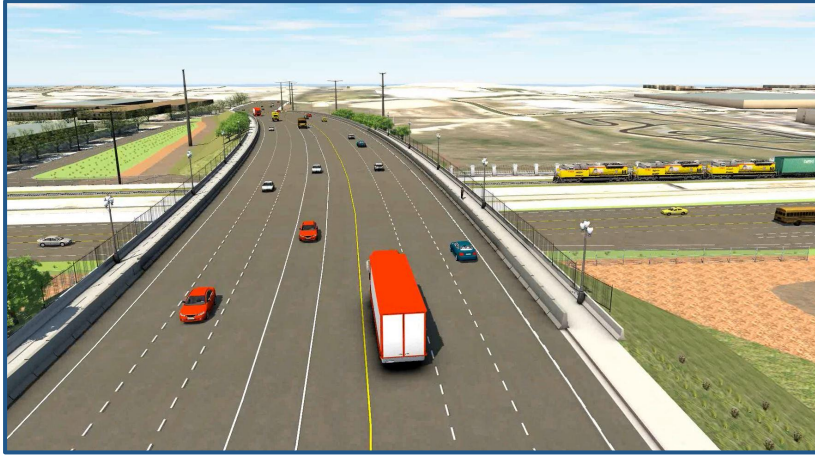
Completed

19

Projects

\$45M
Approx.

Transportation & Mobility



Environmental Resources



ENVIRONMENTAL RESOURCES

RESPONSIBLE FOR

- Solid waste collection, recycling, street sweeping, illegal dumping clean up, the call center, and more!



Activities



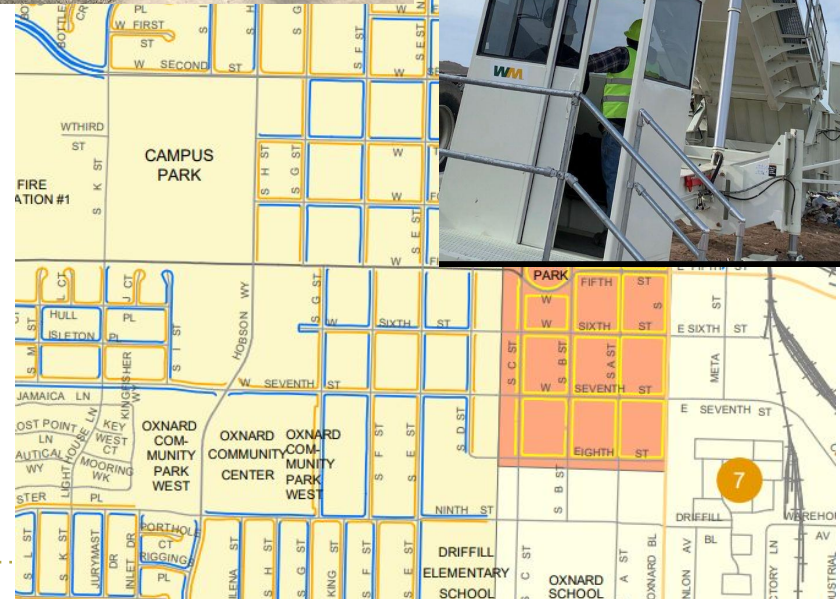
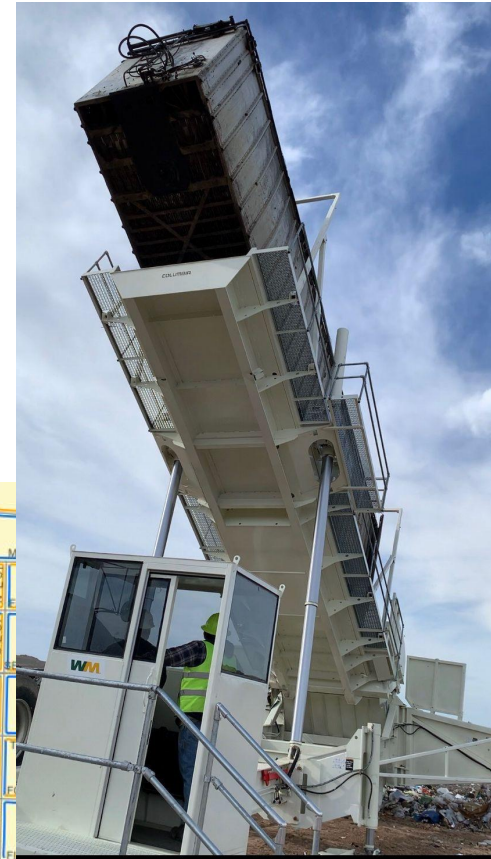
Challenges



Opportunities

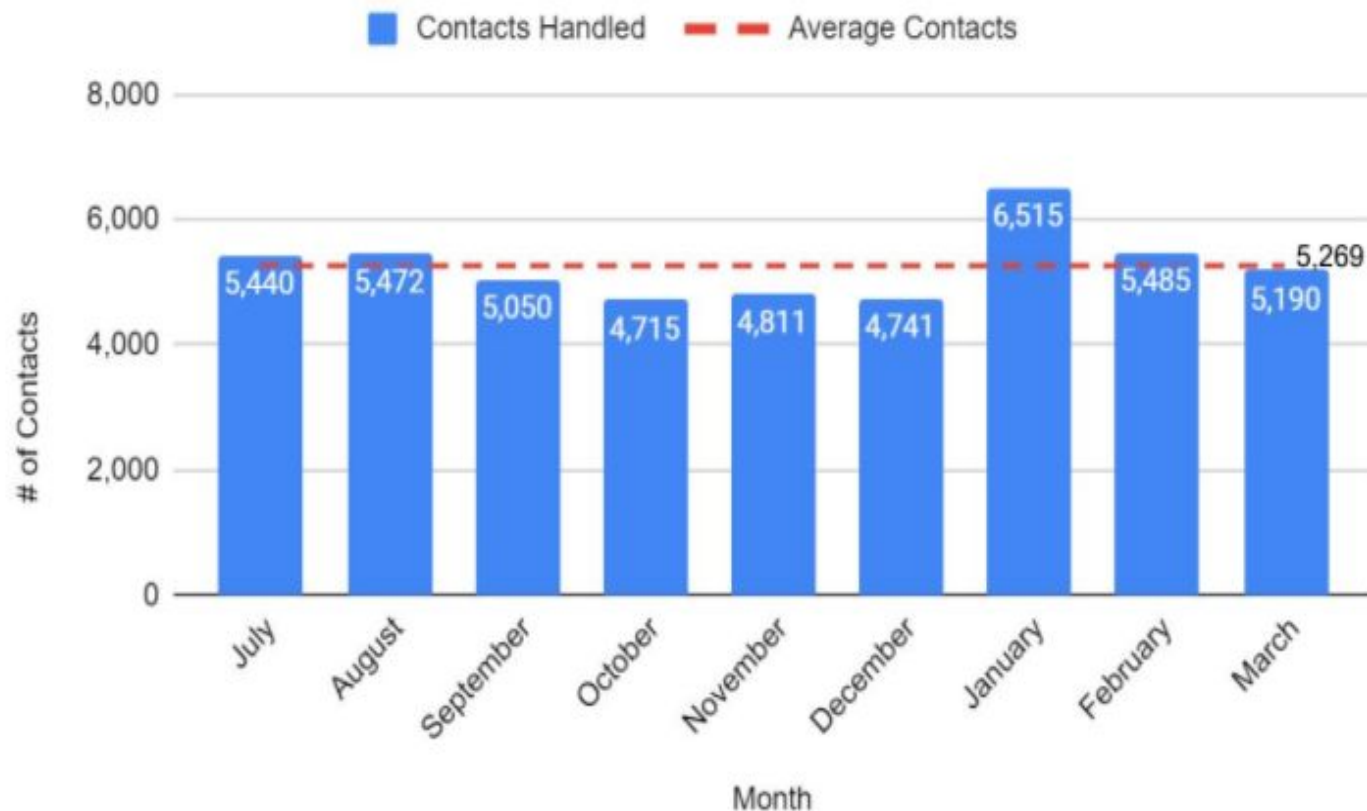


Environmental Resources



Environmental Resources

July 2022-March 2022 Contacts Handled



Environmental Resources

STARTING JANUARY 1, 2022:
A PARTIR DEL 1 DE ENERO DE 2022:

3 CARTS 1 WEEKLY PICK UP
BOTES RECOLECCIÓN SEMANAL

TRASH
BASURA



Wipes & Masks
Toallitas y mascararas

Waxy Cartons
Cartones cerosos

Juice Boxes & Pouches
Cajas y bolsas de jugo

Diapers, Bagged Pet Waste
Pañales, desechos de mascotas en bolsas

Wrappers & Baggies
Envoltorios

Styrofoam & Takeout Containers
Poliestireno y contenedores para llevar comida

Palm Fronds
Hojas de palma

RECYCLE
RECICLAJE



Magazines & Catalogs
Revistas y catálogos

Office Paper
Papel de oficina

Hard Plastics
Plasticos duros

Steel Cans
Latas de acero

Flattened Cardboard
Cartón aplanado

Brown Paper Bags & Cartons
Bolsas y cartones de papel de estraza

Glass Bottles, Jars
Botellas, frascos de vidrio

Newspapers
Periódicos

Aluminum Cans, Foil & Tins
Latas, papel, y moldes de aluminio

Paperboard (Cereal Boxes, etc)
Cartulina (cajas de cereal, etc)

YARD WASTE & ORGANICS
DESECHOS DE JARDÍN Y ORGANICOS



NEW! NUEVO

Bagged Food Scraps, Soiled Paper
Desperdicios de comida, Papel sucio
Any type of plastic bag will do
Cualquier bolsa de plastico esta bien

Pizza Boxes
Cartones de pizza
Please break down
Por favor rompa

Yard & Tree Trimmings, Leaves
Hojas, recortes del jardín y los árboles

Grass Clippings
Recortes del césped

Lumber
Madera

PROHIBITED ITEMS
ARTÍCULOS PROHIBIDOS



It is illegal to place prohibited items in your carts.

- Motor oil, paint or other hazardous waste
- Burning ashes
- Batteries
- TVs, computers, or other electronic waste
- Medical waste, sharps or needles

Es ilegal colocar artículos prohibidos en sus botes

- Aceite de motor, pintura y otros desechos peligrosos
- Cenizas ardientes
- Pilas
- Televisores, computadoras y otros desechos electrónicos
- Desechos médicos, objetos punzantes o agujas

For a full list of disposable options please visit:
www.oxnard.org/recycle-oxnard-tool/

Para obtener una lista completa de opciones desechables, visite:
www.oxnard.org/recycle-oxnard-tool/

Environmental Resources

Neighborhood Bulky Item Drop-Off Events

Event Date	Region	Total Participants	E-Waste (tons)	Municipal Solid Waste (tons)	Green Waste (tons)	Total Tonnage
Saturday, March 5, 2022	1	307	3.91	33.46	1.73	39.1
Saturday, March 12, 2022	2	367	4.31	37.24	0.38	41.93
Saturday, March 19, 2022	3	371	5.71	62.84	0.96	69.51
Saturday, March 26, 2022	4	387	4.11	48.85	2.14	55.1
Grand Total		1,432	18.04	182.39	5.21	205.64

Environmental Resources

Del Norte Drop-Off Events

Event Date	Total Participants	E-Waste (units)	Municipal Solid Waste (tons)	Green Waste (tons)	Total Tonnage
Saturday, December 4, 2021	929	293	438.68	18.63	457.31
Saturday, April 9, 2022	697	276	372.67	14.47	387.14
Grand Total	1,626	569	811.35	33.1	844.45

Fleet Maintenance

↓ In-house vehicle upfit ↓



FLEET OPERATIONS

INTERNAL SERVICES

- Maintain 914 City vehicles/equipment including fire and police
- Fleet vehicles and equipment are valued at over \$46.5 M



Activities



Challenges



Opportunities



Fleet Maintenance



Environmental Resources Side Loader
Preventive Maintenance Service



Police Motor Unit Repair



Fire Truck Leaf Spring Replacement

Street Maintenance



STREETS MAINTENANCE

- Over 1,000 lane miles of streets
- 650 miles of sidewalk
- 60 miles of alleys



Activities

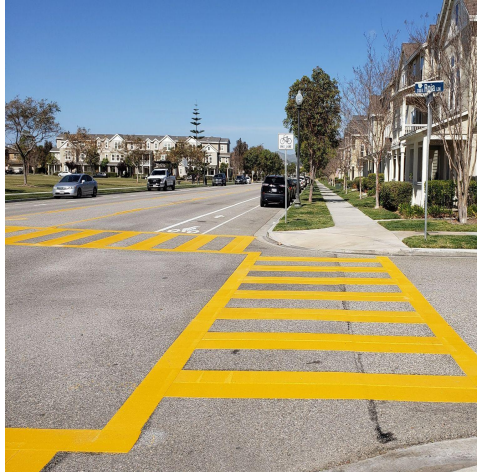


Challenges



Opportunities

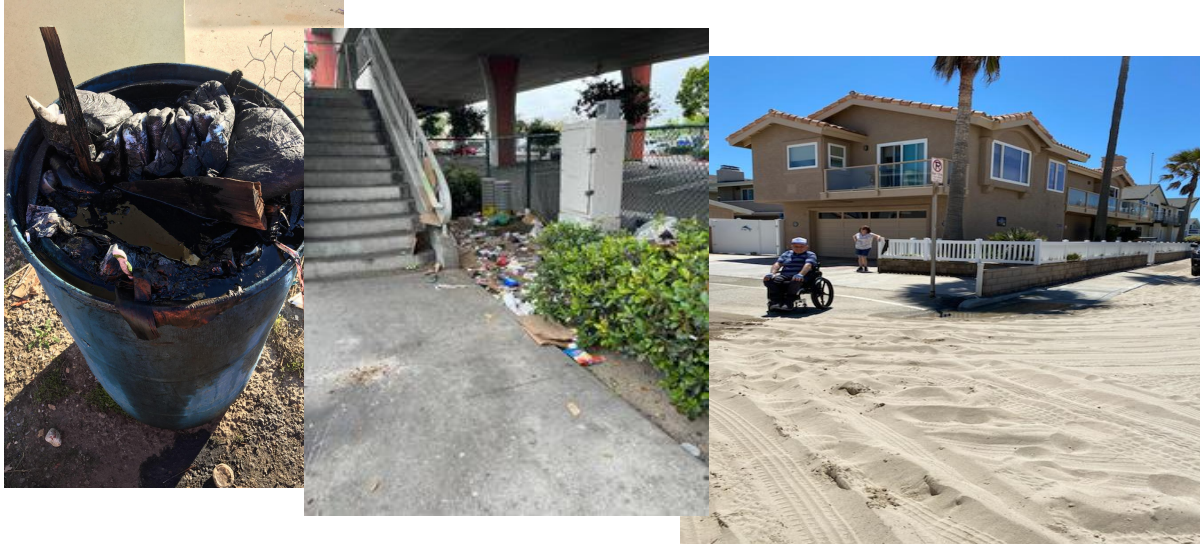
Street Maintenance



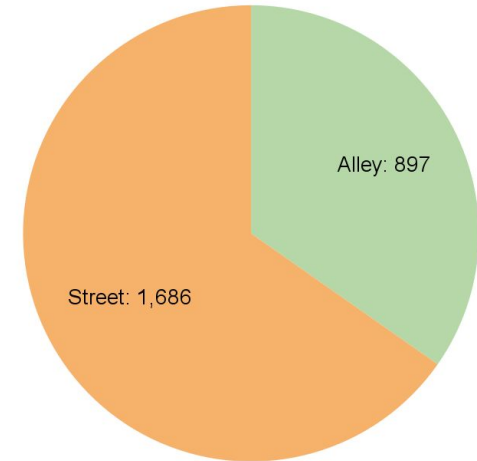
Street Maintenance



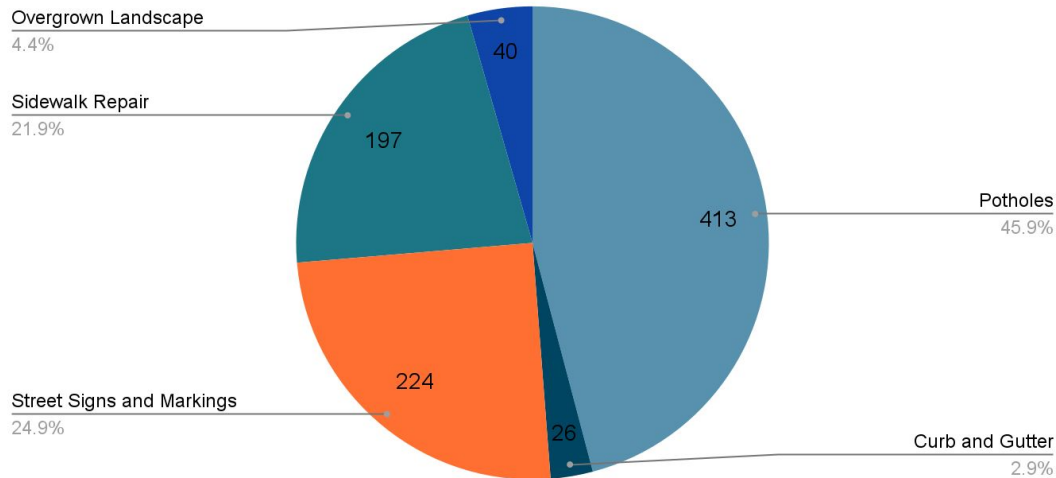
Street Maintenance



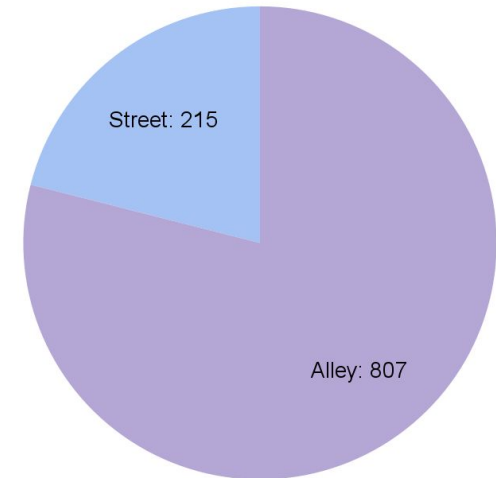
Potholes 7/1/21 - 3/31/22



Completed 311's in FY 2020-2021



Potholes FY 2020-2021



Water



WATER

- Treated and delivered over 20 million gallons daily of safe and reliable drinking water to Oxnard customers



Activities



Challenges



Opportunities

Water



Recycled Water



RECYCLED WATER

- Operates AWPf to deliver ultra-pure recycled water in effort to protect and enhance our available and future water resources



Activities



Challenges



Opportunities



Wastewater



WASTEWATER

- Treated approximately 6.19 billion gallons of wastewater in FY 20-21



Activities



Challenges



Opportunities



Wastewater



Stormwater



Activities



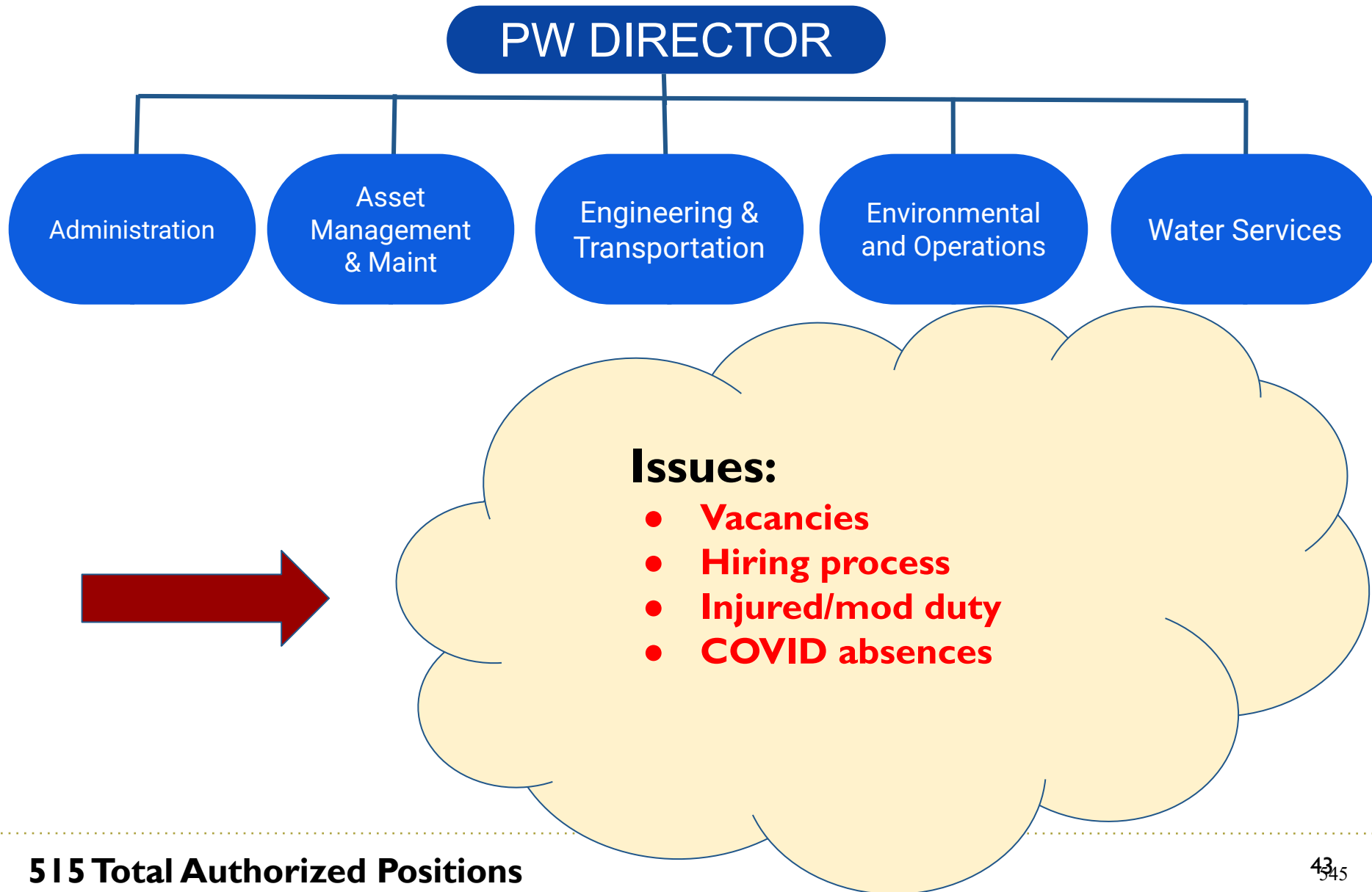
Challenges



Opportunities



STAFFING CHALLENGES



Parks Division: Parks, Open Spaces, Street Landscapes, Urban Forest, GAP

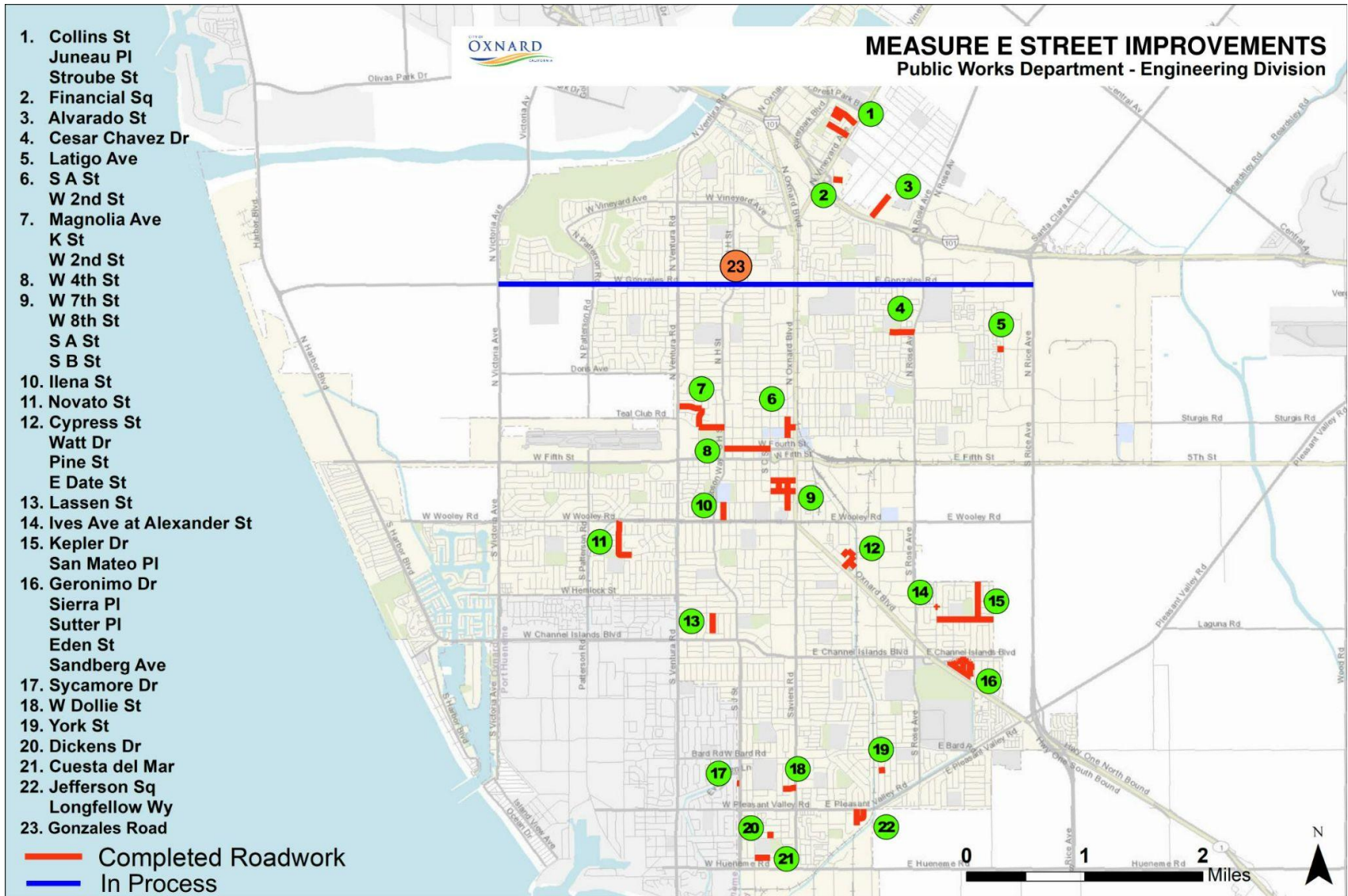
Pre Measure E

- **Contract services:**
 - Parks mowing - attempt monthly
 - Tree pruning - budget for 1,562
 - Arterial street landscape maint. - attempt annually
 - Trash removal - weekly
 - Restroom cleaning - as available
 - Gopher control - no set schedule
 - No on-call irrigation services

With Measure E

- **Contract services:**
 - Park mowing - weekly
 - Tree pruning - over 7,000
 - Arterial street landscape maint. - monthly
 - Trash removal - 3X/week
 - Daily restroom custodial services
 - Gopher control - monthly
 - On-call irrigation services

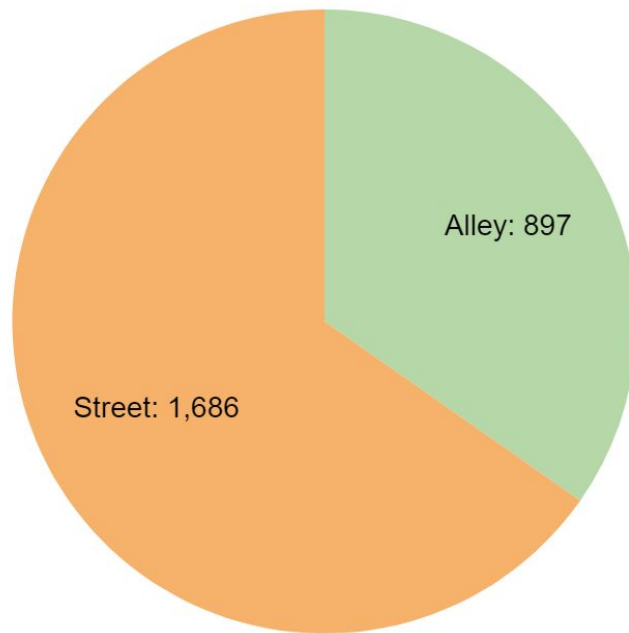
Engineering



\$8.9 M Measure E Funding - 38.6 lane miles

Accomplishments with Measure E

Potholes 7/1/21 - 3/31/22



Pothole Crew:

- Repaired 2,583 potholes from July 2021 to March 2022
 - In streets - 1,686
 - In alleyways - 897
- More than doubled the amount before Measure E in just 9 months (FY 20/21 1,022 locations)

Public Works Week May 15-21, 2022





CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. L.3

DATE: May 17, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Declaration of a Local Emergency Due to Drought Conditions and a Lack of Adequate Water Supply, Authorizing the City Manager to Take Appropriate Actions, and Adoption of a Resolution Amending Water Conservation Restrictions. (0/10/5)

RECOMMENDATION

That the City Council:

1. Adopt a resolution proclaiming the existence of a local emergency due to water shortage emergency conditions; and
2. Adopt a resolution rescinding Resolution No. 14,741 and adopting new mandatory water conservation measures.

Additional information will be provided live by Calleguas Municipal Water District.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/ZCqeSRLFCww>

BACKGROUND

California is experiencing a drought emergency following the three driest years on record, as the Sierra Nevada snowpack and State reservoir water levels face historic lows.

On March 28, 2022, Governor Newsom issued Executive Order N-7-22 which directs a number of actions in response to the historic drought conditions we are currently facing. Among these actions are steps to increase water conservation, emergency regulations requiring all water providers to implement a minimum Stage 2 of their Water Shortage Contingency Plans, and groundwater recharge programs. The Executive Order also directs the Water Board to consider adopting emergency regulations to prohibit watering “non-functional turf”, or turf that serves only ornamental purposes, in the commercial, industrial, and institutional sectors during the ongoing drought emergency, thereby conserving precious supplies.

Approximately 40% of the City of Oxnard’s (Oxnard) water supply is imported from northern California via the State Water Project (SWP). This supply is distributed to Oxnard via Calleguas Municipal Water District (CMWD), which receives SWP water from the Metropolitan Water District of Southern California (MWD).

The California Department of Water Resources (DWR) had initially set the 2022 SWP allocation at 15%, however after a historically dry start to the year with no significant storms in the forecast a cutback was required. On March 18, 2022 DWR announced that SWP allocations would be slashed from 15% to 5%. 2022 will mark the second consecutive year of a 5% allocation.

Following the 5% SWP allocation update, MWD indicated that SWP dependent regions of its service area, including CMWD, have insufficient supplies to meet current water demands. In response, CMWD declared a Stage 3 Water Shortage on April 6, 2022 and called on all water users within its service area to immediately reduce water use by up to 30%.

On April 12, 2022, MWD presented an informational item to their Water Planning and Stewardship Committee with a proposed Water Shortage Emergency Condition and Emergency Water Conservation Program to preserve supplies in the SWP Dependent Area.

The first phase of this program includes:

- a. Limiting landscape watering to one day per week in the SWP Dependent Area;
- b. Requiring those member agencies whose service areas encompass all or a portion of the SWP Dependent Area to adopt and implement effective enforcement mechanisms to ensure compliance with this limit; and
- c. Imposing volumetric penalties of up to \$2,000 per acre-foot (AF) for non-compliance.

If needed, the second phase of this program would involve a “human health and safety” (HH&S) needs only scenario, which would include no outdoor watering. Second phase details are still in development.

On April 26, 2022 MWD presented to their board a proposed Resolution and an update to their original Emergency Water Conservation Plan. The framework outlined in the April 12, 2022 Board Information Letter was modified to incorporate another alternative for agencies to achieve compliance based on monthly volumetric limits of SWP water available to MWD. The plan now includes two paths for affected Member Agencies to reduce use of MWD’s supplies delivered from the SWP system and to avoid penalties for non compliance.

The key items of the Resolution authorizes the following actions to reduce demands and preserve supplies in the SWP Dependent Area:

1. Declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area.
2. Adopt a framework for an Emergency Water Conservation Program to reduce non-essential water use and preserve available supply for the greatest public benefit in the SWP Dependent Area. The framework includes two paths for affected Member Agencies to reduce the use of Metropolitan’s SWP supplies and achieve compliance with the program.
 - a. The first path allows a Member Agency to restrict outdoor irrigation to one day per week (or its equivalent) beginning June 1, 2022. However, the General Manager is authorized to modify this restriction to ban all non-essential outdoor irrigation or enforce volumetric limits should conditions warrant as the year develops. Member Agencies that document enforcement of these restrictions will be deemed compliant with the Emergency Water Conservation Program. Noncompliant Member Agencies will face volumetric penalties of \$2,000 per acre-foot on any water supplied by Metropolitan from the SWP system that exceeds certain monthly allocation limits.
 - b. The second path allows a Member Agency to comply with monthly allocation limits directly. The specific limit for each agency is based on an allocated share of the HH&S water provided by DWR and certain additional SWP supplies delivered through the SWP system. Member Agencies that meet these limits will be deemed compliant with the Emergency Water Conservation Program; non-compliant Member Agencies will face the same volumetric penalties as under the first path.

Importantly, under this framework, penalties will only be applied to Metropolitan supplies delivered from the SWP system. As such, if an affected Member Agency fully shifts its demands to other local supplies or Metropolitan’s Colorado River connections, it will not face penalties in a given month.

The General Manager would be authorized to finalize terms of the Emergency Water Conservation Program consistent with this framework and the Board’s authorization, and in conformance with DWR’s requirements to access SWP water for HH&S purposes. The General Manager would be required to finalize these terms within 30 days of Board adoption.

On April 27, 2022 CMWD presented to their Board a Resolution following that of MWD, which:

- Declares a Water Shortage Emergency Condition exists in the CMWD Service Area.
- Adopts an Emergency Water Conservation Program based on, and consistent with that of MWD, including the two path compliance framework.

- Imposes a penalty of \$2,000 per acre-foot on all potable water provided by Calleguas sourced from Metropolitan's water supplies for purveyors that do not comply, with the enforcement period beginning June 1, 2022.
- Authorizes the General Manager to amend and augment the terms of the Emergency Water Conservation Plan to make it conform to and/or reconcile with any Emergency Water Conservation Plan and/or similar program adopted by Metropolitan.

For the coming months, CMWD plans to heighten the focus on conserving limited water supplies through mandatory measures in anticipation of this drought continuing into a possible fourth year or beyond.

On April 19, 2022 and May 3, 2022, the Oxnard Public Works Director provided a verbal drought condition update to the City Council. Council was informed that staff will be returning on May 17, 2022 to provide additional information and recommendations.

DISCUSSION

Through MWD and CMWD's recent actions, there are two ways to comply with current restrictions and avoid or reduce possible penalties as noted in the Background section of this staff report. The first way is to restrict outdoor watering to one day per week and the other is to stay under defined limits for gallons of water per capita per day (GPCD). The second path allows compliance to be achieved by meeting an agency-specific volumetric delivery limit every month. The volumetric limit for each agency will be based on 55 GPCD offset by available local supplies plus any additional water MWD is able to provide from the SWP system, allocated to each agency based on proportionate population. Agencies using supplies below these volumetric limits would not pay penalties.

Based upon the current information available through MWD and CMWD, Oxnard's current average of GPCD would not be below the threshold to avoid penalties. The maximum penalty discussed by MWD and CMWD has been \$2,000 per acre-foot (AF). On average, the City purchases approximately 1,290 AF per month during the peak summer months from CMWD, which would result in exceeding the volumetric threshold by roughly 690 AF per month. This would result in penalties of roughly \$1,380,000 per month. To stay in line with the mandatory conservation measures and actions of MWD and CMWD and to limit any possible penalties assessed, staff is recommending that the City follow the first compliance path of limiting outdoor watering to one day per week effective no later than June 1, 2022.

Currently, under Resolution No. 14,741, Oxnard is in a Stage 2 water shortage level with the following restrictions with respect to potable water:

- Watering of lawns, ornamental turf, trees, shrubs, vegetation, landscape and other outside irrigation is prohibited except between 4 p.m. and 9 a.m. or 6 p.m. and 9 a.m. during daylight savings time, no more than twice a week.
- Watering Schedule
- Odd numbered addresses (Ending in 1, 3, 5, 7, 9): Sundays and Thursdays ONLY
- Even numbered addresses (Ending in 0, 2, 4, 6, 8): Saturdays and Wednesdays ONLY
- No watering between 9 a.m. and 4 p.m. (non-daylight savings time)
- No watering between 9 a.m. and 6 p.m. (daylight savings time)
- Exceptions to allow for irrigation outside of the designated periods include (1) watering of newly installed, drought-tolerant landscapes for up to a year after planting and (2) hand watering of potted plants or stressed vegetation with use of a container (e.g., bucket or watering can) or a hose fitted with a shut-off nozzle).
- Irrigation of park and school ground areas with potable water will only be permitted during the twice weekly designated irrigation periods noted above and only if necessary. Sport activity fields may irrigate more frequently, but only as necessary, to maintain playing surface quality.
- The application of potable water to landscapes during and within 48 hours after measurable rainfall is prohibited.
- The irrigation of newly constructed homes and building exteriors with potable water is prohibited unless drip or microspray systems are used.
- The use of potable water in a fountain or other decorative water feature is prohibited, except where the water is part of a recirculating system.

- The City must provide prompt notice to customers when information indicates a leak may exist within the end-user's control.
- Irrigation of ornamental turf on public medians with potable water is prohibited.

Staff is recommending that the City Council rescind Resolution No.14,741, adopting a new resolution with the following restrictions with respect to potable water (changes from Resolution No. 14,74 are indicated in bold):

- Watering of lawns, ornamental turf, trees, shrubs, vegetation, landscape and other outside irrigation is prohibited except between 4 p.m. and 9 a.m. or 6 p.m. and 9 a.m. during daylight savings time, **no more than once a week.**
- Watering Schedule
- Odd numbered addresses (Ending in 1, 3, 5, 7, 9): **Sundays ONLY**
- Even numbered addresses (Ending in 0, 2, 4, 6, 8): **Saturdays ONLY**
- No watering between 9 a.m. and 4 p.m. (non-daylight savings time)
- No watering between 9 a.m. and 6 p.m. (daylight savings time)
- **Exceptions to allow for irrigation outside of the designated periods include (1.) the hand watering of trees or other perennials with use of a container (e.g. bucket or watering can) or a hose fitted with a shut-off nozzle and (2.) the use of drip irrigation or other high-efficiency irrigation systems to apply water at a weekly volume consistent with the one-day watering restriction imposed on less efficient irrigation systems.**
- Irrigation of park and school ground areas with potable water will only be permitted during the **once weekly** designated irrigation periods noted above.
- Sport activity fields may irrigate more frequently, but only as necessary, to maintain playing surface quality.
- **All vegetation within Wildland-Urban Interface and Defensible Space will be maintained as required under Public Resource Code 4291**
- The application of potable water to landscapes during and within 48 hours after measurable rainfall is prohibited.
- The irrigation of newly constructed homes and building exteriors with potable water is prohibited unless drip or microspray systems are used.
- The use of potable water in a fountain or other decorative water feature is prohibited, except where the water is part of a recirculating system.
- The City must provide prompt notice to customers when information indicates a leak may exist within the end-user's control.
- **Irrigation of ornamental turf on medians with potable water is prohibited.**

Restricting the allowable watering days to Saturdays and Sundays only, greatly aids in the management of enforcement. It will be more efficient for City staff to notice violations while out in the field during the regular work week (Mon-Fri), as there should be no irrigation occurring at that time.

The City is developing enhanced conservation and drought messaging leveraging a variety of different communication outlets including; digital media (Facebook, Instagram, Twitter and Nextdoor), print media (flyers, utility bill inserts, newspaper ads), and radio ads.

In addition, emphasis on utilizing high visibility platforms throughout the City; including billboards, yard signs, digital street signs, banners, and Environmental Resource's recycling truck signs will take place to reach a larger target audience. Messaging will highlight the extreme drought condition, mandatory conservation measures such as the one day per week watering schedule, and provide resources for saving water, such as rebates and incentive programs.

Staff will continue providing information and resources at in person public events such as the Multicultural Festival, Tamale Festival, Farmers Markets, Insect Festival, and other popular community-based events. Messaging will be created in English, Spanish, and Mixteco. Collaboration with the Mexican Consulate and the Mixteco Indigena Community Organizing Project (MICOP) will be used to bring appropriate outreach to Oxnard's Spanish speaking and Mixteco populations.

Further, the Water Division is establishing a Water Conservation and Education hotline which will be in place by early June. This hotline will serve as an easily accessible resource for Oxnard residents to stay up-to-date on current water waste restrictions, readily report water waste and receive information on rebates and incentive programs. The hotline will be staffed during regular City business hours with a voicemail prompt for after hours and on weekends.

In the last drought update to Council on January 4, 2022, staff recommended utilizing employees designated as Water Conservation Ambassadors to actively patrol predetermined portions of the City, looking for water waste violations, should a 0% SWP allocation be finalized. Although a 0% allocation was not finalized, staff will be implementing an internal outreach campaign training all City staff to report water waste violations and will be utilizing Water Division meter reader staff as Water Ambassadors to report water waste violations during regular meter reading routes. The Water Division is drafting a Request for Proposal to utilize an agency to patrol for water waste violations for after hours and on weekends.

The Oxnard Water Division will continue to take the following actions when water waste is reported or observed:

1st Violation	Courtesy Notice/ Educational Letter 7 day Post Letter Follow-up Phone Call	For a first violation, the city may give written notice of the fact of such violation to the customer by personal service, by delivery through regular United States mail addressed to the customer's residence, or any other means reasonably designed to notify the customer of the violation. The notice contains a description of violation, lists all prohibited water waste, and provides resources such as rebate information. Follow up to see if the customer has received the educational letter. Discuss if the issue has been addressed and offer additional information/resources.
2nd Violation	Letter - Warning of Penalty	Letter may contain a description of the facts of the violation, a statement of the possible penalties for violation and a statement informing the customer of his/her right to request an adjustment or an appeal.
3rd Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 25 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or \$25, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
4th Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 50 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or, \$50, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
Additional Violations	Fine/Admin Cites	Impose such other penalty or fine as deemed appropriate by the City Manager, until such time that the City Manager determines that further violations are not likely to occur.

The surcharges stated above are pursuant to the City of Oxnard Municipal Code Section 22-137 (Failure to Comply). The “Additional Violations” section noted above is part of the City’s administrative citation process and may be used in the event of non-compliance with mandatory conservation measures or violations of the City’s Municipal Code with assistance of the City’s Code Enforcement team.

Residents, Home Owners Associations (HOA), commercial establishments, municipal customers, and schools are all required to follow the City’s mandatory water conservation measures.

As of the date this staff report was prepared, staff is currently working on the newly mandated Annual Water Supply and Demand Assessment (Annual Assessment). Beginning in 2022, each April for the following water year (October 1 to September 30) an Annual Assessment is completed to determine if there is a need to implement the Water Shortage Contingency Plan (WSCP) and to what extent.

Findings of the Annual Assessment will be presented to Council and the Community Development Department upon completion with a recommended Water Shortage Stage and conservation actions. The assessment is anticipated to be completed by June. The future actions could include but are not limited to:

- No Outdoor Watering
- No Use of Outdoor Decorative Fountains
- No New Swimming Pool Construction
- Required Pool Covers to Reduce Water Loss
- No New Construction Permits

California's drought condition and recommendations from the DWR are frequently changing, as well as the actions taken by MWD and CMWD. As such, the City must react and take quick action to ensure compliance as new information continues to come forth. In addition, quick reaction to this ever-changing drought situation also helps avoid penalties that may be assessed by regional water agencies and the State. Because of the fluid nature of the drought status and the imposed mandates and penalties, staff is making the recommendation that the City Council authorize the City Manager, during the declared drought emergency, to adopt and approve the necessary drought stage, actions, restrictions and enforcement in line with those of the City's Urban Water Management Plan and Water Shortage Contingency Plan.

It should be noted that the City's golf course is not subject to these restrictions because the golf course uses their own groundwater wells to irrigate. CMWD has determined that the use of source water other than Potable State Water is exempt from the resolution. If the Council desires to provide alternative direction with regards to possible watering restrictions for the golf course, staff can be directed to return with alternatives.

As a way to partner with regional water agencies to address this unprecedented drought situation, staff from Oxnard will participate in a newly developed Drought Response Task Force, spearheaded by CMWD. The purpose of the Drought Response Task Force is to foster a unified and organized drought response by providing local jurisdictions with a platform for coordination and collaboration, timely drought related updates, access to resources, and opportunities for idea sharing.

Proclamation of local emergency

If the Council proclaims a local emergency on May 17, 2022, pursuant to Oxnard City Code section 6-4, the Director of Emergency Services will return to the Council at least every 30 days to review whether or not the local emergency must continue.

If necessary, during the local emergency, pursuant to Oxnard City Code section 6-3(C)(1), the Director of Emergency Services may adopt drought stages and conservation requirements consistent with the City's Urban Water Management Plan and Water Shortage Contingency Plan including transitioning from a Stage II Shortage level to a Stage III Shortage Level; and/or an emergency water conservation plan and/or similar program adopted by Calleguas Municipal Water District (CMWD) and/or the Metropolitan Water District of Southern California.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

FINANCIAL IMPACT

There is no direct financial impact in approving the recommendations.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Omar Castro, Water Division Manager

ATTACHMENTS

1. Water Shortage_ Local Emergency Proclamation.Reso
2. Water Conservation Resolution
3. City of Oxnard Resolution No. 14,741
4. Governor's Executive Order N-7-22
5. Calleguas RES_2042_042722
6. Metropolitan Water District of Southern California's Informational Item to Water Planning and Stewardship Committee
7. MWD Resolution - Emergency water shortage
8. Update to the Public Works and Transportation Committee Drought Condition Report of October 26, 2021
9. Presentation

CITY OF OXNARD

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY DUE TO WATER SHORTAGE EMERGENCY CONDITIONS

WHEREAS, Government Code section 8630 and Chapter 6 of the Oxnard City Code empower the City Manager of the City of Oxnard (“City”), acting in the capacity of the Director of Emergency Services, to request the City Council to proclaim the existence of a local emergency when drought conditions threaten the safety of persons or property within the City; and

WHEREAS, severe drought conditions are constraining available water supplies throughout the State; and

WHEREAS, on October 19, 2021, Governor Gavin Newsom declared a state of emergency to exist in all California counties due to worsening drought conditions; and

WHEREAS, this proclamation follows other increasingly expansive drought declarations and executive orders that have been issued since April 2021; and

WHEREAS, at that time, Governor Newsom called on Californians to re-double their efforts to reduce water use by 15 percent and for local and regional water agencies to implement their Water Shortage Contingency Plans (“WSCPs”) “at a level appropriate to local conditions that takes into account the possibility of a third consecutive dry year;” and

WHEREAS, on March 28, 2022, Governor Newsom issued Executive Order N-7-22 which directs a number of actions in response to the historic drought conditions the State, and by extension the City, is currently facing; and

WHEREAS, among these actions are steps to increase water conservation, emergency regulations requiring all water providers to implement a minimum Stage 2 of their WSCPs, and groundwater recharge programs; and

WHEREAS, approximately 40% of the City’s water supply is imported from northern California via the State Water Project (“SWP”); and

WHEREAS, this supply is distributed to the City via Calleguas Municipal Water District (“CMWD”), which receives SWP water from the Metropolitan Water District of Southern California (“MWD”); and

WHEREAS, the California Department of Water Resources (“DWR”) had initially set the 2022 SWP allocation at 15%, however after a historically dry start to the year with no significant storms in the forecast a cutback was required; and

WHEREAS, on March 18, 2022 DWR announced that SWP allocations would be slashed from 15% to 5%; and

WHEREAS, following the 5% SWP allocation update, MWD indicated that SWP dependent regions of its service area, including CMWD, have insufficient supplies to

NOW, THEREFORE, IT IS HEREBY PROCLAIMED that a Local Emergency now exists throughout the City and that during the existence of this Local Emergency the powers, functions, and duties of the emergency organization of the City shall be those prescribed by state law, and by the ordinances, resolutions and other adopted policies of the City.

Dated: _____ By: _____
John C. Zaragoza
Mayor

ATTEST:

APPROVED AS TO FORM:

Rose Chaparro, City Clerk

Stephen M. Fischer, City Attorney

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OXNARD RESCINDING RESOLUTION 14,741 AND
ADOPTING NEW MANDATORY WATER
CONSERVATION MEASURES**

WHEREAS, severe drought conditions are constraining available water supplies throughout California; and

WHEREAS, on October 19, 2021, Governor Gavin Newsom declared a state of emergency to exist in all California counties due to worsening drought conditions; and

WHEREAS, at that time, Governor Newsom called on Californians to re-double their efforts to reduce water use by 15 percent and for local and regional water agencies to implement their Water Shortage Contingency Plans (“WSCPs”) “at a level appropriate to local conditions that takes into account the possibility of a third consecutive dry year;” and

WHEREAS, on March 28, 2022, Governor Newsom issued Executive Order N-7-22 which directs a number of actions in response to the historic drought conditions the State, and by extension the City, is currently facing; and

WHEREAS, among these actions are steps to increase water conservation, emergency regulations requiring all water providers to implement a minimum Stage 2 of their WSCPs, and groundwater recharge programs; and

WHEREAS, approximately 40% of the City’s water supply is imported from northern California via the State Water Project (“SWP”); and

WHEREAS, this supply is distributed to the City via Calleguas Municipal Water District (“CMWD”), which receives SWP water from the Metropolitan Water District of Southern California (“MWD”); and

WHEREAS, the California Department of Water Resources (“DWR”) had initially set the 2022 SWP allocation at 15%, however after a historically dry start to the year with no significant storms in the forecast a cutback was required; and

WHEREAS, on March 18, 2022 DWR announced that SWP allocations would be slashed from 15% to 5%; and

WHEREAS, following the 5% SWP allocation update, MWD indicated that SWP dependent regions of its service area, including CMWD, have insufficient supplies to meet current water demands; and

WHEREAS, in response, CMWD declared a Stage 3 Water Shortage on April 6, 2022 and called on all water users within its service area to immediately reduce water use by up to 30%; and

WHEREAS, on April 12, 2022, MWD presented an informational item to their Water Planning and Stewardship Committee with a proposed Water Shortage Emergency Condition and Emergency Water Conservation Program (the “Program”) to preserve supplies in the SWP Dependent Area; and

WHEREAS, the first phase of the Program includes: limiting landscape watering to one day per week in the SWP Dependent Area; requiring those member agencies whose service areas encompass all or a portion of the SWP Dependent Area to adopt and implement effective enforcement mechanisms to ensure compliance with this limit; and imposing volumetric penalties of up to \$2,000 per acre-foot (AF) for non-compliance; and

WHEREAS, on April 26, 2022, MWD adopted a resolution and updated their original Emergency Water Conservation Plan, and declaring that a water shortage emergency condition exists in the SWP Dependent Area; and

WHEREAS, on April 27, 2022, CWMD adopted a resolution declaring a water shortage emergency conditions exists in the CMWD Service Area; and

WHEREAS, on May 17, 2022, the City Council proclaimed the existence of a local emergency due to water shortage emergency conditions.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. Resolution 14,741 is hereby rescinded.

Section 3. Stage 2 water shortage conditions exist within the city.

Section 4. a. Watering of lawns, ornamental turf, trees, shrubs, vegetation, landscape and other outside irrigation is prohibited except between 4 p.m. and 9 a.m. or 6 p.m. and 9 a.m. during daylight savings time, no more than once per week.

b. The following watering schedule is established:

i. Odd numbered addresses (Ending in 1, 3, 5, 7, 9): Sundays
ONLY

ii. Even numbered addresses (Ending in 0, 2, 4, 6, 8): Saturdays
ONLY

iii. No watering between 9 a.m. and 4 p.m. (non-daylight savings time)

- iv. No watering between 9 a.m. and 6 p.m. (daylight savings time).
- c. Exceptions to allow for irrigation outside of the designated periods shall include (1) the hand watering of trees or other perennials with use of a container (e.g. bucket or watering can) or a hose fitted with a shut-off nozzle and (2) the use of drip irrigation or other high-efficiency irrigation systems to apply water at a weekly volume consistent with the one-day watering restriction imposed on less efficient irrigation systems.
- d. Irrigation of park and school ground areas with potable water are only permitted during the once weekly designated irrigation periods noted in this Section.
- e. Sport activity fields may irrigate more frequently, but only as necessary, to maintain playing surface quality.
- f. All vegetation within Wildland-Urban Interface and Defensible Space will be maintained as required under Public Resources Code 4291.
- g. The application of potable water to landscapes during and within 48 hours after measurable rainfall is prohibited.
- h. The irrigation of newly constructed homes and building exteriors with potable water is prohibited unless drip or microspray systems are used.
- i. The use of potable water in a fountain or other decorative water feature is prohibited, except where the water is part of a recirculating system.
- j. The City must provide prompt notice to customers when information indicates a leak may exist within the end-user's control.
- k. Irrigation of ornamental turf on medians with potable water is prohibited.

Section 5. Pursuant to Oxnard City Code (“OCC”) section 22-151(C), the mandatory water conservation requirements established in Section 4 of this Resolution (“water conservation requirements”) shall remain in effect unless otherwise amended or rescinded by further action of the City Council. Notwithstanding the requirements of OCC section 22-151(C), the Director of Emergency Services is authorized to modify the water conservation requirements, pursuant to OCC section 6-3(C)(1) during a proclaimed local emergency.

Section 6. This Resolution shall take effect immediately upon its adoption.

Resolution No. _____

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PASSED, APPROVED and ADOPTED this ____ day of _____, 20____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
RESCINDING RESOLUTION 14,682 AND ADOPTING NEW MANDATORY
WATER CONSERVATION MEASURES

WHEREAS, on January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions; and

WHEREAS, on April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions; and

WHEREAS, on April 11, 2014, the Fox Canyon Groundwater Management Agency adopted Emergency Ordinance E, imposing restrictions on local groundwater pumping, including Temporary Extraction Allocations (TEA), 20 percent reduction of the TEA over an 18 month period, and suspension of using conservation credits; and

WHEREAS, the drought conditions that formed the basis of the Governor's emergency proclamations continue to exist; and

WHEREAS, the present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

WHEREAS, the drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation; and

WHEREAS, on July 15, 2014, the State Water Resources Control Board adopted emergency regulations imposing statewide urban water conservation measures for local public water purveyors per 23CCR3.22.5; and

WHEREAS, consistent with these State Water Resources Control Board emergency regulations effective on July 28, 2014 (OAL 2014-0718-01 E), the City of Oxnard declared a Stage 2 water shortage condition exists and imposed the mandatory conservation measures on its customers per Resolution 14,682 dated July 29, 2014; and

WHEREAS, on March 17, 2015, the State Water Resources Control Board re-adopted and further amended the existing emergency regulations imposing statewide urban water conservation measures for local public water purveyors per 23CCR3.22.5. The regulations went into effect on March 27, 2015 (OAL 2015-0320-01 EE) and must be implemented within 45 days – i.e., by May 11, 2015; and

WHEREAS, on April 1, 2015, Governor Brown issued Executive Order B-29-15 imposing an additional 5 percent reduction in potable urban water usage statewide, bringing the new reduction to 25 percent. The Executive Order, which went into effect immediately, specifies additional actions that complement the 25 percent usage reduction.

WHEREAS, although Executive Order B-29-15 was effective immediately, some of the Directives require State Water Resources Control Board follow-through prior to implementation. One such Directive is the reduction of potable urban water usage by 25 percent statewide. As of today, State Water Resources Control Board's draft structure for water use reduction has the City of Oxnard slated at 12 percent. Statewide, reductions range from 8 percent to 36 percent. State Water Resources Control Board expects to finalize the city-specific percentage reductions by May 6, 2015. Office of Administrative Law's approval of these final figures is slated for May 15, 2015.

WHEREAS, consistent with the State Water Resources Control Board's emergency water regulations OAL 2015-0320-01 EE and Executive Order B-29-15, the City of Oxnard hereby rescinds Resolution 14.682 and expands upon existing Ordinance and Code, as outlined below.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF OXNARD AS FOLLOWS:

Pursuant to City Code section 22-154, the Council:

1. Declares a continuance of the Stage 2 water shortage condition within the City.
2. Prohibits or imposes the following activities related to potable water:
 - a. The use of potable water in a fountain or other decorative water feature is prohibited, except where the water is part of a recirculating system.
 - b. In addition to existing penalties for failure to comply with City Code sections 22-137 through 22-141 and 22-157, the taking of any action prohibited in subdivision (b) of this section, in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.
 - c. Watering of lawns, ornamental turf, trees, shrubs, vegetation, landscape and other outside irrigation is prohibited except between 4:00 p.m. and 9:00 a.m. or 6:00 p.m. and 9:00 a.m. during daylight savings. Additionally, watering is limited to no more than twice a week and only on the designated days per odd and even addresses. Exceptions to allow for irrigation outside of the designated periods include (1) watering of newly installed, drought-tolerant landscapes for up to 1 year after planting, and (2) hand watering of potted plants or stressed vegetation with use of a container (e.g., bucket or watering can) or a hose fitted with a shut-off valve.
 - d. Irrigation of newly constructed home and building exteriors with potable water is prohibited unless drip or microspray systems are used.
 - e. Irrigation of ornamental turf on public medians with potable water is prohibited.
 - f. Irrigation of park and school ground areas with potable water will only be permitted during the twice weekly designated irrigation periods noted in item 2.c. above and only if necessary. Sport activity fields may irrigate more frequently, but only as necessary, to maintain playing surface quality.
 - g. Application of potable water to landscapes during and within 48 hours after measurable rainfall is prohibited.

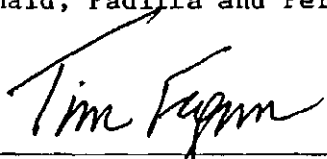
- h. Provide prompt notice to customer when information indicates a leak may exist within end-user's control.
3. This water shortage declaration and associated mandatory water conservation requirements shall remain in effect unless otherwise amended or rescinded by further action of the Council.

PASSED AND ADOPTED THIS 05th day of May, 2015 by the following vote:

AYES: Councilmembers Flynn, Ramirez, MacDonald, Padilla and Perello.

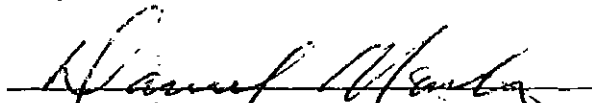
NOES: None.

ABSENT: None.



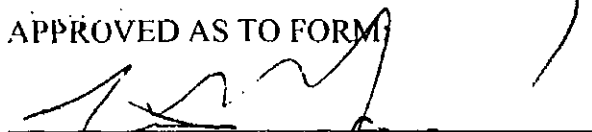
Tim Flynn, Mayor

ATTEST:



Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, Interim City Attorney

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-7-22

WHEREAS on April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, I proclaimed states of emergency that continue today and exist across all the counties of California, due to extreme and expanding drought conditions; and

WHEREAS climate change continues to intensify the impacts of droughts on our communities, environment, and economy, and California is in a third consecutive year of dry conditions, resulting in continuing drought in all parts of the State; and

WHEREAS the 21st century to date has been characterized by record warmth and predominantly dry conditions, and the 2021 meteorological summer in California and the rest of the western United States was the hottest on record; and

WHEREAS since my October 19, 2021 Proclamation, early rains in October and December 2021 gave way to the driest January and February in recorded history for the watersheds that provide much of California's water supply; and

WHEREAS the ongoing drought will have significant, immediate impacts on communities with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS the two largest reservoirs of the Central Valley Project, which supplies water to farms and communities in the Central Valley and the Santa Clara Valley and provides critical cold-water habitat for salmon and other anadromous fish, have water storage levels that are approximately 1.1 million acre-feet below last year's low levels on this date; and

WHEREAS the record-breaking dry period in January and February and the absence of significant rains in March have required the Department of Water Resources to reduce anticipated deliveries from the State Water Project to 5 percent of requested supplies; and

WHEREAS delivery of water by bottle or truck is necessary to protect human safety and public health in those places where water supplies are disrupted; and

WHEREAS groundwater use accounts for 41 percent of the State's total water supply on an average annual basis but as much as 58 percent in a critically dry year, and approximately 85 percent of public water systems rely on groundwater as their primary supply; and

WHEREAS coordination between local entities that approve permits for new groundwater wells and local groundwater sustainability agencies is important to achieving sustainable levels of groundwater in critically overdrafted basins; and

WHEREAS the duration of the drought, especially following a multiyear drought that abated only five years ago, underscores the need for California to redouble near-, medium-, and long-term efforts to adapt its water management and delivery systems to a changing climate, shifting precipitation patterns, and water scarcity; and

WHEREAS the most consequential, immediate action Californians can take to extend available supplies is to voluntarily reduce their water use by 15 percent from their 2020 levels by implementing the commonsense measures identified in operative paragraph 1 of Executive Order N-10-21 (July 8, 2021); and

WHEREAS to protect public health and safety, it is critical the State take certain immediate actions without undue delay to prepare for and mitigate the effects of the drought conditions, and under Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of the drought conditions.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 Proclamations remain in full force and effect, except as modified by those Proclamations and herein. State agencies shall continue to implement all directions from those Proclamations and accelerate implementation where feasible.
2. To help the State achieve its conservation goals and ensure sufficient water for essential indoor and outdoor use, I call on all Californians to strive to limit summertime water use and to use water more efficiently indoors and out. The statewide Save Our Water conservation campaign at [SaveOurWater.com](https://www.SaveOurWater.com) provides simple ways for Californians to reduce water use in their everyday lives. Furthermore, I encourage Californians to understand and track the amount of water they use and measure their progress toward their conservation goals.
3. By May 25, 2022, the State Water Resources Control Board (Water Board) shall consider adopting emergency regulations that include all of the following:
 - a. A requirement that each urban water supplier, as defined in section 10617 of the Water Code, shall submit to the Department of Water Resources a preliminary annual water supply and demand assessment consistent with section 10632.1 of the Water Code no later than June 1, 2022, and submit a final annual water

supply and demand assessment to the Department of Water Resources no later than the deadline set by section 10632.1 of the Water Code;

- b. A requirement that each urban water supplier that has submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, the shortage response actions adopted under section 10632 of the Water Code for a shortage level of up to twenty percent (Level 2), by a date to be set by the Water Board; and
- c. A requirement that each urban water supplier that has not submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, shortage response actions established by the Water Board, which shall take into consideration model actions that the Department of Water Resources shall develop for urban water supplier water shortage contingency planning for Level 2, by a date to be set by the Water Board.

To further conserve water and improve drought resiliency if the drought lasts beyond this year, I encourage urban water suppliers to conserve more than required by the emergency regulations described in this paragraph and to voluntarily activate more stringent local requirements based on a shortage level of up to thirty percent (Level 3).

- 4. To promote water conservation, the Department of Water Resources shall consult with leaders in the commercial, industrial, and institutional sectors to develop strategies for improving water conservation, including direct technical assistance, financial assistance, and other approaches. By May 25, 2022, the Water Board shall consider adopting emergency regulations defining “non-functional turf” (that is, a definition of turf that is ornamental and not otherwise used for human recreation purposes such as school fields, sports fields, and parks) and banning irrigation of non-functional turf in the commercial, industrial, and institutional sectors except as it may be required to ensure the health of trees and other perennial non-turf plantings.
- 5. In order to maximize the efficient use of water and to preserve water supplies critical to human health and safety and the environment, Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended, with respect to the directives in paragraphs 3 and 4 of this Order and any other projects and activities for the purpose of water conservation to the extent necessary to address the impacts of the drought, and any permits necessary to carry out such projects or activities. Entities that desire to conduct activities under this suspension, other than the directives in paragraphs 3 and 4 of this Order, shall first request that the Secretary of the Natural Resources Agency make a determination that the proposed activities are eligible to be conducted under this suspension. The Secretary shall use sound discretion in applying this Executive Order to ensure that the suspension serves the purpose of accelerating conservation projects that are necessary to address impacts of the drought, while at the same time

protecting public health and the environment. The entities implementing these directives or conducting activities under this suspension shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

6. To support voluntary approaches to improve fish habitat that would require change petitions under Water Code section 1707 and either Water Code sections 1425 through 1432 or Water Code sections 1725 through 1732, and where the primary purpose is to improve conditions for fish, the Water Board shall expeditiously consider petitions that add a fish and wildlife beneficial use or point of diversion and place of storage to improve conditions for anadromous fish. California Code of Regulations, title 23, section 1064, subdivisions (a)(1)(A)(i)-(ii) are suspended with respect to any petition that is subject to this paragraph.
7. To facilitate the hauling of water for domestic use by local communities and domestic water users threatened with the loss of water supply or degraded water quality resulting from drought, any ordinance, regulation, prohibition, policy, or requirement of any kind adopted by a public agency that prohibits the hauling of water out of the water's basin of origin or a public agency's jurisdiction is hereby suspended. The suspension authorized pursuant to this paragraph shall be limited to the hauling of water by truck or bottle to be used for human consumption, cooking, or sanitation in communities or residences threatened with the loss of affordable safe drinking water. Nothing in this paragraph limits any public health or safety requirement to ensure the safety of hauled water.
8. The Water Board shall expand inspections to determine whether illegal diversions or wasteful or unreasonable use of water are occurring and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
9. To protect health, safety, and the environment during this drought emergency, a county, city, or other public agency shall not:
 - a. Approve a permit for a new groundwater well or for alteration of an existing well in a basin subject to the Sustainable Groundwater Management Act and classified as medium- or high-priority without first obtaining written verification from a Groundwater Sustainability Agency managing the basin or area of the basin where the well is proposed to be located that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan adopted by that Groundwater Sustainability

Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan; or

- b. Issue a permit for a new groundwater well or for alteration of an existing well without first determining that extraction of groundwater from the proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure.

This paragraph shall not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

10. To address household or small community drinking water shortages dependent upon groundwater wells that have failed due to drought conditions, the Department of Water Resources shall work with other state agencies to investigate expedited regulatory pathways to modify, repair, or reconstruct failed household or small community or public supply wells, while recognizing the need to ensure the sustainability of such wells as provided for in paragraph 9.
11. State agencies shall collaborate with tribes and federal, regional, and local agencies on actions related to promoting groundwater recharge and increasing storage.
12. To help advance groundwater recharge projects, and to demonstrate the feasibility of projects that can use available high water flows to recharge local groundwater while minimizing flood risks, the Water Board and Regional Water Quality Control Boards shall prioritize water right permits, water quality certifications, waste discharge requirements, and conditional waivers of waste discharge requirements to accelerate approvals for projects that enhance the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water right priorities and protections for fish and wildlife. For the purposes of carrying out this paragraph, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, and Chapter 3 (commencing with section 85225) of Part 3 of Division 35 of the Water Code and regulations adopted pursuant thereto are hereby suspended to the extent necessary to address the impacts of the drought. This suspension applies to (a) any actions taken by state agencies, (b) any actions taken by local agencies where the state agency with primary responsibility for the implementation of the directives concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b). The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.
13. With respect to recharge projects under either Flood-Managed Aquifer Recharge or the Department of Water Resources Sustainable

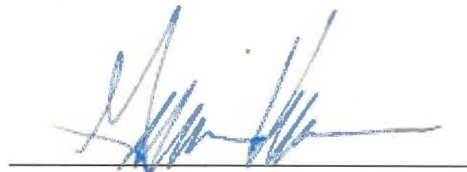
Groundwater Management Grant Program occurring on open and working lands to replenish and store water in groundwater basins that will help mitigate groundwater conditions impacted by drought, for any (a) actions taken by state agencies, (b) actions taken by a local agency where the Department of Water Resources concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b), Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended to the extent necessary to address the impacts of the drought. The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

14. To increase resilience of state water supplies during prolonged drought conditions, the Department of Water Resources shall prepare for the potential creation and implementation of a multi-year transfer program pilot project for the purpose of acquiring water from willing partners and storing and conveying water to areas of need.
15. By April 15, 2022, state agencies shall submit to the Department of Finance for my consideration proposals to mitigate the worsening effects of severe drought, including emergency assistance to communities and households and others facing water shortages as a result of the drought, facilitation of groundwater recharge and wastewater recycling, improvements in water use efficiency, protection of fish and wildlife, mitigation of drought-related economic or water-supply disruption, and other potential investments to support short- and long-term drought response.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of March 2022.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State

RESOLUTION NO. 2042

RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT
DECLARING A WATER SHORTAGE EMERGENCY CONDITION AND
ADOPTING AN EMERGENCY WATER CONSERVATION PROGRAM

WHEREAS, Calleguas Municipal Water District ("Calleguas" or "District") is a municipal water district created under the Municipal Water District Law of 1911, Water Code §§ 71000 et. seq., and is responsible for providing a reliable supply of high-quality, supplemental water to the communities of southeastern Ventura County; and

WHEREAS, Calleguas is a member public agency of the Metropolitan Water District of Southern California ("Metropolitan"), is reliant upon deliveries of water imported by Metropolitan from the California State Water Project ("SWP"), and is therefore considered a SWP dependent agency within the Metropolitan service area; and

WHEREAS, the California Department of Water Resources ("DWR") classified water years 2020 and 2021 as dry and critically dry, respectively, and the three year sequence of water years 2020 - 2022 is projected to be the driest on record in California for statewide precipitation; and

WHEREAS, the adverse effect of drought on SWP resources has been the primary reason for the historic water shortages currently being experienced by Calleguas. SWP allocations in the last three consecutive years have been 20 percent in 2020, 5 percent in 2021, and 5 percent to date for 2022. For the 2021-22 water year, precipitation, northern Sierra snowpack, and resultant runoff are markedly below the levels which are needed to meet water demands for the 2022 calendar year; and

WHEREAS, in June 2021, Calleguas adopted an Urban Water Management Plan ("UWMP") pursuant to California law, which includes a Water Shortage Contingency Plan ("WSCP") that is triggered during water shortage conditions and describes staged actions the District may take to manage demand and allocate available supplies; and

WHEREAS, on August 18, 2021, the Board of Directors of Calleguas adopted Resolution No. 2024 which declared a Stage 2 Water Shortage and called for enhanced water use efficiency efforts; and

WHEREAS, on October 19, 2021, Governor Gavin Newsom proclaimed that a state of emergency exists in all California counties due to severe drought conditions, and called on all local and regional water suppliers to implement WSCPs that are responsive to local conditions; and

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WHEREAS, on November 9, 2021, Metropolitan declared that specified drought emergency conditions exist within its service area and called on all member agencies to immediately implement conservation to reduce the use of SWP supplies; and

WHEREAS, on November 17, 2021, the Board of Directors of Calleguas adopted Resolution No. 2033 which called upon those purveyors receiving water from Calleguas to implement appropriate measures to achieve a 15 percent reduction in demands from 2020 levels to extend SWP storage reserves; and

WHEREAS, on March 18, 2022, DWR announced that it had reduced the calendar year 2022 SWP allocation to 5 percent, and current projections indicate that the final allocation will remain 5 percent; and

WHEREAS, on March 28, 2022, Governor Newsom issued Executive Order N-7-22 calling on each urban water supplier that has developed a WSCP to implement, at a minimum, response actions for a Water Shortage level of 20 percent (Level 2) and encouraged the activation of more stringent local requirements based on a Water Shortage level of up to 30 percent (Level 3); and

WHEREAS, on April 6, 2022, the Board of Directors of Calleguas adopted Resolution No. 2041 declaring a Stage 3 Water Shortage pursuant to its WSCP; calling for the implementation of mandatory conservation measures; and stating the intent of the District to adopt appropriate regulations, restrictions and penalties for the 2022 calendar year, subsequent to Metropolitan's adoption of same; and

WHEREAS, DWR has provided notice to SWP contractors, including Metropolitan, that DWR is prepared to provide access to a limited supply of water pursuant to SWP contract terms to utilize for Human Health and Safety ("HH&S") subject to the following requirements: SWP contractors must impose mandatory water restrictions on water use consistent with emergency circumstances and any SWP water accessed for HH&S purposes must be returned within 5 years or as wetter conditions return; and

WHEREAS, Metropolitan has insufficient supplies to meet normal demands in its SWP dependent areas in calendar year 2022, even with the utilization of HH&S water; and

WHEREAS, on April 26, 2022, Metropolitan adopted a resolution declaring a water shortage emergency condition and implementing an Emergency Water Conservation Program ("EWCP") in the SWP dependent area, pursuant to Water Code §§350 et. seq., Water Code §§375 et. seq., and other applicable authorities, and that resolution is incorporated herein by this reference; and

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WHEREAS, pursuant to Water Code §§350 et. seq., the District is authorized to declare a water shortage emergency condition to prevail within the area served by the District whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and fire protection; and

WHEREAS, pursuant to Water Code §§375 et. seq., the District is authorized to adopt and enforce a water conservation program to reduce the quantity of water used by those persons within its service area for the purpose of conserving the water supplies of the public entity by ordinance or resolution adopted by a majority of the members of the governing body after holding a public hearing upon notice and making appropriate findings of necessity for the adoption of a water conservation program; and

WHEREAS, pursuant to Water Code §§71640 et. seq., the District may restrict the use of District water during any emergency caused by drought or other threatened or existing water shortage; prohibit the wastage of District water or the use of District water during such periods for any purpose other than household uses or such other restricted uses as the District determines to be necessary; and prohibit use of District water during such periods for specific uses which it finds to be nonessential; and

WHEREAS, Calleguas Ordinance No. 12 codifies rules and regulations for water service, including service during times of a Water Shortage Emergency; and

WHEREAS, Calleguas Ordinance No. 12 authorizes that, in the event reduced water supplies cause Metropolitan to impose water allocations among its member agencies and surcharges for deliveries exceeding those allocations, the Board of Directors may similarly allocate available supplies among District member purveyors and levy any surcharges as deemed appropriate, including those imposed on the District by Metropolitan; and

WHEREAS, the District held a public hearing on April 27, 2022, on the matter of whether the Calleguas Board of Directors should declare that a water shortage emergency condition exists within its service area and adopt an EWCP, the analysis presented at the hearing supports the findings in this resolution, and that analysis is incorporated into this resolution as though set forth in full; and

WHEREAS, notice of said hearing was published in accordance with Government Code §6061 on April 20, 2022, in the Ventura County Star, a newspaper of general circulation printed and published within the County; and

WHEREAS, at said hearing, all persons were given an opportunity to be heard by the Calleguas Board of Directors in accordance with Water Code §351 and Water Code §375; and

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WHEREAS, the Calleguas Board of Directors heard and considered public testimony, staff's presentation, information, and other evidence presented at said hearing;

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF CALLEGUAS MUNICIPAL WATER DISTRICT AS FOLLOWS:

1. A Water Shortage Emergency Condition exists in the Calleguas service area as set forth in Water Code §§350 et. seq. and Water Code §§71640 et. seq.
2. The actions set forth in this Resolution are in accordance with the powers of the District under the Water Code, District Ordinance No. 12, the District's UWMP and WSCP, the Governor's Executive Orders related to the drought, and recent directives from DWR concerning the use of SWP supplies, and are taken in effort to reduce the quantity of water used within the District service area for the purpose of conserving water supplies because ordinary demands and requirements of water consumers cannot be satisfied without depleting water supplies to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.
3. Calleguas hereby adopts an EWCP to reduce non-essential uses of water and preserve available water supplies for the greatest public benefit in the District's service area, which will be implemented in phases. It is the intent of the Board of Directors that the District's EWCP, and its framework, be based upon, consistent with, and pass through the EWCP adopted by Metropolitan on April 26, 2022 and any revisions thereto, including, but not limited to, Metropolitan provisions relating to water use restrictions, enforcement, and penalties for non-compliance.
4. The EWCP includes two paths for purveyors to reduce the use of Metropolitan's SWP supplies and achieve compliance with the EWCP:
 - a. The first path allows a purveyor to restrict outdoor irrigation to one day per week (or its equivalent) beginning June 1, 2022. The Calleguas General Manager is authorized to modify this restriction to ban all non-essential outdoor irrigation or enforce volumetric limits should conditions warrant as the year develops. Purveyors that document adoption and enforcement mechanisms of these restrictions by May 31, 2022 will be deemed compliant with the EWCP. Non-compliant purveyors will face volumetric penalties of \$2,000 per acre-

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foot on any water supplied by Metropolitan from the SWP system that exceeds certain monthly allocation limits.

- b. The second path allows a purveyor to comply with monthly allocation limits directly. As described in and consistent with the Metropolitan EWCP, the specific limit for each purveyor is based on an allocated share of the HH&S water provided by DWR and certain additional SWP supplies delivered through the SWP system. Purveyors that meet these limits will be deemed compliant with the EWCP. Non-compliant purveyors will face volumetric penalties of \$2,000 per acre-foot on any water supplied by Metropolitan from the SWP system that exceeds certain monthly allocation limits.
5. The EWCP is effective immediately upon adoption of this Resolution and penalties for non-compliance shall be assessed beginning June 1, 2022. Penalties under the EWCP will only be applied to Metropolitan supplies delivered from the SWP system. Volumetric penalties would accrue and be billed monthly. A purveyor can avoid penalties for non-compliance if it takes, and can demonstrate, sufficient action to eliminate its use of Metropolitan supplies at its designated connections to Calleguas.
6. The General Manager is authorized to implement, amend, and augment the terms of the EWCP to make it conform to and/or reconcile with the EWCP adopted by Metropolitan and any revisions and/or modifications of the Metropolitan EWCP. This includes, but is not limited to, establishing equivalent methods for compliance and/or implementing any exceptions and/or exemptions to the EWCP.
7. The General Manager will report regularly to the Board on the effectiveness of the EWCP and inform the Board and purveyors of any need to implement modified and/or more stringent conservation requirements.
8. Calleguas hereby expresses support for the Governor's Executive Order N-7-22 and calls on all purveyors classified as urban water suppliers to reduce water use by 20-30 percent depending on local conditions.
9. Calleguas hereby calls on all of its purveyors to make all possible changes in their operations to reduce their use of Metropolitan's SWP supplies and to immediately mandate and implement such conservation requirements, water use efficiency measures, and drought-related limitations consistent with their WSCP's and substantively conforming to the EWCP.

ADOPTED, SIGNED AND APPROVED this twenty-seventh day of April, 2022.



Steve Blois, President
Board of Directors

I HEREBY CERTIFY that the foregoing Resolution was adopted at the regularly scheduled meeting of the Board of Directors of Calleguas Municipal Water District held on April 27, 2022.

ATTEST:



Raul Avila, Secretary
Board of Directors

(SEAL)

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- Board of Directors
Water Planning and Stewardship

4/12/2022 Board Meeting

9-2

Subject

Information on a proposed Water Shortage Emergency Condition and Emergency Water Conservation Program to Preserve Metropolitan's Supplies in the State Water Project-Dependent Areas

Executive Summary

As a result of record drought in California and extremely limited State Water Project (SWP) allocations, staff projects there will be insufficient supplies this year to meet the anticipated demands in areas staff has identified as the current SWP-dependent portions of Metropolitan's service area ("SWP Dependent Area"). Therefore, staff is proposing that the Board take the following actions to reduce demands and preserve supplies in this area:

1. Express support for the Governor's Executive Order N-7-22 on March 28, 2022, calling for all urban water suppliers to implement actions to reduce water use by 20-30 percent, depending on local conditions.
2. Declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area.
3. Adopt the framework for a two-phase Emergency Water Conservation Program to reduce non-essential uses of water and preserve available water supplies for the greatest public benefit in the SWP Dependent Area. The first phase of this program would:
 - a. Limit landscape watering to one day per week in the SWP Dependent Area;
 - b. Require those member agencies whose service areas encompass all or a portion of the SWP Dependent Area to adopt and implement effective enforcement mechanisms to ensure compliance with this limit; and
 - c. Impose volumetric penalties of up to \$2,000 per acre-foot for non-compliance.

The one-day-per-week watering limitation would be effective immediately; any penalties for non-compliance would be assessed beginning June 1, 2022. If needed, the second phase of this program would involve a complete ban on landscape watering to further preserve available supplies in the SWP Dependent Area, with similar penalties for non-compliance.

4. Authorize the General Manager to finalize the terms for the Emergency Water Conservation Program consistent with the Board's authorization and in conformance with the California Department of Water Resources' (DWR) requirements to access SWP water for human health and safety purposes.
5. Require the General Manager to regularly report to the Board on the effectiveness of the first phase of the Emergency Water Conservation Program and authorize the General Manager to implement the second phase of the program if deemed necessary.
6. Require the General Manager to return to the Board with proposed modifications to the Emergency Water Conservation Program should he determine that implementation of the first and second phases of the program are not adequately preserving available supplies in the SWP Dependent Area. These modifications may include using a population-based approach to set limits or targets on per capita water use.

Staff projects that water savings attained from these actions, if implemented by member agencies and other retail agencies, would preserve supply for essential human health and safety needs through the fall. However, if drought conditions persist or the water savings from these actions fall short, staff is prepared to recommend a complete ban on outdoor watering in the SWP Dependent Area.

A public hearing and Special Board Meeting is scheduled for April 26, 2022, for the Board to consider these actions, which would be taken pursuant to Water Code section 350 et seq., Water Code section 375 et seq., and other applicable authorities, and in accordance with Metropolitan's Urban Water Management Plan and Water Shortage Contingency Plan, the Governor's Executive Orders related to the drought, and recent directives from DWR concerning the use of SWP supplies.

Details

The Need to Access Human Health and Safety Supplies from the SWP

For decades, Metropolitan has worked to improve its conveyance and distribution system to ensure flexibility in delivering SWP and Colorado River water throughout much of its service area. However, due to the depth and duration of the current drought, staff projects that Metropolitan will not be able to meet normal demands in the SWP Dependent Area utilizing existing resources. Despite best efforts to maximize available resources and operational flexibility this year, Metropolitan must seek additional human health and safety water allocated from DWR.

Beginning in water year 2020 (October 1, 2019, to September 30, 2020), watersheds supplying the SWP received well below-average precipitation. DWR classified water years 2020 and 2021 as dry and critically dry, respectively. Despite substantial precipitation in October and December 2021, precipitation in Northern California from January through March 2022 fell to the driest levels on record. In addition to reduced precipitation, California's climate is warming, and the historical relationships between temperature, precipitation, and runoff are changing. In 2021, the DWR's snowmelt runoff forecast over-estimated actual runoff by 68 percent. In 2022, despite DWR estimating runoff to a highly conservative 99th percentile, runoff forecasts for the Sacramento River dropped by 27 percent, further exacerbating supply planning.

The deteriorating hydrologic conditions led DWR to reduce the SWP Table A Allocation for 2022 from 15 to five percent of contract amounts on March 18, 2022. This follows a five percent SWP Table A Allocation in 2021. Coming in the third year of drought, this extremely low Table A allocation is insufficient to meet minimum human health and safety needs in the SWP Dependent Area. Accordingly, DWR will exercise a never-before-invoked provision of the water supply contract (Article 18a) that allows SWP water to be allocated on some other basis than Table A to meet minimum demands for domestic supply, fire protection, or sanitation. To that end, in October 2021 Metropolitan submitted a letter to DWR requesting delivery of certain human health and safety supplies to the SWP Dependent Area.

It should be noted that the boundaries of the SWP Dependent Area are not fixed and other Metropolitan supplies (such as previously stored SWP supplies from groundwater banking, carryover, flexible storage in Castaic Lake or Perris Lake, or north-of-Delta transfers) are also delivered through those service connections. The boundaries of the SWP Dependent Area have been reduced in recent years with the new ability to supply the Mills Water Treatment Plant from Diamond Valley Lake (May 2021) and through new water management programs such as the Operational Shift Cost Offset Program (May 2021) and the Reverse Cyclic Storage Program (February 2022).

Although the exact conditions to access human health and safety supplies are not finalized, DWR expects contractors receiving such supplies to mandate substantial reductions in water use consistent with these emergency drought circumstances. Further, DWR will require any water taken in 2022 for human health and safety purposes to be returned within five years, thus creating a water supply debt that effectively trims future Table A allocations and slows any storage recovery once the drought eases. Guidelines established by DWR are based on prior curtailment regulations adopted by the California State Water Resources Control Board (SWRCB) and could be further modified.

The Need for Demand Management in the SWP Dependent Area

Of most importance, the normal water demands of Member Agencies currently lying within the SWP Dependent Area cannot be met in 2022 without a real risk of depleting supplies needed for human health

and safety. Metropolitan must seek the water offered by DWR for human health and safety purposes and must conform to conditions that DWR places on its use.

In November 2021, the Board declared that specified emergency conditions exist within portions of the service area rather than across the entire regional system. The Board's action on that date also stated that, "should drought conditions persist or worsen in the coming months, Metropolitan's Board of Directors will consider declaring a water shortage emergency condition and imposing appropriate regulations, restrictions and penalties pursuant to California Water section 350 et seq., so as to conserve Metropolitan's water supplies for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection." Unfortunately, current hydrologic conditions require this type of action.

In 2014, the Board adopted a revised Water Supply Allocation Plan (WSAP) to be used when a regional shortage exists. The WSAP establishes baseline usage, regional shortage levels, and a surcharge for a member agency's aggregate water use above a predetermined allotment. The WSAP was designed and intended only for use during region-wide water shortages. The WSAP included provisions, based on Senate Bill X7-7 in 2009, to set a floor of minimum per capita usage of 100 gallons per person per day (gpcd) for total water use and 55 gpcd for indoor residential water use. Staff determined that the WSAP, with its regional focus, could not effectively or efficiently alleviate the circumstances of this current emergency.

Rather than modifying or reconstructing the WSAP for this rapidly developing emergency condition, a more expedient manner to preserve existing water supplies in the SWP Dependent Area is to reduce or eliminate non-essential uses in the directly affected areas. These non-essential uses (e.g., water for outdoor landscapes, filling swimming pools or fountains, or washing cars) could be curtailed through either price or non-price mechanisms.

A Framework for the Emergency Water Conservation Program

Based on these principles, and through collaboration with the affected member agencies, staff recommends the Board authorize an Emergency Water Conservation Program that initially focuses on non-price mechanisms to reduce outdoor watering. The proposed Emergency Water Conservation Program includes three main elements to achieve the goal of lowering normal demand and preserving water for human health and safety purposes:

- (1) Each member agency that currently receives SWP supplies¹ at the connections within the SWP Dependent Area must implement and enforce a restriction on outdoor watering of no more than one day per week (and outdoor watering may later be completely banned).
- (2) If a member agency either does not submit an acceptable plan to limit outdoor watering or if it inadequately enforces the plan, a penalty of up to \$2,000 per acre-foot shall be assessed on all supplies delivered to that non-compliant agency at the designated connections. Importantly, for wholesale member agencies, the penalty would apply only to that portion of water delivered to one or more of their non-compliant retail agencies. The penalty would not be applied to the full delivery to the wholesale member agency if only a portion of its retailers were non-compliant.
- (3) An agency **can entirely avoid these outdoor watering restrictions and penalties** if it takes sufficient action to entirely eliminate its use of SWP supplies at the designated connections.

Outdoor watering ordinances. Staff is coordinating with the affected member agencies to define elements of one-day-per-week watering. Metropolitan would not specify, for example, either the day of the week or any even/odd house numbering rotation. Metropolitan will, however, require that member agencies limit watering times to 8 minutes per station (for most irrigation systems) to prevent substitution of water use from newly banned days to permitted days. Hand watering of trees would be exempt from the one-day-per-week restriction.

Each retail water provider receiving supply at the designated connections must submit municipal codes or ordinances adopted by their respective governing bodies which clearly restrict outdoor watering to no more than one day per week. Staff will report progress and performance with these restrictions monthly to the Board. The

¹ SWP supplies are Metropolitan's supply inclusive of SWP Table A, carryover storage, flexible storage, north-of-Delta transfers, and previously stored Table A supplies pumped or exchanged through water management programs along the California Aqueduct.

call for one-day-per week watering would take place immediately upon the Board's authorization of the Emergency Water Conservation Plan (planned for April 26, 2022). In order to avoid a volumetric penalty for water used beginning in June 2022, the retailer must adopt and begin enforcement of the restrictions by May 31, 2022.

Enforcement plans. Equally important to the outdoor watering restrictions on paper is the agency's willingness and ability to enforce meaningful penalties for non-compliance. Staff is also coordinating with the member agencies in this area to develop a list of acceptable enforcement provisions, because enforcement mechanisms may vary widely. For example, one agency might use code enforcement officers to cite and educate customers. Another agency might use advanced metering infrastructure to flag suspected outdoor water use on banned days electronically. Yet another agency might use tiered pricing penalties to assure compliance. **The relevant enforcement principle is that the agency establishes a plan with real consequences to the consumer for inaction with either a one-day-per-week restriction or a ban on all outdoor water use.** Further, an enforcement plan must be auditable with a clear and transparent way to verify enforcement. Similar to the outdoor watering ordinances, enforcement plans must be adopted by the retail agency's governing body by May 31, 2022, to avoid the volumetric penalty beginning Jun. 1, 2022. If the retail agency is not the Metropolitan member agency, then the Metropolitan member agency must coordinate regulations to be enacted by the retail agency in the affected area.

Volumetric penalties. If a retail agency takes supply at the designated connection but does not adopt either an acceptable outdoor watering ordinance or enforcement plan, the volume of water purchased by the member agency at that connection for itself, or on behalf of the retail agency, shall be assessed a \$2,000 per acre-foot penalty. This penalty will be charged to the member agency separate from all other applicable rates and charges for water service, as it is not a charge for service. For wholesale member agencies, the penalty would apply only to that portion of water delivered to one or more of their non-compliant retail agencies. The penalty would not be applied to the full delivery to the wholesale Member Agency if only a portion of its retailers were non-compliant.

The fine of \$2,000 per acre-foot was selected to send a strong economic signal to reduce water use by complying with an outdoor watering ordinance and enforcement plan. Any penalties collected would be proportionately returned to member agencies (once compliant) to help defray enforcement or other costs incurred in conjunction with the proposed Emergency Water Conservation Program.

The outdoor watering ordinances, enforcement plans, and volumetric penalties listed above comprise the framework of the Emergency Water Conservation Plan. At the Special Board Meeting planned for April 26, 2022, the Board will consider whether to authorize the General Manager to finalize the plan's terms. Once final, the member agencies and retail agencies that are not member agencies would adopt ordinances and enforcement plans to avoid penalties to the Member agencies.

Assistance Provided to Member Agencies

Metropolitan will assist the member agencies in improving compliance with the watering restrictions and amplifying the serious message to consumers within the SWP dependent areas. Assistance will take these forms:

- (1) **Member Agency Administered Program (MAAP).** Metropolitan will make available the full allotment of the MAAP funds to the affected Member agencies. Metropolitan will allow affected member agencies to access remaining funds in the MAAP for enforcement activities for the current biennium. For the upcoming biennium, approximately \$4.2 million is proposed in the budget for the affected agencies. These funds would be made immediately available beginning July 1, 2021. In addition, any penalties paid for non-compliance with the Emergency Water Conservation Plan would likewise be made available to agencies for enforcement. A member agency wishing to access these funds must still submit a proposal for approval by Metropolitan.
- (2) **Assistance with public messaging for drought awareness and water conservation.** In Mar. 2022, the Board authorized staff to enter into a three-year contract with a media placement firm. From March – June 2022, up to \$3.5 million is available to develop and purchase advertising. Likewise, up to \$7.4 million is available in the proposed FY 2022-24 biennium budget. Metropolitan staff will coordinate closely with the public affairs staff of the affected member agencies to send an amplified and unified message to consumers about the one-day-per-week watering restrictions. Metropolitan will stand with the

member agencies in communicating these emergency conditions. Staff expects many opportunities to amplify the message also through the earned media of press conferences and news media stories.

Planned Monitoring and Reporting

Staff will report to the Water Planning and Stewardship Committee each month on progress achieved by the Emergency Water Conservation Program. Further, staff will partner with the member agencies to collect and report changes in per-capita water use. Staff will monitor progress and report back to the Board using these types of tools:

- Lists of agencies with compliant outdoor watering restrictions and enforcement plans.
- Change in Metropolitan water deliveries to the SWP Dependent Area.
- Total local supply production within the SWP Dependent Area.
- Water conservation and productions reports based on monthly data submitted to the SWRCB on residential per capita water use.
- Disaggregated data from more than 5,000 flow-monitoring devices installed on single-family homes in Metropolitan's service area (including approximately 1,500 within the SWP Dependent Area) showing changes in outdoor water use behavior.
- Remote-sensing imagery showing change in "greenness" of outdoor landscapes (this is a developing research method).

Through this monthly monitoring and through regular communications with the member agencies, the General Manager would inform the member agencies and the Board in advance of the intent to implement the second phase of the Emergency Water Conservation Plan and ban all outdoor watering.

Continuing Actions to Improve the Plan if the Drought Persists or Compliance Falters

The primary goals of the two-phase Emergency Water Conservation Plan are to (1) preserve Metropolitan's scarce supplies in 2022; (2) minimize the amount of SWP human health and safety water that Metropolitan must access (and pay back); and (3) prepare for a potentially dry 2023. Preserving water supply now allows the potential for a new water year to develop, and the plan could be modified as conditions improve. Alternatively, despite the best efforts of agencies in the SWP Dependent Area to reduce or eliminate non-essential water use, continuing drought conditions may force further action.

Staff is actively exploring with the member agencies alternative approaches to reduce demands if the outdoor watering restrictions within the proposed Emergency Water Conservation Plan prove ineffective, disproportionate, or unworkable. Staff will develop a population-based method designed to share the remaining supply across the agencies using limits on per-capita water use rather than solely on outdoor watering restrictions. The population-based method, or a hybrid approach combining outdoor watering restrictions with a backstop of a population-based limit, may prove to be a more viable tool to reduce water use. If an alternative approach is needed, the General Manager would seek Board approval before implementation.

Other Activities Supporting the SWP Dependent Area

Staff regularly reported to the Board and sought authority and funding to address system and supply shortages affecting the SWP Dependent Area. The Emergency Water Conservation Program is intended only as a short-term, stop-gap policy until lasting relief can be provided. Sample operational, physical, and supply actions to improve the supply constraints include:

- Adjusted distribution system operations to minimize SWP use and draw heavily on the Colorado River and stored supplies (January 2021).
- Increased pumping on the Colorado River Aqueduct to the total capacity of eight pumps (intermittent operation since April 2021).
- Initiated the Operational Shift Cost Offset Program (May 2021) and Reverse Cyclic Program (February 2022), which removed financial barriers to switching from or deferring SWP deliveries.
- Switched the source water feed to the Mills Water Treatment Plant from SWP to Diamond Valley Lake storage (May 2021).
- Rebuilt and started up the Greg Avenue facility to pump ~100 acre-feet per day of Colorado River and stored supplies into the western portion of the distribution system (June 2021).

- Expanded conservation programs (December 2021).
- Authorized agreements with other water agencies to improve management of SWP supplies (San Bernardino Valley MWD, San Diego County Water Authority, December 2021).
- Amended the capital investment plan to start planning and implementing infrastructure projects for the western portion of the distribution system (February 2022).

These actions are accelerating with the development of infrastructure and water supply portfolios through the Extreme Drought Assessment, which includes as its design condition three SWP allocations of five percent.

Policy

Metropolitan Water District Administrative Code Section 6410. Powers and Duties

Metropolitan Water District Administrative Code Section 6412. Delegation of Executive and Administrative Powers

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 20984, dated Nov. 1, 1960, the Board adopted Resolution 5838 and approved the execution of the SWP contract with DWR.

By Minute Item 49979, dated Dec. 9, 2014, the Board approved adjustments to the Water Supply Allocation Plan

By Minute Item 50824, dated May 9, 2017, the Board adopted a resolution that declared a “Condition 1 –Water Supply Watch.”

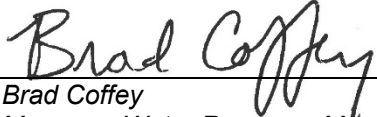
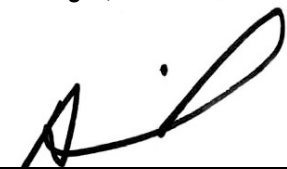
By Minute Item 52378, dated May 10, 2021, the Board adopted the 2020 Urban Water Management Plan and the Water Shortage Contingency Plan

By Minute Item 52481, dated Aug. 17, 2021, the Board adopted a resolution that declared a “Condition 2 –Water Supply Alert.”

By Minute Item 52581, dated Nov. 9, 2021, the Board adopted a resolution which declared specified emergency conditions within the Metropolitan service area.

Fiscal Impact

Upon adopting the Emergency Water Conservation Plan, revenues from water transactions will likely decrease as member agencies reduce water demands. At the Mar. 22, 2022, budget workshop, staff presented a scenario with 100 thousand acre-feet fewer transactions for two years. This scenario—realistic in the magnitude of the needed demand management activity—would reduce revenues by approximately \$100 million each year.

 Brad Coffey Manager, Water Resource Management	4/7/2022 Date
 Adel Hagekhalil General Manager	4/8/2022 Date



- Board of Directors
Board of Directors

4/26/2022 Board Meeting

7-1

Subject

Conduct a public hearing and adopt a resolution to (1) declare a Water Shortage Emergency Condition; (2) adopt the framework of an Emergency Water Conservation Program and authorize the General Manager to finalize the Program consistent with the framework; and (3) express support for the Governor's Executive Order N-7-22; the General Manager has determined the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

As a result of record drought and limited State Water Project (SWP) allocations, insufficient supply exists this year to meet normal Member Agency demand in the SWP Dependent Area. The SWP Dependent Area represents the current portion of Metropolitan's service area that can only receive the district's supplies from the SWP system. If Metropolitan mandates robust conservation measures in the SWP Dependent Area, the California Department of Water Resources (DWR) will provide additional supplies to meet human health and safety (HH&S) needs. Metropolitan staff has coordinated closely with the affected Member Agencies as the drought worsened, meeting with them more than 17 times since August 2021. Metropolitan has received extensive feedback on alternative approaches to increase supply or constrain demand.

As a result, staff proposes that the Board adopt the Resolution in **Attachment 1**, which authorizes the following actions to reduce demands and preserve supplies in the SWP Dependent Area:

1. Declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area.
2. Adopt a framework for an Emergency Water Conservation Program to reduce non-essential water use and preserve available supply for the greatest public benefit in the SWP Dependent Area. The framework includes two paths for affected Member Agencies to reduce the use of Metropolitan's SWP supplies and achieve compliance with the program.
 - a. The first path allows a Member Agency to restrict outdoor irrigation to one day per week (or its equivalent) beginning June 1, 2022. However, the General Manager is authorized to modify this restriction to ban all non-essential outdoor irrigation or enforce volumetric limits should conditions warrant as the year develops. Member Agencies that document enforcement of these restrictions will be deemed compliant with the Emergency Water Conservation Program. Non-compliant Member Agencies will face volumetric penalties of \$2,000 per acre-foot on any water supplied by Metropolitan from the SWP system that exceeds certain monthly allocation limits.
 - b. The second path allows a Member Agency to comply with monthly allocation limits directly. As described more fully below, the specific limit for each agency is based on an allocated share of the HH&S water provided by DWR and certain additional SWP supplies delivered through the SWP system. Member Agencies that meet these limits will be deemed compliant with the Emergency Water Conservation Program; non-compliant Member Agencies will face the same volumetric penalties as under the first path.

Importantly, under this framework, penalties will only be applied to Metropolitan supplies delivered from the SWP system. As such, if an affected Member Agency fully shifts its demands to other local supplies or Metropolitan's Colorado River connections, it will not face penalties in a given month.

The General Manager would be authorized to finalize terms of the Emergency Water Conservation Program consistent with this framework and the Board's authorization, and in conformance with DWR's requirements to access SWP water for HH&S purposes. The General Manager would be required to finalize these terms within 30 days of Board adoption.

As a final element of the framework, the General Manager would be required to report regularly to the Board on the Emergency Water Conservation Program's effectiveness and to notify the Board and Member Agencies of any need to implement more stringent conservation requirements.

3. Express support for the Governor's Executive Order N-7-22 on March 28, 2022, set forth in **Attachment 2**, calling for all urban water suppliers to implement actions to reduce water use by 20-30 percent, depending on local conditions.

Staff will actively monitor and report on water usage by each Member Agency within the SWP Dependent Area. Regardless of the method of compliance chosen by each affected Member Agency, staff will report to the Board on water usage metrics in both volumes delivered and per capita for each agency.

The Board will consider these actions at a public hearing and Special Board Meeting on April 26, 2022. These actions would be taken pursuant to Water Code section 350 et seq., Water Code section 375 et seq., and other applicable authorities, and in accordance with Metropolitan's Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP), the Governor's Executive Orders related to the drought, and recent directives from DWR concerning the use of SWP supplies.

Details

Need to Access Human Health and Safety Supply from the SWP

For decades, Metropolitan has worked to improve its conveyance and distribution system to ensure flexibility in delivering SWP and Colorado River water throughout much of its service area. **However, due to the depth and duration of the current drought, Metropolitan cannot meet normal demands in the SWP Dependent Area with existing resources.** Despite best efforts to maximize available resources and operational flexibility this year, and to provide the greatest public benefit, Metropolitan must seek additional HH&S water allocated from DWR.

Beginning in water year 2020 (October 2019 through September 2020), watersheds supplying the SWP received well-below-average precipitation. Despite substantial precipitation in October and December 2021, precipitation in Northern California from January through March 2022 fell to the driest levels on record. In addition, California's warming climate is shifting the historical relationships between temperature, precipitation, and runoff. In 2021, DWR's snowmelt runoff forecast overestimated actual runoff by 68 percent. In 2022, the runoff forecast has already dropped by 42 percent.

Deteriorating hydrologic conditions led DWR to reduce the SWP Table A allocation for 2022 from 15 to five percent of contract amounts on March 18, 2022. This follows a five percent SWP Table A allocation in 2021. Coming in the third year of drought, this extremely low Table A allocation cannot meet minimum HH&S needs in the SWP Dependent Area. Accordingly, DWR will exercise a never-before-invoked provision of the SWP contract (Article 18a) that allows SWP water to be allocated on some other basis than Table A to meet minimum demands for domestic supply, fire protection, or sanitation. To that end, in October 2021, Metropolitan submitted a letter to DWR requesting delivery of certain HH&S supplies to the SWP Dependent Area. DWR accepted, in modified form, Metropolitan's request for these deliveries on April 15, 2022.

DWR expects SWP contractors receiving these HH&S supplies to mandate substantial reductions in water use consistent with these emergency drought circumstances. Further, DWR requires any water taken in 2022 for HH&S purposes to be returned within five years, thus creating a water supply debt that effectively trims future Table A allocations and slows any storage recovery once the drought eases. DWR based these guidelines on curtailment regulations previously adopted by the California State Water Resources Control Board (SWRCB). These guidelines could be further modified.

It should be noted that the boundaries of the SWP Dependent Area have not been fixed and other Metropolitan supplies (such as previously stored SWP supplies from groundwater banking, carryover, flexible storage in Castaic Lake or Perris Lake, or north-of-Delta transfers) are also delivered through this system. Metropolitan's

drought-mitigation actions have shrunk the SWP Dependent Area in recent years with a new ability to supply the Mills Water Treatment Plant from Diamond Valley Lake (May 2021) and through new water management programs such as the Operational Shift Cost Offset Program (May 2021) and the Reverse Cyclic Storage Program (February 2022).

Need for Demand Management in the SWP Dependent Area

In 2014, the Board adopted an updated Water Supply Allocation Plan (WSAP) for use when regional shortages exist. The WSAP established baseline usage for each Member Agency, regional shortage levels, and a surcharge for a Member Agency's aggregate water use above a predetermined allotment. The WSAP included provisions, based on the *Water Conservation Act of 2009* (Senate Bill X7-7), setting a minimum water use threshold of 100 gallons per capita per day (gpcd) for total water use.

However, the WSAP was designed and intended only for use during regionwide water shortages and requires a more extended period to implement. Staff has determined that the current WSAP cannot effectively or efficiently alleviate the circumstances of the current emergency in the SWP Dependent Area. Rather than reconstructing the WSAP for this rapidly developing emergency condition, a more expedient manner to preserve existing water supplies in the SWP Dependent Area is to reduce or eliminate non-essential uses in the directly affected areas. These non-essential uses of potable water (e.g., water for outdoor landscapes, filling swimming pools or fountains, or washing cars) could be curtailed through either price or non-price mechanisms.

To that end, on November 9, 2021, Metropolitan's Board adopted a resolution recognizing the statewide drought emergency, declaring specified emergency conditions to exist within portions of its service area, and calling on Member Agencies to take various actions to preserve Metropolitan's supply from the SWP. Among other things, Member Agencies were urged to make all reasonably practicable changes in their operations and to implement mandatory conservation and efficiency measures to reduce the use of SWP supplies. That resolution further stated, "*should drought conditions persist or worsen in the coming months, Metropolitan's Board of Directors will consider declaring a water shortage emergency condition and imposing appropriate regulations, restrictions, and penalties pursuant to California Water Code section 350 et seq., so as to conserve Metropolitan's water supplies for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.*" Unfortunately, current hydrologic conditions require this emergency action.

Framework for the Emergency Water Conservation Program

The Emergency Water Conservation Program is intended to adaptively preserve supplies by reducing non-essential uses of water delivered through the SWP system¹. Based on continued feedback from the Member Agencies, the framework outlined in the April 12, 2022, Board Information Letter 9-2 was modified to incorporate another more flexible alternative for agencies to achieve compliance based on monthly volumetric limits of SWP water available to Metropolitan.

The Emergency Water Conservation Program now includes two paths for affected Member Agencies to reduce use of Metropolitan's supplies delivered from the SWP system. A penalty of \$2,000 per acre-foot for all usage above certain limits would be enforced on Member Agencies for non-compliance. Penalties would be enforced monthly beginning in June.

Compliance with Outdoor Use Limits

Under the first compliance path, a Member Agency must adopt restrictions (via an ordinance or other appropriate means) that limit outdoor watering to one day per week (or its equivalent). Metropolitan will not specify the day of the week or any method of even/odd house numbering rotation to moderate distribution system impacts. Metropolitan will, however, require that Member Agencies limit watering times to prevent substitution of water use from newly banned days to permitted days. In addition, the Member Agency must adopt a mechanism for

¹ Metropolitan accesses the SWP system to deliver Table A, carryover storage, flexible storage, north-of-Delta transfers, and previously stored Table A supplies pumped or exchanged through water management programs along the California Aqueduct.

banning all outdoor watering in the event the General Manager later determines that such a ban is necessary to preserve SWP supplies.

Of course, it is not sufficient simply to have these restrictions on paper. Member Agencies must be willing and able to impose meaningful penalties for non-compliance. As such, a Member Agency choosing this compliance path also must submit to Metropolitan an enforcement plan with real consequences to the consumer or end user for failing to abide by the one-day-per-week restriction or ban on outdoor water use. This enforcement plan must be auditable, with a clear and transparent way to verify enforcement if expected water use reductions fall short.

Both the watering restrictions and the plans for enforcing them at the retail level must be in place no later than June 1, 2022. If the affected Member Agency is not a retail water supplier, then it must coordinate with the appropriate retail agency(ies) within its service area to ensure that those agencies also adopt the requisite restrictions and enforcement plans prior to the deadline. Non-compliant Member Agencies will face volumetric penalties on water supplied by Metropolitan from the SWP system above certain limits. The volumetric limits are further described as part of the second compliance path below.

There are some important exceptions to these outdoor watering restrictions. The primary exception is to allow hand-watering of trees or other perennials to support their health and ability to recover once the outdoor watering restrictions are lifted. A second exception is to allow drip or other high-efficiency irrigation systems to apply water at a weekly volume consistent with the one-day watering restriction imposed on less efficient irrigation systems. Metropolitan will continue to coordinate with the affected Member Agencies on an appropriate formulation of these types of exemptions if a complete ban on outdoor watering is imposed.

If all water providers within a wholesale Member Agency choose the watering restrictions path, then no volumetric penalties would be assessed. If water providers within a wholesale Member Agency select different compliance paths, then the Member Agency would initially be assessed penalties calculated using the volumetric limits. Metropolitan would then work in good faith with the Member Agency to determine the appropriate volume of water to be assessed for any of the wholesale Member Agency's water providers.

On behalf of the Member Agencies, Metropolitan submitted a request in October 2021 for supplemental HH&S deliveries for water necessary to prevent or suppress wildfires, particularly at the wildland-urban interface. The Department of Water Resources initially excluded these volumes from the HH&S allocation. However, DWR is now developing a mechanism for variances that may supplement the allocated water. Metropolitan will work with the Member Agencies and relevant fire authorities to submit a request for supplemental deliveries for these important public safety uses, if needed.

Because of uncertainty in the drought's persistence and the speed and scale of demand response, the General Manager is authorized to ban all non-essential outdoor irrigation as early as September 1, should conditions warrant. The General Manager is further authorized to impose volumetric limits on all Member Agencies that originally chose this first path if regional demand response continues to lag. Imposition of volumetric limits would not occur prior to December 1.

Compliance with Volumetric Allocation Limits

The second path allows an affected Member Agency to achieve compliance by meeting an agency-specific volumetric delivery limit from Metropolitan every month. The volumetric limit for each agency will be based on their equivalent share of HH&S water available from DWR (roughly based on 55 gallons per person per day offset by available local supplies) plus any additional water Metropolitan is able to provide from the SWP system, allocated to each agency based on proportionate population. Member Agencies using Metropolitan's supplies within these volumetric limits would not pay penalties. Any Member Agency that exceeds its volumetric limit would pay a \$2,000 per acre-foot penalty on any water provided by MWD from the SWP system in excess of the limit for that month. Volumetric penalties would accrue and be billed monthly.

Staff has provided the Member Agencies with an initial estimate of their monthly volumetric limit. The General Manager will finalize this limit, along with all other elements of the Emergency Water Conservation Plan, within 30 days of Board adoption.

Penalty Structure

The same penalty structure applies to both compliance paths. If an affected Member Agency chooses the outdoor use limit path and submits acceptable documentation before June 1, no penalties would be assessed. If the agency does not submit acceptable documentation, then volumetric penalties of \$2,000 per acre-foot of use above certain volumetric limits will accrue beginning June 1.

Penalties will be assessed and billed monthly. If an agency misses the June 1 deadline for compliance, penalties will be charged for that entire month. Once in compliance, penalties stop accruing at the beginning of the following month. Penalties will be charged to the Member Agency independent from all rates and charges for water service, as it is not a charge for service.

These penalty structures are designed to send a strong economic signal to incentivize action. Any penalties collected will be returned to the affected Member Agencies through the Member Agency Administered Program (MAAP) to help defray enforcement or other costs incurred in conjunction with the proposed Emergency Water Conservation Program.

Importantly, this Emergency Water Conservation Program only applies penalties on Metropolitan supplies delivered from the SWP system. As such, any Member Agency that fully shift demands to other local supplies or to Metropolitan's Colorado River connections will not face penalties in a given month. Under no circumstances would a penalty be paid on any Colorado River water delivered to that agency.

The General Manager will establish procedures for reviewing or redetermining any penalties assessed on the Member Agency pursuant to the Emergency Water Conservation Program. The General Manager shall review any appeals submitted in a timely manner. The General Manager shall also establish reasonable procedures for the filing of appeals to the Board from his determination.

Monitoring and Reporting

Staff will report to the Water Planning and Stewardship Committee each month on progress achieved by the Emergency Water Conservation Program. This will include, at a minimum, monthly tracking of Metropolitan water deliveries and remaining available supplies to the SWP Dependent Area. Metropolitan will also inform the Board of the compliance status of the affected Member Agencies and of any penalties assessed.

Through monthly monitoring and regular communication, the General Manager will inform the Member Agencies and the Board in advance of any need to implement a ban on all outdoor watering (for implementation no earlier than September 1) or a need to implement volumetric limits for all affected agencies (for implementation no earlier than December 1).

Termination of the Emergency Water Conservation Program

The Emergency Water Conservation Program shall continue through June 30, 2023, unless the Board of Directors lifts the action before that date.

Assistance Provided to Member Agencies

Metropolitan will assist the Member Agencies in their complying with the watering restrictions and amplifying the serious message to consumers within the SWP-dependent areas. Assistance will take these forms:

- (1) **Member Agency Administered Program.** Metropolitan will make MAAP funds fully available to the affected Member Agencies for enforcement activities in the FY 2020/21 and 2021/22 budget. For the FY 2022/23 and 2023/24 biennial budget, approximately \$4.2 million of funding is available for the affected agencies. These funds would be made immediately available beginning July 1, 2022. In addition, any penalties paid would likewise be made available to agencies for enforcement. A Member Agency wishing to access these funds must submit a proposal for approval by Metropolitan. Uses of MAAP funding could include drought-related actions, messaging, and code enforcement. Upon termination of the Emergency Water Conservation Program, MAAP funding and procedures would revert back to the previously established guidelines.
- (2) **Assistance with Public Messaging for Drought Awareness and Water Conservation.** In March 2022, the Board authorized staff to enter into a three-year contract with a media placement firm. Through

June 30, 2022, up to \$4.5 million is available to develop and purchase advertising. Likewise, up to \$7.4 million is available in the subsequent biennial budget. Metropolitan staff will coordinate closely with the public affairs staff of the affected Member Agencies to send an amplified and unified message to consumers about the one-day-per-week watering restrictions. Metropolitan will stand with the Member Agencies in communicating these emergency conditions. Staff expects many opportunities to amplify the message also through the earned media of press conferences and news media stories.

Support of the Governor's Executive Order N-7-22

The Board is requested to support Governor Newsom's Executive Order N-7-22 of March 28, 2022 (**Attachment 2**). This Executive Order incorporates orders and provisions contained in the Governor's earlier proclamations of April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021. Though Metropolitan will not mandate compliance on a Member Agency's conformance with Executive Order N-7-22, the affected Member Agencies are strongly called upon to do the following:

- Implement at least Level 2 of their Water Shortage Contingency Plans to achieve at least a 20 percent reduction in water use.
- Adopt and enforce the State Water Resources Control Board's (SWRCB) emergency regulations prohibiting wasteful water uses.
- Adopt and enforce the SWRCB's proposed prohibition (once adopted) of the use of potable water for irrigating non-functional turf at commercial, industrial, and institutional sites.

Other Activities Supporting the SWP Dependent Area

Staff regularly reported to the Board and sought authority and funding to address system and supply shortages affecting the SWP Dependent Area. The Emergency Water Conservation Program is intended only as a short-term, stop-gap measure until lasting relief can be provided. A selection of the main operational, physical, and supply actions taken to improve the supply constraints include:

- Adjusted distribution system operations to minimize SWP use and draw heavily on the Colorado River and stored supplies (January 2021).
- Increased pumping on the Colorado River Aqueduct to the total capacity of eight pumps (intermittent operation since April 2021).
- Initiated the Operational Shift Cost Offset Program (May 2021) and Reverse Cyclic Program (February 2022), which removed financial barriers to switching from or deferring SWP deliveries.
- Switched the source water feed to the Mills Water Treatment Plant from SWP to Diamond Valley Lake storage (May 2021).
- Rebuilt and started up the Greg Avenue facility to pump ~100 acre-feet per day of Colorado River and stored supplies into the western portion of the distribution system (June 2021).
- Expanded conservation programs (December 2021).
- Authorized agreements with other water agencies to improve management of SWP supplies (San Bernardino Valley MWD, San Diego County Water Authority, December 2021).
- Amended the capital investment plan to start planning and implementing infrastructure projects for the western portion of the distribution system (February 2022).
- Authorized purchase of transfer supplies (April 2021 and April 2022)

These actions are accelerating with the development of infrastructure and water supply portfolios through the Extreme Drought Assessment, which includes as its design condition three SWP allocations of five percent.

Policy

Metropolitan Water District Administrative Code Section 6410: Powers and Duties

Metropolitan Water District Administrative Code Section 6412: Delegation of Executive and Administrative Powers

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Operating Policy A-06, Emergency Management and Business Continuity

By Minute Item 50824, dated May 9, 2017, the Board adopted a resolution which declared a “Condition 1 –Water Supply Watch.”

By Minute Item 51166, dated April 10, 2018, the Board authorized changes to Member Agency Administered Program.

By Minute Item 52481, dated August 17, 2021, the Board adopted a resolution which declared a “Condition 2 – Water Supply Alert.”

By Minute Item 52581, dated November 9, 2021, the Board adopted a resolution which declared specified emergency conditions within the Metropolitan service area.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are being taken to address a water shortage emergency condition in portions of Metropolitan’s service area and are intended to conserve scarce water supplies in those areas to ensure that near-term human health and safety needs can be met. Accordingly, these actions are necessary to prevent or mitigate an immediate emergency and are not subject to CEQA pursuant to Public Resources Code Section 21080(b)(4) and Section 15269(c) of the State CEQA Guidelines. Furthermore, the proposed actions are being taken in accordance with Executive Order EO N-7-22 issued by the Governor on March 28, 2022, which directs that specific actions be taken in response to the extreme drought conditions in California. Among other things, all urban water suppliers must, at a minimum, implement the actions identified in their Water Shortage Contingency Plans (WSCP) for a shortage level up to 20 percent. This order expressly suspends the requirements of CEQA and the State CEQA Guidelines with respect to this directive. Likewise, Water Code Section 10652 statutorily exempts implementation of actions listed in and taken pursuant to an agency’s WSCP. Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

Board Options

Option #1

Adopt the Resolution shown in **Attachment 1** and:

- a. Declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area
- b. Adopt the framework of an Emergency Water Conservation Program and authorize the General Manager to finalize the Program consistent with the framework.
- c. Express support for the Governor’s Executive Order N-7-22.

Fiscal Impact: Upon adopting the Emergency Water Conservation Program, revenues from water transactions will likely decrease as Member Agencies reduce water demands. At the March 22, 2022, budget workshop, staff presented a scenario with 100,000 acre-feet fewer transactions each year. This scenario—realistic in the magnitude of the needed demand management activity—could reduce revenues by approximately \$100 million in fiscal year 2022/23.

Business Analysis: Implementing the Emergency Water Conservation Program would preserve available water supplies for the greatest public benefit and would avoid the potential use of emergency storage from DWR reservoirs

Option #2

Modify the Resolution in **Attachment 1** and the recommended actions to modify actions or penalties to conserve available water supplies for the greatest public benefit.

Fiscal Impact: Unknown fiscal impact of water shortage

Business Analysis: Adjusting the proposed action may accelerate or slow demand management activities initiated by the Emergency Water Conservation Program. Depending on the modification, changes may also preclude Metropolitan from receiving needed human health and safety supplies from DWR

Option #3

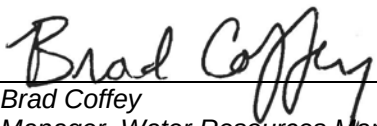
Do not adopt the Resolution in **Attachment 1** nor take the recommended actions.

Fiscal Impact: Unknown fiscal impact of water shortage

Business Analysis: Delaying the decision to implement an Emergency Water Conservation Program would reduce the opportunity to conserve scarce supplies available to the region in 2022. Delaying the implementation may also preclude Metropolitan from receiving needed human health and safety supplies from DWR

Staff Recommendation

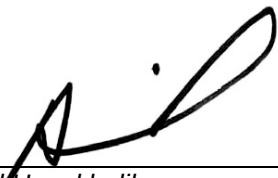
Option # 1



Brad Coffey
Manager, Water Resources Management

4/22/2022

Date



Adel Hagekhalil
General Manager

4/22/2022

Date

Attachment 1 – Resolution of the Board of Directors of the Metropolitan Water District of Southern California Declaring a Water Shortage Emergency Condition and Implementing an Emergency Water Conservation Program in Portions of its Service Area

Attachment 2 – Executive Department State of California Executive Order N-7-22

Ref# wrm12687675

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**DECLARING A WATER SHORTAGE EMERGENCY CONDITION AND IMPLEMENTING AN
EMERGENCY WATER CONSERVATION PROGRAM IN PORTIONS OF ITS SERVICE AREA**

WHEREAS, Severe Drought Conditions Are Constraining Available Water Supplies from Northern California.

Beginning in water year 2020 (October 1, 2019, to September 30, 2020), the watersheds supplying the California State Water Project (SWP) received below-average precipitation. The California Department of Water Resources (DWR) classified water years 2020 and 2021 as dry and critically dry, respectively. Persistent dry conditions will likely result in a critically dry designation for water year 2022.

The three-year sequence of water years 2020 - 2022 (October 1, 2019, through September 30, 2022) is projected to be the driest on record in California for statewide precipitation. Precipitation in Northern California during the three months from January through March 2022 was the driest on record for that region.

In addition to reduced precipitation since 2020, California's climate is transitioning to a warmer setting in which historical relationships among temperature, precipitation, and runoff are changing. In 2021, the DWR's snowmelt runoff forecast over-estimated the runoff that occurred by 68 percent. In 2022, DWR's median runoff forecast for the Sacramento River dropped from 16.7 to 9.7 million acre-feet, a reduction of 42 percent.

WHEREAS, Governor Newsom Has Declared a State of Emergency to Exist in All California Counties Due to These Severe Drought Conditions.

On October 19, 2021, Governor Gavin Newsom declared a state of emergency to exist in all California counties due to worsening drought conditions. This proclamation follows other increasingly expansive drought declarations and executive orders that have been issued since April 2021.

At that time, Governor Newsom called on Californians to re-double their efforts to reduce water use by 15 percent and for local and regional water agencies to implement their Water Shortage Contingency Plans (WSCPs) "at a level appropriate to local conditions that takes into account the possibility of a third consecutive dry year."

WHEREAS, Governor Newsom Has Issued an Executive Order Calling on Urban Water Suppliers to Activate Their Water Shortage Contingency Plans.

As part of their Urban Water Management Plans (UWMPs), local and regional water providers are required to prepare and adopt WSCPs. These plans identify voluntary and mandatory response actions that will be taken under various water shortage conditions. These actions include mandatory conservation activities to reduce water use by 10 to 50 percent, depending on the severity of the shortage.

Due to worsening drought conditions, including a record-breaking dry period in January and February, Governor Newsom issued Executive Order N-7-22 on March 28, 2022, specifically requiring all urban water suppliers to implement, at a minimum, the response actions identified in their WSCPs for a shortage level of 20 percent (Level 2).

This executive order further encouraged urban water suppliers to conserve more than the minimum required and to voluntarily activate more stringent local requirements based on a shortage level of up to 30 percent (Level 3).

WHEREAS, Metropolitan's State Water Project Supplies Have Been and Are Being Curtailed.

On March 18, 2022, DWR reduced the SWP Table A allocation for 2022 from 15 to only five percent of contract amounts. Table A allocations for 2020 and 2021 were 20 and five percent, respectively. The last three years marks the lowest three-year combined deliveries of allocated water in the history of the SWP.

Three consecutive years of low Table A allocations have strained water supplies for portions of Metropolitan's service area that currently are served primarily through the SWP. Referred to as the "SWP Dependent Area," this area has limited or no access to Colorado River Supplies.

As a result, there will be insufficient SWP supplies this year to meet the minimum human health and safety (HH&S) needs in the SWP Dependent Area. HH&S needs are defined as "the amount of water necessary for prevention of adverse impacts to human health and safety, for which there is no feasible alternative supply." In general, HH&S needs are limited to domestic supply, sanitation, public health and fire protection purposes, and cannot exceed 55 gallons per person per day.

To supplement the low Table A allocation, DWR has agreed to provide additional SWP supplies to SWP contractors if necessary to fulfill their unmet HH&S needs. However, DWR is requiring any SWP contractor receiving such supplies to impose mandatory restrictions on water use within its service area consistent with these emergency circumstances. DWR also is requiring any SWP water accessed for HH&S purposes be returned to the state within five years or as wetter conditions return.

WHEREAS, Metropolitan's SWP Supplies Are Essential to Meet the Total Demands of Its Member Agencies.

Over the past 20 years, the SWP has provided about 30 percent of the region's total water needs and a portion of the supply delivered to each of Metropolitan's 26 Member Agencies.

Diamond Valley Lake, Metropolitan's largest surface water reservoir and source of dry-year and emergency water supplies, has only been replenished with SWP supplies since the discovery of Quagga mussels in Colorado River water in Jan. 2007.

Under a five percent Table A allocation, Metropolitan cannot meet normal demands in the SWP Dependent Area, serve SWP supplies to other Member Agencies, or replenish storage in Diamond Valley Lake.

WHEREAS, Metropolitan, Its Member Agencies, and Others in the Region Have Taken Extraordinary Steps to Reduce Demands and Bolster Supplies.

In conjunction with its Member Agencies, counties, cities, and wholesale and retail water suppliers, Metropolitan decreased potable water demands within the service area by 40 percent, roughly 80 gallons per person per day, since 1990.

Metropolitan has invested \$1.5 billion in conservation, local water recycling, and local groundwater recovery since 1990, resulting in a cumulative savings of nearly 7.6 million acre-feet.

Metropolitan has invested more than \$3 billion in increasing storage capacity with Diamond Valley Lake and conveyance capacity with the Inland Feeder to capture SWP supply when available for later use in dry years.

Local water suppliers and communities have also made multi-billion-dollar strategic and forward-looking investments in water conservation (within and outside the MWD service area), water recycling, stormwater capture and reuse, groundwater storage, and other strategies to improve drought resilience.

Water conserved throughout the service area, among other things, has helped preserve storage in Metropolitan's diverse storage portfolio during these dry conditions.

Continued action by Southern California residents to conserve water and extend local groundwater and surface water supplies will provide greater resilience if the drought continues in future years.

Metropolitan established the Member Agency Administered Program (MAAP) to assist Member Agencies in implementing local conservation activities. A portion of the funded projects can be used when water savings are not readily quantifiable, such as drought messaging and local water-use related code enforcement programs.

WHEREAS, Metropolitan and Its Member Agencies Have Taken Specific Actions to Preserve SWP Supplies.

Metropolitan and its Member Agencies have invested billions of dollars to preserve and enhance the availability and utilization of local supplies and, in turn, to decrease the overall use of Metropolitan's imported supplies.

Metropolitan has established water management programs to increase Member Agency flexibility to shift from or temporarily defer taking Metropolitan's supply from the SWP.

In 2021 and 2022, Metropolitan made targeted investments in its delivery system to reduce Member Agency dependency on SWP supplies. These investments have significantly improved operational flexibility, allowing delivery of water from either of Metropolitan's two imported supply sources to most of the service area.

Metropolitan's Member Agencies have, where feasible, operated their systems to reduce dependency on Metropolitan's supply delivered through service connections fed from the SWP system.

On August 17, 2021, Metropolitan's Board adopted a resolution declaring a "Condition 2 – Water Supply Alert" to preserve Metropolitan's supply for the region.

On November 9, 2021, Metropolitan's Board adopted a resolution recognizing the statewide drought emergency, declaring specified emergency conditions to exist within portions of its service area, and calling on Member Agencies to take various actions to preserve Metropolitan's supply from the SWP. Among other things, Member Agencies were urged to make all reasonably practicable changes in their operations and to implement mandatory conservation and efficiency measures to reduce the use of SWP supplies.

WHEREAS, Metropolitan Has Determined that It Must Take Additional Actions Immediately to Conserve the Remaining Available SWP Supplies.

In December 2014, Metropolitan's Board adopted a revised Water Supply Allocation Plan (WSAP) pursuant to which it may determine that a regional shortage exists, establish a regional shortage level, and impose an Allocation Surcharge on Member Agencies for water use above a predetermined allotment. The WSAP was designed and intended only for use during periods of regionwide water shortages and requires a more extended period to implement. As such, the current WSAP cannot effectively or efficiently address the water shortages anticipated to occur this year in the SWP Dependent Area.

Likewise, while actions being taken pursuant to the November 9, 2021, Board resolution are helpful, they are not sufficient to address in a timely manner the urgent circumstances present in the SWP Dependent Area. That resolution specifically noted that if drought conditions persisted or worsened, Metropolitan's Board would consider declaring a Water Shortage Emergency Condition and imposing appropriate regulations, restrictions and penalties to conserve Metropolitan's water supplies.

Unfortunately, drought conditions have persisted, and the water supply outlook has worsened, particularly with respect to SWP supplies. Accordingly, Metropolitan believes it is necessary, desirable, and in the best interests of Metropolitan and its Member Agencies to declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area, to adopt the framework for an Emergency Water Conservation Program encompassing the SWP Dependent Area, and to take certain other actions as set forth below and described in Board Letter 7-1 dated April 26, 2022, so as to reduce water use and preserve remaining SWP supplies.

Adopting an Emergency Water Conservation Program is consistent with actions taken by our Member Agencies and other retail agencies and will assist Metropolitan and its Member Agencies in public outreach efforts to communicate the severity of the current drought and the need for conservation and collective action.

Metropolitan further believes that it is necessary, desirable, and in the best interest of Metropolitan to work closely with Member Agencies to identify near-term actions to address this drought emergency and to grant the General Manager certain additional powers and authorities to assist in carrying out such activities promptly.

WHEREAS, Metropolitan Is Authorized and Required to Take These Additional Actions.

Article X, Section 2 of the California Constitution requires all water resources in the state to be put to beneficial use and prohibits the waste or unreasonable use of such resources. What constitutes reasonable use is dependent on exigent circumstances, and may change during periods of drought.

Water Code Section 350 et seq. requires the distributor of a public water supply to declare that a water shortage emergency condition exists “whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply needed for human consumption, sanitation, and fire protection.” Upon making such a declaration, the water supplier is authorized to adopt such regulations and restrictions as will, in its sound discretion, “conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.”

Water Code Section 375 et seq. authorizes retail and wholesale water providers to adopt water and enforce conservation programs, which may include specific water-use limitations. Water providers may impose civil and criminal penalties for violating the requirements of such programs and/or may enforce water-use limitations by imposing “a volumetric penalty in an amount established by the public entity.”

Water Code Section 10620 et seq. requires every urban water supplier to prepare and adopt an UWMP, which must include a WSCP to be implemented during times of shortage. Governor Newsom has directed all urban water suppliers to implement, at a minimum, the response actions identified in their WSCPs for a shortage level of 20 percent (Level 2).

DWR is requiring any SWP contractor receiving HH&S supplies to impose mandatory restrictions on water use within its service area consistent with these emergency circumstances.

The Metropolitan District Act and Metropolitan’s Administrative Code authorize and support taking specific actions to address the current drought emergency. In particular, Administrative Code Section 4512 provides that deliveries of water “shall be subject to operational, supply or demand conditions, as determined by the General Manager.”

WHEREAS, Metropolitan Held a Noticed Public Hearing to Receive Input on These Additional Actions.

On April 26, 2022, a public hearing was held to receive input, comments, and/or protests on the proposed declaration of a Water Shortage Emergency Condition and adoption of the framework of an Emergency Water Conservation Program for the SWP Dependent Area, as well as the other actions set forth below and described in Board Letter 7-1 dated April 26, 2022. A copy of Board Letter 7-1 was posted on Metropolitan’s website (<https://mwdh2o.legistar.com/Calendar.aspx>) and was available for review prior to the hearing.

Notice of this hearing was published on April 14, 2022, in six different newspapers of general circulation encompassing all six counties within Metropolitan’s service area: *Los Angeles Times* (Los Angeles County), *Orange County Register* (Orange County), *Inland Valley Daily Bulletin* (San Bernardino County), *Ventura County Star* (Ventura County), *Press Enterprise* (Riverside County), and *San Diego Union Tribune* (San Diego County).

At this public hearing, Metropolitan’s Board received information, comments, testimony, and other evidence provided by Board members, Member Agency representatives, staff, and the public pertaining to these matters, and all persons present were given an opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of The Metropolitan Water District of Southern California hereby declares a **Water Shortage Emergency Condition** to exist in the SWP Dependent Area. Per this declaration, the Board calls on all Member Agencies to:

- (1) Make all possible changes in their operations to reduce their use of Metropolitan's SWP supplies.
- (2) Immediately mandate and implement such conservation requirements, water-use efficiency measures, and drought-related limitations consistent with their WSCPs and substantively conforming to the Emergency Water Conservation Program.

BE IT FURTHER RESOLVED that the General Manager is hereby authorized and directed to finalize and implement an **Emergency Water Conservation Program** in the SWP Dependent Area, subject to the following conditions:

- (1) The Emergency Water Conservation Program shall conform to the framework outlined in Board Letter 7-1, dated April 26, 2022. (A copy of this Board Letter may be accessed through Metropolitan's website at <https://mwdh2o.legistar.com/Calendar.aspx>.) This framework includes volumetric penalties for non-compliance of up to \$2,000 per acre-foot for use exceeding specified allocation limits.
- (2) The Emergency Water Conservation Program shall include a provision for Member Agencies in the SWP Dependent Area to use 100 percent of their MAAP allocations for any conservation-related activities and projects, even where the water savings from such activities and projects are not readily quantifiable. Uses of MAAP funding could include drought-related actions, messaging, and code enforcement. Upon termination of the Emergency Water Conservation Program, the MAAP allocations would revert back to the previously established formula for non-documented water-saving program funding requests.
- (3) The General Manager shall consult with all affected Member Agencies on the final terms of the Emergency Water Conservation Program.
- (4) The General Manager shall finalize the Emergency Water Conservation Program within 30 days of Board adoption of this resolution.
- (5) The Emergency Conservation Program shall continue through Jun. 30, 2023, unless otherwise terminated as described below.

BE IT FURTHER RESOLVED that the General Manager is hereby directed to continue the actions and activities specified in August 17, 2021, and November 9, 2022, Board resolutions, except as expanded or limited herein.

BE IT FURTHER RESOLVED that the Board hereby declares Metropolitan's support for the Governor's Executive Order N-7-22 and directs staff to work with the relevant state agencies to implement the Executive Order.

BE IT FURTHER RESOLVED that, should drought conditions persist in the coming months, or should demand management actions not sufficiently preserve available supplies, the General Manager may impose additional conditions or requirements as part of the Emergency Water Conservation Program described in Board Letter 7-1, which may include a prohibition on all outdoor uses of water or a requirement for affected Member Agencies to conform to specified volumetric limits.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held on Apr. 26, 2022.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California



PUBLIC WORKS AND TRANSPORTATION COMMITTEE AGENDA REPORT

REPORTS AGENDA ITEM NO. D.5

DATE: December 14, 2021

TO: Public Works and Transportation Committee

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Update to the Public Works and Transportation Committee Drought Condition Report of October 26, 2021. (0/10/5)

RECOMMENDATION

That the Public Works and Transportation Committee:

1. Recommend that the City Council approve the City stay in a Stage 2 water shortage condition pursuant to the City Council approved Resolution No. 14,741;
2. Provide feedback on the water conservation outreach, education, and enforcement plan; and
3. Provide feedback on a potential new resolution with the appropriate water shortage stage and conservation measures should a 0% allocation be finalized in Spring 2022.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/t6Sz_oR1Rgs

BACKGROUND

On October 26, 2021, staff provided a drought condition update and presentation to the Public Works and Transportation Committee (PWTC). At the meeting, staff was asked to address questions and concerns related to the City's conservation compliance, enforcement, penalties and credits and to return with an updated staff report. Additionally, California's drought condition and recommendations from the Department of Water Resources are frequently changing, as well as the actions taken by Metropolitan Water District and Calleguas Municipal Water District. As such, new information has since come forth and has been added to the updates below. Because of the fluid nature of this topic, staff may provide additional information at the PWTC meeting. Additionally, staff anticipates bringing back another drought update to the PWTC and the City Council in Spring 2022 when more information is known about the snowpack levels and other data that may impact water supplies to the City.

Latest Drought Information Update

On October 19, 2021, Governor Gavin Newsom issued a proclamation expanding the drought emergency statewide. The governor's proclamation now includes the eight counties that had previously not been included under the state of emergency: Imperial, Los Angeles, Orange, Riverside, San Diego, San Bernardino, San Francisco and Ventura. The proclamation requires all water suppliers to implement water shortage contingency plans that are responsive to their local conditions, preparing for the likelihood of a third consecutive dry year.

The proclamation also provides assistance and funding under the California Disaster Assistance Act. Governor Newsom is urging Californians to increase their efforts to attain the 15 percent voluntary water use reduction.

The Metropolitan Water District (Met) states that “despite extraordinary measures taken by Met, it’s member agencies, and others in Southern California, further and immediate action is needed to preserve and stretch limited State Water Project (SWP) supplies and urgent action is also necessary to slow the draw from Met’s SWP supplies stored in surface reservoirs and groundwater basins throughout the State.”

On November 9, 2021, Met’s Board of Supervisors adopted a resolution declaring a regional drought emergency. The resolution calls upon member agencies to take all reasonable measures to reduce their dependence on SWP supplies for the duration of the emergency and to implement appropriate voluntary and mandatory drought actions from their Water Shortage Contingency Plans. Specifically, the resolution calls upon all member agencies to:

- Review the adequacy of their past drought response measures.
- Make all reasonably practicable changes in their operations to reduce their use of SWP supplies.
- Immediately implement such conservation requirements, water-use efficiency measures, and drought-related limitations as are appropriate to reduce the use of SWP supplies, including those SWP supplies already in storage.

Each year, California’s Department of Water Resources (DWR) provides an allocation percentage using a Water Supply Allocation Plan formula. Allocations represent the amount of SWP water that DWR will deliver for the year and is reviewed monthly based on several factors, such as water in storage, environmental requirements, and rain and snow runoff projections. The allocated supply of water is sold to Met, which then wholesales it to Calleguas, which then sells it to the City of Oxnard. For 2022, Met anticipates an initial SWP allocation as low as 0% given the extremely dry conditions and low storage in major reservoirs. A 0% allocation means Calleguas will not receive additional SWP supplies, resulting in Calleguas utilizing their existing water supplies to meet their customer water demands. The allocation in SWP usually increases from the initial announcement, but this is highly dependent on precipitation and snowpack in the Sierras over the next winter months. If the final allocation for 2022 is anything above 0%, even 5% as they were in Calendar Year 2021, then Met should have more flexibility in meeting demands for its SWP dependent areas and therefore, Oxnard should not be heavily impacted.

Should a 0% allocation be finalized in April/May, a health and safety needs only scenario (the worst-case scenario), Met would lose its flexibility in meeting demands for state water project-dependent areas and would be limited by the State to serve potable water for “health and safety needs” only. This has the potential to mean “no outdoor water use” for a portion of the calendar year 2022.

Following in line with Met’s actions, Calleguas Municipal Water District (CMWD) adopted Resolution No. 2033 on November 17, 2021 calling on all purveyors (City of Oxnard) to reduce water consumption demand by 15% compared to 2020 levels. The resolution places responsibility on the purveyor to implement the appropriate water conservation measures to achieve the 15% reduction. CMWD’s potential measures for purveyors to enact to achieve reduction include:

- Restrict irrigation hours to evening and early morning hours.
- Prohibit non-essential irrigation (ex., golf courses and parks) and limit water use for essential irrigation.
- Restrict or disallow irrigation entirely.
- Disallow the use of water to fill ornamental lakes, ponds, pools, and fountains.
- Limit or disallow the washing of vehicles.
- Disallow the spraying of outdoor paved surfaces and using potable water for street cleaning.

- Restrict the use of water from fire hydrants for construction purposes.
- Implement a rate structure for charges and penalties for water use restriction violations.

Some of the proposed conservation measures, such as restriction on irrigation hours and no spraying of outdoor paved surfaces, are already implemented under Oxnard’s Stage 2 water shortage, Resolution No. 14,741 and Oxnard City Code on prohibited water waste, Sec. 22-136.

If insufficient SWP supplies fail to develop in early 2022, CMWD may invoke powers under California Water Code Section 350 to implement mandatory actions.

DISCUSSION

Follow-up to Committee and City Manager’s Questions:

The Oxnard Water Division takes the following actions when water waste is reported or observed:

Education and Enforcement Hierarchy

1st Violation	Courtesy Notice/ Educational Letter	For a first violation, the city may give written notice of the fact of such violation to the customer by personal service, by delivery through regular United States mail addressed to the customer's residence, or any other means reasonably designed to notify the customer of the violation. The notice contains a description of violation, lists all prohibited water waste, and provides resources such as rebate information.
	7 day Post Letter Follow-up Phone Call	Follow up to see if the customer has received the educational letter. Discuss if the issue has been addressed and offer additional information/resources.
2nd Violation	Letter - Warning of Penalty	Letter may contain a description of the facts of the violation, a statement of the possible penalties for violation and a statement informing the customer of his/her right to request an adjustment or an appeal.
3rd Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 25 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or \$25, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
4th Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 50 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or, \$50, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
Additional Violations	Fine/Admin Cites	Impose such other penalty or fine as deemed appropriate by the City Manager, until such time that the City Manager determines that further violations are not likely to occur.

The surcharges stated above are pursuant to the City of Oxnard Municipal Code Section 22-137 (Failure to Comply). However, over the past 12 months, the Water Division has received 118 reports of water waste and has yet to impose surcharges to gain compliance by the property owner. The “Additional Violations” section noted above is part of the City’s administrative citation process and may be used in the event of non-compliance with Stage 2 requirements or violations of the City’s Municipal Code with the assistance of the City’s Code Enforcement team.

As a phased approach to outreach and enforcement, staff recommends the following:

Phase 1

The City will move forward with enhanced conservation messaging leveraging a variety of different communication outlets; including digital media (Facebook, Instagram, Twitter and Nextdoor), print media (flyers, utility bill inserts, newspaper ads), and messaging through other platforms (radio ads , City billboards, and DMV ads). Messaging will emphasize the City's Stage 2 water shortage restrictions, such as the twice a week outdoor watering schedule, and provide resources for saving water, such as rebates and incentive programs. All communications will be done in both English and Spanish.

The messaging will be coordinated with Metropolitan Water District (Met) to continue a unified regional message in the media and outreach campaigns in order to communicate the need for continued conservation to the general public, businesses, stakeholders, industries, and public officials. In Met's November 9, 2021 Drought Resolution, their General Manager was directed to coordinate with the member agencies and bring to the Met Board an appropriate regional message to communicate the status of the statewide drought emergency and specified emergency conditions within the Metropolitan service area and the need for continued conservation to the general public, businesses, stakeholders, industries, and public officials. The City will utilize the regional messaging developed by Met and Calleguas Municipal Water District (CMWD) to keep messaging consistent.

Development Services shall verify at the time of landscape plan check submittal, that the landscape planting and irrigation plans comply with the current title 23 Model Water Efficient Landscape Ordinance (MWELO). Consistent with City Council Resolution 14,741, irrigation of newly constructed home and building exteriors with potable water is prohibited unless drip or micro spray systems are used.

Continued reporting of water waste by all Oxnard staff by utilizing the 311 app or by email, waterconservation@oxnard.org, or by calling the Oxnard Public Works call center at (805) 385-8136. Under Phase 1 there are no active water ambassadors patrolling for water waste violations.

Residents, Home Owners Associations (HOA), commercial establishments, municipal customers, and schools are all required to follow the City's mandatory water conservation measures listed under the Stage 2 Water Shortage. Additionally, "an HOA shall not issue a fine or assessment on a homeowner for reducing or eliminating the watering of vegetation or lawns during a state or locally-declared drought emergency," (Civil Code section 4735(c)).

All reports of water waste are logged in a tracking spreadsheet maintained by water conservation staff within the Water Division. Historical data has shown that the informational and educational approach has been well received by the community and generally does not go further than a warning of penalty within the education and enforcement hierarchy plan.

Supporting Data

During the past 12 months, only 11 of 118 water waste reports required an additional follow-up. In the past 6 months, only 7 of 79 water waste reports required an additional follow-up. A follow-up is completed when a second complaint, either by the same person or someone different, is reported.

In Oxnard, the overall water demand has continued to decline from peak usage from 26,703 acre-feet of water in the beginning of the previous drought commencing in Fiscal Year 2013-14 to 21,847 acre-feet of water in Fiscal Year 2019-20. Based on water consumption during Fiscal Year 2014 to water consumption data during Fiscal Year 2019-20 there has been an average reduction in overall water use of 15 percent. Oxnard's residents

and business have been doing their part to address the State’s drought and water supplies issues for over eight years. As such, staff recommends the above education and enforcement process and remaining at Stage 2.

Phase 2

Should a 0% State Water Project (SWP) allocation be finalized by the Department of Water Resources (DWR) in Spring 2022, staff recommends moving to Phase 2 of the outreach, education, and enforcement plan. It should be noted that a 0% allocation means only the baseline amount of water will be supplied from the SWP.

Staff would bring back for the Council’s consideration a new resolution with the appropriate water shortage stage and conservation measures that are in line with any of Met’s and CMWD’s mandated restrictions. The conservation messaging campaigns will be strengthened while following in line with CMWD and Met’s outreach and education plan.

Based upon current information from Met, a 0% SWP allocation would likely require water usage for public health and safety only and zero outdoor watering if in alignment with Met’s mandatory water use restrictions. A proposed City Council resolution would reflect appropriate restrictions and requirements consistent with Met’s and/or CMWD’s requirements. These could include increased penalties, issuing administrative citations and penalties for first violations. Furthermore, a resolution could include additional restrictions as outlined in the Oxnard Municipal Code Section 22-154 (C)(2), which include:

- Identifying maximum allowed water use
- Not issuing new construction meters or short-term water use unless reclaimed or non-potable water is used, unless potable water use is necessary to protect the health, safety or welfare
- Require expeditious leak repair within 48 hours after discovery of such leak, break or malfunction, or receipt of notice from the city of such condition, whichever comes first
- Limits on swimming pools; new and refilling of existing
- Limits on agricultural use
- Limit new water service

In addition to City staff continuing to report water waste violations while in the field, the Water Division will have employees designated as Water Conservation Ambassadors to actively patrol predetermined portions of the City, looking for violations of the water waste ordinance. A rotating schedule would be established to ensure that mornings, evenings, and weekends are patrolled evenly throughout the City.

Example water patrol schedule:

Week 1: Districts 1, 2, and 3

Week 2: Districts 4, 5, and 6

When violations are identified, ambassadors will log the violation type, location, time, take a photo of the issue and list any other useful observations. Violation logs will be turned into the Water Conservation Supervisor, who will coordinate with the Water Division Manager, then initiate the education and enforcement hierarchy process.

Mandatory Leak Repair

Per City Code Sec. 22-136. “all repairs shall be completed within 72 hours after discovery of such leak, break or malfunction, or receipt of notice from the city of such condition, whichever comes first.”

Under section 22-154 restrictions are listed that could be enacted by the Council should they declare a drought stage. One of the optional restrictions is, “all repairs shall be completed within 48 hours after discovery of such leak, break or malfunction, or receipt of notice from the city of such condition, whichever comes first.”

With Resolution No. 14,741, City Council declared a continuance of the Stage 2 water shortage condition, but did not elect to use the 48-hour window requirement for repairs of leaks.

Staff also recommends that the City stay within the 72-hour leak repair window. This allows property owners the opportunity to obtain the assistance of a professional and/or additional funding necessary to address the repairs, if needed.

As an additional tool to help the Oxnard residents manage their water consumption and address water leaks, the City will begin the Council-approved advanced meter infrastructure (AMI) installation project in early 2022. The project is scheduled to take place over a three-year period.

Through an interactive portal with tracking and alarming features (similar to tracking data and usage on a smartphone), customers will be able to track how and when they are using the most water and where to focus on water use efficiencies. Customers will have full access to their water usage data 24 hours a day, thereby eliminating the need to wait for a monthly bill to notice excess water use, which may indicate a leak. Additionally, Oxnard staff will be able to view the same water use data allowing for better customer service and outreach opportunities.

Because the City has a vast amount of irrigation in parks, medians, and parkways, the City will be at the forefront of water stewardship. Unfortunately, years of deferred maintenance due to budget constraints has led to many irrigation system failures. Staff from Public Works continues to address the necessary repairs to avoid water waste. Staff anticipates hiring contractors to assist with the repairs, should funding become available. A request for additional irrigation repair funding is anticipated for the PWTC and City Council to consider. In the meantime, in a partnership between Parks and the Water Division to address irrigation leaks and aging irrigation infrastructure, staff will be performing water irrigation efficiency surveys and providing recommendations for efficiency improvements and infrastructure replacements.

Additionally, there have been multiple inquiries for the use of water trucks to irrigate the parkway and median trees in areas where the irrigation system is waiting for repairs. Staff is working with West Coast Arborists on a pilot program that will utilize their water trucks for this purpose. A section of landscaping will be identified within the City and scheduled for watering twice per week. Staff will measure the water infiltration after each application and compare the results with trees being irrigated on bubbler and drip systems. The results of these measurements will determine if the use of water trucks is efficient for continued use in other areas throughout the City.

Financial Assistance for Leaks

Under Resolution No. 15,069, customers' bills that have been impacted due to a leak can request a one-time credit adjustment based on the sewer portion of their bill over the lifetime of their account.

Should the PWTC recommend staff develop a different allowance process for billing adjustments related to water leaks, staff will come back with a recommendation. However, staff does not recommend making any adjustments to the current process that could promote owners' unwillingness to permanently address water waste issues during this critical drought time.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Omar Castro, Water Division Manager

ATTACHMENTS

1. October 26, 2021 PWTC Drought Condition Report
2. October 19, 2021 Governor's Proclamation Expanding Drought Emergency -SOE
3. November 9, 2021 - Met's Declares a Regional Drought Emergency
4. CMWD Resolution
5. Presentation

Declaration of a Local Emergency Due to Drought Conditions, Authorizing the City Manager to Take Appropriate Actions, and Adoption of a Resolution Amending Water Conservation Restrictions

City Council
May 17, 2022

Megan Schneider
Water Conservation and Outreach Supervisor

That the City Council:

1. Adopt a proclamation proclaiming the existence of a local emergency due to water shortage emergency conditions; and
2. Adopt a resolution rescinding Resolution No. 14,741 and adopting new mandatory water conservation measures.

- California is experiencing a drought emergency following the three driest years on record
- March 18, 2022 - State Water Project (SWP) allocations reduced from 15% to 5% by the Department of Water Resources (DWR)
- March 28, 2022 - Governor Newsom issued Executive Order N-7-22 directing a number of actions in response to the historic drought conditions
- Metropolitan Water District (MWD) has indicated that SWP dependent regions of its service area have insufficient supplies to meet current water demands

- April 27, 2022 - Declared a Water Shortage Emergency Condition and implemented a Emergency Water Conservation Program (EWCP)
- The EWCP framework includes two paths for Member Agencies to reduce the use of SVWP supplies and achieve compliance with the program:
 1. Restrict outdoor irrigation to one day per week and document enforcement
 2. Meet a volumetric delivery limit per month
- Penalty of \$2,000 per AF for purveyors that do not comply, with the enforcement period beginning June 1, 2022

- On April 6, 2022 - Declares a Stage 3 Water Shortage Level
- Calling on all water users within its service area to immediately reduce water use by 30%
- On April 27, 2022 - Adopt Resolution in line with MWD:
 - Declare a Water Shortage Emergency exists
 - Adopt an EWCP based on and consistent with that of MWD
 - Impose volumetric penalties of up to \$2,000 per acre-foot for non-compliance
 - Authorize the General Manager to amend the terms of the EVVCP to make it conform with any similar program adopted by MWD



**Lake
Oroville**
California

2019



**April
2021**



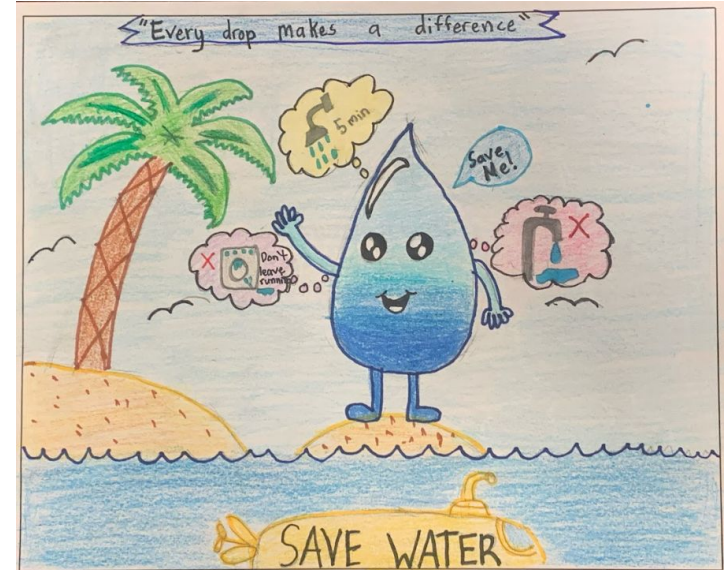
**July
2021**

- Proclamation proclaiming the existence of a local emergency due to water shortage emergency conditions
- With the approval of the two resolutions, Council will be providing the City Manager the authority to adopt drought stages and conservation requirements consistent with the City's Urban Water Management Plan and Water Shortage Contingency Plan including transitioning from a Stage II Shortage level to a Stage III Shortage Level; and/or an emergency water conservation plan and/or similar program adopted by Calleguas and/or the Metropolitan

- Rescind Resolution No. 14,741, adopting a new resolution to stay in line with the mandatory conservation measures and actions of MWD and CMWD. The following changes and additions are:
 - No more than once a week watering
 - Odd numbered addresses (Ending in 1, 3, 5, 7, 9): Sundays ONLY
 - Even numbered addresses (Ending in 0, 2, 4, 6, 8): Saturdays ONLY
 - Exceptions to allow for irrigation outside of the designated periods include (1.) the hand watering of trees or other perennials with use of a container (e.g. bucket or watering can) or a hose fitted with a shut-off nozzle and (2.) the use of drip irrigation or other high-efficiency irrigation systems to apply water at a weekly volume consistent with the one-day watering restriction imposed on less efficient irrigation systems.
 - All vegetation within Wildland-Urban Interface and Defensible Space will be maintained as required under Public Resource Code 4291
 - Irrigation of ornamental turf on medians with potable water is prohibited

1st Violation	Courtesy Notice/ Educational Letter	For a first violation, the city may give written notice of the fact of such violation to the customer by personal service, by delivery through regular United States mail addressed to the customer's residence, or any other means reasonably designed to notify the customer of the violation. The notice contains a description of violation, lists all prohibited water waste, and provides resources such as rebate information.
	7 day Post Letter Follow-up Phone Call	Follow up to see if the customer has received the educational letter. Discuss if the issue has been addressed and offer additional information/resources.
2nd Violation	Letter - Warning of Penalty	Letter may contain a description of the facts of the violation, a statement of the possible penalties for violation and a statement informing the customer of his/her right to request an adjustment or an appeal.
3rd Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 25 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or \$25, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
4th Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 50 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or, \$50, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
Additional Violations	Fine/Admin Cites	Impose such other penalty or fine as deemed appropriate by the City Manager, until such time that the City Manager determines that further violations are not likely to occur.

- Enhanced messaging in English, Spanish and Mixteco with emphasis on utilizing high visibility platforms throughout the City:
 - Billboards, yard signs, digital street signs, banners, and Environmental Resources' recycling truck signs
- Water Conservation and Education Hotline
- In-reach Campaign
- Meter staff to report water waste during reading routes
- Request for Proposal for water waste patrols during non-city business hours



- Oxnard is currently under a Stage 2 water shortage
- Staff is currently working on the newly mandated Annual Water Supply and Demand Assessment
- Each April for the following water year (October 1 to September 30) the assessment is carried out to determine if there is a need to implement the Water Shortage Contingency Plan (WSCP) and to what extent
- Findings will be presented to Council and the Community Development Department
- Anticipated to be completed in June

- California's drought condition and recommendations from the DWR are frequently changing, as well as the actions taken by MWD and CMWD
- Immediate action is needed to secure our water supply and prevent penalties
- Preparedness to react to ever-changing regulations is crucial

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

There is no direct financial impact in receiving this report



QUESTIONS



CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. L.4

DATE: May 17, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Central Terrace Apartments located at 217 – 235 East Sixth Street in Downtown Oxnard. (0/5/5)

RECOMMENDATION

That the City Council:

1. Adopt a resolution of the City Council of the City of Oxnard approving and authorizing the City Manager or designee to execute and take all needed actions in consultation with City Attorney relative to entering into an Assignment of City loan documents; loan rider and subordination agreement in connection with that certain loan provided by City to Many Mansions for the development of Central Terrace Apartments affordable housing project;
2. Authorize the City Manager or designee to execute an Assignment, Assumption and Modification Agreement and Loan Rider by and between the City of Oxnard, Many Mansions, a California nonprofit public benefit corporation, and Central Terrace LP, a California limited partnership;
3. Authorize the City Manager or designee to execute a Subordination Agreement by and among Banner Bank, a Washington corporation, the City of Oxnard, and Central Terrace LP, California limited partnership; and
4. Authorize the City Manager or designee to execute the First Amendment to the Affordable Housing and Sustainable Communities (AHSC) Implementation Agreement by and between the City of Oxnard and Many Mansions, a California nonprofit public benefit corporation.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/LIH4_SPLr40

BACKGROUND

Many Mansions is a non-profit public benefit corporation 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, Many Mansions has acquired and managed over 600 units of affordable housing at twenty properties throughout Ventura County. Many Mansions is also a service provider offering adult, children, and family services.

On June 1, 2021, the Oxnard City Council authorized the Mayor to execute a loan agreement for the development of the Central Terrace Apartments, an affordable rental housing development that will be located in downtown Oxnard, and an Affordable Housing and Sustainable Communities Implementation (AHSC) Agreement for the City to receive pass-through payments from Many Mansions to complete off-site improvements as further described below. The Central Terrace received its final entitlement approval by the Planning Commission on May 20, 2021.

AHSC Implementation Agreement, Project Scope and Description

In June 2021 Many Mansions submitted an Affordable Housing and Sustainable Communities application to the California Department of Housing and Community Development to receive funding for the development of the Central Terrace Apartments, an eighty-seven-unit affordable housing mixed use development that will be located at 217-235 East Sixth Street in downtown Oxnard that will include four stories of residential units above a podium and ground floor space including approximately 2,375 square feet of common space, office space, restrooms, and a kitchenette.

The AHSC application also included a grant component that provides grant funding for housing related infrastructure, sustainable transportation infrastructure, transit related amenities or Program activities. City staff coordinated with Many Mansions, Ventura County Transportation Commission, and the California Van Pool Authority to identify bicycle, pedestrian, and transit projects that would qualify for the AHSC grant component. These activities include the City acting as the lead agency to design and construct the following two sustainable transportation infrastructure and transportation related amenities projects:

1. The Fourth Street Mobility Improvement Project will extend from C Street to the Oxnard Transit Center along Meta Street to 6th Street and will include design and construction of sidewalks, curb extensions, disability improvements, traffic signal modifications, bike detection, class II on-street bike lanes, bike racks, benches, B Street transit hub improvements, resurfacing, drainage improvements, signage, striping, and a new restroom. The Fourth Street Mobility Improvement Project is included in the City's 2021-2026 Capital Improvement Program.

2. The Downtown Oxnard Transit Amenities project includes design and installation of bus shelters, benches, bike racks, lighting, and real-time arrival signs at various transit stops in Oxnard.

The combined cost of both projects was estimated to be \$5,409,200 and would be carried out by the City's Public Works Department and be subject to an implementation agreement between the City and Many Mansions, as required by the California Department of Housing and Community Development, for Many Mansions to qualify for the grant component.

On June 1, 2021, prior to Many Mansions submitting their AHSC application to the California Department Housing and Community Development, the Oxnard City Council authorized the Mayor to execute an Affordable Housing and Sustainable Communities Implementation Agreement ("AHSC Implementation Agreement") by and between the City of Oxnard and Many Mansions in order to satisfy the State's experience requirement for development of the sustainable transportation infrastructure and transit related amenities related improvements. The AHSC Implementation Agreement allows the City to receive pass-through payments from Many Mansions, the sole applicant of the Affordable Housing and Sustainable Communities application, for the purpose of constructing sustainable transportation infrastructure and transit-related amenities improvements as described above.

City Loan Agreement

On June 1, 2021 the Oxnard City Council also authorized the Mayor to execute an Affordable Housing In-Lieu Loan Agreement and Regulatory Agreement with Many Mansions, providing gap financing in the amount of \$1,250,000 for the construction of the Central Terrace Apartments. Many Mansions subsequently also executed a Deed of Trust and Promissory note related to the \$1,250,000 City loan.

On July 24, 2020 Annual Plan was approved by the Board of Commissioners to allocate thirty-five (35) Project Based Vouchers once the project is placed in service. As part of the project-based voucher proposal, supportive services will be provided on-site in accordance with the Oxnard Housing Authority's Administrative Plan.

DISCUSSION

In December 2021 and February 2022, Many Mansions secured all remaining funding necessary for development of the Central Terrace Apartments including Low-Income Housing Tax Credit financing and Affordable Housing and Sustainable Communities funding. Total funding sources includes the following:

1. Permanent Loan
2. City of Oxnard In-Lieu Fee Funds in the amount of \$1,250,000

3. County of Ventura Community Development Block Grant – Disaster Recovery
4. Affordable Housing and Sustainable Communities
5. Affordable Housing Program from the Federal Loan Home Bank
6. Tax Credit Equity

The total estimated cost for construction of the Central Terrace Apartments is \$45,023,015. To execute the Low-Income Housing Tax Credit financing structure to construct the project, Many Mansions has formed Central Terrace LP, a California limited partnership, with Central Terrace LLC, a California Limited Liability Company as the Managing General Partner, Many Mansions, a California Nonprofit Corporation, as the sole and managing member, and Merritt Community Capital Corporation as the equity share Special Limited Partner. The project is scheduled to close on their construction financing on or before June 6, 2022 and begin construction in July/August 2022.

In order for Many Mansions to close on their construction financing under the new limited partnership, Many Mansions must execute an Assignment, Assumption, and Modification Agreement with the City in order to receive City consent on the following, as required by the City loan documents:

- 1) Assignment of its interests and obligations under the City Loan Documents to Central Terrace LP;
- 2) Transfer ownership of the property, located at 217-235 East Sixth Street in downtown Oxnard, from Many Mansions to Central Terrace LP;
- 3) The scope of work of the project;
- 4) Recordation of encumbrances on the project required in order for Many Mansions to receive financing for the project from other lenders as further summarized below; and
- 5) Modification of certain terms of the City Loan Documents as further summarized below.

Additionally, Many Mansions is also requesting to execute a Subordination Agreement with Banner Bank, a Washington corporation, the City of Oxnard, and Central Terrace LP, California limited partnership and a First Amendment to the AHSC Implementation Agreement between the City and Many Mansions as further summarized below.

Assignment, Assumption, and Modification Agreement

The Assignment, Assumption, and Modification Agreement by and between the City of Oxnard, Many Mansions, and Central Terrace LP will provide many Mansions with the required consent from the City to assign its interests and obligations under the City loan documents and transfer ownership of property where the project will be developed to Central Terrace LP. It also gives the City's consent on the scope of work of the project, which includes a four stories of residential units above a podium and ground floor space (mixed-use) development with eighty-six one-bedroom units and one two-bedroom unrestricted manager's unit, 2,375 square feet of common space, office space, restrooms, and a kitchenette. The project will include thirty-five units reserved for homeless households, with incomes at or below thirty percent of the area median income and provide on-site supportive services to tenants of the thirty-five units. These units will also receive project-based voucher assistance, through a separate agreement executed with the Oxnard Housing Authority as approved within the adopted Annual Plan and approved by the United States Department of Housing and Urban Development. The remaining fifty-two units will be reserved for households with incomes at fifty percent and sixty percent of the area median income.

The Assignment, Assumption, and Modification Agreement will also give Many Mansions consent to encumber the project with the following encumbrances:

- 1) Regulatory Agreement in connection with the issuance of tax-exempt bonds for the Project, which will be senior in priority to the City Loan Documents.

- 2) Deed(s) of trust securing the construction converting to permanent loan of tax-exempt bond proceeds to the Project in the approximate original principal amount of \$24,000,000, to be reduced to an amount not to exceed \$6,600,000 upon the conversion from the construction phase to the permanent phase, and a construction only loan in the approximate original principal amount of \$13,250,000, which will be senior in priority to the City Loan Documents.
- 3) Deed of trust securing a permanent AHSC loan from the in the approximate original principal amount of \$15,298,727, which will be senior in priority to the City Loan Documents.
- 4) Regulatory Agreement in connection with the AHSC loan, which will be senior in priority to the City Loan Documents.
- 5) Deed of trust securing a loan from County of Ventura for the development of the Project in the approximate original principal amount of \$875,000.
- 6) Regulatory agreement recorded on the Property in connection with the County Loan, which will be senior in priority to the City Loan Documents.
- 7) Deed of Trust securing a loan from Federal Home Loan Bank Affordable Housing Program funds in the approximate amount of \$870,000.

Modifications to the City Loan Agreement include the following:

1) In Section 1.7, Section 2.5, and Section 2.10 of the City Loan Agreement, "MUFG Union Bank, N.A." will be replaced with "Banner Bank".

2) In Section 5.11 of the City Loan Agreement, will be amended to state as follows:

"Lender shall subordinate the obligations of this Loan Agreement, and the attached Regulatory Agreement and Deed of Trust to be recorded on the Property, to all documents (except as noted) associated with the following loans: (i) Banner Bank construction converting to permanent loan of tax-exempt bond proceeds to the Project in the approximate original principal amount of \$24,000,000, to be reduced to the approximate principal amount of \$7,000,000 upon the conversion from the construction phase to the permanent phase; (ii) Banner Bank construction only loan in the approximate principal amount of \$13,250,000; (iii) regulatory agreements related to the County of Ventura construction and permanent loan of Community Development Block Grant Disaster Recovery funds in the approximate principal amount of \$875,000; and (iv) California Department of Housing and Community Development permanent loan of Affordable Housing and Sustainable Communities funds in the approximate principal amount of \$15,298,727. Borrower and Lender shall cooperate in the execution of such subordination agreements required to perfect such subordinations."

5) A new Section 9.19 is added to the City Loan Agreement as follows:

"9.19 ADMINISTRATION OF LOAN DOCUMENTS. Following the execution of this Loan Agreement by the City, the Loan Documents shall be administered on behalf of City by the City Manager or designee ("City Manager"). The City Manager is authorized to execute minor modifications to the Loan Documents and subordination agreements authorized in Section 5.11 of this Loan Agreement. All other waivers or amendments shall require the formal consent of the Oxnard City Council."

6) A new Exhibit G (Loan Rider) is attached to and incorporated into the City Loan Agreement, in the same form as included the Assignment, Assumption, and Modification Agreement marked as Exhibit B.

Modification to the City Promissory Note

7) Section 2.B.(1) of the City Note is amended to replace "MUFG Union Bank, N.A." with "Banner Bank".

Modification to City Regulatory Agreement.

8) Section 2 is amended to replace “MUFG Union Bank, N.A.” with “Banner Bank”.

9) Section 14 is amended to include the Developer’s address.

Subordination Agreement

Many Mansions has secured tax exempt bond financing for the development of the Central Terrace Apartments. In order to proceed with closing on this financing, a Subordination Agreement by and among Banner Bank, a Washington corporation, the City of Oxnard, and Central Terrace LP, is required so that Banner Bank can purchase the tax-exempt bonds and so that the California Municipal Finance Authority may issue the bonds. Under this agreement the City would need to subordinate the obligations under the City Loan Agreement, Regulatory Agreement and Deed of Trust to be recorded on the Property.

Amending the AHSC Implementation Agreement between Many Mansions and the City

In agreement with Many Mansions, staff proposes the following amendments, which have been reviewed and approved by the City Attorney’s Office, to the AHSC Implementation Agreement by and between Many Mansions and the City of Oxnard.

1. Modifying part of Section 5 to include:

The AHSC Loan may be assigned and disbursed to the Partnership, in which an affiliate of the Developer is the managing general partner.

2. Recital C. is amended in its entirety to read as follows:

“The AHSC Application sought an award to the Developer in an aggregate amount not to exceed \$30,000,000 in AHSC funds including a loan (the "AHSC Loan") not to exceed \$20,000,000 for an Affordable Housing Development (AHD) and a grant (the "AHSC Grant") in an amount not to exceed \$10,000,000 for Housing -Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit -Related Amenities (TRA) or Program (PGM) activities as defined the AHSC Program Guidelines adopted by SGC on February 24, 2021. The Developer was awarded a total of \$8,497,962 of AHSC Grant funds, which will be disbursed to the Developer. The Developer will transfer up to \$5,409,500 of the AHSC Grant funds to the City for the purpose of constructing certain STI Improvements and TRA Improvements, specifically the 4th Street Mobility Improvements and the Downtown Oxnard Transit Improvements, as set forth in more detail in Exhibits 2 and 3 (the "City Improvements"), attached hereto and incorporated herein by this reference.”

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

The City shall complete the City Improvements portion of the Sustainable Transit Obligations in accordance with the terms of the AHSC Grant Documents, including without limitation the Disbursement Agreement between Developer and HCD regarding the AHSC Grant funds ("Disbursement Agreement") and the approved design and construction documents and pursuant to the Schedule of Performance attached hereto as Exhibit 1 and incorporated hereby."

4. Section 5 of the Agreement is modified to read as follows:

The City and the Developer acknowledge that HCD will disburse funds in accordance with the Disbursement Agreement.

5. Section 6 of the Agreement is modified to add additional noticed parties and amended in its entirety to read as follows:

All notices, including deliveries of documentation (i.e., plans and contracts) for review and approval herein, shall be sent by a party hereto or its counsel by either personal delivery, a reputable overnight courier which keeps receipts of delivery (such as UPS, Cal Overnight, or Federal Express), or through the facilities of the United States Post Office, postage prepaid, certified or registered mail, return receipt requested. Any such notice shall be effective upon delivery, if delivered by personal delivery or overnight courier, and seventy-two (72) hours after dispatch, if mailed in accordance with the above. Notice to the respective parties shall be sent to the following addresses unless written notice of a change

of address has been given pursuant hereto:

6. Amend Section 8 to read:

Termination. This Agreement shall terminate upon the earlier of: (i) completion of all obligations under the AHSC Documents as evidenced by a written notice from HCD reasonably acceptable to the Parties and the Financing Parties (as defined below); or (ii) mutual written agreement of the Parties and the Financing Parties. "Financing Parties" shall mean the limited partner(s) of the Partnership and Banner Bank, as the first priority lender to the Partnership with a security interest in the Housing Project (and any successor and assign of such security interest) ("Senior Lender").

7. Add the following language as 10(i) of the Agreement:

The City will deliver written notice to Developer when the STI and TRA Improvement design and construction documents are completed and will deliver a copy of the STI and TRA Improvement design and construction documents to Developer. When the City advertises construction, the City will provide Developer with written notice of such action, and will deliver a copy of any and all construction contract(s) to be executed for the construction or installation of the STI and TRA Improvements to Developer at Developer's expense. Upon execution of any and all construction contract(s) for the construction or installation of the STI and TRA Improvements, the City will deliver a copy of any and all such construction contract(s) to Developer.

The Parties hereto hereby agree that if (i) the City does not complete the City Improvements in accordance with the Performance Schedule, or (ii) the City indicates that it will not be able to complete the City Improvements in accordance with the Performance Schedule, then Developer (or (a) Senior Lender or (b) any successor to Senior Lender or its nominee following a foreclosure or deed in lieu of foreclosure (collectively, "Successor Parties")) shall have the right, but not the obligation, to step in and take over the completion of the City Improvements by delivering written notice to the City ("Work Takeover Notice"). Upon delivery of the Work Takeover Notice, each of the City and Developer (or Successor Party if applicable) shall take all actions necessary and reasonably appropriate for Developer (or Successor Party if applicable) to effectuate completion of the City Improvements pursuant to HCD requirements, which actions shall include, without limitation, the assignment of any construction contracts and the granting of licenses from the City to Developer (or Successor Party if applicable).

8. Add the following language to section 11 of the Agreement:

The Parties hereby agree that Central Terrace LP, a California limited partnership, is the owner of the Housing Project (the "Partnership") shall have the right to succeed to Developer's rights hereunder. Under no circumstances shall such assumption by the Partnership be conditioned upon the assumption of the Partnership of any indemnification obligations contained herein, provided, however, that the Partnership will assume indemnification obligations that run to the benefit of the City with respect to any subsequent breach by the Partnership under this Agreement first occurring after such assumption. The Partnership's exercise of the right of assumption set forth in this section shall be evidenced by delivery of notice (the "Partnership's Assumption Notice") to the City. The Partnership's Assumption Notice shall not be delivered until Developer (or its affiliate) has been removed as the general partner of the Partnership.

The rights of the Partnership hereunder shall transfer with any transfer of the Housing Project, including following a foreclosure or deed in lieu thereof, without the consent of the City. The City acknowledges and consents to Senior Lender's collateral assignment of Partnership's rights under this Agreement as set forth in Senior Lender's security interest in the Housing Project.

The Financing Parties are intended to be and shall be third-party beneficiaries of this Agreement and the Developer and the City shall not amend, modify or terminate this Agreement without the Financing Parties' express prior written consent.

The Schedule of Performance was amended to remove a disclaimer regarding the schedule being subject to change.

STRATEGIC PRIORITIES

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.

FINANCIAL IMPACT

There is no immediate financial impact with the staff recommended actions. However, given that the AHSC Implementation Agreement requires pass-through payments to the City via a reimbursement basis, Public Works staff will return to Council to identify the funding source and recognize appropriate funds for the City to complete the Fourth Street Mobility Improvement Project and Downtown Oxnard Transit Amenities improvements on a reimbursable basis.

COMMITTEE OUTCOME

This item did not originate in the Committee, however, the entitlements for the development project was considered and approved by the Planning Commission on May 20, 2021 and the funding agreements were considered by and approved by the City Council on June 1, 2021.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Assignment, Assumption, and Modification Agreement
2. BANNER - CENTRAL TERRACE - Subordination Agreement (City of Oxnard) EB Edit 5.12.22 (1)
3. First Amendment to Implementation Agreement
4. Resolution
5. Loan Rider
6. Central Terrace June 1 2021 - Staff Report
7. PowerPoint Presentation (1)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Oxnard
Housing Department
435 South D Street
Oxnard, CA 93030
Attn: Housing Director

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTIONS 27383 &
27388.1

APN: 201-0-213-110

SPACE ABOVE FOR RECORDER'S USE ONLY

A-8264

**ASSIGNMENT, ASSUMPTION AND MODIFICATION AGREEMENT
CITY LOAN DOCUMENTS
(Central Terrace Apartments, Oxnard)**

This Assignment, Assumption and Modification Agreement (the "**Agreement**") is entered into as of May 1, 2022 (the "**Effective Date**"), by and among the CITY OF OXNARD, a California municipal corporation (the "**City**"), Many Mansions, a California Nonprofit Corporation, a California nonprofit public benefit corporation ("**Many Mansions**"), and Central Terrace LP, a California limited partnership (the "**Partnership**"). The City, Many Mansions and the Partnership are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties".

RECITALS

A. The City and Many Mansions entered into an Affordable Housing Loan Agreement, dated as of June 1, 2021 (the "**City Loan Agreement**"), to assist in the development of a 87-unit housing complex affordable to low income households (the "**Project**") on the real property located at 217-235 East Sixth Street in the City of Oxnard, County of Ventura, State of California, as more specifically described on the attached Exhibit A (the "**Property**").

B. Pursuant to the City Loan Agreement, the City will make a loan to Many Mansions in the amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "**City Loan**") to assist with the development of the Project.

C. The City Loan is evidenced by that certain Promissory Note Affordable Housing Assistance (Secured by Deed of Trust), dated as of June 1, 2021, in the original principal amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "**City Note**"), secured by that certain Deed of Trust with Assignment of Rents dated as of June 1, 2021, and recorded on July 13, 2021, as Instrument No. 20210713-00133017-0 (the "**City Deed of Trust**") in the Official Records of Ventura County (the "**Official Records**").

D. In connection with the City Loan, the City and Many Mansions entered into that certain Regulatory Agreement, dated June 1, 2021, and recorded in the Official Records on June 18, 2021, as Instrument No. 20210618-00119400-0 (the "**City Regulatory Agreement**"). The City Loan Agreement, City Note, the City Deed of Trust, and the City Regulatory Agreement are hereinafter collectively referred to as the "**City Loan Documents**."

E. Many Mansions has formed the Partnership for purposes of pursuing financing and ultimately developing and operating the Project.

F. Many Mansions now desires to assign its interests and obligations under the City Loan Documents to the Partnership and the Partnership desires to assume Many Mansions' interests and obligations under the City Loan Documents

G. The assignment of Many Mansions' interests and obligations under the City Loan Documents to the Partnership is a transfer which requires the City's consent under Section 9.13 of the City Loan Agreement.

H. In connection with the development of the Property, Many Mansions now desires to transfer the Property to the Partnership and the Partnership desires to acquire the Property.

I. The transfer of the Property by Many Mansions to the Partnership requires the City's consent under Section 5.12 of the City Loan Agreement.

J. The Partnership is closing on the financing for the development of the Project and in connection therewith, the Parties desire to modify certain terms of the City Loan Documents.

K. The encumbrance of the Property in connection with the financing for the Project requires the City's consent under Section 5.10 of the City Loan Agreement.

L. Capitalized terms not defined in this Agreement shall have the meanings set forth in the City Loan Agreement.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the Parties and other valuable consideration, the receipt and sufficiency of which consideration are acknowledged, the Parties agree as follows:

1. Assignment by Many Mansions. As of the Effective Date, Many Mansions assigns to the Partnership all of Many Mansions' right, title, and interest in and obligations under the City Loan Documents, and Many Mansions is released from all obligations under the City Loan Documents that accrue on or after the Effective Date.

2. Acceptance of Assignment and Assumption by the Partnership. As of the Effective Date, the Partnership accepts the above assignment of Many Mansions' right, title and interest in and assumes all obligations under the City Loan Documents, and agrees to perform all of Many Mansions' obligations and covenants under the City Loan Documents as if the Partnership were the original signatory thereto and agrees that as of the Effective Date the Partnership shall be deemed a party to the City Loan Documents. All references in the City Loan Documents to the "Borrower" and the "Developer" shall be deemed to be references to the Partnership and its permitted successors and/or assigns. The City agrees that in no event shall Partnership be liable for any claims, default, breach or damage arising under the City Loan Documents prior to the effective date of this Agreement.

3. Representations.

(a) The Partnership represents and warrants that it is a duly formed, validly existing limited partnership in good standing under the laws of the State of California, and has the power and authority to execute this Agreement and perform Many Mansions' obligations under the City Loan Documents.

(b) Many Mansions represents and warrants that it has not previously assigned, pledged, hypothecated or otherwise transferred any of its right, title, or interest in or obligations under the City Loan Documents.

(c) Many Mansions represents and warrants that it is not in default in any respect under any terms of the City Loan Documents

(d) To the actual knowledge of the City, no event has occurred or does any condition exists which, with the giving of notice or the lapse of time or both, would constitute a default by Many Mansions under the City Loan Documents.

(e) The City represents and warrants to the Partnership that the City is not in default under the City Loan Documents.

(f) To the actual knowledge of Many Mansions, no event has occurred or does any condition exists which, with the giving of notice or the lapse of time or both, would constitute a default by the City under the City Loan Documents.

4. City Consents.

(a) Pursuant to Section 4.1 of the City Loan Agreement, the City hereby approves the scope of work described in construction contract and plans and specifications received by the City as of the date that this Agreement is recorded

(b) Pursuant to Section 5.10 of the City Loan Agreement, the City consents to the recordation of the following encumbrances on the Property:

i. Regulatory Agreement in connection with the issuance of tax-exempt bonds for the Project, which will be senior in priority to the City Loan Documents.

ii. Deed(s) of trust securing the construction converting to permanent loan of tax-exempt bond proceeds to the Project in the approximate original principal amount of \$24,000,000, to be reduced to an amount not to exceed \$6,600,000 upon the conversion from the construction phase to the permanent phase, and a construction only loan in the approximate original principal amount of \$13,250,000, which will be senior in priority to the City Loan Documents.

iii. Deed of trust securing a permanent loan from the California Department of Housing and Community Development ("**HCD**") for the Project in the approximate original principal amount of \$15,298,727 (the "**HCD Loan**"), which will be senior in priority to the City Loan Documents.

iv. Regulatory Agreement in connection with the HCD Loan, which will be senior in priority to the City Loan Documents.

v. Deed of trust securing a loan from County of Ventura for the Project in the approximate original principal amount of \$875,000 (the "**County Loan**").

vi. Regulatory agreement recorded on the Property in connection with the County Loan, which will be senior in priority to the City Loan Documents.

vii. Deed of Trust securing a loan from Federal Home Loan Bank Affordable Housing Program funds in the approximate amount of \$870,000.

(c) Pursuant to Section 5.12 of the City Loan Agreement, the City consents to the transfer of the Property from Many Mansions to the Partnership.

(d) Pursuant to Section 9.13 of the City Loan Agreement, the City consents to the assignment of the City Loan Documents from Many Mansions to the Partnership and the assumption of the City Loan Documents by the Partnership.

5. Modification of the City Loan Agreement. The City Loan Agreement is hereby modified as follows:

(a) In Section 1.7 of the City Loan Agreement, replace "MUFG Union Bank, N.A." with "Banner Bank".

(b) In Section 2.5 of the City Loan Agreement, replace "MUFG Union Bank, N.A." with "Banner Bank".

(c) In Section 2.10 of the City Loan Agreement, replace "MUFG Union Bank, N.A." with "Banner Bank".

(d) Section 5.11 of the City Loan Agreement, is amended to state as follows:

"Lender shall subordinate the obligations of this Loan Agreement, and the attached Regulatory Agreement and Deed of Trust to be recorded on the Property, to all documents (except as noted) associated with the following loans: (i) Banner Bank construction converting to permanent loan of tax-exempt bond proceeds to the Project in the approximate original principal amount of \$24,000,000, to be reduced to the approximate principal amount of \$7,000,000 upon the conversion from the construction phase to the permanent phase; (ii) Banner Bank construction only loan in the approximate principal amount of \$13,250,000; (iii) regulatory agreements related to the County of Ventura construction and permanent loan of Community Development Block Grant Disaster Recovery (CDBG-DR) funds in the approximate principal amount of \$875,000; and (iv) California Department of Housing and Community Development permanent loan of Affordable Housing and Sustainable Communities (AHSC) funds in the approximate principal amount of \$15,298,727. Borrower and Lender shall cooperate in the execution of such subordination agreements required to perfect such subordinations."

(e) A new Section 9.19 is added to the City Loan Agreement as follows:

"9.19 ADMINISTRATION OF LOAN DOCUMENTS. Following the execution of this Loan Agreement by the City, the Loan Documents shall be administered on behalf of City by the City Manager or designee ("City Manager"). The City Manager is authorized to execute minor modifications to the Loan Documents and subordination agreements authorized in Section 5.11 of this Loan Agreement. All other waivers or amendments shall require the formal consent of the Oxnard City Council."

(f) A new Exhibit G is hereby attached to and incorporated into the City Loan Agreement, in the form attached hereto as Exhibit B.

6. Modification to the City Note. Section 2.B.(1) of the City Note is hereby amended to replace "MUFG Union Bank, N.A." with "Banner Bank".

7. Modification to City Regulatory Agreement. The City Regulatory Agreement is hereby modified as follows:

(a) Section 2 is hereby amended to replace "MUFG Union Bank, N.A." with "Banner Bank".

(b) Section 14 is amended to include the following address for the Developer:

"Central Terrace LP
1259 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
Attention: President"

8. Effective Date. This Agreement and the assignment, assumption, and modifications described in this Agreement shall be effective as of the Effective Date.

9. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the Parties.

10. Invalidity. Any provision of this Agreement which is determined by a court to be invalid or unenforceable shall be deemed severed here from, and the remaining provisions shall remain in full force and effect as if the invalid or unenforceable provision had not been a part of this Agreement.

11. Headings. The headings used in this Agreement are for convenience only and shall be disregarded in interpreting the substantive provisions of this Agreement.

12. California Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

13. Counterparts. This Agreement may be signed by the different Parties in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

MANY MANSIONS: MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION, a California nonprofit public benefit corporation

By: _____
Rick Schroeder, President

PARTNERSHIP: CENTRAL TERRACE LP, a California limited partnership

By: Central Terrace LLC, a California limited liability company, its general partner

By: Many Mansions, a California Nonprofit Corporation, a California nonprofit public benefit corporation, its sole member and manager

By: _____
Rick Schroeder, President

CITY: THE CITY OF OXNARD,
a California municipal corporation

By: _____
Alexander Nguyen, City Manager

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

[Signatures Must Be Notarized]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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.

Name: _____
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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.

Name: _____
Notary Public

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STATE OF CALIFORNIA)
)
COUNTY OF _____)

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.

Name: _____
Notary Public

EXHIBIT A

PROPERTY DESCRIPTION

All that certain real property situated in the County of Ventura, State of California, described as follows:

LOTS 7, 8, 9, 10 AND 11 IN BLOCK A OF THE RICE TRACT, IN THE CITY OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1A PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 201-0-213-110

EXHIBIT B

EXHIBIT G TO AFFORDABLE HOUSING LOAN AGREEMENT

LOAN RIDER

(City Loan)

This Deed of Trust Rider (the “**Rider**”) is attached to and made a part of the Affordable Housing Loan Agreement made on June 1, 2021 (the “**Loan Agreement**”), as assigned pursuant to the Assignment, Assumption and Modification Agreement entered into as of _____, 2022, between Central Terrace LP, a California limited partnership (“**Borrower**”) and City of Oxnard, a municipal corporation (“**Lender**”), and is for the benefit of MCC Housing LLC, a California limited liability company, and its successors and assigns (the “**Limited Partner**”), the limited partner of Borrower under the First Amended and Restated Agreement of Limited Partnership of Borrower dated May 1, 2022 (the “**Partnership Agreement**”). The Loan Agreement evidences a loan in the original principal amount of \$1,250,000 to Borrower (the “**Loan**”) and is secured by a Deed of Trust encumbering certain real property and improvements thereon consisting of a housing project for low-income households, located in the County in which the Deed of Trust will be recorded (the “**Project**”). Capitalized terms not defined herein shall have the meanings given to them in the Loan Agreement.

The parties hereto agree that the following covenants, terms, and conditions shall be part of and shall modify or supplement the Loan Documents:

1. Nonrecourse Obligation. The Loan is a nonrecourse obligation of Borrower. Neither Borrower nor its general or limited partner, nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.

2. General Partner Change. The withdrawal, removal, and/or replacement of a general partner of the Borrower pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness.

3. Assignment of Limited Partner Interests. Notwithstanding anything to the contrary contained in the Loan Documents, all or a portion of the interests of Borrower’s Limited Partner shall be transferable to any affiliate of Merritt Community Capital Corporation (“**Merritt**”), without the consent of the Lender. The interest the Limited Partner shall be transferable to a non-affiliate of Merritt with the consent of the Lender, which consent shall not be unreasonably withheld.

4. Monetary Default. If a monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Lender shall give the Limited Partner of the Borrower, as identified in Paragraph 7 below or as identified to Lender by written notice, simultaneous written notice of such default. Borrower shall have a period of seven (7)

days after such notice is given within which to cure the default prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents.

5. Non-Monetary Default. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Lender shall give Borrower and the Limited Partner of the Borrower, as identified in Paragraph 6 below or as identified to Lender by written notice, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period to effect a cure prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Borrower (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender. If Borrower fails to take corrective action or to cure the default within a reasonable time, Lender shall give Borrower and the Limited Partner of the Borrower, as identified in Paragraph 7 below or as identified to Lender by written notice, written notice thereof, whereupon Limited Partner may remove and replace the General Partner with a substitute general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall Lender be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

6. Notices. Lender shall give Limited Partner written notice of any default under the Loan Documents, and the cure periods contained in Paragraphs 5 and 6 above shall commence on the effective date of any such notice, at the following address:

Limited Partner: MCC Housing LLC
 c/o Merritt Community Capital Corporation
 1970 Broadway, Suite 250
 Oakland, CA 94612
 Attention: President & CEO
 Facsimile: (510) 444-7874

With a copy to: Carle, Mackie, Power & Ross LLP
 100 B Street, Suite 400
 Santa Rosa, California 95401
 Attention: Henry Loh II
 Facsimile: (707) 526-4707

Any cure periods available to the Limited Partner, either as specified in the Loan Documents or in this Rider, shall commence upon the date of any such notice to the Limited Partner.

7. Casualty, Condemnation, Etc. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part

thereof, Borrower shall have the right to rebuild the Project, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Lender for repayment of the Loan or if such proceeds are insufficient then Borrower shall have funded any deficiency, (b) Lender shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the Loan Documents. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Lender for repayment of the remaining balance of the Loan.

8. Lender Approvals, Etc. In any approval, consent, or other determination by Lender required under any of the Loan Documents, Lender shall act reasonably and in good faith.

9. Force Majeure. There shall be no default for construction delays beyond the reasonable control of Borrower, provided that such delays do not exceed one hundred eighty (180) days, or such longer period of time as may be specified in the Loan Documents.

10. Purchase Rights. The execution and delivery of the purchase option and right of first refusal agreement described in the Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Loan thereunder. Any requisite consent of Lender to (a) the exercise of said purchase option and right of first refusal agreement by the project general partner or sponsor or its assignee, as applicable, identified therein, and to (b) the assumption without penalty of loan obligations by the project general partner or sponsor or its assignee, as applicable, and the release of Borrower from such obligations, shall not be unreasonably withheld. Subject to any such consent requirement, the exercise of rights under such agreement shall not constitute a default or accelerate maturity of the Loan.

11. Loan Assumption. If the purchase option and right of first refusal agreement described in the Partnership Agreement is not exercised and the Project is sold subject to low income housing use restrictions as contained in an existing regulatory agreement or other recorded covenant, any requisite consent of Lender to said sale, and to the assumption without penalty of loan obligations by the purchaser and the release of Borrower from such obligations, shall not be unreasonably withheld.

12. Take-Out Loan. Lender acknowledges that any loan to which Lender has subordinated any of the Loan Documents (the “**Senior Indebtedness**”) may not be fully amortizing and may have an outstanding balance at its maturity date. Lender hereby approves of and agrees to subordinate to any new loan (a “**Take-Out Loan**”) issued for the purpose of refinancing the Senior Indebtedness at its maturity date, provided the Take-Out Loan bears interest at a commercially reasonable rate for a term that will be no less than co-terminus with the loan secured by this Deed of Trust, and the amount of the Take-Out Loan does not exceed the outstanding principal amount, plus accrued interest, of the Senior Indebtedness.

13. Extended Use Agreement. Lender acknowledges that Borrower and the California Tax Credit Allocation Committee have or intend to enter into, or concurrently with the execution and delivery of the Loan Documents are entering into, an “**Extended Use Agreement**”, which constitutes the extended low-income housing commitment described in

Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the “**Code**”). Lender acknowledges and agrees that, in the event of a foreclosure of its interest under the Mortgage or delivery by the Borrower of a deed in lieu thereof (collectively, a “**Foreclosure**”), the following rule contained in Section 42(h)(6)(E)(ii) of the Code 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 Extended Use Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants’ ineligibility pursuant to Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

14. Prohibition of Sale. Lender shall neither (a) sell, assign, transfer, or convey any such indebtedness (or any interest therein) to Fannie Mae or Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) nor (b) include such indebtedness (or any interest therein) in a pool of loans to be sold, assigned, transferred, or conveyed to Fannie Mae or Freddie Mac, without the Borrower’s prior written consent and obtaining a waiver from Fannie Mae and Freddie Mac as applicable.

15. Inconsistency. In the event of any inconsistency or conflict between the covenants, terms, and conditions of any of the Loan Documents and this Rider, the covenants, terms and conditions of this Rider shall prevail.

16. Survival. Except to the extent expressly modified, supplemented, or amended in this Rider, the Loan Documents remain in full force and effect.

WHEN RECORDED MAIL TO:

Banner Bank
5930 Granite Lake Drive, Suite 170
Granite Bay, CA 95746
Attention: Sandy Bowen
Loan No. 14014073 and 14014075

Space above this line reserved for recorder's use

SUBORDINATION AGREEMENT (CITY OF OXNARD)

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN CERTAIN INTERESTS IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT ("**Agreement**") is entered into this ____ day of _____, 2022, by and among (i) **BANNER BANK**, a Washington corporation, as agent for the **CALIFORNIA MUNICIPAL FINANCE AUTHORITY**, a joint exercise of powers agency existing under the laws of the State of California ("**Issuer**"), pursuant to that certain Master Agency Agreement ("**Master Agency Agreement**"), dated as of _____, 2022, by and between the Senior Mortgagee and Issuer (in such capacity, "**Bond Lender**"), and as swap counterparty under the Senior Loan Documents ("**Swap Counterparty**"; and together with Bond Lender and their successors and assigns and any subsequent holder of the Senior Mortgage, "**Senior Mortgagee**"), (ii) the **CITY OF OXNARD**, a municipal corporation organized and existing under the law of the State of California ("**Subordinate Mortgagee**"), and (iii) **CENTRAL TERRACE LP**, a California limited partnership ("**Borrower**").

RECITALS

A. Borrower is the owner of certain land located in Ventura County, California, described in Exhibit A attached hereto ("**Land**"). The Land is or will be improved with a multifamily rental housing project (the "**Improvements**"). The Land and the Improvement now or hereafter located thereon shall be referred to herein, collectively, as the "**Project**".

B. Pursuant to that certain Master Pledge and Assignment ("**Master Pledge**") dated as of _____, 2022, by and among Issuer, Bond Lender, and Banner Bank, a Washington corporation, in its capacity as the initial purchaser of the Bonds (in such capacity, "**Holder**"), Issuer has issued (i) its California Municipal Finance Authority Multifamily Housing Revenue Bonds (Central Terrace Apartments) 2022 Series A-1 in the amount of \$23,288,038 (the "**Tax-Exempt Bonds**"), and (ii) its California Municipal Finance Authority Multifamily Housing Revenue Bonds (Central Terrace Apartments) 2022 Series A-2 (Taxable) in the amount of [\$14,191,071] (the "**Taxable Bonds**"; and together with the Tax-Exempt Bonds, the "**Bonds**"). Holder has agreed to purchase the Bonds, and Issuer will use the proceeds from the

sale of the Bonds to fund (i) a construction converting to permanent loan to Borrower in the amount of \$23,288,038 (the “**Senior Tax-Exempt Loan**”), and (ii) a construction loan to Borrower in the amount of [\$14,191,071] (the “**Senior Taxable Loan**”; and together with the Senior Tax-Exempt Loan, the “**Senior Loan**”). The Senior Loan is made pursuant to that certain Construction and Term Loan Agreement, dated as of even date herewith, by and between Senior Mortgagee and Borrower (the “**Senior Loan Agreement**”), evidenced by (i) that certain Promissory Note (Tax-Exempt) dated as of even date herewith, made by Borrower in favor of Bond Lender (the “**Senior Tax-Exempt Note**”) in the face amount of \$23,288,038, and (ii) that certain Promissory Note (Taxable) dated as of even date herewith, made by Borrower in favor of Bond Lender (the “**Senior Taxable Note**”; and together with the Senior Tax-Exempt Note, the “**Senior Note**”) in the face amount of [\$14,191,071], and secured by that certain Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “**Senior Mortgage**”), dated as of even date herewith, by Borrower for the benefit of Senior Mortgagee, encumbering the Land, the Improvements and the related personal property and other property described and defined in the Senior Mortgage as the “Property” (the “**Mortgaged Property**”), and recorded substantially concurrently herewith in the Official Records of Ventura County, California (the “**Official Records**”). As security for the repayment of the principal and interest owing on the Bonds, Bond Lender has assigned to Holder all of its right, title and interest in, to and under the Senior Loan Documents. All capitalized terms used herein and not otherwise defined in this Agreement, will have the meanings given to those terms in the Senior Loan Agreement.

C. Pursuant to that certain Affordable Housing Loan Agreement (Central Terrace Apartments) dated as of June 1, 2021, between Subordinate Mortgagee and Borrower's predecessor-in-interest (“**Subordinate Loan Agreement**”), Subordinate Mortgagee has made or is making a loan to Borrower in the original principal amount of \$1,250,000 (“**Subordinate Loan**”). The Subordinate Loan is evidenced by that certain Promissory Note Affordable Housing Assistance (Secured by Deed of Trust) dated as of June 1, 2021, made by Borrower's predecessor-in-interest in favor of Subordinate Mortgagee in the face principal amount of \$1,250,000 (the “**Subordinate Note**”), and secured by that certain Deed of Trust with Assignment of Rents dated as of June 1, 2021, made by Borrower's predecessor-in-interest for the benefit of Subordinate Mortgagee and recorded in the Official Records on July 13, 2021, as Instrument No. 20210713-0013317-0 (“**Subordinate Mortgage**”). In connection with the Subordinate Loan, Borrower's predecessor-in-interest and Subordinate Mortgagee have also executed that certain Regulatory Agreement (City of Oxnard) dated as of June 1, 2021, and recorded in the Official Records on June 18, 2021, as Instrument No. 20210618-00119400-0 (the “**Regulatory Agreement**”). The Borrower's predecessor-in-interest, the Borrower and the Subordinate Mortgagee have entered into that certain Assignment, Assumption and Modification Agreement, dated as of [May 1], 2022 (“**Modification Agreement**”) pursuant to which the Borrower's predecessor in-interest's interests, rights, duties and liabilities under the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage and the Regulatory Agreement (collectively, and as modified by the Modification Agreement, “**Subordinate Loan Documents**”) have been assigned to the Borrower and pursuant to which certain provisions of the Subordinate Loan Documents have been modified

D. The execution and delivery of this Agreement is a condition precedent to Holder purchasing the Bonds and the Issuer making the Loan, as applicable.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Definitions.** The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings:

(a) **“Bankruptcy Proceeding”** means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(b) **“Borrower”** means all persons or entities identified as “Borrower” in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Mortgaged Property after the date of this Agreement; provided that the term “Borrower” will not include Senior Mortgagee if Senior Mortgagee acquire titles to the Mortgaged Property.

(c) **“Casualty”** means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.

(d) **“Condemnation”** means the Project or any part thereof is taken by condemnation or eminent domain or by grant of the Mortgaged Property in lieu thereof.

(e) **“Enforcement Action”** means any of the following actions taken by or at the direction of Subordinate Mortgagee: the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee’s sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker’s lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

(f) **“Enforcement Action Notice”** means a written notice from Subordinate Mortgagee to Senior Mortgagee, given following one or more Subordinate Mortgage Default(s) and the expiration of any notice or cure periods provided for such Subordinate Mortgage Default(s) in the Subordinate Loan Documents, setting forth in reasonable detail the Subordinate Mortgage Default(s) and the Enforcement Actions proposed to be taken by Subordinate Mortgagee.

(g) **“Impositions”** means (i) all general and specific real property taxes and assessments imposed on the Mortgaged Property; (ii) all other taxes and assessments and charges of every kind that are assessed upon the Mortgaged Property (or upon the owner and/or operator of the Mortgaged Property) and that create or may create a lien upon the Mortgaged Property (or upon any personal property or fixtures used in connection with the Mortgaged Property), including without limitation nongovernmental levies and assessments pursuant to applicable covenants, conditions or restrictions; and (iii) all license fees, taxes and assessments imposed on any mortgagee (other than such mortgagee’s income or franchise taxes) which are measured by or based upon (in whole or in part) the amount of the obligations secured by the Mortgaged Property.

(h) **“Leases”** means, collectively, all leases of the Mortgaged Property or any portion thereof, all licenses and agreements relating to the management, leasing or operation of the Mortgaged Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Mortgaged Property or any portion thereof.

(i) **“Loss Proceeds”** means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

(j) **“Notice”** is defined in Section 6(d).

(k) **“Regulatory Agreement”** has the meaning ascribed thereto in Recital C, above.

(l) **“Rents”** shall have the meaning set forth in the Senior Mortgage.

(m) **“Senior Indebtedness”** means Senior Loan.

(n) **“Senior Loan Agreement”** has the meaning ascribed thereto in Recital B, above.

(o) **“Senior Loan Documents”** means, the Senior Loan Agreement, the Senior Note, the Senior Mortgage and all other “Loan Documents” described in the Senior Loan Agreement.

(p) **“Senior Mortgage”** has the meaning ascribed thereto in Recital B, above.

(q) **“Senior Mortgage Default”** means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of Notice or the passage of time, or both, would constitute, a “Default” or an “Event of Default” as defined in the Senior Loan Agreement.

(r) **“Senior Mortgagee”** has the meaning ascribed thereto in the preamble to this Agreement.

(s) **“Senior Note”** has the meaning ascribed thereto in Recital B, above, as may be amended from time to time.

(t) **“Subordinate Indebtedness”** means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Mortgagee pursuant to, the Subordinate Loan Documents.

(u) **“Subordinate Loan Documents”** means the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage, the Regulatory Agreement, any UCC-1 financing statement filed for the benefit of the Subordinate Mortgagee in connection with the Subordinate Loan, and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as the same have been modified by the Modification Agreement and as may be further amended.

(v) **“Subordinate Mortgage Default”** means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of Notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Mortgagee to take an Enforcement Action.

(w) **“Subordinate Mortgagee”** means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.

(x) **“Subordinate Note”** has the meaning ascribed thereto in Recital C, above.

(y) **“Surplus Cash”** means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all of the following:

(i) All sums due or currently required to be paid under the Senior Loan Documents, including any Imposition deposits.

(ii) All deposits to any replacement reserve, completion/repair reserve or other reserve or escrow required by the Senior Loan Documents that are due or currently payable.

(iii) All reasonable operating expenses of the Mortgaged Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees payable with respect to the Mortgaged Property).

2. Subordination of Subordinate Indebtedness.

(a) The Subordinate Indebtedness is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness.

(b) Until the occurrence of a Senior Mortgage Default, Subordinate Mortgagee will be entitled to retain for its own account all payments made on account of the principal of and interest on the Subordinate Indebtedness in accordance with the requirements of the Subordinate Loan Documents; provided no such payment is made more than 10 days in

advance of its due date and provided further that no such payment exceeds 75% of then available Surplus Cash. However, immediately upon Subordinate Mortgagee's receipt of Notice or actual knowledge of a Senior Mortgage Default, Subordinate Mortgagee will not accept any payments on account of the Subordinate Indebtedness, and the provisions of Section 2(c) of this Agreement will apply. Subordinate Mortgagee acknowledges that a Subordinate Mortgage Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Mortgage Default, Subordinate Mortgagee will be deemed to have actual knowledge of a Senior Mortgage Default.

(c) If (i) Subordinate Mortgagee receives any payment, property, or asset of any kind or in any form on account of the Subordinate Indebtedness (including any proceeds from any Enforcement Action) after a Senior Mortgage Default of which Subordinate Mortgagee has actual knowledge (or is deemed to have actual knowledge as provided in 2(b) above) or has been given Notice, or (ii) Subordinate Mortgagee receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Mortgagee. Subordinate Mortgagee will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Mortgagee. Senior Mortgagee will apply any payment, asset, or property so received from Subordinate Mortgagee to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Mortgagee determines in its sole and absolute discretion.

(d) Without limiting the complete subordination of the Subordinate Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness will first be paid in full in cash before Subordinate Mortgagee will be entitled to receive any payment or other distribution on account of or in respect of the Subordinate Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which Subordinate Mortgagee would be entitled but for this Agreement (whether in cash, property, or other assets) will be made to Senior Mortgagee.

(e) The subordination of the Subordinate Indebtedness will continue if any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, any or all of the Senior Indebtedness originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.

(f) In addition to the limitations set forth above, Subordinate Mortgagee agrees that the Subordinate Indebtedness will be payable solely from not more than 75% of Surplus Cash while the Senior Indebtedness remains outstanding.

3. Subordination of Subordinate Loan Documents.

(a) Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents. Subordinate Mortgagee intentionally and unconditionally subordinates the lien or charge of the Subordinate Loan Documents in favor of the lien or charge upon the Mortgaged Property of the Senior Mortgage and the other Senior Loan Documents, and understands that in reliance upon and in consideration of this subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this subordination.

(b) The subordination of the Subordinate Loan Documents and of the Subordinate Indebtedness will apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of each of the Senior Loan Documents and of each of the Subordinate Loan Documents, (ii) the availability of any collateral to Senior Mortgagee, including the availability of any collateral other than the Mortgaged Property, and (iii) the amendment and restatement of the Senior Note and the Senior Mortgage at Conversion.

(c) By reason of, and without in any way limiting, the full subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, all rights and claims of Subordinate Mortgagee under the Subordinate Loan Documents in or to all or any portion of the Mortgaged Property are expressly subject and subordinate in all respects to the rights and claims of Senior Mortgagee under the Senior Loan Documents in or to the Mortgaged Property.

(d) If Subordinate Mortgagee, by indemnification, subrogation or otherwise, acquires any lien, estate, right or other interest in any of the Mortgaged Property, then that lien, estate, right or other interest will be fully subject and subordinate to the receipt by Senior Mortgagee of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.

4. Additional Representations and Covenants.

(a) Subordinate Mortgagee represents and warrants that each of the following is true:

(i) Subordinate Mortgagee is now the owner and holder of the Subordinate Loan Documents.

(ii) The Subordinate Loan Documents are now in full force and effect.

(iii) The Subordinate Loan Documents have not been modified or amended.

(iv) No Subordinate Mortgage Default has occurred.

(v) The current unpaid principal balance of the Subordinate Indebtedness is \$_____.

(vi) No scheduled monthly payments under the Subordinate Note have been or will be prepaid.

(vii) None of the rights of Subordinate Mortgagee under any of the Subordinate Loan Documents are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise.

(b) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not do any of the following:

(i) Amend, modify, waive, extend, renew, or replace any provision of any of the Subordinate Loan Documents.

(ii) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.

(iii) Accept any payment on account of the Subordinate Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than ten (10) days prior to its due date, or as expressly authorized in Section 4(i) below and not in excess of seventy-five percent (75%) of then available Surplus Cash.

(iv) Take any action which has the effect of increasing the Subordinate Indebtedness.

(v) Appear in, defend or bring any action to protect Subordinate Mortgagee's interest in the Mortgaged Property.

(vi) Take any action concerning environmental matters affecting the Mortgaged Property.

(c) Subordinate Mortgagee will deliver to Senior Mortgagee a copy of each Notice received or delivered by Subordinate Mortgagee pursuant to the Subordinate Loan Documents or in connection with the Subordinate Indebtedness, simultaneously with Subordinate Mortgagee's delivery or receipt of such Notice. Senior Mortgagee will deliver to Subordinate Mortgagee in the manner required in Section 5(b) a copy of each Notice of a Senior Mortgage Default delivered to Borrower by Senior Mortgagee. Neither giving nor failing to give a Notice to Senior Mortgagee or Subordinate Mortgagee pursuant to this Section 4(c) will affect the validity of any Notice given by Senior Mortgagee or Subordinate Mortgagee to Borrower, as between Borrower and such of Senior Mortgagee or Subordinate Mortgagee as provided the Notice to Borrower.

(d) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Mortgagee will

not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Mortgagee has also voted affirmatively in favor of such plan. In the event of any Bankruptcy Proceeding, Subordinate Mortgagee will not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.

(e) Whenever the Subordinate Loan Documents give Subordinate Mortgagee approval or consent rights with respect to any matter, and a right of approval or consent with regard to the same or substantially the same matter is also granted to Senior Mortgagee pursuant to the Senior Loan Documents or otherwise, Senior Mortgagee's approval or consent or failure to approve or consent, as the case may be, will be binding on Subordinate Mortgagee. None of the other provisions of this Section 4 are intended to be in any way in limitation of the provisions of this Section 4(e).

(f) All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Mortgagee. All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Mortgagee. Nothing in this Section 4(f) will preclude Subordinate Mortgagee from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Mortgagee be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.

(g) In the event of a Condemnation or a Casualty, all of the following provisions will apply:

(i) The rights of Subordinate Mortgagee (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, will be and remain subordinate in all respects to Senior Mortgagee's rights under the Senior Loan Documents with respect thereto, and Subordinate Mortgagee will be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by Senior Mortgagee.

(ii) All Loss Proceeds will be applied either to payment of the costs and expenses of restoration or to payment on account of the Senior Indebtedness, as and in the manner determined by Senior Mortgagee in its sole discretion.

(iii) If Senior Mortgagee applies or releases Loss Proceeds for the purposes of restoration of the Mortgaged Property, then Subordinate Mortgagee will release for such purpose all of its right, title and interest, if any, in and to such Loss Proceeds. If Senior Mortgagee holds Loss Proceeds, or monitors the disbursement thereof, Subordinate Mortgagee will not do so. Nothing contained in this Agreement will be deemed to require Senior Mortgagee

to act for or on behalf of Subordinate Mortgagee in connection with any restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Mortgagee, and all or any Loss Proceeds may be commingled with any funds of Senior Mortgagee.

(iv) If Senior Mortgagee elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by Senior Mortgagee will be paid to Subordinate Mortgagee unless another party has asserted a claim to the remaining Loss Proceeds.

(h) Subordinate Mortgagee will enter into attornment and non-disturbance agreements with all tenants under commercial or retail Leases, if any, to whom Senior Mortgagee has granted attornment and non-disturbance, on the same terms and conditions given by Senior Mortgagee.

(i) Except as provided in this Section 4(i), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Mortgagee will not collect payments for the purpose of escrowing for any cost or expense related to the Mortgaged Property or for any portion of the Subordinate Indebtedness. However, if Senior Mortgagee is not collecting escrow payments for one or more Impositions, Subordinate Mortgagee may collect escrow payments for such Impositions; provided that all payments so collected by Subordinate Mortgagee will be held in trust by Subordinate Mortgagee to be applied only to the payment of such Impositions.

(j) Within 10 days after request by Senior Mortgagee, Subordinate Mortgagee will furnish Senior Mortgagee with a statement, duly acknowledged and certified setting forth the then-current amount and terms of the Subordinate Indebtedness, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Indebtedness as Senior Mortgagee may request.

(k) Senior Mortgagee may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Mortgagee, and without affecting any of the provisions of this Agreement.

5. Default Under Loan Documents.

(a) For a period of 90 days following delivery to Senior Mortgagee of an Enforcement Action Notice, Senior Mortgagee will have the right, but not the obligation, to cure any Subordinate Mortgage Default, provided that if such Subordinate Mortgage Default is a non-monetary default and is not capable of being cured within such 90-day period and Senior Mortgagee has commenced and is diligently pursuing such cure to completion, Senior Mortgagee will have such additional period of time as may be required to cure such Subordinate Mortgage Default or until such time, if ever, as Senior Mortgagee (i) discontinues its pursuit of any cure and/or (ii) delivers to Subordinate Mortgagee Senior Mortgagee's written consent to the Enforcement Action described in the Enforcement Action Notice. Senior Mortgagee will not be

subrogated to the rights of Subordinate Mortgagee under the Subordinate Loan Documents by reason of Senior Mortgagee having cured any Subordinate Mortgage Default. However, Subordinate Mortgagee acknowledges that all amounts advanced or expended by Senior Mortgagee in accordance with the Senior Loan Documents or to cure a Subordinate Mortgage Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Mortgage.

(b) Senior Mortgagee shall not complete a foreclosure sale of the Mortgaged Property or record a deed-in-lieu of foreclosure with respect to the Mortgaged Property (each, a “**Foreclosure Remedy**”) unless Subordinate Mortgagee has first been given thirty (30) days written notice of the Senior Mortgage Default giving Senior Mortgagee the right to complete such Foreclosure Remedy, and unless Subordinate Mortgagee has failed, within such thirty (30) day period, to cure such Event(s) of Default; provided, however, that Senior Mortgagee shall be entitled during such thirty (30) day period to continue to pursue all of its rights and remedies under the Senior Loan Documents, including, but not limited to, acceleration of the Senior Loan, commencement and pursuit of a judicial or non-judicial foreclosure (but not completion of the foreclosure sale), appointment of a receiver, enforcement of any guaranty, and/or enforcement of any other Senior Loan Document. In the event Senior Mortgagee has accelerated the Senior Loan and Subordinate Mortgagee cures all Events of Default giving rise to such acceleration within the thirty (30) day cure period described above, such cure shall have the effect of de-accelerating the Senior Loan; provided, however, that such de-acceleration shall not waive or limit any of Senior Mortgagee’s rights to accelerate the Senior Loan or exercise any other remedies under the Senior Loan Documents as to any future or continuing Event(s) of Default. It is the express intent of the parties hereunder that Senior Mortgagee shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Subordinate Mortgagee for failure to provide timely notice to Subordinate Mortgagee required hereunder, and that Senior Mortgagee’s liability hereunder shall be expressly limited to actual damages to Subordinate Mortgagee directly caused by Senior Mortgagee’s completion of a Foreclosure Remedy without Subordinate Mortgagee receiving the notice and opportunity to cure described above. Senior Mortgagee shall give Subordinate Mortgagee any required notice described above at the address set forth below in Section 6(g).

Subordinate Mortgagee will not be subrogated to the rights of Senior Mortgagee under the Senior Loan Documents by reason of Subordinate Mortgagee having cured any Senior Mortgage Default. However, Senior Mortgagee acknowledges that all amounts paid by Subordinate Mortgagee to Senior Mortgagee to cure a Senior Mortgage Default will be deemed to have been advanced by Subordinate Mortgagee pursuant to, and will be secured by the lien of, the Subordinate Mortgage. Notwithstanding anything in this Section 5(b) to the contrary, Subordinate Mortgagee’s right to cure any Senior Mortgage Default will terminate immediately upon the occurrence of any Bankruptcy Proceeding.

(c) In the event of a Subordinate Mortgage Default, Subordinate Mortgagee will not commence any Enforcement Action until 90 days after Subordinate Mortgagee has delivered to Senior Mortgagee an Enforcement Action Notice with respect to such Enforcement Action. Subordinate Mortgagee may not commence any other Enforcement Action, including any foreclosure action under the Subordinate Loan Documents, until the earlier of (i) the

expiration of such 90-day period or such longer period as provided in Section 5(a), or (ii) the delivery by Senior Mortgagee to Subordinate Mortgagee of Senior Mortgagee's written consent to such Enforcement Action by Subordinate Mortgagee. Subordinate Mortgagee acknowledges that Senior Mortgagee may grant or refuse consent to Subordinate Mortgagee's Enforcement Action in Senior Mortgagee's sole and absolute discretion. At the expiration of such 90-day period or such longer period as provided in Section 5(a) and, subject to Senior Mortgagee's right to cure set forth in Section 5(a), Subordinate Mortgagee may commence any Enforcement Action. Any Enforcement Action on the part of Subordinate Mortgagee will be subject to the provisions of this Agreement. Subordinate Mortgagee acknowledges that the provisions of this Section 5(c) are fair and reasonable under the circumstances, that Subordinate Mortgagee has received a substantial benefit from Senior Mortgagee having granted its consent to the Subordinate Mortgage, and that Senior Mortgagee would not have granted such consent without the inclusion of these provisions in this Agreement.

(d) Senior Mortgagee may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Mortgagee. No action or failure to act on the part of Senior Mortgagee in the event of a Subordinate Mortgage Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Mortgagee of any provision of the Senior Loan Documents or this Agreement.

(e) If the Enforcement Action taken by Subordinate Mortgagee is the appointment of a receiver for any of the Mortgaged Property, all of the Rents, issues, profits and proceeds collected by the receiver will be paid and applied by the receiver solely to and for the benefit of Senior Mortgagee until the Senior Indebtedness will have been paid in full.

(f) Subordinate Mortgagee consents to and authorizes the release by Senior Mortgagee of all or any portion of the Mortgaged Property from the lien, operation, and effect of the Senior Loan Documents. Subordinate Mortgagee waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with the release of all or any portion of the Mortgaged Property, (ii) to require the separate sale of any portion of the Mortgaged Property, (iii) to require Senior Mortgagee to exhaust its remedies against all or any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness, or (iv) to require Senior Mortgagee to proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Mortgaged Property or combination of portions of the Mortgaged Property or any other collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as Senior Mortgagee determines. Subordinate Mortgagee waives to the fullest extent permitted by law any and all benefits under California Civil Code Sections 2845, 2849 and 2850. Subordinate Mortgagee consents to and authorizes, at the option of Senior Mortgagee, the sale, either separately or together, of all or any portion of the Mortgaged Property. Subordinate Mortgagee acknowledges that without Notice to Subordinate Mortgagee and without affecting any of the provisions of this Agreement, Senior Mortgagee may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii) modify or amend in any respect any provision of the Senior Loan Documents; and (iii) modify,

exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Indebtedness.

(g) If any party other than Borrower (including Senior Mortgagee) acquires title to any of the Mortgaged Property pursuant to a foreclosure of, or trustee's sale or other exercise of any power of sale under, the Senior Mortgage conducted in accordance with applicable law, the lien, operation, and effect of the Subordinate Mortgage and other Subordinate Loan Documents automatically will terminate with respect to such Mortgaged Property.

6. Miscellaneous Provisions.

(a) This Agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Subordinate Loan Documents to the lien or charge of the Senior Loan Documents and shall supersede and cancel, but only insofar as would affect the priority between said documents, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Subordinate Loan Documents which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

(b) In making disbursements pursuant to any of the Senior Loan Documents, Senior Mortgagee is under no obligation or duty to, nor has Senior Mortgagee represented that it will, see to the application of such proceeds by the person or persons to whom Senior Mortgagee disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such Senior Loan Document(s) shall not defeat the subordination herein made in whole or in part.

(c) Subordinate Mortgagee has received, and been afforded a reasonable opportunity to review, the Senior Loan Documents. No decision by Subordinate Mortgagee to review, or not to review, the Senior Loan Documents, including but not limited to the disbursement provisions contained therein, shall modify, impair or otherwise limit or affect the enforceability of this Agreement.

(d) If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, then the terms of this Agreement will control.

(e) This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement. No other party will be entitled to any benefits under this Agreement, whether as a third-party beneficiary or otherwise.

(f) This Agreement does not constitute an approval by Senior Mortgagee of the terms of the Subordinate Loan Documents.

(g) Each notice, request, demand, consent, approval or other communication (collectively, "Notices", and singly, a "Notice") which is required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and

sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

- (i) Notices intended for Senior Mortgagee will be addressed to:

Banner Bank
5930 Granite Lake Drive, Suite 170
Granite Bay, CA 95746
Attention: Sandy Bowen
Loan No. 14014073 and 14014075

- (ii) Notices intended for Subordinate Mortgagee will be addressed to:

City of Oxnard
Housing Director
435 South D Street
Oxnard, California 93030

- (iii) Notices intended for Borrower will be addressed to:

Central Terrace LP
c/o Many Mansions
1259 E. Thousand Oaks Boulevard
Thousand Oaks, CA 91362

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section.

(h) Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Mortgagee as a joint venturer or partner of Subordinate Mortgagee.

(i) Upon Notice from Senior Mortgagee, Subordinate Mortgagee will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Mortgagee in order to further evidence or implement the provisions and intent of this Agreement.

(j) This Agreement will be governed by the laws of the State in which the Land is located.

(k) If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.

(l) The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events: (i) the payment of all of the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by Senior Mortgagee as described in Section 2(e) of this Agreement, (ii) the payment of all of the Subordinate Indebtedness other than by reason of payments which Subordinate Mortgagee is obligated to remit to Senior Mortgagee pursuant to this Agreement, (iii) the acquisition by Senior Mortgagee or by a third party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage; or (iv) with the prior written consent of Senior Mortgagee, without limiting the provisions of Section 5(d), the acquisition by Subordinate Mortgagee of title to the Mortgaged Property subject to the Senior Mortgage pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage. Notwithstanding the foregoing, the terms and conditions of Section 3 of this Agreement shall survive the occurrence of any of the foregoing events (and the term of this Agreement, as to Section 3, shall be perpetual).

(m) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.

(n) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

(o) This Agreement shall inure to the benefit of any subsequent holder of the Senior Note.

(p) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument or written instruments signed by the parties to this Agreement.

(q) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SENIOR MORTGAGEE:

BANNER BANK, a Washington corporation,
as “Agent”, pursuant to that certain Master Agency
Agreement dated as of _____
between Issuer and Agent

By: _____,
Waheed Karim
Vice President

BANNER BANK, a Washington corporation

By: _____,
Waheed Karim
Vice President

SUBORDINATE MORTGAGEE:

THE CITY OF OXNARD,
a municipal corporation

By: _____
Alexander Nguyen
City Manager

APPROVED AS TO FORM:

Stephen Fischer
City Attorney

BORROWER:

CENTRAL TERRACE LP,
a California limited partnership

By: Central Terrace LLC,
a California limited liability company,
its managing general partner

By: Many Mansions, a California Nonprofit
Corporation,
a California nonprofit public benefit
corporation,
its sole member and manager

By: _____
Rick Schroeder
President

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of Ventura, State of California, described as follows:

LOTS 7, 8, 9, 10 AND 11 IN BLOCK A OF THE RICE TRACT, IN THE CITY OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1A PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 201-0-213-110

Exhibit A

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, 2022 before me, _____,
a Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her their authorized
capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon
behalf of which the person (s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, 2022 before me, _____,
a Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her their authorized
capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon
behalf of which the person (s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, 2022 before me, _____,
a Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her their authorized
capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon
behalf of which the person (s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature_____

(Seal)

FIRST AMENDMENT TO AHSC IMPLEMENTATION AGREEMENT

This First Amendment (“First Amendment”) to the AHSC Implementation and mutual indemnity agreement (“Agreement”) is made and entered into in the County of Ventura, State of California, this ____ day of May, 2022 by and between the City of Oxnard, a municipal corporation (“City”), Many Mansions, A California Nonprofit Corporation, a California nonprofit public benefit corporation (“Developer”, and collectively with the City, the “Parties”, or individually, a “Party.”). This First Amendment amends the Agreement entered into on June 1, 2021, the Parties.

The Parties agree as follows:

1. Recital C. is hereby amended in its entirety to read as follows:

“The AHSC Application sought an award to the Developer in an aggregate amount not to exceed \$30,000,000 in AHSC funds including a loan (the "AHSC Loan") not to exceed \$20,000,000 for an Affordable Housing Development (AHD) and a grant (the "AHSC Grant") in an amount not to exceed \$10,000,000 for Housing -Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit -Related Amenities (TRA) or Program (PGM) activities as defined the AHSC Program Guidelines adopted by SGC on February 24, 2021. The Developer was awarded a total of \$8,497,962 of AHSC Grant funds, which will be disbursed to the Developer. The Developer will transfer up to \$5,409,500 of the AHSC Grant funds to the City for the purpose of constructing certain STI Improvements and TRA Improvements, specifically the 4th Street Mobility Improvements and the Downtown Oxnard Transit Improvements, as set forth in more detail in Exhibits 2 and 3 (the "City Improvements"), attached hereto and incorporated herein by this reference.”

2. In Section 1, the first sentence is hereby amended in its entirety to read as follows:

"The City shall complete the City Improvements portion of the Sustainable Transit Obligations in accordance with the terms of the AHSC Grant Documents, including without limitation the Disbursement Agreement between Developer and HCD regarding the AHSC Grant funds ("Disbursement Agreement") and the approved design and construction documents and pursuant to the Schedule of Performance attached hereto as Exhibit 1 and incorporated hereby."

3. In Section 5, the second sentence is hereby amended in its entirety to read as follows:

“The AHSC Loan may be assigned and disbursed to the Partnership, in which an affiliate of the Developer is the managing general partner.”

4. In Section 5, the following is hereby added as the last sentence:

"The City and the Developer acknowledge that HCD will disburse funds in accordance with the Disbursement Agreement."

5. Section 6 is hereby amended in its entirety to read as follows:

"Notices. All notices, including deliveries of documentation (i.e., plans and contracts) for review and approval herein, shall be sent by a party hereto or its counsel by either personal delivery, a reputable overnight courier which keeps receipts of delivery (such as UPS, Cal Overnight, or Federal Express), or through the facilities of the United States Post Office, postage prepaid, certified or registered mail, return receipt requested. Any such notice shall be effective upon delivery, if delivered by personal delivery or overnight courier, and seventy-two (72) hours after dispatch, if mailed in accordance with the above. Notice to the respective parties shall be sent to the following addresses unless written notice of a change of address has been given pursuant hereto:

To Developer:

Rick Schroeder, President
Many Mansions
1259 E Thousand Oaks Blvd.
Thousand Oaks, CA 91360

With a copy to:

MCC Housing LLC
c/o Merritt Community Capital Corporation
1970 Broadway, Suite 250
Oakland, California 94612
Attention: President & CEO

With a copy to:

Carle, Mackie, Power & Ross LLP
100 B Street, Suite 400
Santa Rosa, CA 95401
Attention: Henry Loh II

With a copy to:

Banner Bank
5930 Granite Lake Drive
Suite 170
Granite Bay, California 95746
Attention: Andre Massey
Loan Nos. 14014073 and 14014075

With a copy to:

Davis Wright Tremaine LLP
865 S. Figueroa Street
Suite 2400

Los Angeles, California 90017
Attention: Tiffany K. Switzer, Esq.

To City: Tatiana Arnaout, City Engineer
City of Oxnard
305 W Third Street
Oxnard, CA 93030

6. Section 8 is hereby amended in its entirety to read as follows:

“Termination. This Agreement shall terminate upon the earlier of: (i) completion of all obligations under the AHSC Grant Documents as evidenced by a written notice from HCD reasonably acceptable to the Parties and the Financing Parties (as defined below); or (ii) mutual written agreement of the Parties and the Financing Parties. “Financing Parties” shall mean the limited partner(s) of the Partnership and Banner Bank, as the first priority lender to the Partnership with a security interest in the Housing Project (and any successor and assign of such security interest) (“Senior Lender”).”

7. Section 10 i. is hereby added to the Agreement to read as follows:

“The City will deliver written notice to Developer when the STI and TRA Improvement design and construction documents are completed and will deliver a copy of the STI and TRA Improvement design and construction documents to Developer. When the City advertises construction, the City will provide Developer with written notice of such action, and will deliver a copy of any and all construction contract(s) to be executed for the construction or installation of the STI and TRA Improvements to Developer at Developer’s expense. Upon execution of any and all construction contract(s) for the construction or installation of the STI and TRA Improvements, the City will deliver a copy of any and all such construction contract(s) to Developer.”

8. The Parties hereto hereby agree that if (i) the City does not complete the City Improvements in accordance with the Performance Schedule, or (ii) the City indicates that it will not be able to complete the City Improvements in accordance with the Performance Schedule, then Developer (or (a) Senior Lender or (b) any successor to Senior Lender or its nominee following a foreclosure or deed in lieu of foreclosure (collectively, “**Successor Parties**”)) shall have the right, but not the obligation, to step in and take over the completion of the City Improvements by delivering written notice to the City (“Work Takeover Notice”). Upon delivery of the Work Takeover Notice, each of the City and Developer (or Successor Party if applicable) shall take all actions necessary and reasonably appropriate for Developer (or Successor Party if applicable) to effectuate completion of the City Improvements pursuant to HCD requirements, which actions shall include, without limitation, the assignment of any construction contracts and the granting of licenses from the City to Developer (or Successor Party if applicable).

9. Section 11 is hereby added to the Agreement to read as follows:

“The Parties hereby agree that Central Terrace LP, a California limited partnership, is the owner of the Housing Project (the “**Partnership**”) shall have the right to succeed to Developer’s rights hereunder. Under no circumstances shall such assumption by the Partnership be conditioned upon the assumption of the Partnership of any indemnification obligations contained herein, provided, however, that the Partnership will assume indemnification obligations that run to the benefit of the City with respect to any subsequent breach by the Partnership under this Agreement first occurring after such assumption. The Partnership’s exercise of the right of assumption set forth in this section shall be evidenced by delivery of notice (the “**Partnership’s Assumption Notice**”) to the City. The Partnership’s Assumption Notice shall not be delivered until Developer (or its affiliate) has been removed as the general partner of the Partnership.

The rights of the Partnership hereunder shall transfer with any transfer of the Housing Project, including following a foreclosure or deed in lieu thereof, without the consent of the City. The City acknowledges and consents to Senior Lender’s collateral assignment of Partnership’s rights under this Agreement as set forth in Senior Lender’s security interest in the Housing Project.

The Financing Parties are intended to be and shall be third-party beneficiaries of this Agreement and Developer and the City shall not amend, modify or terminate this Agreement without the Financing Parties’ express prior written consent.”

10. Exhibit 1 to the Agreement is replaced with the Exhibit 1 attached to this First Amendment.

As so amended, the Agreement remains in full force and effect.

Each of the undersigned hereby executes this First Amendment in the spaces provided below to evidence their respective agreement to the terms of this First Amendment.

CITY OF OXNARD

**DEVELOPER
MANY MANSIONS, A CALIFORNIA
NONPROFIT PUBLIC BENEFIT
CORPORATION**

John C. Zaragoza, Mayor Date

Rick Schroeder Date
President

ATTEST:

Skyler Wolpert Date
Secretary

Rose Chaparro, City Clerk Date

APPROVED AS TO FORM:

Stephen M. Fischer Date
City Attorney

Exhibit 1: Schedule of Performance

Note: It is acknowledged that some of the following milestones may have already been achieved. For those milestones which have previously been met, the month and year completed has been provided. For those milestones not yet completed, a completion date (MM/YY) for each of the applicable items is provided below.

STI MILESTONES	
STI Capital Project Milestone Schedule	Date
Executed binding agreement between the Recipient and developer of the proposed development detailing the terms and conditions of the Project development.	06/21
Site Control of sites(s) by proposed developer.	
Completed all necessary environmental clearances, including those required under CEQA and NEPA.	06/22
Submission of Final Construction Drawings and Specifications to the appropriate local permitting authority.	02/24
Commencement of Construction.	09/24
Construction completion and closeout.	01/25
Program funds fully disbursed.	06/25

TRA MILESTONES	
TRA Capital Project Milestone Schedule	Date
Executed binding agreement between the Recipient and developer of the proposed development detailing the terms and conditions of the Project development.	06/21
Site Control of sites(s) by proposed developer.	
Completed all necessary environmental clearances, including those required under CEQA and NEPA.	06/22
Submission of Final Construction Drawings and Specifications to the appropriate local permitting authority.	02/24
Commencement of Construction.	09/24
Construction completion and closeout.	01/25
Program funds fully disbursed.	06/25

EXHIBIT 2
City STI Improvements

	Project Name	Description (include: the general location and description of each STI improvement and note if sidewalks are new or replaced. Please include other descriptive information such as key gaps closed and connections established.)	Address	Amount of AHSC Grant
STI #1	4th Street Mobility Improvements (Roadway/Signal Work)	Improvements to the 4th Street corridor from C Street past the Oxnard Transit Center along Meta Street to 6th Street; design and construct 1 mile of Class II bike lanes along both sides of the street, 2,873' of safe and accessible sidewalk, curb extensions, traffic signal modifications to detect bicycles, resurfacing, and improvements to drainage.	4th Street from C Street to Oxnard Boulevard to Meta Street to 6th Street, in the City of Oxnard.	\$4,146,675

EXHIBIT 3
City TRA Improvements

	Project Name	Description (include: the general location and description of each STI improvement and note if sidewalks are new or replaced. Please include other descriptive information such as key gaps closed and connections established.)	Address	Amount of AHSC Grant
TRA #1	4th Street Mobility Improvements (Bus Stop 4th at B Street)	Improvements to the 4th Street/B Street transit hub; design and install new concrete bus pad with saw-tooth design for better pedestrian/cyclist visibility, ADA improvements, sidewalks, benches, bike racks, curb, gutter, striping, signage, and restroom facilities.	4th Street/B Street, in the City of Oxnard.	\$753,325
TRA #2	Downtown Oxnard Transit Amenities Improvements	Improvements to 54 stops in the downtown Oxnard area; design and install bus shelters, benches, bike racks, lighting, and real-time arrival signs.	Downtown Oxnard – 54 stops	\$509,500

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NUMBER 2022- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE AND TAKE ALL NEEDED ACTIONS IN CONSULTATION WITH CITY ATTORNEY RELATIVE TO ENTERING INTO AN ASSIGNMENT OF CITY LOAN DOCUMENTS; LOAN RIDER AND SUBORDINATION AGREEMENT IN CONNECTION WITH THAT CERTAIN LOAN PROVIDED BY CITY TO MANY MANSIONS FOR THE DEVELOPMENT OF CENTRAL PLAZA AFFORDABLE HOUSING PROJECT

WHEREAS, the City Council hereby finds and declares that it is necessary, essential and a public purpose for the City to enter into a variety of agreements to facilitate the development of the Central Terrace Apartments consisting of eighty-seven units of multi-family affordable housing, including one manager's unit, and approximately 2,375 square feet of common area space on the ground floor on a 0.42-acre parcel located in Oxnard, California ("Project"); and

WHEREAS, the City Council previously approved and entered into an Affordable Housing Loan Agreement, Promissory Note, Deed of Trust and Regulatory Agreement (collectively "Loan Documents") by and between the City and Many Mansions, a California nonprofit public benefit corporation ("Many Mansions"); and

WHEREAS, in furtherance of the Project the City Council desires to approve and authorize the City Manager or designee to execute an Assignment, Assumption and Modification Agreement City Loan Documents ("Assignment") by and between City, Many Mansions and Central Terrace LP, a California limited partnership ("Partnership"); and

WHEREAS, in furtherance of the Project the City Council desires to approve and authorize the City Manager or designee to execute a Deed of Trust Rider ("Loan Rider") that shall amend the Loan Documents; and

WHEREAS, in furtherance of the Project the City Council desires to approve and authorize the City Manager or designee to execute a Subordination Agreement ("Subordination Agreement") by and among City, Partnership and Banner Bank, a Washington corporation ("Bank"); and

WHEREAS, the City Council has determined that the approval of this Resolution and the acts authorized therein are exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations section 15280 and Public Resources Code sections 21159.21 and 21159.23; and

WHEREAS, the City Council hereby finds and declares that this Resolution is being adopted by the City pursuant to the powers granted to the City.

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

1. The City Council hereby finds and declares that the above recitals are true and correct.
2. The City Council further approves and authorizes the City Manager or designee to take all needed actions and execute all requisite documents on behalf of the City in consultation with the City Attorney relative to the (i) Assignment; (ii) Loan Rider; (iii) Subordination Agreement and (iv) any other agreements for the purpose of developing, maintaining and operating the Project.
3. That the City Clerk is directed to prepare and file a Notice of Exemption with the County Clerk.
4. This Resolution shall take effect from and after the date of its passage and adoption.

(signatures appear on next page)

PASSED AND ADOPTED this ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

Exhibit G
LOAN RIDER
(City Loan)

This Deed of Trust Rider (the “**Rider**”) is attached to and made a part of the Affordable Housing Loan Agreement made on June 1, 2021 (the “**Loan Agreement**”), as assigned pursuant to the Assignment, Assumption and Modification Agreement entered into as of _____, 2022, between Central Terrace LP, a California limited partnership (“**Borrower**”) and City of Oxnard , a municipal corporation (“**Lender**”), and is for the benefit of MCC Housing LLC, a California limited liability company, and its successors and assigns (the “**Limited Partner**”), the limited partner of Borrower under the First Amended and Restated Agreement of Limited Partnership of Borrower dated May 1, 2022 (the “**Partnership Agreement**”). The Loan Agreement evidence a loan in the original principal amount of \$1,250,000 to Borrower (the “**Loan**”) and is secured by a Deed of Trust encumbering certain real property and improvements thereon consisting of a housing project for low-income households, located in the County in which the Deed of Trust will be recorded (the “**Project**”). Capitalized terms not defined herein shall have the meanings given to them in the Loan Agreement.

The parties hereto agree that the following covenants, terms, and conditions shall be part of and shall modify or supplement the Loan Documents:

1. Nonrecourse Obligation. The Loan is a nonrecourse obligation of Borrower. Neither Borrower nor its general or limited partner, nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.

2. General Partner Change. The withdrawal, removal, and/or replacement of a general partner of the Borrower pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness.

3. Assignment of Limited Partner Interests. Notwithstanding anything to the contrary contained in the Loan Documents, all or a portion of the interests of Borrower’s Limited Partner shall be transferable to any affiliate of Merritt Community Capital Corporation (“**Merritt**”), without the consent of the Lender. The interest the Limited Partner shall be transferable to a non-affiliate of Merritt with the consent of the Lender, which consent shall not be unreasonably withheld.

4. Monetary Default. If a monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Lender shall give the Limited Partner of the Borrower, as identified in Paragraph 7 below or as identified to Lender by written notice, simultaneous written notice of such default. Borrower shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Lender

under the Loan Documents, or such longer period of time as may be specified in the Loan Documents.

5. Non-Monetary Default. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Lender shall give Borrower and the Limited Partner of the Borrower, as identified in Paragraph 6 below or as identified to Lender by written notice, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period to effect a cure prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Borrower (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender. If Borrower fails to take corrective action or to cure the default within a reasonable time, Lender shall give Borrower and the Limited Partner of the Borrower, as identified in Paragraph 7 below or as identified to Lender by written notice, written notice thereof, whereupon Limited Partner may remove and replace the General Partner with a substitute general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall Lender be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

6. Notices. Lender shall give Limited Partner written notice of any default under the Loan Documents, and the cure periods contained in Paragraphs 5 and 6 above shall commence on the effective date of any such notice, at the following address:

Limited Partner: MCC Housing LLC
 c/o Merritt Community Capital Corporation
 1970 Broadway, Suite 250
 Oakland, CA 94612
 Attention: President & CEO
 Facsimile: (510) 444-7874

With a copy to: Carle, Mackie, Power & Ross LLP
 100 B Street, Suite 400
 Santa Rosa, California 95401
 Attention: Henry Loh II
 Facsimile: (707) 526-4707

Any cure periods available to the Limited Partner, either as specified in the Loan Documents or in this Rider, shall commence upon the date of any such notice to the Limited Partner.

7. Casualty, Condemnation, Etc. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Borrower shall have the right to rebuild the Project, and to use all available insurance or

condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Lender for repayment of the Loan or if such proceeds are insufficient then Borrower shall have funded any deficiency, (b) Lender shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the Loan Documents. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Lender for repayment of the remaining balance of the Loan.

8. Lender Approvals, Etc. In any approval, consent, or other determination by Lender required under any of the Loan Documents, Lender shall act reasonably and in good faith.

9. Force Majeure. There shall be no default for construction delays beyond the reasonable control of Borrower, provided that such delays do not exceed one hundred eighty (180) days, or such longer period of time as may be specified in the Loan Documents.

10. Purchase Rights. The execution and delivery of the purchase option and right of first refusal agreement described in the Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Loan thereunder. Any requisite consent of Lender to (a) the exercise of said purchase option and right of first refusal agreement by the project general partner or sponsor or its assignee, as applicable, identified therein, and to (b) the assumption without penalty of loan obligations by the project general partner or sponsor or its assignee, as applicable, and the release of Borrower from such obligations, shall not be unreasonably withheld. Subject to any such consent requirement, the exercise of rights under such agreement shall not constitute a default or accelerate maturity of the Loan.

11. Loan Assumption. If the purchase option and right of first refusal agreement described in the Partnership Agreement is not exercised and the Project is sold subject to low income housing use restrictions as contained in an existing regulatory agreement or other recorded covenant, any requisite consent of Lender to said sale, and to the assumption without penalty of loan obligations by the purchaser and the release of Borrower from such obligations, shall not be unreasonably withheld.

12. Take-Out Loan. Lender acknowledges that any loan to which Lender has subordinated any of the Loan Documents (the “**Senior Indebtedness**”) may not be fully amortizing and may have an outstanding balance at its maturity date. Lender hereby approves of and agrees to subordinate to any new loan (a “**Take-Out Loan**”) issued for the purpose of refinancing the Senior Indebtedness at its maturity date, provided the Take-Out Loan bears interest at a commercially reasonable rate for a term that will be no less than co-terminus with the loan secured by this Deed of Trust, and the amount of the Take-Out Loan does not exceed the outstanding principal amount, plus accrued interest, of the Senior Indebtedness.

13. Extended Use Agreement. Lender acknowledges that Borrower and the California Tax Credit Allocation Committee have or intend to enter into, or concurrently with the execution and delivery of the Loan Documents are entering into, an “**Extended Use Agreement**”, which

constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the “**Code**”). Lender acknowledges and agrees that, in the event of a foreclosure of its interest under the Mortgage or delivery by the Borrower of a deed in lieu thereof (collectively, a “**Foreclosure**”), the following rule contained in Section 42(h)(6)(E)(ii) of the Code 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 Extended Use Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants’ ineligibility pursuant to Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

14. Prohibition of Sale. Lender shall neither (a) sell, assign, transfer, or convey any such indebtedness (or any interest therein) to Fannie Mae or Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) nor (b) include such indebtedness (or any interest therein) in a pool of loans to be sold, assigned, transferred, or conveyed to Fannie Mae or Freddie Mac, without the Borrower’s prior written consent and obtaining a waiver from Fannie Mae and Freddie Mac as applicable.

15. Inconsistency. In the event of any inconsistency or conflict between the covenants, terms, and conditions of any of the Loan Documents and this Rider, the covenants, terms and conditions of this Rider shall prevail.

16. Survival. Except to the extent expressly modified, supplemented, or amended in this Rider, the Loan Documents remain in full force and effect.



CITY COUNCIL AGENDA REPORT
REPORTS
AGENDA ITEM NO. N.2

DATE: June 1, 2021

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Central Terrace Apartments - In-Lieu Loan Agreement and Affordable Housing and Sustainable Communities Program (AHSC) Implementation Agreement. (0/10/5)

RECOMMENDATION

That the City Council:

1. Authorize the Mayor to execute an Affordable Housing In-Lieu Loan Agreement and Regulatory Agreement with Many Mansions, a non-profit affordable housing provider, providing gap financing in the amount of \$1,250,000 for the construction of eighty-six (86) affordable rental units and one (1) unrestricted manager's unit commonly known as the Central Terrace Apartments located at 217- 235 East 6th Street, Oxnard, CA 93030;
2. Approve a budget appropriation of \$1,250,000 from the Oxnard Housing In-Lieu Fees Fund;
3. Authorize the City Manager or designee to make necessary corrections or modifications to the In-Lieu Loan Agreement, Regulatory Agreement, Deed of Trust, or Promissory Note in order in order to make them consistent with each other; and
4. Authorize the Mayor to execute an Implementation Agreement with Many Mansions to receive pass-through grant funding associated with Central Terrace Apartments' Affordable Housing and Sustainable Communities Program application.

(This item did not originate in the Committee due to a pending Appeal, which has since been withdrawn, at the time this agenda item was scheduled to be published for the May 11, 2021 Community Services, Public Safety, Housing and Development Committee meeting.)

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/22dmJZvDPSc>

BACKGROUND

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 over forty years ago, Many Mansions has acquired and managed over 600 units of affordable housing at twenty properties throughout Ventura County. Many Mansions is also a service provider offering adult, children, and family services.

Many Mansions purchased the approximately half-acre site located at 217- 235 East 6th Street, in downtown Oxnard, in

February 2020. The Central Terrace Apartments development will provide multi-family affordable rental housing units that will include eighty-six (86) affordable one-bedroom units, plus one (1) two-bedroom unrestricted manager's unit. Thirty-five (35) One-Bedroom Units will be provided for households at or below thirty-percent of the area median income. These units will be permanent supportive housing units and will be made available to house homeless individuals and families. Twenty (20) Units will be provided at fifty-percent of the area median income, and thirty-one (31) units will be provided for households at or below sixty-percent of the area median income. The current California Department of Housing and Community Development state income limit for a household earning up to thirty percent of the area median income in a one-bedroom unit is up to \$27,100; for a household earning up to fifty percent of the area median income in a one-bedroom unit up to \$45,200; and for a household earning up to sixty percent of the area median income in a one-bedroom unit is up to \$47,430. Additional affordability restrictions on the project are described in the Financing Plan, Development Schedule, and Loan Agreement section of the report.

The project will include four stories of residential units above a podium (concrete first floor) with an elevator, the ground floor will include approximately 2,375 of common space, office space, restrooms, and a kitchenette. Once construction of the development has been completed, Many Mansions will provide life enriching services free of charge on an ongoing basis, on site, for the residents including transportation coordination, case management services, and access to community and government resources.

Many Mansions received approval of a Major Downtown Design Development Review Permit at the Community Development Director Hearing held on April 21, 2021 and is scheduled to go to the Planning Commission on May 20, 2021 for consideration of a Density Bonus Permit in order to receive three development concessions.

In-Lieu Fees

In-Lieu fees are collected by the City from Developers who receive City Council approval to pay fees in-lieu of building the required minimum ten percent of affordable housing units in their projects, as required by the City's Inclusionary Housing Ordinance for rental or for-sale products in projects with ten or more units. These In-Lieu fees are used to create affordable housing opportunities in the City by providing loans to developers for the construction of new affordable housing within the City of Oxnard. Many Mansions submitted a funding application to the City to support a financial gap of \$1,250,000, with the use of the City's affordable housing in-lieu fee funds for the construction of the Central Terrace Apartments.

Affordable Housing and Sustainable Communities Program

Many Mansions' financing plan for the Central Terrace Apartments also involves submission of an application to the Affordable Housing and Sustainable Communities Program, which is administered by the Strategic Growth Council, a body under the California Department of Housing and Community Development. The Affordable Housing and Sustainable Communities Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas emissions. Funding for the Affordable Housing and Sustainable Communities Program is provided from the Greenhouse Gas Reduction Fund, an account established to receive Cap-and-Trade auction proceeds. The Affordable Housing and Sustainable Communities Program provides grants and/or loans, or any combination thereof, to achieve greenhouse gas emissions reductions through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation resulting in fewer vehicle miles traveled through shortened or reduced trip length or mode shift from single occupancy vehicle use to transit, bicycling, or walking.

The Affordable Housing and Sustainable Communities program can fund up to \$20 Million in loan funds for construction of affordable housing developments which can then be leveraged with other funding sources. The Affordable Housing and Sustainable Communities Program can also fund up to \$10 million in grant funds under the same application for Housing Related Infrastructure, Sustainable Transportation Infrastructure, Transit-Related Amenities, or Program Activities.

As such, the City has also been asked by Many Mansions to assist in their Affordable Housing and Sustainable Communities Program application for their Central Terrace Apartments project so that the City may receive grant

funding to complete City planned sustainable transportation infrastructure and transit-related amenities related improvements in downtown in areas adjacent to and in close proximity to the project site.

The Sustainable Transportation Infrastructure, Transit-Related Amenities Notice of Funding availability was issued on February 26, 2021 and the deadline to submit the application is on June 8, 2021. This June 8th deadline is also part of the reason that staff could not take this item to the Committee once the Appeal was withdrawn on May 18, 2021.

DISCUSSION

The total cost for construction of the Central Terrace Apartments is \$44,821,109. Once the 86-unit project is placed in service, through a separate action, Many Mansions will request thirty-five project-based vouchers from the Oxnard Housing Authority. As part of the project-based voucher proposal, supportive services, as described in this report, will be provided on-site in accordance with the Oxnard Housing Authority's Administrative Plan.

Financing Plan, Development Schedule, and Loan Agreement

An assessment of Many Mansions' proforma and company background was conducted by the City in which it was determined that the requested \$1,250,000 funding equates to less than three percent of the total estimated project costs. 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.

Many Mansion's proposed permanent funding sources for the project are as follows:

City of Oxnard In-Lieu Fee Loan (City Funding): \$1,250,000

MUFG Union Bank, N.A (Private Funding): \$6,835,000

Affordable Housing and Sustainable Communities Loan (State Funding) : \$15,219,821

Federal Home Land Bank Of San Francisco (FHLBSF) AHP (Federal Funding): \$870,000

General Partner Equity (Private Funding): \$100

Deferred Developer (Private Funding): \$1,554,300

Tax Credit Equity (Federal Funding): \$19,091,888.

If Many Mansions is able to secure all of the private and public funding listed above in their first attempt, then Many Mansions would begin construction in June 2022 and complete construction in Spring 2024.

The City's Affordable Housing In-Lieu Loan Agreement for a gap-financing loan of \$1,250,000, will require the Central Terrace Apartments development to provide eight (8) one-bedroom permanent supportive housing units for homeless households with annual incomes at or below fifty-percent of the area median income. All eight units will carry a fifty-five-year affordability restriction which will match the term of the Affordable Housing In-Lieu Loan Agreement. The density bonus permit that the Central Terrace Apartments is requesting as part of their land use application with the City also carries a fifty-five-year restriction on an additional fourteen (14) units. Those 14 units must be made available for rent to households with annual incomes at or below fifty percent of the area median income. The current California Department of Housing and Community Development state income limit for a one-person household earning up to fifty percent of the area median income is \$39,950 and goes up to \$45,200 for a two-person household in Ventura County. The restrictions will be enforced via a recorded regulatory agreement executed between Many Mansions and City for the In-Lieu units and a separate density bonus agreement for the density bonus units between the City and Many Mansions to

ensure that the units remain affordable and are provided to eligible income qualified tenants.

The eight (8) in-lieu units will require financial reporting and analysis annually to comply with In-Lieu loan requirements. Monitoring fees for the fifty-five-year term are included in the Developer's budget so that the City is able to recover the cost of the monitoring.

The loan agreement between the City and Many Mansions would be inclusive of a promissory note, deed of trust, and regulatory agreement. Other loan terms associated with the City's Affordable Housing In-Lieu loan are summarized below:

1. Three percent simple interest; and
2. Repayment of the City Loan will be on a residual receipts basis to be paid after all operating expenses, reserves, debt service with mandatory payments, investor management fee, deferred developer fee, and partnership management fee, with fifty percent of the residual receipts split pro-rata among all soft lenders based on the original principal amount of each soft lender loan; and
3. Many Mansions is required to secure all project financing and close on their construction loan by May 2025, or sooner. If Many Mansions does not meet this timeline, the agreement is automatically terminated. If Many Mansions is able to meet this timeline, then the term of the agreement is fifty-five years from the date Many Mansions closes on their permanent financing.

Affordable Housing and Sustainable Communities Program Participation

City Staff has coordinated with Many Mansions and the Ventura County Transportation Commission to identify bicycle, pedestrian, and transit projects that can qualify for the Affordable Housing and Sustainable Communities grant component. Staff recommends that the City solicit grant funds for sustainable transportation infrastructure and transit-related amenities related improvements for the City's Fourth Street Mobility Improvement Project, which is included in the City's 2021-2026 Capital Improvement Program, and for design and installation of Downtown Oxnard Transit Amenities. The Fourth Street Mobility Improvement Project extends from C Street east to the Oxnard Transit Center (at 4th and Meta Streets), south along Meta Street to 6th Street. The project includes the design and construction of sidewalks, curb extensions, disability improvements, traffic signal modifications, bike detection, class II on-street bike lanes, bike racks, benches, B Street transit hub improvements, resurfacing, drainage improvements, signage, striping, and a new restroom. The Fourth Street Mobility Improvement Project is included in the City's 2021-2026 Capital Improvement Program (CIP).

The City is working with the Gold Coast Transit District to develop the Downtown Oxnard Transit Amenities project to coordinate the design and installation of bus shelters, benches, bike racks, lighting, and real-time arrival signs at fifty-four transit stops in Downtown Oxnard. The project will be included in the City's 2022-2027 CIP. The combined cost of both projects is estimated to be \$5,409,200 and would be carried out by the City's Public Works Division and be subject to an implementation agreement between the City and Many Mansions, which is further discussed in this report.

Many Mansions' application for the Affordable Housing and Sustainable Communities Program will also request that a portion of the grant funds be used for Ventura County Transportation Commission vehicle acquisition. Ventura County Transportation Commission will be the lead agency for the Ventura County Transportation Commission vehicle acquisition, with a not to exceed estimate of \$2.25 million. These Affordable Housing and Sustainable Communities grant funds would be subject to a separate implementation agreement between Ventura County Transportation Commission and Many Mansions.

The final cost estimate for each sustainable transportation infrastructure and transit-related amenities project will be included in the final grant application, which will become part of the final agreement.

Implementation Agreement between Many Mansions and the City

The City and Many Mansions are required to enter into an implementation agreement in order to comply with the Affordable Housing and Sustainable Communities program's experience requirement. Staff recommends that the City execute a separate agreement with Many Mansions for the completion of the sustainable transportation infrastructure or transit-related amenities components included in the Affordable Housing and Sustainable Communities application. Many Mansions, as the sole applicant, would receive all of the grant funds. The proposed terms of the implementation agreement between the City and Many Mansions are summarized below:

1. If awarded Grant funds, up to \$5,409,200 thereof shall be transferred to the City for the purpose of constructing sustainable transportation infrastructure and transit-related amenities improvements;
2. The City would be the lead agency to design and construct the Fourth Street Mobility Improvement Project and Downtown Oxnard Transit Amenities projects;
3. The City will submit to Many Mansions all cost invoices and draw requests for the transit funds that are associated with the proposed improvements;
4. The City will complete the proposed improvements no later than the deadline required under the Affordable Housing and Sustainable Communities grant documents;
5. Many Mansions must receive final approval from the City of their Affordable Housing and Sustainable Communities application prior to submission;
6. The agreement will terminate upon the earlier of: the completion of all obligations under the Affordable Housing and Sustainable Communities requirements; or (ii) mutual agreement of both the City and Many Mansions; or (iii) the occurrence of an Event of Default;
7. The agreement will automatically terminate if Many Mansions does not receive an award of the Affordable Housing and Sustainable Communities funds to construct the Central Terrace Apartments affordable housing development and grant funds for the City to construct sustainable transportation infrastructure and transit-related amenities improvements.

If grant funding is awarded in an amount less than requested, or if the final cost for design or construction increases at the time of bid and award, the City will be responsible for funding cost overages. However, if grant funding is awarded in an amount less than requested, the City will also have the discretion to reject the grant funds and its commitment to the sustainable transportation infrastructure and transit-related amenities improvement projects.

If the City accepts the grants funds, the City would begin construction of the sustainable transportation infrastructure and transit-related amenities improvements by Summer 2024 and would complete construction by January 2025. Final disbursement of all funds would occur by June 2025.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

Approval of the recommended actions will:

Authorize an appropriation of \$1,250,000 of the City's Affordable Housing In-Lieu funds to award a gap-financing loan to Many Mansions for the development of the Central Terrace Apartments into the following account: 371-5135-804-8364 (Housing Assist Loan). The current fund balance in the In-Lieu fund is: \$ 3,149,296.

There is no immediate financial impact to the approval of the Affordable Housing and Sustainable Communities Program Implementation Agreement between the City and Many Mansions. However, the Affordable Housing and Sustainable Community Program grant funds are disbursed on a reimbursement basis. If Many Mansions is awarded Affordable Housing and Sustainable Communities grant funds, Public Works staff will return to Council to identify the initial funding source and recognize appropriate funds for the City to complete the Fourth Street Mobility Improvement Project and Downtown Oxnard Transit Amenities improvements on a reimbursable basis.

COMMITTEE OUTCOME

This item did not originate in the Committee. The item was originally scheduled for the May 11, 2021 Community Services, Public Safety, Housing and Development Committee meeting. However an appeal was filed on May 3, 2021 regarding the approval of the Major Downtown Design Review Permit issued at the Community Development Director's Hearing held on April 21, 2021. However, this appeal has subsequently been withdrawn by the appealing party and the Major Design Review Permit for the Central Terrace Apartments remains valid and in effect. The appeal also delayed the Planning Commission's consideration of the density bonus application associated with the project. At the time this agenda was printed, the Planning Commission consideration of the permit had not yet occurred. It will be considered on May 20, 2021.

The Affordable Housing and Sustainable Communities program application submission deadline is June 8, 2021. An executed Implementation Agreement between the City and Many Mansions is required in order to comply with the Affordable Housing and Sustainable Communities program's experience requirement. Due to the project appeal, which was withdrawn on May 18th, staff did not have sufficient time to take this item to a committee meeting and still meet the June 8th grant deadline.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Attachment 1 - Affordable Housing Loan Agreement
2. Implementation Agreement
3. MM In-Lieu Loan & AHSC Implementation Agreement REVISED 5.12.21 Draft PPT V4
4. Budget Appropriation

Central Terrace Apartments

Emilio Ramirez, Director
Housing Department
City Council
May 17, 2022

Background



Project Location



Central Terrace Apartments



Affordable Housing In-Lieu Loan

1. Loan Amount of \$1,250,000 Affordable Housing in Lieu Fund
2. 3% simple interest
3. Repayment of the City Loan will be on a residual receipts basis
4. 55 year term
5. Many Mansions received entitlement approvals including a Major Downtown Design Development Review Permit and a Density Bonus Permit in order to receive development concessions
6. Many Mansions received all funding approvals from all sources
7. Many Mansions must start construction by June 8th

AHSC Grant Funded Projects

4 th Street Mobility Improvement Project	Downtown Oxnard Transit Amenities
From the Central Terrace development site along Meta Street, connecting to and past the Oxnard Transit Center, and then along 4th Street, terminating at C Street.	Within a 1 mile radius of the Central Terrace development site
• Design and construction of sidewalks • Curb extensions & ADA Improvements • Traffic signal modifications • Class II on-street bike lanes, Bike detection, Bike Racks • Benches • B Street transit hub improvements • Resurfacing & Drainage Improvement • Signage and striping • New restroom	• Coordinated with Gold Coast Transit District • Design and installation at 54 downtown transit stops • Bus shelters • Benches • Bike racks • Lighting • Real-time arrival signs

WILSON

Oxnard Police Department

Oxnard Public Library - Main Library

Oxnard Transit Center

Plaza Stadium Cinemas 14

Goodwill Retail Store & Donation Center

Oxnard

4th Street / Meta Mobility Improvement Project

Central Terrace Housing Site

LA COLO

Douglas Ave

Doris Ave

Deodar Ave

Magnolia Ave

Fremont South

W 2nd

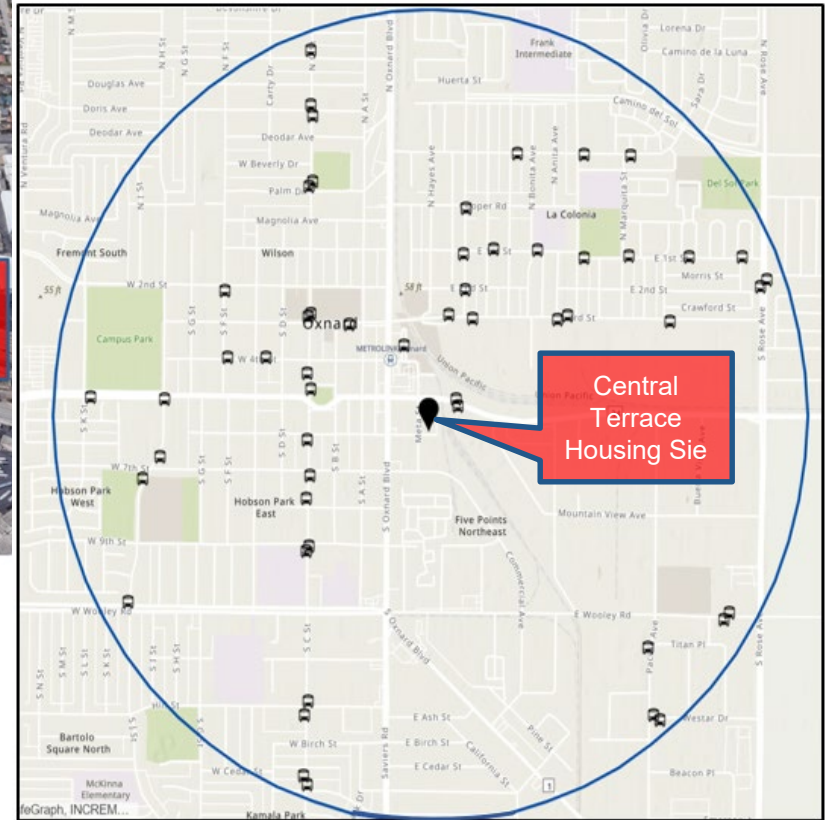
Campus Park

W 7th St

Hibson Park West

W 9th St

Downtown Oxnard Transit Amenities Project 1-Mile Radius



Project Budget and Funding Sources

City of Oxnard In-Lieu Fee Funds

Banner Bank

Ventura County CDBG - DR

Affordable Housing and Sustainable Communities Loan

Federal Home Land Bank Of San Francisco Affordable Housing Program

Low-Income Housing Tax Equity Credit

TOTAL FUNDING: \$45,023,015

Assignment, Assumption & Modification

1. Parties include the City of Oxnard, Many Mansions, and Central Terrace LP
2. City consents that Many Mansions assign its interests and obligations to Central Terrace LP
3. The Assignment, Assumption, and Modification Agreement will also give Many Mansions consent to encumber the project to procure additional project funding
4. Modifying the loan documents to replace MUFG Union Bank with Banner Bank
5. City consents on the scope of work of the project
6. Mixed-use development with eighty-six affordable one-bedroom units and ground floor space with 2,375 square feet of common space, office space, restrooms, and a kitchenette
7. Thirty-five units reserved for homeless households, with incomes below 30% of the area median income and provide on-site supportive services
8. Fifty-two unit will be reserved for households with incomes at 50% to 60% of the area median income.

Recommendation

1. Adopt a resolution authorizing the City Manager execute and take all needed actions in consultation with City Attorney relative to enter into an Assignment of City loan documents; loan rider and subordination agreement in connection with a loan from the City to Many Mansions for the development of the Central Terrace Apartments;
2. Authorize the City Manager or designee to execute an Assignment, Assumption and Modification Agreement and Loan Rider;
3. Authorize the City Manager or designee to execute a Subordination Agreement by and among Banner Bank, the City of Oxnard, and Central Terrace LP; and
4. Authorize the City Manager or designee to execute the First Amendment to the Affordable Housing and Sustainable Communities Implementation Agreement by and between the City of Oxnard and Many Mansions.



CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. L.5

DATE: May 17, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Homeless Solutions Center, 241 West Second Street. (0/5/5)

RECOMMENDATION

That the City Council:

1. Adopt a resolution of the City Council of the City of Oxnard approving and authorizing the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura and further authorizing the City Manager or Designee to execute and take all needed actions relative to entering into a Permanent Local Housing Allocation loan agreement and a Measure O loan agreement with Mercy House Living Centers for the construction of the tenant improvements for the navigation center located within the proposed Homeless Solutions Center project;
2. Authorize the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura for the financial sharing arrangement for the development and operation of the permanent year-round navigation center to be located on the ground floor of the Homeless Solutions Center;
3. Approve and authorize the City Manager or designee to execute the First Amendment to the Disposition and Development Agreement by and between the City of Oxnard and Housing Trust Fund Ventura County and CDP Developers, LLC;
4. Adopt a resolution of the City Council of the City of Oxnard declaring 241 W. Second Street to be exempt surplus land pursuant to Government Code Section 54221(f)(1)(a) and Authorizing the City staff to take related actions;
5. Accept, recognize, and deposit a lump sum contribution of \$2,935,265 from the County of Ventura to pay for the County's share of the cost to construct tenant improvements for development of the City's new permanent year-round navigation center on the ground floor of the Homeless Solutions Center; and
6. Approve a budget appropriation of \$160,000 from the Low-and-Moderate Income Housing Fund of the former redevelopment agency.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/TTTguD2WrUc>

BACKGROUND

Executive Summary

The actions before the Council on May 17, 2022 are the steps necessary prior to the June 2022 groundbreaking of the Homeless Solutions Center - a five story mixed-use project that includes a homeless navigation center on the ground floor accommodating 110 beds and fifty-six permanent supportive housing (PSH) units, inclusive of one unrestricted

Manager's unit, in the top four levels of the building, as well as office space for leasing and supportive services for PSH tenants.

The Homeless Solutions Center will be the City's first Housing First project, built in accordance with the City's Five-Year Homeless Plan, adopted in Fall 2018. The Housing First model is being adopted by communities across the County to address the homelessness crisis. This approach is characterized as providing immediate access to permanent housing without preconditions, thereby allowing an individual or family to use its permanent home as a platform for stability and success.

BACKGROUND

The National Guard Armory, 351 South K Street, has been used as both an overnight shelter and more recently as a twenty-four hour navigation center since 2002. The National Guard Armory is an over eighty-year-old structure and is not adequate to offer the standard of operation that a modern homeless navigation center should. Leading up to the approvals for the Homeless Solutions Center (HSC) at 241 W. Second Street (Second and B), many outreach efforts and public meetings were held.

Outreach

A local navigation site selection committee considered ten different sites but was not able to identify a viable location and was disbanded in approximately 2018. Starting in July of 2019 the search for a site resumed. In summary:

1. July 2019 - January 2020 - twenty-one different properties throughout the City were evaluated, including entering into a lease agreement for 1258 Saviers Road, which was later terminated.
2. January 2020 - Identified 214 W. Second Street as a potential HSC location.
3. January 2020 - October 2020 - Conducted seven community meetings for input on the HSC.
4. May 2020 - March 2021 - Conducted five public meetings or hearings before the Community Development Director, Planning Commission, Council Committee and City Council.

In total there were at least twelve public meetings which resulted in a fully entitled Homeless Solutions Center.

Existing Approvals & Project Milestones:

1. June 30, 2020 - The City Council authorized the Mayor to execute an Exclusive Negotiating Agreement by and between Community Development Partners and the City of Oxnard in consideration of developing a Homeless Solutions Center at 241 W. Second Street.
2. July 24, 2020 - Annual Plan was approved by the Board of Commissioners to allocate fifty-five (55) Project Based Vouchers with an estimated value of \$24,881,280 over a twenty-year term to the Homeless Solutions Center. This item was also discussed as part of the March 30, 2021 City Council action. A separate agreement will be executed by the Oxnard Housing Authority in accordance with the Annual Plan upon approval and certification of a subsidy layering review of the project by the California Tax Credit Allocation Committee.
3. November 30, 2020 - Community Development Director approved a Major Downtown Design Development Review Permit and a Lot Line Adjustment at a public hearing.
4. December 17, 2020 - Planning Commission approved a Special Use Permit to allow for the operation of the homeless navigation center and resource center onsite and ministerial approval of a Density Bonus Permit to reduce the parking requirements for the site to a single space for the navigation center, although the project will be providing ten spaces on site.
5. March 30, 2021 - Council approved the following (the staff report from March 30, 2021 is attached):

a. Disposition and Development Agreement between the City, Community Development Partners (CDP), and the Housing Trust Fund Ventura County (HTF), inclusive of a Donation Agreement and Agreement Containing Covenants.

i. This approval included the land donation at the appraised value of \$840,000 and \$1,500,000 in City Low-and Moderate-Income Housing Asset set-aside funds.

b. Loan Agreement Between the City and CDP, inclusive of a Promissory Note, Deed of Trust, Regulatory Agreement, and Notice of Affordability Restrictions.

c. Memorandum of Understanding between the City and County of Ventura that set up the framework and parameters for an equal cost sharing agreement between the entities for capital costs associated with the build out of the new navigation center and for on-going operating costs.

d. Budget Appropriation associated with the Loan Agreement with CDP and to pay for staff related costs.

6. December 2021 - CDP secured all remaining financing necessary for the development of the Homeless Solutions Center.

7. April 2022 - Pursuant to the terms of the DDA, the City Manager and the Housing Trust Fund Ventura County executed the Donation Agreement approved by the City Council during the March 30, 2021 City Council Meeting authorizing the conveyance of the subject property for the development of the Homeless Solutions Center.

8. June 6, 2022 - Expected date that CDP closes on their construction financing.

9. June 2022 - Expected construction begins on the Homeless Solutions Center.

10. December 2023 - Estimated building completion.

Project Funding & Financing Plan:

The March 30, 2021 staff report estimated a total development budget of \$34 million which did not include all the costs associated with the tenant improvements necessary to build out the navigation center portion of the development, which are part of the responsibility of the City and the County of Ventura in accordance with the Memorandum of Understanding. As of the writing of this staff report, the total development cost of the Homeless Solutions Center is approximately \$35,890,097, which does not include costs associated with deferred ground lease payments to the Housing Trust Fund Ventura County. The increase in the development cost from the estimate of \$34 million in 2021 is primarily attributable to inflation.

As presented in the March 30, 2021 staff report, the City’s financial contribution for the construction of the Homeless Solutions Center includes the land donation at the appraised value of \$840,000, and \$1,500,000 in City Low-and Moderate-Income Housing Asset set-aside funds, which may only be used for the creation of affordable housing. The remaining project costs would be brought to the project by CDP in the form of private, state and federal sources. CDP is able to secure these funding sources because of the site’s proximity to transit and other social services. The anticipated funding sources include:

Potential Funding Sources	Amount	Source
Low Income Housing Tax Credit Equity	\$16,759,227	Federal
Private Permanent Loan	\$8,415,775	Private

No Place Like Home	\$7,198,578	State
City of Oxnard Affordable Housing Funds	\$1,500,000	City of Oxnard
County of Ventura	\$1,005,042	County of Ventura
Deferred Development Fee	\$1,011,475	Private
Total:	\$35,890,097	

DISCUSSION

While the development budget for the project does include costs associated with the construction of the building, it does not include all other costs necessary for the construction of tenant improvements for the homeless navigation center (the ground floor of the HSC). This report discusses funding for the navigation center's tenant improvements and ongoing operation costs as well as a number of required approvals in order for the project to move forward.

Financial Cost Sharing Agreement with the County of Ventura for Construction and Operation

As indicated in the March 30, 2021 staff report, staff would to return to Council for approval of a final and binding agreement (Financial Cost Sharing Agreement) with the County for the 50/50 cost sharing agreement of capital and operation costs at the new navigation center.

The March 30, 2021 staff report estimated capital costs associated with the build out of the new navigation center would be \$4,059,128. The current estimated construction budget to complete tenant improvements necessary for the operation of the new permanent navigation center at the Homeless Solutions Center is \$5,687,999, where the most significant cause of this cost increase is inflation but also reflects approximately \$135,000 of unanticipated costs. The tenant improvement budget remains subject to change based on final construction drawings, a prevailing wage determination, and actual construction costs at the time construction begins on the navigation center improvements, which is estimated to begin in December 2023 or January 2024 and completed in the first or second quarter of 2024. The tenant improvement budget of \$5,687,999 includes: the cost of the shell, design, insurance, and construction oversight fees, as well as a pro rata share of the improvement costs for a rooftop deck, which will be a shared space between navigation center guests and PSH tenants. Should the construction costs increase, City and County staff will return to the City Council and Board of Supervisors, respectively, to request additional funding to equally share in the increased cost.

Based on the current construction budget, the City's share of the tenant improvements and administrative costs necessary to carry out those improvements is \$1,902,742. This amount reflects a reduction of \$1,032,524 in the City's share of the tenant improvement costs because of the following funding and credits:

1. \$941,258 for the the Permanent Supportive Housing development
 - a. This is part of the City's \$1.5 Million loan to CDP for the development of the Permanent Supportive Housing Units (PSH) and includes the building shell for the navigation center (\$855,689) and related contingency (\$85,569) totaling \$941,258.
 - b. \$91,266 for the City's land donation to the Housing Trust Fund Ventura County (This is not the whole value of the land as the land is also providing for the permanent supportive housing units).

Based on current construction costs the City will utilize \$1,463,948 of the allocated \$1,546,716 Measure O funds as well \$347,528 in California Department of Housing and Community Development Permanent Local Housing Allocation grant funds. Both these funding sources have already been approved for this use.

Mercy House will be responsible for construction of the tenant improvements, under the terms of two proposed loan agreements with the City, discussed later in this report for Council consideration. The navigation center is estimated to be completed and become operational by the first or second quarter of 2024.

The Financial Cost Sharing Agreement also applies to the operation of the navigation center. The FY 2024-2025 navigation center operations budget is \$2,954,360 for FY 2024-2025. The City's share of the navigation center operation costs in FY 24-25 is \$1,477,180. The navigation center operation is estimated to begin in the first or second quarter of 2024.

A budget of \$1,565,000 has been established by the City and Mercy House for a six-month contingent period, beginning January 1, 2024 through June 30, 2024, which will depend on the progress of construction. Like the capital costs, the City Council approved funding to pay for operation costs and includes Measure O (\$400,000), Measure E (\$1,500,000), and California Department of Housing and Community Development Permanent Local Housing Allocation grant funds, if needed.

The County Board of Supervisors is expected to approve the County's share of the tenant improvement costs and on-going operation costs via the Financial Cost Sharing Agreement on May 10, 2022.

The proposed terms of the Financial Cost Sharing Agreement can be found in the attachments. In summary the term begins May 2022 and expires June 30, 2025 with the County providing quarterly payments to the City for the operation of the navigation center. As it relates to the tenant improvements the City and County will share equally in the improvements and the County will advance the City \$2,935,265 for the tenant improvement costs.

Loan Agreements

City staff is proposing to issue two loans to Mercy House to construct the tenant improvements for the navigation center. Given that the homeless solutions center development is covering \$941,252 of the \$5,687,999 construction costs on behalf of the City, the combined amount of the loans necessary for Mercy to complete the tenant improvements is \$4,746,747. Upon receipt of the County's share of the tenant improvement costs, City staff is proposing to use those funds as well as funds from Measure O, designated for this use, to provide Mercy House with a loan in the amount of

1. One loan for \$4,399,213 with the use Measure O (\$1,463,948) and County Funds (\$2,935,265);
2. Second loan for \$347,528, with the use of Permanent Local Housing Allocation funds, designated for this use, to pay for the balance of the improvement costs.

The proposed terms of the two loan agreements by and between the City and Mercy House for the construction of the tenant improvements are found in the attachments. In summary, both loans are 15 year terms with 0% interest, and forgivable at the end of loan term based on continued operation and compliance.

If approved by Council, the loan agreements and regulatory agreements would be executed by the City Manager or designee (in consultation with the City Attorney) and Mercy House concurrently with the close of construction financing for development of the Homeless Solutions Center. The promissory note and deed of trust would be executed by Mercy House concurrently with the loan agreement and regulatory agreement. The County will advance the City its share of the tenant improvement costs within 10 days of City's recording of a deed of trust securing the two loan agreements.

Modification of Homeless Solutions Center Agreements and Required Approvals

On March 30, 2021, the City Council authorized the Mayor to execute a Development and Disposition Agreement by and between Housing Trust Fund Ventura County, Community Development Partners Developers, LLC, and the City of Oxnard, and further authorized the City Manager or Designee to execute and take all needed actions in consultation with

the City Attorney relative to entering into a Donation Agreement by and between Housing Trust Fund Ventura County and the City of Oxnard, Agreement Containing Covenants, and a Loan Agreement with CDP Developers, LLC for the construction of the Homeless Solutions Center. This same Council action also authorized staff to complete and execute minor and non-material modifications to the approved Development and Disposition Agreement.

Staff consulted with the City Attorney's Office and outside special counsel from Price, Postel & Parma LLP, and has negotiated and will execute the following amendments to the Development and Disposition Agreement. The City Attorney's Office and special counsel agree that these amendments are not material. The First Amendment to the Disposition and Development Agreement is attached.

1. Applying the rights and obligations of the Disposition and Development Agreement to future amendments.
2. Allow for future interests of mortgages including after foreclosures; and
3. Allowing material changes, with prior City of Oxnard approval, to the development and use.

Staff, in consultation with the City Attorney's Office and special counsel, propose to execute the following supporting documents under the authority approved and delegated by the City Council.

1. A loan agreement in the amount of \$1,500,000 imposing conditions for the use of funds in the development of the Homeless Solutions Center.
2. A promissory note as evidence of debt due to the City of Oxnard in the amount of \$1,500,000.
3. A deed of trust as security to the debt evidenced by the promissory note in the amount of \$1,500,000.
4. A covenant agreement requiring that the property be used for the Homeless Solutions Center for ninety-nine years.
5. A regulatory agreement requiring the provision of affordable housing.
6. A donation agreement with the Housing Trust Fund Ventura County with a requirement for the land to be provided to Community Development Partners for the development of the Homeless Solutions Center.

Additionally, while the City of Oxnard is not a party to an agreement ground leasing the property, we acknowledge that it has been prepared and assented to by the Housing Trust Fund Ventura County and CDP for the development of the HSC as required by the above-mentioned Donation Agreement.

Exempt Surplus Land

The City of Oxnard owns the subject property where the proposed Homeless Solutions Center will be developed. The City Council previously adopted Resolution No. 15,432 and declared that the Surplus Land Act was not applicable to the property because the property was found to be necessary for the agency's use, as defined by Government Code Section 54221. However, the California Department of Housing and Community Development reviewed and objected to this declaration but agrees that the property is exempt surplus land. The State has advised that the City withdraw its prior declaration and instead find, determine and declare the subject property as exempt surplus land per Government Code Section 54221(f)(1)(A) per a title transfer authorized by Government Code Section 37364, which authorizes a city to sell, lease, exchange, quitclaim, convey, or otherwise dispose of real property to provide housing affordable to persons and families of low or moderate income if:

1. Not less than 80 percent of the area of the parcel will be used for the development of housing;
2. Not less than 40 percent of the total number of those housing units developed on the parcel shall be affordable to households whose incomes are equal to, or less than, 75 percent of the maximum income of lower income households, and at least half of which shall be affordable to very low-income households; and

3. Dwelling units produced for persons and families of low or moderate income under Government Code Section 37364 shall be restricted by regulatory agreement to remain continually affordable to those persons and families for the longest feasible time, but not less than 30 years, with such regulatory agreement recorded in the office of the county recorder in which the housing development is located.

The Homeless Solutions Center meets all these criteria. As such, staff recommends that the City Council declare the subject property as exempt surplus land per Government Code Section 54221(f)(1)(A) per a title transfer authorized by Government Code Section 37364.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

The County of Ventura will pay the City a lump sum of \$2,935,265 for their share of the tenant improvements for the navigation center. These funds will be deposited into the City's Affordable Housing In-Lieu Fund retainage payable account. This amount received from the County of Ventura will provide a portion of the funding needed to fund the \$4,399,213 loan by and between the City and Mercy House to construct the tenant improvements. The balance of the \$4,399,213 loan would be paid with Measure O funds. There is currently \$1,546,706 available from "Homeless Shelter Acquisition" (Project MO5102) from City Measure O funds, previously approved for this use, therefore a new budget appropriation is not needed. The loan would utilize \$1,463,948 in the already appropriated Measure O funds to provide the balance of the funds needed to fund the tenant improvement loan, leaving \$82,758 of Measure O funds for the navigation center.

There is currently \$347,528 in State Housing Grant PLHA Navigation Center (Project No. 215101 / account 190-5192-826.83-64) available to fund the proposed Permanent Local Housing Allocation loan by and between the City and Mercy Housing. The City Council approved the Permanent Local Housing Allocation plan on July 21, 2020, which included the use of funds as described herein, therefore a new budget appropriation is not needed.

Staff is requesting City Council approval of a budget appropriation of \$160,000 from the Low-and-Moderate Income Housing Fund of the former redevelopment agency into account 420-4700-861-8209 Project #215101 to pay for labor compliance monitoring services during the construction of the Homeless Solutions Center and to pay for the City's share of closing costs for the donation of the City owned property where the Homeless Solutions Center to the Housing Trust Fund Ventura County, in accordance with the terms of the Donation Agreement by and between the Housing Trust Fund Ventura County and the City of Oxnard. The current available fund balance in the Low-and-Moderate Income Housing Fund of the former redevelopment agency is: \$1,897,084.

The City Council has authorized the use of General Funds and Measure O funds for on-going operating costs at the new Shelter at the Homeless Solutions Center and was adopted into the current year fiscal budget. The FY21-22 year-end estimated uncommitted fund balance for Measure O is \$9.4 million. The current FY 21-22 budget allocated for Homeless Services from Measure O fund is \$1,105,253. The proposed FY 2022-23 budget allocated for Homeless Services from Measure O fund is \$1,103,547. The current FY 21-22 budget allocated for Homeless Services from the General Fund is \$452,000. The proposed FY 2022-23 budget allocated for Homeless Services from the General Fund is \$452,000.

COMMITTEE OUTCOME

Request for approval of the Exclusive Negotiating Agreement was heard by the Housing and Economic Development Committee on May 26, 2020. The Committee recommended the Exclusive Negotiating Agreement to the City Council by a 3-0 vote. The Exclusive Negotiating Agreement authorizing City staff to negotiate the Disposition and Development Agreement was presented to the City Council on June 30, 2020, and approved by a 7-0 vote. On March 30, 2021 the Council unanimously approved to execute a Development and Disposition Agreement, a Memorandum of Understanding

for financial cost sharing for the construction and operation of the navigation center portion of the HSC, and a budget appropriations for gap-financing and personnel expenses. The March 30, 2021 staff report is attached to this report.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Financial Cost Sharing Resolution
2. PLHA Loan Agreement and Exhibits
3. Measure O Loan Agreement and Exhibits
4. Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura
5. First Amendment to the Disposition and Development Agreement
6. Surplus Land Exempt Resolution
7. Budget Appropriation
8. City Council 3-30-21 Staff Report
9. PowerPoint Presentation

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. 2022- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A FINANCIAL COST SHARING AGREEMENT BY AND BETWEEN THE CITY OF OXNARD AND THE COUNTY OF VENTURA AND FURTHER AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE AND TAKE ALL NEEDED ACTIONS IN CONSULTATION WITH CITY ATTORNEY RELATIVE TO ENTERING INTO A PLHA LOAN AGREEMENT AND A MEASURE O LOAN AGREEMENT WITH MERCY HOUSE LIVING CENTERS FOR THE CONSTRUCTION OF THE TENANT IMPROVEMENTS FOR THE NAVIGATION CENTER LOCATED WITHIN THE HOMELESS SOLUTIONS CENTER PROJECT AND OTHER MATTERS PERTAINING THERETO

WHEREAS, the City Council hereby finds and declares that it is necessary, essential and a public purpose for the City to enter into a variety of agreements to facilitate the development of the tenant improvements for the Navigation Center located within the Homeless Solutions Center to be located at 2nd and B Street, Oxnard, California (“Property”) and known as Tenant Improvements for the Navigation Center located within the Homeless Solutions Center Project (“Project”); and

WHEREAS, the City Council previously approved and entered into a Disposition and Development Agreement (“DDA”) by and among the City, the Housing Trust Fund Ventura County, a California nonprofit public benefit corporation (“Housing Trust Fund”), and CDP Developers, LLC, a California limited liability company; and

WHEREAS, in furtherance of the Project the City Council desires to approve and authorize the Mayor to execute an Agreement to Provide Financial Support for the Construction and Operation of a Permanent, Year-Round Shelter Serving Homeless Individuals (“Cost Sharing Agreement”) by and between the City and the County of Ventura (“County”); and

WHEREAS, in furtherance of the Project the City Council desires to approve a loan in the amount of \$347,528 from Permanent Local Housing Allocation (“PLHA”) program funds received from the State of California and authorizes the City Manager or designee to execute a (i) PLHA Loan Agreement; (ii) Promissory Note; (iii) Deed of Trust with Assignment of Rents; and (iv) Regulatory Agreement (collectively “PLHA Loan Documents”) by and between City and Mercy House Living Centers (“Operator”); and

WHEREAS, in furtherance of the Project the City Council desires to approve a loan in the amount of \$4,399,213 from the City’s Measure O funds and authorizes the City Manager or

designee to execute a (i) Measure O Loan Agreement; (ii) Promissory Note; (iii) Deed of Trust with Assignment of Rents; and (iv) Regulatory Agreement (collectively “Measure O Loan Documents”) by and between City and Operator; and

WHEREAS, the City Council has determined that the approval of this Resolution and the acts authorized therein are exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations section 15280 and Public Resources Code sections 21159.21 and 21159.23; and

WHEREAS, the City Council hereby finds and declares that this Resolution is being adopted by the City pursuant to the powers granted to the City.

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

1. The City Council hereby finds and declares that the above recitals are true and correct.

2. The City Council hereby approves and authorizes the Mayor to execute the Cost Sharing Agreement.

3. The City Council further approves and authorizes the City Manager or designee to take all needed actions and execute all requisite documents on behalf of the City in consultation with the City Attorney relative to (i) PLHA Loan Documents; (ii) Measure O Loan Documents; and (iii) any other agreements for the purpose of developing, maintaining and operating the Project.

4. That the City Clerk is directed to prepare and file a Notice of Exemption with the County Clerk.

5. This Resolution shall take effect from and after the date of its passage and adoption.

(signatures appear on next page)

PASSED AND ADOPTED this ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

PLHA LOAN AGREEMENT (HOMELESS SHELTER PROJECT)

This PLHA Loan Agreement (“Loan Agreement”) is made as of this ____ day of May, 2022, by and between the City of Oxnard, a municipal corporation (“Lender”) and Mercy House Living Centers, a California nonprofit public benefit corporation (“Borrower”).

RECITALS

A. Lender wishes to promote the development of housing and supportive services for homeless individuals in the City of Oxnard.

B. Borrower is in the process of completing certain tenant improvements for a permanent 110 bed homeless shelter located on the first floor of a five-story mixed use building located on 0.48-acre parcel located in Oxnard, California as more particularly described in Exhibit A attached hereto and incorporated by this reference (the “Property”). The remaining four levels will consist of fifty-six permanent supportive affordable housing units, including one unrestricted manager’s unit.

C. Lender has received funds under the Permanent Local Housing Allocation (“PLHA”) program from the State of California in order to increase the affordable housing stock in the City of Oxnard. Lender desires to loan to Borrower a total of three hundred forty-seven thousand five hundred twenty-eight dollars (\$347,528) of such funds to assist in the completion of the Project.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of the Loan, Borrower and Lender hereby agree as follows:

ARTICLE 1 DEFINITIONS

The following terms have the meanings and content set forth in this section wherever used in this Loan Agreement, attached Exhibits, or documents incorporated into this Loan Agreement by reference.

1.1 “**AT RISK OF HOMELESSNESS**” has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

1.2 “**BORROWER**” is Mercy House Living Centers, a California nonprofit public benefit corporation and its authorized representatives, assigns, transferees, or successors-in-interest thereto.

1.3 “**BUDGET**” means that budget for the construction and installation of the Improvements attached hereto as Exhibit B, which is hereby incorporated into this Loan Agreement by this reference and which identifies the sources and uses of Project costs and specifies the costs to be paid with Loan proceeds.

1.4 **“DEED OF TRUST”** is that certain deed of trust, assignment of rents, and security agreement placed on the Property and the improvements to be constructed thereon as security for the Loan by Borrower as trustor with Lender as beneficiary attached hereto as Exhibit C. The terms of the Deed of Trust have been incorporated into this Loan Agreement.

1.5 **“EFFECTIVE DATE”** is May____, 2022. All funds must be disbursed under this Agreement on or before April 30, 2024. No funds shall be disbursed after April 30, 2024.

1.6 **“HAZARDOUS MATERIALS”** means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as "hazardous substances," "hazardous wastes," "hazardous materials," "pollutants," "contaminants," or "toxic substances," under federal or state environmental and health and safety laws and regulations, including without limitation petroleum and petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos, and lead. Hazardous Materials do not include substances that are used or consumed in the normal course of developing, operating, or occupying a housing project, to the extent and degree that such substances are stored, used, and disposed of in the manner and in amounts that are consistent with normal practice and legal standards at the time of such use.

1.7 **“HCD”** means the California Department of Housing and Community Development.

1.8 **“HOMELESS”** has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

1.9 **“IMPROVEMENTS”** means the construction of the tenant improvements within the permanent 110 bed homeless shelter, as defined in Recital B, in accordance with this Loan Agreement and the Plans and Specifications approved by City, subject to all terms and conditions of approval granted pursuant thereto.

1.10 **“INSURANCE REQUIREMENTS”** means the insurance coverage which must be in full force and effect during the term of the Regulatory Agreement with the exception of course of construction insurance, as specified in Exhibit F.

1.11 **“LENDER”** means the City of Oxnard, a municipal corporation and its authorized representatives, officers, officials, directors, employees, and agents.

1.12 **“LOAN”** means the loan of funds in the total amount of Three Hundred Forty-Seven Thousand Five Hundred Twenty-Eight Dollars (\$347,528) from the Lender to the Borrower as provided in this Loan Agreement to provide construction and permanent financing for the Project.

1.13 **“LOAN AGREEMENT”** means this loan agreement entered into between Lender and Borrower.

1.14 **“LOAN DOCUMENTS”** are collectively the Loan Agreement, the Note, the Deed of Trust, and the Regulatory Agreement, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.15 **“NOTE”** means the promissory note executed by the Borrower in favor of Lender in the amount of Three Hundred Forty-Seven Thousand Five Hundred Twenty-Eight Dollars (\$347,528) to evidence the Loan substantially in the form attached hereto as Exhibit D.

1.16 **“NOTICE OF COMPLETION”** shall mean the notice that shall be filed by the Borrower with the City of Oxnard at completion of construction. Borrower shall not unreasonably delay filing the Notice of Completion.

1.17 **“PROJECT”** means the construction of the Improvements, operation and management of the 110 bed homeless shelter according to the terms of this Loan Agreement.

1.18 **“PROPERTY”** means the property commonly referred to as 241 W 2nd Street, Oxnard, California, as more particularly described in Exhibit A, which is incorporated into this Loan Agreement by this reference.

1.19 **“QUALIFYING HOUSEHOLD”** means a household that qualifies as Homeless in accordance with 24 CFR 578.3.

1.20 **“REGULATORY AGREEMENT”** means the regulatory agreement executed by Borrower and Lender, attached as Exhibit E, and recorded against the Property in the Official Records of Ventura County which regulates the use of the Project.

ARTICLE 2 TERMS OF THE LOAN

2.1 **LOAN.** On and subject to the terms and conditions of the Loan Documents, Lender agrees to make and Borrower agrees to accept a loan with the following terms:

2.2 **AMOUNT.** The principal amount of the Loan shall be an amount not to exceed Three Hundred Forty-Seven Thousand Five Hundred Twenty-Eight Dollars (\$347,528) and shall be evidenced by the Note.

2.3 **NO INTEREST LOAN.** Subject to the provisions of Section 2.4, the Note shall not bear interest.

2.4 **DEFAULT INTEREST.** In the event of a default by Borrower of any of its obligations under this Loan Agreement and expiration of applicable cure periods, Borrower shall pay to Lender interest on the outstanding principal of the Loan, at an annual rate equal to the lesser of (i) ten percent (10%) or (ii) the highest interest allowed by law, from the date of the default until the date that the default is cured or the Loan is repaid in full.

2.5 **TERM OF LOAN.** The principal of the Loan shall be due and payable on the earlier of: (a) fifteen (15) years after the date of Project completion as evidenced by a written

notice of completion provided to the Borrower by the City of Oxnard, or (b) the date the Property is sold or otherwise transferred, or (c) Borrower has failed to commence construction as set forth in Section 4.1 of this Loan Agreement, or (d) an event of default by Borrower, as defined below in Section 8.1, which has not been cured as provided for below in Section 8.2. In the event of default by Borrower, as defined below in Section 8.1, which has not been cured as provided for below in Section 8.2, the principal shall be due and payable in accordance with Section 8.3. The foregoing notwithstanding, if Borrower remains compliant with the terms of the Regulatory Agreement, as determined by the Lender through periodic inspections of the Project and tenant files documenting occupancy by Qualifying Households, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the Regulatory Agreement, for the fifteen (15) year term described therein, then the principal amount of the Loan shall be forgiven.

2.6 USE OF LOAN PROCEEDS. Loan proceeds shall be used only for the construction of the Improvements and shall only be disbursed in accordance with the provisions of Article 3.

2.7 SECURITY. Borrower shall secure its obligation to repay the Loan by executing a Deed of Trust and recording it as a lien against the Project.

2.8 REPAYMENT OF THE LOAN. The principal shall be due and payable in accordance with the terms set forth in Section 2.5.

2.9 PREPAYMENT OF LOAN. No prepayment penalty will be charged to Borrower for payment of all or any portion of the Loan amount prior to the end of the term described herein. However, prepayment of the Loan shall not affect Borrower's obligations under the Regulatory Agreement.

2.10 RECORDING. Concurrent with Borrower's closing of the construction loan, Escrow Holder shall record the Deed of Trust and the Regulatory Agreement with the Recorder for the County of Ventura, and shall deliver conformed copies of the recorded documents to the Lender and Borrower.

ARTICLE 3 LOAN DISBURSEMENTS

3.1 CONDITIONS PRECEDENT TO DISBURSEMENT. Lender shall not be obligated to make any disbursements of the Loan proceeds or take any other action under the Loan Documents unless the following conditions precedent are satisfied prior to the disbursement of the Loan:

A. There exists no Event of Default nor any act, failure, omission or condition that with the giving of notice or passage of time would constitute an Event of Default;

B. Borrower has executed and delivered to Lender all documents, instruments, and policies required under the Loan Documents and the Deed of Trust and the Regulatory Agreement have been recorded with the Recorder for the County of Ventura;

C. Borrower has provided to Lender a certificate of insurance or copy of the insurance policy, which policy shall be satisfactory to the Lender and which conforms to Exhibit F; and

D. Borrower has secured all final permits, entitlements and approvals required by all permitting and regulatory authorities and jurisdictions; and

E. Borrower has complied with all reporting requirements set forth in this Loan Agreement.

3.2 DISBURSEMENT OF LOAN PROCEEDS. Lender shall provide Loan proceeds to Borrower on a reimbursement basis for approved Project costs incurred by Borrower and approved by Lender in accordance with the Budget and only after Project costs which are to be paid have been incurred by Borrower as evidenced by invoices. Disbursement of Loan proceeds shall not exceed a total of Three Hundred Forty-Seven Thousand Five Hundred Twenty-Eight Dollars (\$347,528).

Loan proceeds shall be disbursed through periodic payments based upon Project costs incurred and work completed, as evidenced by documentation supporting the completed work signed by the Project architect and verified by Lender. Borrower shall submit to Lender disbursement requests (“Written Disbursement Requests”) in writing no more frequently than one time per month. Written Disbursement Requests shall include itemized invoices corresponding to the Budget (Exhibit B). Borrower shall also attach copies of receipts or other acceptable proof of payment by Borrower and that demonstrates date of payment, and additional documentation as necessary to comply with state and local regulations.

Written Disbursement Requests shall only be for items included in the Budget (Exhibit B). Changes in individual items comprising the Budget shall require the prior written request of Borrower and the written approval of Lender. However, Lender’s obligations shall in no event exceed the amount specified above in Section 2.2. Any costs in excess of this amount that are necessary for the completion of the Project shall be the sole responsibility of Borrower.

City agrees to provide payment to Borrower within 30 days of City’s receipt of the Written Disbursement Request and documentation supporting the completed work signed by the Project architect.

ARTICLE 4 DEVELOPMENT OF PROJECT

4.1 COMMENCEMENT OF CONSTRUCTION. Borrower shall commence construction of the Project on or before April 30, 2024. Commencement of construction shall mean obtaining all final permits, entitlements and approvals required by all permitting and regulatory authorities and jurisdictions and commencing work on any task associated with a line item in the Budget (Exhibit B) at the Property that requires a permit, entitlement or approval. If Borrower fails to commence construction as set forth above, Lender may terminate this Loan Agreement pursuant to Article 8 below.

4.2 COMPLETION OF PROJECT. Borrower shall diligently prosecute development of the Project to completion. Borrower shall provide proof of completion as evidenced by the recording of a Notice of Completion.

4.3 FINANCING. Borrower shall promptly inform Lender in writing of any changes in the amount, terms, and/or sources of financing or funding for the Property acquisition and Project development work.

4.4 CONTRACTS AND SUBCONTRACTS. All development work and professional services for the Project shall be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California.

All costs incurred in acquisition of the Property and development, construction and operation of the Project shall be the responsibility and obligation solely of Borrower.

4.5 ADDITIONS OR CHANGES IN WORK. Lender must be notified in a timely manner of any changes in the work required to be performed under this Loan Agreement. A written change order authorized by Lender must be obtained before any changes, additions, or deletions may be performed. If Lender has not responded to a written request for a change order by Borrower within ten (10) days of receipt of such request by Lender, such request shall be deemed approved by Lender. Consent to any additions, changes, or deletions to the work shall not release Borrower from any other obligations in the Loan Documents.

4.6 INSPECTIONS. Borrower shall permit and facilitate, and require its contractors to permit and facilitate, observation and inspection at the job site by Lender and by public authorities during reasonable business hours for the purposes of determining compliance with this Loan Agreement.

4.7 SITE SUPERVISION. During the development of the Project, Borrower shall maintain a full-time site superintendent to supervise all development and construction work on the Property. The site superintendent shall be on-site during all work hours.

4.8 CONSTRUCTION RESPONSIBILITIES. Borrower shall be solely responsible for all aspects of Borrower's conduct in connection with the Project, including, but not limited to, the quality and suitability of the construction work, the supervision of construction work, the qualifications, financial condition, and performance of all contractors, subcontractors, suppliers, consultants, and property managers. To ensure compliance with all applicable labor code requirements, Borrower shall hire a labor compliance monitor. Any review or inspection undertaken by Lender with reference to the Project is solely for the purpose of determining whether Borrower is properly discharging its obligations to Lender, and should not be relied upon by Borrower or by any third parties as a warranty or representation by Lender as to the quality of the development and construction of the Project.

4.9 BARRIERS TO THE DISABLED. The Project shall be developed and the Property shall be maintained to comply with all applicable federal, state, and local requirements for access for disabled persons.

4.10 LEAD-BASED PAINT AND ASBESTOS REMOVAL. Borrower and its contractors and subcontractors shall not use lead-based paint or asbestos in the development and construction of the Property and shall comply with Federal Regulations 24 C.F.R., 29 C.F.R., 40 C.F.R., Title X, California O.S.H.A., California health codes, and all County standards. Borrower shall incorporate or cause to be incorporated this provision in all contracts and subcontracts for work performed on the Property which involves the application of paint and/or other construction-related surfaces.

4.11 MECHANICS LIENS AND STOP NOTICES. If any claim of lien is filed against the Property or a stop notice affecting the Loan is served on Lender or any other lender or other third party in connection with the Project, Borrower shall, within sixty (60) days of such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to Lender a surety bond in sufficient form and amount, provide Lender with a lien-free endorsement or provide Lender with other assurance reasonably satisfactory to Lender that the claim of lien or stop notice will be paid or discharged.

If Borrower fails to discharge any lien, encumbrance, charge, or claim referred to herein, then in addition to any other right or remedy, Lender may, but shall be under no obligation to, discharge such lien, encumbrance, charge, or claim at Borrower's expense. Alternatively, Lender may require Borrower to immediately deposit with Lender the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof Lender may use such deposit to satisfy any claim or lien that is adversely determined against Borrower.

Borrower shall file a valid notice of cessation or notice of completion upon cessation of work on the Project for a continuous period of 30 days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property. Borrower authorizes Lender, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that Lender deems necessary or desirable to protect its interest in the Project and Property.

4.12 RELOCATION. If and to the extent that development of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, Borrower shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. Borrower shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with said relocation laws.

4.13 UNAVOIDABLE DELAY IN PERFORMANCE. The time for performance of provisions of this Loan Agreement by either party shall be extended for a period equal to the period of any delay directly affecting the Project or this Loan Agreement which is caused by: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; quarantine restrictions; or freight embargoes or other events beyond the reasonable control of the

party claiming the delay. An extension of time for any of the above-specified causes will be deemed granted only if written notice by the party claiming such extension is sent to the other party within five (5) calendar days from the commencement of the cause, and such extension of time is either accepted by the other party in writing, or is not rejected in writing by the other party within ten calendar days of receipt of the notice. In any event, construction of the Project must be completed no later than ninety (90) calendar days after the scheduled completion date specified herein, any unavoidable delay notwithstanding. Times of performance under this Loan Agreement may also be extended for any cause for any period of time by the mutual written agreement of Lender and Borrower.

ARTICLE 5 OPERATION

5.1 OPERATION OF PROJECT. Borrower shall operate and manage the Project after completion in full conformance with the terms of the Regulatory Agreement.

Borrower shall agree to maintain and operate the Project so as to provide decent, safe, and sanitary housing. Borrower shall provide supportive services as required by the provision of that separate Shelter Operation Agreement between Borrower and Lender.

5.2 PROJECT BEDS. The 110 permanent shelter beds shall be available for Qualifying Households.

5.3 CONFLICTS BETWEEN COVENANTS OR RESTRICTIONS AFFECTING THE PROPERTY. Any conflicts between the restrictive provisions contained in this Loan Agreement, Note, Deed of Trust, Regulatory Agreement, and any other agreements in connection with the Loan which affect the Property, are to be resolved by applying the more restrictive covenants or restrictions which affect the Property.

5.4 NONDISCRIMINATION. Borrower shall not discriminate or segregate in the rehabilitation, use, enjoyment, occupancy, conveyance, lease, sublease, or rental of any part of the Property on the basis of race, color, ancestry, national origin, religion, sex, sexual preference or orientation, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any other arbitrary basis. Borrower shall otherwise comply with all applicable local, state, and federal laws concerning discrimination in housing.

5.5 RECORDS. Borrower shall be accountable to Lender for all funds disbursed to Borrower pursuant to the Loan Documents. Borrower agrees to maintain records that accurately and fully show the date, amount, purpose, and payee of all expenditures drawn from Loan proceeds, and to keep all invoices, receipts, and other documents related to expenditures from said Loan proceeds for not less than five years after completion of the Project. Records must be kept accurate and current. Lender shall notify Borrower of any records it deems insufficient. Borrower shall have fifteen (15) calendar days from the date of said notice to correct any deficiency in the records specified by Lender in said notice, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Borrower shall begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Borrower shall promptly comply with all requirements or conditions of the Loan Documents relating to notices, extensions, and other events required to be reported or requested. Borrower shall promptly supply, upon the request of Lender, any and all information and documentation which involves the Project and cooperate with Lender in the development and construction of the Project.

5.6 AUDITS. Borrower shall make available for examination at reasonable intervals and during normal business hours to Lender all books, accounts, reports, files, and other papers or property with respect to all matters covered by these Loan Documents, and shall permit Lender to audit, examine, and make excerpts or transcripts from such records. Lender may make audits of any conditions relating to this Loan. Further, Borrower acknowledges that the PLHA Program Terms and Conditions applies to the Loan proceeds and that HCD has the right to audit Borrower's records and interview Borrower's employees in connection with the use of Loan proceeds under this Loan Agreement.

5.7 ENCUMBRANCE OF PROPERTY. Except as otherwise provided in this Loan Agreement, Borrower shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or allow any encumbrance or lien to be made on or attached to the Property, except with the prior written consent of Lender. Borrower shall notify Lender in writing in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Project or Property, and of any encumbrance or lien that has been created on or attached to the Property whether by voluntary act of Borrower or otherwise.

5.8 SUBORDINATION. Lender shall subordinate the obligations of this Loan Agreement, and the attached Regulatory Agreement and Deed of Trust to be recorded on the Property, to the Construction Loan and the permanent financing obligations for the Project. Borrower and Lender shall cooperate in the execution of any such subordination agreement required to perfect such subordinations.

5.9 TRANSFER OF PROPERTY. Borrower has not made or created, and shall not, make or permit any sale, assignment, conveyance, lease (other than the leasing of units in the Project pursuant to an approved lease), or other transfer of this Loan Agreement, the Project, or the Property, or any part thereof, without the prior written consent of Lender.

5.10 FEES, TAXES, AND OTHER LEVIES. Borrower shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project, and shall pay such charges prior to delinquency. However, Borrower shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by Lender, Borrower deposits with Lender any funds or other forms of assurance Lender in good faith from time to time determines appropriate to protect Lender from the consequences of the contest being unsuccessful.

5.11 DAMAGE TO PROPERTY. If any building or structure on the Property is damaged or destroyed by an insurable cause, Borrower shall, at its cost and expense, diligently undertake to repair or restore said buildings and structures consistent with the original Improvements for the Project if Borrower reasonably determines that such restoration or repair is economically feasible. Such work or repair shall be commenced within 120 days after the damage or loss occurs and shall be complete within one year from such commencement, subject to any extensions of time granted pursuant to the provisions of Section 4.13. Subject to Borrower's election to rebuild, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Borrower shall make up the deficiency.

ARTICLE 6 INDEMNITY AND INSURANCE

6.1 INDEMNITY AND INSURANCE. Borrower hereby agrees to defend, indemnify and save harmless the Lender and to procure and maintain insurance in accordance with the provisions of Exhibit F attached hereto and incorporated herein by reference.

6.2 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS. No officials, employees and agents of Lender shall be personally liable to Borrower for any obligation created under the terms of these Loan Documents.

ARTICLE 7 HAZARDOUS MATERIALS

7.1 REPRESENTATIONS AND WARRANTIES. After reasonable investigation and inquiry, Borrower hereby represents and warrants to the best of its knowledge, as of the date of this Loan Agreement and except as previously disclosed and acknowledged in writing by Lender or as disclosed by the reports based on environmental audit(s) performed on the Property and submitted to Lender, that (a) the Property is not and has not been a site for the use, generation, manufacture, transportation, storage, or disposal of Hazardous Materials in violation of Federal or State law; (b) the Property is in compliance with all applicable environmental and health and safety laws, regulations, ordinances, administrative decisions, common law decisions (whether federal, state, or local) with respect to Hazardous Materials, including those relating to soil and groundwater conditions ("Hazardous Materials Laws"); (c) there are no claims or actions pending or threatened with respect to the Property by any governmental entity or agency or any other person relating to Hazardous Materials; and (d) there has been no release or threatened release of any Hazardous Materials on, under, or near the Property (including in the soil, surface water, or groundwater under the Property) or any other occurrences or conditions on the Property or on any other real property that could cause the Property or any part thereof to be classified as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

7.2 NOTIFICATION TO LENDER. Borrower shall promptly notify Lender in writing of: (a) the discovery of any concentration or amount of Hazardous Materials of which Borrower becomes aware on or under the Property requiring notice to be given to any governmental entity or agency under Hazardous Materials Laws; (b) any knowledge by Borrower (after verification of the veracity of such knowledge to Borrower's reasonable satisfaction) that the Property does not comply with any Hazardous Materials Laws; (c) the

receipt by Borrower of written notice of any Hazardous Materials claims; and (d) the discovery by Borrower of any occurrence or condition on the Property or on any real property located within 2,000 feet of the Property that could cause the Property or any part thereof to be designated as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

7.3 USE AND OPERATION OF PROPERTY. Neither Borrower, nor any agent, employee, or contractor of Borrower, nor any authorized user of the Property shall use the Property or allow the Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. Borrower shall comply and cause the Project to comply with Hazardous Materials Laws.

7.4 REMEDIAL ACTIONS. If Borrower has actual knowledge of the presence of any Hazardous Materials on or under the Property, Borrower shall take, at no cost or expense to Lender, all handling, treatment, removal, storage, decontamination, cleanup, transport, disposal or other remedial action, if any, required by any Hazardous Materials Laws or by any orders or requests of any governmental entity or agency or any judgment, consent decree, settlement or compromise with respect to any Hazardous Materials claims. The foregoing, however, shall be subject to Borrower's right of contest below.

7.5 RIGHT OF CONTEST. Borrower may contest in good faith any claim, demand, levy or assessment under Hazardous Materials Laws if (a) the contest is based on a material question of law or fact raised by Borrower in good faith, (b) Borrower promptly commences and thereafter diligently pursues the contest, (c) the contest will not materially impair the taking of any remedial action with respect to such claim, demand, levy or assessment, and (d) if requested by Lender, Borrower deposits with Lender any funds or other forms of assurance Lender in good faith from time to time determines appropriate to protect Lender from the consequences of the contest being unsuccessful and any remedial action then reasonably necessary. No Event of Default shall be deemed to exist with respect to any claim, demand, levy or attachment being contested by Borrower under the conditions of this section.

7.6 ENVIRONMENTAL INDEMNITY. Borrower shall defend, indemnify, and hold Lender free and harmless against any claims, demands, administrative actions, litigation, liabilities, losses, damages, response costs, and penalties, including all costs of legal proceedings and reasonable attorney's fees, that Lender may directly or indirectly sustain or suffer as a consequence of any inaccuracy or breach of any representation, warranty, agreement, or covenant contained in this Loan Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, release, or disposal (whether or not Borrower knew of same) of any Hazardous Materials occurring prior to or during Borrower's use or occupancy of the Property.

ARTICLE 8 DEFAULT AND REMEDIES

8.1 EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an "Event of Default" under this Loan Agreement:

A. Monetary. (1) Borrower's failure to pay when due any sums payable under the Note or any advances made by Lender under the Deed of Trust or this Loan Agreement; (2) Borrower's use of Loan proceeds for costs other than approved costs or for uses inconsistent with other terms and restrictions in the Loan Documents; (3) Borrower's failure to obtain and maintain the insurance coverage required under this Loan Agreement; (4) Borrower's failure to make any other payment or assessment due under the Loan Documents; (5) Borrowers failure to pay taxes; (6) Borrower's default under other debt secured by the Property after the applicable notice and cure periods have expired;

B. Project Development and Construction. (1) Borrower's substantial deviation in the construction of the Improvements, without Lender's prior written consent; (2) Borrower's use of defective or unauthorized materials or defective workmanship in development and construction of the Project; (3) Borrower's failure to commence or complete construction work according to the schedule specified in this Loan Agreement; (4) the cessation of construction work prior to completion of the Project for a period of more than twenty-one (21) continuous calendar days without proper justification; (5) Borrower's failure to remedy any deficiencies in recordkeeping or failure to provide records to Lender upon Lender's reasonable request; (6) Borrower's failure to substantially comply with any applicable federal, state, or local laws or Lender policies governing Project development and construction;

C. Operation. (1) Discrimination by Borrower on the basis of characteristics prohibited by applicable law or (2) the imposition of any encumbrances or liens on the Property without Lender's prior written approval that are prohibited under this Loan Agreement or that have the effect of reducing the priority of or invalidating the Deed of Trust;

D. General performance of Loan obligations. Any substantial breach by Borrower beyond applicable notice and cure periods of any material obligations on Borrower imposed in the Loan Documents;

E. General performance of other obligations. Any substantial or continuous breach by Borrower beyond applicable notice and cure periods of any material obligations on Borrower imposed by any other agreements, including any grant agreements, with respect to the financing, construction, or operation of the Project or the Property, whether or not Lender is a party to such agreement which may materially impair Lender's security;

F. Representations and warranties. A determination by Lender that its security has or will be materially impaired due to the fact that any of Borrower's representations or warranties made in the Loan Documents, or any certificates, documents, or schedules supplied to Lender by Borrower were untrue in any material respect when made, or that Borrower concealed or failed to disclose a material fact from Lender;

G. Damage to Property. Material damage or destruction to the Property by fire or other casualty, if Borrower does not take steps to reconstruct the Property as required by the Loan Documents;

H. Bankruptcy, dissolution, and insolvency. Borrower's (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after the filing; (2) making a general assignment for the benefit of creditors; (3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after the filing; (4) insolvency; (5) failure, inability or admission in writing of its inability to pay its debts as they become due.

8.2 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. For all Events of Default, Lender shall give written notice to Borrower of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the Default, (b) the action required to cure the deficiency, if an action to cure is possible, and (c) a date, which shall not be less than thirty (30) calendar days from the date of receipt of the notice or the date the notice was refused, by which such action to cure must be taken or if a cure is not possible within thirty (30) days, to begin such cure and diligently prosecute such to completion which shall, in any event, not exceed ninety (90) days from the date of receipt of the notice to cure. The Lender has the sole discretion to determine whatever additional reasonable time is needed to cure.

8.3 LENDER'S REMEDIES. Upon the happening of an Event of Default by Borrower and a failure to cure said Event of Default within the time specified in Section 8.2 above, Lender's obligation to disburse Loan proceeds shall terminate, and Lender may also, in addition to other rights and remedies permitted by the Loan Documents or applicable law, proceed with any or all of the following remedies in any order or combination Lender may choose in its sole discretion:

A. Terminate this Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Borrower by Lender under the Loan Documents including administrative costs, shall immediately become due and payable at the option of Lender;

B. Bring an action in equitable relief (1) seeking the specific performance by Borrower of the terms and conditions of the Loan Documents, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;

C. Accelerate the Loan, and demand immediate full payment of the principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Borrower by Lender under the Loan Documents;

D. Enter the Property and take any actions necessary in its judgment to complete development of the Project, including without limitation (1) making changes in the Improvements or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy;

E. Seek appointment from a court of competent jurisdiction of a receiver with the authority to complete development of Project as needed to preserve Lender's interest in seeing the Project completed in a timely manner (including the authority to take any remedial actions with respect to Hazardous Materials that Lender or the receiver deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy);

F. Order immediate stoppage of development of Project and demand that any condition leading to the Event of Default be corrected before development of Project may continue;

G. Disburse from Loan proceeds any amount necessary to cure any monetary default;

H. Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect rents and other amounts specified in the assignment of rents in the Deed of Trust and apply them to operate the Property or to pay off the Loan or any advances made under the Loan Documents, as provided for by the Deed of Trust;

I. Initiate and pursue any private and/or judicial foreclosure action allowed under applicable law and the power of sale provision in the Deed of Trust;

J. With respect to defaults under Hazardous Materials provisions herein, pursue the rights and remedies permitted under California Civil Code Section 2929.5, and California Code of Civil Procedure Sections 564, 726.5, and 736; or

K. Pursue any other remedy allowed at law or in equity. Nothing in this section is intended or shall be construed as precluding Lender from proceeding with a nonjudicial foreclosure under the power of sale contained in the Deed of Trust in the Event of Default by Borrower.

ARTICLE 9 GENERAL PROVISIONS

9.1 BORROWER'S WARRANTIES. Borrower represents and warrants (1) that it has access to professional advice and support to the extent necessary to enable Borrower to fully comply with the terms of these Loan Documents and the Regulatory Agreement, and to otherwise carry out the Project, (2) that it is duly organized, validly existing and in good standing under the laws of the State of California, (3) that it has the full power and authority to undertake the Project and to execute the Loan Documents, (4) that the persons executing and delivering the Loan Documents are authorized to execute and deliver such documents on behalf of Borrower, (5) that there has been no substantial adverse change in Borrower's financial condition since the date of application for this loan such as judgment liens, tax liens, mechanic's liens, bankruptcy, etc.; and (6) that all representations in the Borrower's loan application (including all supplementary submissions) are true, correct and complete in all material respects and are offered to induce Lender to make this loan.

9.2 MONITORING AND EVALUATION. Except as otherwise provided for in this Loan Agreement, Borrower shall maintain and submit records to Lender within fifteen (15) business days of Lender's request which clearly document Borrower's performance under each requirement of the Loan Documents.

9.3 CONFLICTS OF INTEREST. Borrower covenants that:

A. Except for approved eligible administrative or personnel costs, no person described in subsection (B) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this contract or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. The Borrower shall exercise due diligence to ensure that the prohibition in this Section is followed.

B. The conflict of interest provisions of Section 9.3(A) above apply to any person defined in California Government Code section 1090 and an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the City, or any person related within the third (3rd) degree of such person.

9.4 POLITICAL ACTIVITY. None of the funds, materials, property or services contributed by Lender or Borrower under this Loan Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

9.5 TERM OF THIS AGREEMENT. This Loan Agreement shall commence on the Effective Date and remain in full force and effect throughout the term of this Loan.

9.6 GOVERNING LAW. The Loan Documents shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law.

9.7 STATUTORY REFERENCES. All references in the Loan Documents or Regulatory Agreement to particular statutes, regulations, ordinances, or resolutions of the United States, the State of California, or the City of Oxnard shall be deemed to include the same statute, regulation, ordinance, or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject as the provision to which specific reference was made.

9.8 TIME. Time is of the essence in these Loan Documents.

9.9 CONSENTS AND APPROVALS. Any consent or approval of Lender or Borrower required under the Loan Documents shall not be unreasonably withheld or conditioned. Any approval required under the Loan Documents shall be in writing and executed by an authorized representative of the party granting the approval.

9.10 NOTICES, DEMANDS AND COMMUNICATIONS. Formal notices, demands and communications between Borrower and Lender shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Borrower and Lender as follows:

LENDER: City of Oxnard Housing Department
435 South D Street
Oxnard, CA 93030
Attn: Housing Director

BORROWER: Mercy House Living Centers
203 N Golden Circle Drive, 3rd Floor
Santa Ana, CA 92705
Attn: Larry Haynes

9.11 BINDING UPON SUCCESSORS. All provisions of these Loan Documents shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Loan Agreement by Borrower without Lender's consent.

9.12 RELATIONSHIP OF PARTIES. The relationship of Borrower and Lender for this Project under this Loan Agreement is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. Lender neither undertakes nor assumes any responsibility or duty to Borrower (except as provided for herein) or any third party with respect to the Project, the Property, or the Loan.

9.13 ASSIGNMENT AND ASSUMPTION. Borrower shall not assign any of its interests under this Loan Agreement or the Loan Documents to any other party, except as specifically permitted under the terms of the Loan Documents, without the prior written consent of Lender. Any unauthorized assignment shall be void.

9.14 WAIVER. Any waiver by Lender of any obligation in these Loan Documents must be in writing. No waiver will be implied from any delay or failure by Lender to take action on any breach or default of Borrower or to pursue any remedy allowed under the Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation under the Loan Documents shall not operate as a waiver or release from any of its obligations under the Loan Documents. Consent by Lender to any act or omission by Borrower shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Lender's written consent to future waivers.

9.15 **INTEGRATION.** This Loan Agreement and the other Loan Documents, including exhibits, executed by Borrower for the Property, if any, contain the entire agreement of the parties and supersede any and all prior negotiations.

9.16 **OTHER AGREEMENTS.** Borrower represents that it has not entered into any agreements that are inconsistent with the terms of the Loan Documents. Borrower shall not enter into any agreements that are inconsistent with the terms of the Loan Documents without an express waiver by Lender in writing.

9.17 **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to the Loan Documents must be in writing, and shall be made only if executed by both Borrower and Lender.

9.18 **SEVERABILITY.** Every provision of this Loan Agreement is intended to be severable. If any provision of this Loan Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

9.19 **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original.

(Signatures appear on next page)

IN WITNESS WHEREOF, Lender and Borrower have caused this Loan Agreement to be executed by their duly authorized representatives.

City:

THE CITY OF OXNARD

Alexander Nguyen, City Manager

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

APPROVED AS TO INSURANCE:

Michael More, Human Resources/Risk
Manager

Borrower:

MERCY HOUSE LIVING CENTERS, a
California nonprofit public benefit
corporation

Name: Larry Haynes
Title: Chief Executive Officer

EXHIBIT A**LEGAL DESCRIPTION OF THE PROPERTY**

Real property in the unincorporated area of the County of Ventura, State of California, described as follows:

A leasehold estate as created by that certain [*title of sublease*] dated _____, 2022, executed by and between 2nd & B, LP, a California limited partnership, as sublessor, and _____, a California nonprofit public benefit corporation, as sublessee, as evidenced by that certain "Memorandum of [*title of sublease*]" recorded concurrently with the Deed of Trust in the Official Records of the County of Santa Barbara, California, in and to the first floor of the building located on the following described real property:

LOTS 9, 10 AND 11 OF BLOCK 12, AS SHOWN ON A MAP OF THE NORTH ADDITION TO THE TOWN OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, RECORDED IN BOOK 5, PAGE 7, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ALL URANIUM, THORIUM AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID ASSOCIATED SOUTHERN INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED FROM ASSOCIATED SOUTHERN INVESTMENT COMPANY TO THE CITY OF OXNARD, DATED JUNE 20, 1974 AND RECORDED JUNE 28, 1974, IN BOOK 4281, PAGE 515 OF OFFICIAL RECORDS.

APN: 202-0-054-075 AND 080

EXHIBIT B**BUDGET**

Loan proceeds shall be used only for the costs attributed to the development of the Shelter, as shown below, in an amount not to exceed \$347,528.

Description	Total Budget
Shelter Shell	\$855,689
Rooftop Deck	\$57,986
Shelter Tenant Improvements	\$3,059,044
Design Costs	\$219,500
Construction Oversight	\$50,000
Insurance	\$73,000
Contingency 10%	\$431,522
Total Cost	\$4,746,741

The balance of this budget will be paid with loan proceeds from a separate a Loan Agreement executed between the Borrower and the City, in which City agreed to loan Borrower \$4,399,213 from Local City Measure O funds and funds provided by the County of Ventura for development of the Shelter.

EXHIBIT C
DEED OF TRUST

NO FEE DOCUMENT

**Recording requested by and
when recorded, mail to:**

City of Oxnard Housing Department
435 S. D Street
Oxnard, California, 93030
Attn: Housing Director

NO FEE DOCUMENT PURSUANT TO
GOVERNMENT CODE SECTION 27383

**DEED OF TRUST, ASSIGNMENT OF RENTS,
AND SECURITY AGREEMENT
(PLHA Loan – Homeless Shelter Project)**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT (“Deed of Trust”) is made as of this ____ day of _____, 2022, by Mercy House Living Center, a California nonprofit public benefit corporation (“Trustor”), to Fidelity National Title Company, a California corporation as trustee (“Trustee”), for the benefit of the City of Oxnard, a municipal corporation (“Beneficiary”).

GRANT IN TRUST

1. **GRANT.** Trustor, in consideration of the indebtedness referred to below, hereby irrevocably grants and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, all of Trustor’s interest in the leasehold estate in and to the first floor of the building located on the improved real property located in the County of Ventura, State of California, more particularly described in Exhibit A and 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; all buildings, structures, fixtures, improvements, signs, and landscaping now or hereafter erected or located on the Property, including all equipment and machinery used for supplying or distributing heating, cooling, electricity, gas, water, air, and light, all kitchen and laundry appliances such as washers, dryers, refrigerators, garbage disposals, ovens, ranges, dishwashers, all plumbing and bathroom fixtures, all security and access control equipment, fire prevention and extinguishment equipment, elevators, floor coverings, window coverings, paneling, cabinets, (provided, however, that Trustor shall have the right to remove, if necessary, such fixtures, furnishings, and equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall themselves become part of this grant); all building material and equipment either now or hereafter delivered to the Property and intended to be installed therein or any such material and equipment purchased with the Loans’ proceeds whether or not located on the Property; all reserves, accounts, deferred payments, and refunds relating to development on the Property; all rents and income generated by the Property or improvements thereon (subject however to the assignment of rents to Lender contained herein); all leases, subleases and rental agreements covering the Property or any portion thereof now existing or hereafter entered into, and all interests of Trustor in security deposits, advance rentals, accounts, or payments of similar nature with respect to such leases, subleases, or rental agreements; all easements and rights-of-way appurtenant to the Property, including parking and recreational easements, and all interests of Trustor in any land lying within the right-of-way of any street, sidewalks, and areas of land adjacent to or used in connection with the Property; all development rights and credits, air rights, water rights, and oil, gas or mineral rights with respect to the Property; all claims or demands with respect to insurance proceeds, and all awards made for a taking by eminent domain; all interests and rights in any private or government grants, subsidies, loans, or other financing with respect to development on the Property; all interests in personal property used in and about the Property (except furniture and other personal property of occupants of dwelling units on the Property); all intangible property and rights relating to the Property or operations on the Property, including trade names, goodwill, trademarks, and service marks; all government permits, approvals, and map rights

related to construction on the Property; all architectural, structural, and mechanical plans, specifications, designs, studies, and data with respect to construction of improvements on the Property; all environmental tests, studies and reports with respect to the Property; all current and future claims and rights of action of Trustor against prior owners and operators of the Property, neighboring property owners and operators, tenants and former tenants, consultants, advisors, and other third parties with respect to environmental or any hazardous materials contamination and cleanup of the Property under any federal, state, or local ordinances, statutes, regulations, or administrative decisions or common law.

All of the foregoing, together with the Property, is herein referred to as the "Security."

OBLIGATIONS SECURED

2. **OBLIGATIONS.** Trustor makes this grant for the purpose of securing the following obligations:

A. Repayment of the indebtedness of Trustor to Beneficiary in the principal sum of Three Hundred Forty-Seven Thousand Five Hundred Twenty-Eight Dollars (\$347,528), with interest thereon, evidenced by a promissory note executed by Trustor on file at the offices of Beneficiary and hereby incorporated by reference into this Deed of Trust (the "Note"); and

B. Payment of any sums advanced by Beneficiary to protect the security and priority of this Deed of Trust; and

C. Performance of every obligation, covenant or agreement of Trustor contained in the certain PLHA Loan Agreement (Homeless Shelter Project) between Trustor and Beneficiary regarding the Note ("Loan Agreement"), this Deed of Trust, and the Note, including all modifications, extensions and renewals of these obligations (collectively, the "Loan Documents"); and

D. Performance of any other obligation or repayment of any other indebtedness of Trustor to Beneficiary, where such evidence of obligation or indebtedness specifically recites that it is secured by this Deed of Trust; and

E. Performance of any obligations of Trustor in any other agreements with respect to financing of the Property the Security the absence of which would adversely affect Beneficiary, whether or not Beneficiary is a party to such agreements.

ABSOLUTE ASSIGNMENT OF RENTS AND RIGHT TO POSSESSION

3. **ASSIGNMENT.** As additional security, Trustor hereby assigns to Beneficiary: (a) all of the rents, revenues, profits, and income from the Security, any deposits now or hereafter in Trustor's possession which have been collected with respect to the Security, and any reserve or capital funds now or hereafter held by Trustor with respect to construction or operation of the Security (collectively, the "Rents"); and (b) the right to enter, take possession of, and manage the Security; provided however that Trustor shall have, before an Event of Default, as defined herein, the exclusive right to possess the Security and to collect Rents and use them in accordance with the Loan Documents. This assignment is intended to be an absolute and present transfer of Trustor's interest in existing and future Rents, effective as of the date of this Deed of Trust.

4. **ENFORCEMENT.** Upon the happening of an Event of Default which remains uncured after expiration of the applicable cure period pursuant to the terms of the Note or other Loan Documents, Beneficiary may, in addition to other rights and remedies permitted by the Note, this Deed of Trust, or applicable law: (a) enter upon, take possession of, and manage the Security, either in person as a mortgagee-in-possession, by agent, or by a receiver appointed by a court, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Security, (b) collect all Rents, including those past due and unpaid, and apply the same to pay for the costs and expenses of operation of the Security, including reasonable attorneys' fees, and pay off any indebtedness secured by this Deed of Trust, all in such order as Beneficiary may determine and/or (c) Beneficiary may make, cancel, enforce, and modify leases and rental agreements, obtain and evict tenants, set and modify rent terms, sue for rents due, enter into, modify, or terminate any contracts or agreements, or take any legal action, as it deems necessary

with respect to the Rents or to development or operation of the Security, subject to the rent restrictions imposed against the Property.

5. **APPOINTMENT OF A RECEIVER.** In any action to enforce this assignment, Beneficiary may apply for the appointment of a receiver to take possession of the Security and take whatever measures are necessary to preserve and manage the Security for the benefit of Beneficiary and the public interest. Trustor hereby consents to the appointment of a receiver. The receiver shall have all of the authority over the Security that Beneficiary would have if Beneficiary took possession of the Security under this assignment as a mortgagee-in-possession, including the right to collect and apply Rents and the right to complete construction of improvements.

6. **NO WAIVER OF POWER OF SALE.** The entering upon and taking possession of the Security and the collection of Rents shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or notice of default and, notwithstanding the continuance in possession of the Security or the collection and application of Rents, 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.

COMMERCIAL CODE SECURITY AGREEMENT

7. **GRANT.** This Deed of Trust is intended to be a security agreement and financing statement pursuant to the California Commercial Code for any of the items specified above as part of the Security which under applicable law may be subject to a security interest pursuant to the Commercial Code, and Trustor hereby grants Beneficiary a security interest in said items. Beneficiary may file a copy of this Deed of Trust in the real estate records or other appropriate index as a financing statement for any of the items specified as part of the Security. Trustor shall execute and deliver to Beneficiary at Beneficiary's request any financing statements, as well as extensions, renewals, and amendments thereof, and copies of this instrument in such form as Beneficiary may require to perfect a security interest with respect to said items. Trustor shall pay all costs of filing such financing statements and shall pay all reasonable costs of any record searches for financing statements and releases. Without the prior written consent of Beneficiary, Trustor shall not create or permit any other security interest in said items. This Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the California Commercial Code.

8. **REMEDIES.** Upon Trustor's breach of any obligation or agreement in the Loan Documents, after expiration of any applicable cure period, Beneficiary shall have the remedies of a secured party under the Commercial Code and at Beneficiary's option may also invoke the remedies provided for elsewhere in this Deed of Trust with respect to said items. Beneficiary may proceed against the items of real property and personal property specified above separately or together and in any order whatsoever.

RIGHTS AND OBLIGATIONS OF TRUSTOR

9. **PERFORMANCE OF SECURED OBLIGATION.** Trustor shall promptly perform each obligation secured by this Deed of Trust in accordance with the Loan Documents.

10. **PAYMENT OF PRINCIPAL AND INTEREST.** Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note.

11. **MAINTENANCE OF THE SECURITY.** Trustor shall, at the Trustor's own expense, maintain and preserve the Security or cause the Security to be maintained and preserved in good condition, in good repair, and in a decent, safe, sanitary, habitable and tenantable condition. Trustor shall not cause or permit any violations of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Security. Trustor shall not commit or permit waste on or to the Security. Trustor shall not abandon the Security. Beneficiary shall have no responsibility over maintenance of the Security. In the event Trustor fails to maintain the Security in accordance with the standards in this Deed of Trust, Beneficiary and after any applicable cure periods, may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest

rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

12. **INSPECTION OF THE SECURITY.** Trustor shall permit Beneficiary to enter and inspect the Security during normal business hours for compliance with these obligations upon at least 24 hours advance notice of such visit by Beneficiary to Trustor or Trustor's management agent.

13. **LIENS, ENCUMBRANCES, AND CHARGES.** Trustor shall discharge any lien or encumbrance not approved by Beneficiary in writing that may attain priority over this Deed of Trust, as provided in the Note.

14. **DEFENSE AND NOTICE OF CLAIMS AND ACTIONS.** Trustor shall appear in and defend, at its own expense, any action or proceeding purporting to affect the Security and/or the rights of Beneficiary. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding and of any condemnation offer or action with respect to the Security upon Trustor's receipt of notice thereof.

15. **SUITS TO PROTECT THE SECURITY.** Beneficiary shall have power to institute and maintain such suits and proceedings as it may deem expedient (a) to prevent any impairment of the Security or the rights of Beneficiary, (b) to preserve or protect its interest in the Security and in the Rents, and (c) to restrain the enforcement of or compliance with any governmental legislation, regulation, or order, if the enforcement of or compliance with such legislation, regulation, or order would impair the Security or be prejudicial to the interest of Beneficiary.

16. **DAMAGE TO SECURITY.** Trustor shall give Beneficiary and Trustee prompt notice in writing of any damage to the Security. If any building or improvements erected on the Property is damaged or destroyed by an insurable cause, Trustor shall, at its cost and expense, repair or restore said buildings and improvements consistent with the original plans and specifications if Trustor reasonably determines that such restoration or repair is economically feasible. Such work or repair shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be complete within one (1) year thereafter. Subject to Trustor's election to rebuild, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Trustor shall make up the deficiency.

17. **TITLE.** Trustor warrants that Trustor lawfully has legal title to the Security without any limitation on the right to encumber other than those limitations set forth in the Loan Documents or other financing documents approved by Lender.

18. **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 the Security except those required or desirable for installation and maintenance of public utilities including water, gas, electricity, sewer, cable television, telephone, or those required by law.

19. **TAXES AND LEVIES.** Trustor shall pay prior to delinquency, all taxes, fees, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security. However, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any contested liabilities. In the event that Trustor fails to pay any of the foregoing items, Beneficiary may, but shall be under no obligation to, pay the same, after Beneficiary has notified Trustor of such failure to pay and Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

20. **INSURANCE.** Trustor shall procure or cause to be procured, and maintain or cause to be maintained, throughout the term of the Note, insurance against loss or damage to any structure constituting any part of the Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot,

aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Property, excluding the cost of excavations, of grading and filling and of the land, but in any event, shall be in an amount and in a form sufficient, in the event of total or partial loss, to enable the Trustor to restore the Property to the condition existing before such loss. The Trustor may, in its discretion and with the written consent of Beneficiary, insure the Property under blanket insurance policies which insure not only the Property but also other properties as long as such blanket insurance policies comply with the requirements of this Section 20. All policies of insurance required by this Section shall provide that all proceeds thereunder shall be payable to the Beneficiary pursuant to a lender's loss payable endorsement substantially in a form approved by Beneficiary. Each insurance policy required hereunder shall require that the Beneficiary be given thirty (30) days' notice of any intended cancellation thereof or reduction of the coverage provided thereby. The Trustor shall provide Beneficiary with copies of such policies upon request. In the event Trustor fails to maintain the full insurance coverage required by this Deed of Trust, Beneficiary, after at least seven (7) business 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 such policies. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

21. **CONDEMNATION.** Subject to the rights of any senior lienholders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of taking all or any part of or interest in the Security under assertion of the power of eminent domain ("Funds") are hereby assigned to and shall be paid to Beneficiary. Beneficiary is authorized (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 Beneficiary shall determine at its sole option. All or any part of the amounts so collected and recovered by Beneficiary may be released to Trustor upon such conditions as Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust.

Notwithstanding anything to the contrary set forth herein, Beneficiary shall, prior to the application of the Funds or any portion thereof to the indebtedness or other obligations, apply such portion of the Funds as is reasonable and necessary to repair and preserve the value, marketability and rentability of the Security. Trustor shall have the right to rebuild the Property, and to use all available condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loans in balance and rebuild the Property in a manner that provides adequate security to Lender for repayment of the Loans or, if such proceeds are insufficient or such security is inadequate, then Trustor shall have funded any deficiency and/or provided additional security; (b) Lender shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement; and (c) no material default then exists under the Loan Documents other than any default which is a direct result of the condemnation.

22. **ACCELERATION ON TRANSFER OF SECURITY.** In the event that Trustor, without the prior written consent of the Beneficiary, sells, agrees to sell, transfers, or conveys its interest in the Security or any part thereof or interest therein, Beneficiary may at its option declare all sums secured by this Deed of Trust to be immediately due and payable. This option shall not apply in case of:

A. The grant of a leasehold interest to qualifying households who will occupy units in the Property as provided for under the Loan Documents; or

B. Sale or transfer of fixtures or personal property pursuant to the grant provisions in this Deed of Trust. Consent to one (1) sale or transfer shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

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23. **RECONVEYANCE BY TRUSTEE.** This trust is intended to continue for the entire term of the Loan. Upon written request of Beneficiary stating that all sums secured by this Deed of Trust have been paid 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.

DEFAULT AND REMEDIES

24. **EVENTS OF DEFAULT.** Any of the events listed in the Note or the Loan Agreement as an Event of Default shall also constitute an Event of Default under this Deed of Trust. Trustor's limited partners shall have the same notice and cure rights contained in the Loan Agreement.

25. **ACCELERATION OF MATURITY.** Upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the Note, Beneficiary may declare all sums advanced to Trustor under the Note and this Deed of Trust immediately due and payable.

26. **BENEFICIARY'S REMEDIES.** Subject to the limitations set forth in the Note and upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the Note, Beneficiary may, in addition to other rights and remedies permitted by the Note, or applicable law, proceed with any or all of the following remedies:

A. Enforce the assignment of rents and right to possession as provided for in this Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect Rents;

B. Enter the Security and take any actions necessary in its judgment to complete construction on the Security, either in person or through a receiver appointed by a court;

C. Disburse from the Loans' proceeds any amount necessary to cure any monetary default under this Deed of Trust, or the Note;

D. Commence an action to foreclose this Deed of Trust pursuant to California Code of Civil Procedure Section 725(a) *et seq.*, as amended, and/or seek appointment of a receiver from a court of competent jurisdiction with the authority to protect Beneficiary's interests in the Security, including the authority to complete construction of improvements;

E. 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 and exercise its power of sale as provided for below; or

F. Pursue any other rights and remedies allowed at law or in equity.

27. **FORECLOSURE BY POWER OF SALE.** Should Beneficiary elect to foreclose by exercise of the power of sale contained in this Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust (the deposit of which shall be deemed to constitute evidence that the unpaid sums disbursed under the Notes are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

Upon receipt of such notice from 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 after notice of sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said notice of sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as they may determine unless specified otherwise by Trustor, 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 the purchaser its deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee, or Beneficiary, may purchase at the sale.

Trustee may postpone the sale of all or any portion of the Security 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.

28. **APPLICATION OF SALE PROCEEDS.** 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 as follows: first, to the payment of all sums then secured by this Deed of Trust, in such order and amounts as Beneficiary in its sole discretion determines; and second, the remainder, if any, to the person or persons legally entitled thereto.

29. **REMEDIES CUMULATIVE.** No right, power or remedy conferred upon or reserved to Beneficiary by this Deed of Trust is intended to be exclusive of any other rights, powers or remedies, but each 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.

GENERAL PROVISIONS

30. **GOVERNING LAW.** This Deed of Trust shall be interpreted under and governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

31. **STATEMENT OF OBLIGATION.** Beneficiary may collect a fee not to exceed the maximum allowable under applicable law for furnishing a statement of obligations as provided in the California Civil Code.

32. **CONSENTS AND APPROVALS.** Any consent or approval of Beneficiary required under this Deed of Trust shall not be unreasonably withheld.

33. **TIME.** Time is of the essence in this Deed of Trust.

34. **NOTICES, DEMANDS AND COMMUNICATIONS.** Formal notices, demands and communications between Trustor and Beneficiary shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Trustor and Beneficiary as follows:

BENEFICIARY: City of Oxnard
435 S. D Street
Oxnard, CA 93030
Attn: Housing Director

TRUSTOR: Mercy House Living Centers
203 N Golden Circle Drive, 3rd Floor
Santa Ana, CA 92705
Attn: Larry Haynes

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 34. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

35. **BINDING UPON SUCCESSORS.** All provisions of this Deed of Trust shall be binding upon and inure to the benefit of the successors-in-interest, transferees, and assigns of Trustor, Trustee, and Beneficiary.

36. **WAIVER.** Any waiver by Beneficiary of any obligation of Trustor in this Deed of Trust must be in writing. No waiver will be implied from any delay or failure by Beneficiary to take action on any breach or default of Trustor or to pursue any remedy allowed under the Deed of Trust or applicable law. Any extension of time granted to Trustor to perform any obligation under this Deed of Trust shall not operate as a waiver or release Trustor from any of its obligations under this Deed of Trust. Consent by Beneficiary to any act or omission by Trustor shall not be

construed to be a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's written consent to future waivers.

37. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Deed of Trust must be in writing, and shall be made only if mutually agreed upon by Beneficiary and Trustor.

38. **NOTE CONTROLS.** If there is any contradiction between this instrument and the Note, the terms of the Note shall control, except that Trustor shall have no defense or claim that this instrument does not establish a valid lien on the Property or the Security.

39. **DEFINITIONS.** Capitalized terms not otherwise defined in this Deed of Trust shall have the same meaning as defined terms in the Loan Agreement.

40. **PROOFS OF CLAIM.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, recomposition or other proceedings affecting Trustor, its creditors or its property, Trustee, 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 Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by Trustor hereunder after such date.

41. **SEVERABILITY.** Every provision of this Deed of Trust is intended to be severable. If any term or provision of this Deed of Trust is declared to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforceability of the remaining provisions shall not be affected. 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 payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

42. **SUBSTITUTION OF TRUSTEE.** Beneficiary may from time to time appoint another trustee to act in the place and instead of Trustee or any successor. Upon such appointment and without conveyance, the successor trustee shall be vested with all title, powers, and duties conferred upon Trustee.

43. **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 or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

44. **SUBORDINATION.** The lien of this Deed of Trust and the rights and interest of Beneficiary hereunder are and shall remain subordinate to the lien of that certain Deed of Trust, Security Agreement, Absolute Assignment of Leases and Rents and Fixture Filing executed by Trustor for the benefit of _____, recorded in the Official Records of the County of Ventura, California concurrently herewith.

45. **NONRECOURSE OBLIGATION.** Except as expressly provided in the second paragraph of this section, the Trustor, and the Trustor's officers, directors, employees, partners and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Note or the performance of the covenants of the Trustor under the Deed of Trust securing the Note. The sole recourse of the Beneficiary with respect to the principal of, or interest on, the Note shall be to the property securing the indebtedness evidenced by the Note. However, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Beneficiary, or (b) be deemed in any way to impair the right of the Beneficiary to assert the unpaid principal amount of the Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Trustor of personal liability for (a) fraud or willful misrepresentation; (b) the failure to pay taxes, assessments or other

charges (which are not contested by Trustor in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (c) the fair market value of any personal property or fixtures removed or disposed of by Trustor other than in accordance with the Deed of Trust; (d) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and € payment to the Beneficiary of any rental income or other income arising with respect to the Property received by the Trustor after the Beneficiary has given notice to the Trustor of the occurrence of an Event of Default, subject to the rights of any lender providing a loan secured by the Property to which the Lender has subordinated the Deed of Trust.

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IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

Mercy House Living Centers, a California nonprofit public
benefit corporation

By: _____
Larry Haynes, President/CEO

Signature must be notarized

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Place Notary Seal Above)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the unincorporated area of the County of Ventura, State of California, described as follows:

A leasehold estate as created by that certain [title of sublease] dated _____, 2022, executed by and between 2nd & B, LP, a California limited partnership, as sublessor, and _____, a California nonprofit public benefit corporation, as sublessee, as evidenced by that certain "Memorandum of [title of sublease]" recorded concurrently with the Deed of Trust in the Official Records of the County of Ventura, California, in and to the first floor of the building located on the following described real property:

LOTS 9, 10 AND 11 OF BLOCK 12, AS SHOWN ON A MAP OF THE NORTH ADDITION TO THE TOWN OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, RECORDED IN BOOK 5, PAGE 7, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ALL URANIUM, THORIUM AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID ASSOCIATED SOUTHERN INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED FROM ASSOCIATED SOUTHERN INVESTMENT COMPANY TO THE CITY OF OXNARD, DATED JUNE 20, 1974 AND RECORDED JUNE 28, 1974, IN BOOK 4281, PAGE 515 OF OFFICIAL RECORDS.

APN: 202-0-054-075 AND 080

EXHIBIT D
PROMISSORY NOTE

PROMISSORY NOTE
PLHA Loan Agreement
(Secured by Deed of Trust)

\$347,528

Oxnard, California
_____, 2022

FOR VALUE RECEIVED, the undersigned, Mercy House Living Centers, a California nonprofit public benefit corporation (“Borrower”), hereby promises to pay to the order of the City of Oxnard, a municipal corporation (“Lender”), the principal sum of Three Hundred Forty - Seven Thousand Five Hundred Twenty-Eight Dollars (\$347,528) or so much thereof as may be advanced by Lender pursuant to Borrower as set forth below. The term Loan as used herein, means the Loan evidenced by this Note. The Loan is made pursuant to the terms of a PLHA Loan Agreement (the “Loan Agreement”) dated as of May __, 2022, and Regulatory Agreement (“Regulatory Agreement”) executed concurrently herewith between Borrower and Lender.

All of the provisions of this Note are agreements which are secured by the Deed of Trust securing this Note. A default in observance of any of the provisions is a default with consequences under the Deed of Trust.

1. **DEFINITIONS.** Any term not defined herein shall have the meanings set forth in the Loan Agreement.
2. **AMOUNT AND TIME OF PAYMENT.** The principal of the Loan shall be due and payable on the earlier of: (a) fifteen (15) years after the date of Project completion as evidenced by a written notice of completion provided to the Borrower by the City of Oxnard, or (b) the date the Property is sold or otherwise transferred, or (c) Borrower has failed to commence construction as set forth in Section 4.1 of this Loan Agreement, or (d) an event of default by Borrower, as defined below in Section 8.1, which has not been cured as provided for below in Section 8.2. In the event of default by Borrower, as defined below in Section 8.1, which has not been cured as provided for below in Section 8.2, the principal shall be due and payable in accordance with Section 8.3. The foregoing notwithstanding, if Borrower remains compliant with the terms of the Regulatory Agreement, as determined by the Lender through periodic inspections of the Project and tenant files documenting occupancy by Qualifying Households, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the Regulatory Agreement, for the fifteen (15) year term described therein, then the principal amount of the Loan shall be forgiven.
3. **DEFAULT INTEREST.** In the event of a default by Borrower of any of its obligations under this Note and expiration of applicable cure periods, Borrower shall pay to Lender interest on the outstanding principal of the Loan, at an annual rate equal to the lesser of (i) ten percent (10%) or (ii) the highest interest allowed by law, from the date of the default until the date that the default is cured or the Loan is repaid in full.
4. **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.

5. **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, or 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 pay interest on this Note at a rate in excess of the maximum interest that may be lawfully charged under applicable law, and the provisions of this Section shall control over all other provisions of this Note and any other instruments now or hereafter executed in connection herewith; (b) if the maturity hereof shall be accelerated for any reason or if the principal of this Note is paid prior to the end of the term of 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) in the event that Lender or any other holder of this Note shall collect monies which are deemed to constitute interest which would increase the effective interest rate on this 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.

6. **PREPAYMENT.** This Note may be prepaid in whole or in part without penalty or charge.

7. **ATTORNEY'S FEES.** Should the indebtedness represented by this Note or any part thereof be collected at law or in equity or through any bankruptcy (including, without limitation, any action for relief from the automatic stay or any other bankruptcy proceeding) receivership, probate or other court proceedings or by any judicial or non-judicial foreclosure proceeding, or if this Note is placed in the hands of attorneys for collection after default, the Borrower and all endorsers, guarantors and sureties of this Note jointly and severally agree to pay, in addition to the principal and interest due and payable hereon, reasonable attorneys' fees and collection costs and expenses. Should any action be brought to construe, clarify, or obtain a declaration as to the terms of this Note or the parties' obligations under it, the prevailing party in such action shall recover its reasonable attorneys' fees.

8. **WAIVER OF PRESENTMENT.** Borrower, and any and all endorsers, guarantors and sureties of this Note, and all other persons liable or to become liable on this Note, jointly and severally waive presentment for payment, demand, notice of demand and of dishonor and nonpayment of this Note, notice of intention to accelerate the maturity of this Note, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party, and agree to all renewals, extensions, modifications, partial payments, releases or substitutions of security, in whole or in part, with or without notice, before or after maturity. The pleading of any statute of limitations as a defense to any demand against the makers, endorsers, guarantors and sureties is expressly waived by each and all such parties to the extent permitted by law.

9. **LOSS OF NOTE.** Upon notice from any holder to Borrower of the loss, theft, destruction or mutilation of this Note and, upon receipt of indemnity reasonably satisfactory to Borrower from any holder of this note (except that if Lender is the holder of this Note, an indemnification from Lender shall be sufficient) or, in the case of mutilation hereof, upon surrender of the mutilated Note, Borrower will make and deliver a new note of like tenor in lieu of this Note.

10. **SUCCESSORS AND ASSIGNS.** This Note shall be binding upon and shall inure to the benefit of Borrower and Lender, and their successors and assigns.

11. **SEVERABLE PROVISIONS.** Every provision of this Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or enforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

12. **NOTICES.** Notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Note shall be in writing and shall be given by personal delivery, mail or telegram or facsimile and addressed, if to Lender, Oxnard Housing Department, 435 S. D Street, Oxnard, California 93030, or if to Borrower, at Mercy House Living Centers, 203 N Golden Circle Drive, 3rd Floor, Santa Ana, CA 92705. Notice by personal delivery shall be deemed effective upon the delivery of such notice to the party for whom it is intended at the recipient's address. Notice by mail shall be deemed effective two (2) business days after depositing such notice, certified or registered mail, postage prepaid, properly stamped and sealed, with the United States Postal Service, properly addressed regardless of whether or when the notice is actually received by the addressee. Notice by telegram shall be deemed effective upon the transmission of the telegram, telegraph charges prepaid, to the party for whom it is intended at the recipient's address. Notice by facsimile shall be effective upon transmission. Notice by overnight guaranteed delivery service shall be deemed effective one (1) business day after depositing such notice with said service, charges prepaid and properly addressed. Either party may give notice of any change of address in accordance with the notice procedures described above.

13. **DEFAULT.** Any failure to perform any obligation of Borrower under this Note, the Deed of Trust, the Loan Agreement, or the Regulatory Agreement shall be considered a default hereunder.

14. **JOINT AND SEVERAL.** The obligations of Borrower in this Note shall be joint and several obligations of Borrower and of each Borrower, if more than one, and of each of Borrower's heirs, devisees, legatees, administrators, executors, personal representatives, successors and assigns.

15. **GENDER.** In this Note, whenever the context so requires, the masculine gender includes feminine and/or neuter, and the singular number includes the plural.

16. **TIME OF ESSENCE.** Time is of the essence in this Note and the performance of each of the covenants and agreements contained herein.

17. **GOVERNING LAW.** This Note shall be construed and enforced in accordance with the laws of the State of California.

18. **AUTHORITY.** The person executing this Note represents and warrants that such person has the authority to execute this Note and bind borrower to its provisions.

19. **CAPTIONS AND REFERENCES.** The captions of the Paragraphs of this Note are for the purposes of convenience only and are not intended to be part of this Note and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof. All "Paragraph" references are to the paragraphs of this Note, unless otherwise indicated.

20. **SECURITY.** This Note is secured by a deed of trust executed concurrently herewith, encumbering the property described therein.

21. **NONRECOURSE OBLIGATION.** Except as expressly provided in the second paragraph of this section, the Borrower, and the Borrower's officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Note or the performance of the covenants of the Trustor under the Deed of Trust securing the Note. The sole recourse of the Lender with respect to the principal of, or interest on, the Note shall be to the property securing the indebtedness evidenced by the Note. However, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Lender, or (b) be deemed in any way to impair the right of the Lender to assert the unpaid principal amount of the Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of personal liability for (a) fraud or willful misrepresentation; (b) the failure to pay taxes, assessments or other charges (which are not contested by Trustor in good faith) which may create liens on the Property that are payable or

applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (c) the fair market value of any personal property or fixtures removed or disposed of by Trustor other than in accordance with the Deed of Trust; (d) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and (e) payment to the Lender of any rental income or other income arising with respect to the Property received by the Borrower after the Lender has given notice to the Borrower of the occurrence of an Event of Default, subject to the rights of any lender providing a loan secured by the Property to which the Lender has subordinated the Deed of Trust.

Mercy House Living Centers, a California
nonprofit public benefit corporation

Name: Larry Haynes
Its: Chief Executive Officer

EXHIBIT E
REGULATORY AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF OXNARD

Attn: _____
305 W. 3rd Street
Oxnard, California 93030

NO FEE PER GOV'T CODE SECTION 27383

APNs: 202-0-054-075 and -080

SPACE ABOVE THIS LINE FOR RECORDER'S USE

PLHA REGULATORY AGREEMENT
(CITY OF OXNARD)

THIS PLHA REGULATORY AGREEMENT (CITY OF OXNARD) ("Regulatory Agreement") is entered into effective May __, 2022, by Mercy House Living Centers, a California nonprofit public benefit corporation ("Operator") in favor of the City of Oxnard, a municipal corporation ("City") pursuant to and in evidence of an "PLHA Loan Agreement" executed by Operator concurrently herewith (the "Loan Agreement").

WHEREAS, Operator has a leasehold estate in and to the first floor of the building located on the improved real property located in the City of Oxnard ("City"), County of Ventura, State of California ("Property") described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Operator and City entered into a Loan Agreement in which City agreed to loan \$347,528 from funds City received under the Permanent Local Housing Allocation ("PLHA") program from the State of California in order to assist the Operator in the construction of certain tenant improvements and operation of a 110-bed homeless shelter on the Property ("Project"); and

WHEREAS, in further consideration for entering into the Loan Agreement and in furtherance of the purposes of the PLHA program, Operator has agreed to enter into this Regulatory Agreement. The purpose of this Regulatory Agreement is to regulate and restrict the occupancy, operation, ownership and management of the Project in compliance with the PLHA program requirements.

NOW, THEREFORE, IN CONSIDERATION FOR CITY'S ASSISTANCE, OPERATOR COVENANTS AND AGREES FOR THE BENEFIT OF CITY AS FOLLOWS:

AGREEMENT

1. Recitals. The foregoing recitals are a part of this Regulatory Agreement.
2. Term. The provisions of this Regulatory Agreement shall remain in effect for a period of 15 years from the date of Project completion as evidenced by a written notice of occupancy clearance provided to the Operator by the City of Oxnard.

3. City Contributions. The City has provided funds for the construction of tenant improvements for a permanent 110 bed homeless shelter located on the Property.

4. City Conditions. The Project shall meet all City conditions rules and regulations and shall be required to have approval of the Oxnard Planning Commission and City Council as required by City ordinances, resolutions, regulations and requirements.

5. Compliance with PLHA Program Requirements. Operator covenants that at all times its actions regarding the Project and the use of funds provided under the Loan Agreement shall be in conformity with all PLHA program requirements, including the requirements of this Regulatory Agreement. Operator acknowledges that it is familiar with the PLHA program requirements and has access to professional advice to the extent necessary to enable Operator to fully comply with the PLHA program requirements.

6. Additional Operational Requirements. The Operator shall operate the Project consistent with the operational requirements contained in that certain Agreement to Provide Financial Support for the Construction and Operation of a Permanent, Year-Round Shelter Serving Homeless Individuals entered into by and between the County of Ventura and the City of Oxnard dated as of May 3, 2022, as may be amended from time to time. These requirements include but are not limited to the following:

a. Service Model

- i. The Shelter will provide a safe place for homeless individuals to stay and stabilize while partnering with service providers to develop a plan for safe, secure and permanent housing. The primary purpose of the Shelter beyond emergency sheltering is to leverage community resources that will assist homeless individuals in quickly securing and moving into suitable permanent housing and in achieving long-term housing stability.
- ii. City will ensure that the Shelter Operator will participate in the Ventura County coordinated entry system, Pathways to Home, and will enter all Shelter occupants into the Ventura County Homeless Management Information System.
- iii. City will ensure that the Shelter Operator shall operate and develop the appropriate individualized case plan for each Shelter occupant that is client-centered, culturally and linguistically appropriate, trauma-informed and sensitive to the wide ranges of needs of the Shelter occupants, with the goal to transition the Shelter occupant to stable and affordable housing.
- iv. The following competencies are integral parts of the program design and operation of the Shelter:
 1. Low barrier access and services.
 2. Housing first.
 3. Harm reduction.
 4. Trauma informed care.
 5. Client centered

7. Construction. All work on the Project shall be performed by contractors, licensed under the laws of the State of California, as Operator may employ from time to time to execute such work. Operator shall comply with all federal, State and local laws and regulations pertaining to construction of the Project, including laws relating to competitive bidding and payment of prevailing wages, to the extent the same may be applicable. All work shall be performed in a workmanlike and quality fashion, free of encumbrances and liens, in full compliance with all applicable requirements of the Uniform Building Code and the Oxnard City Code. In addition to all other obligations of Operator as set forth in this Regulatory Agreement, Operator shall seek and obtain all necessary governmental approvals for the Project and shall pay all permit application fees and development exactions then prescribed by city ordinance or resolution at the time of submittal, unless such fees or exactions are waived by City. Nothing herein excuses compliance by Operator with any or all City ordinances, resolutions or procedures in connection with development of the Project.

8. Maintenance. Operator shall, at all times during the term of this Regulatory Agreement, cause the Property and the Project to be maintained in good condition and repair regardless of cause of the disrepair. Operator 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 reasonable manner to inspect the project.

9. Reports. Operator shall submit to the City such periodic reports as deemed necessary by City to monitor Operator's compliance with this Regulatory Agreement. The reports may include, but are not limited to:

- a. an income and expense statement for the reporting period;
- b. an annual summary of the occupancy of the Project, indicating the number of unduplicated homeless individuals assisted by the Project and their income levels, as well as the number of individuals that exited homelessness, number of seniors (age 65 and over), number of veterans and number of disabled individuals assisted by the Project. This report shall be provided on or before July 10 of every year;
- c. a report on maintenance or other issues anticipated to impact the current budget needs of the Project;
- d. information on the status of waiting lists for the Project; and
- e. other information as required by City to accurately monitor Operator's performance hereunder.
- f. City may conduct on-site monitoring at City's sole discretion.

10 Hold Harmless Indemnification.

- a. Operator shall at all times defend, indemnify and save City, council members, agencies, departments, officers, employees, agents and volunteers, harmless against any and all claims, lawsuits, judgment, demands and liability against City, its council members, agencies, departments, officers, employees, agents and volunteers, including those arising from injuries or death of persons and for damages to property, arising directly or indirectly out of the operations conducted or subsidized in whole or in part by City related to this Regulatory Agreement, save and except claims or litigation arising through the sole negligence or wrongdoing and/or sole willful misconduct of City or any other indemnitee. Operator is not obligated to indemnify City or others for claims based upon their use of information provided by Operator, provided the information itself is accurate. Operator 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 Regulatory Agreement and/or any subcontract which Operator enters into relating to implementation of the Project.
- b. Operator's obligation to defend shall arise when a claim, demand or action is made or filed, whether or not such claim, demand or action results in a determination of liability or damages as to which Borrower is obligated to indemnify and hold harmless.

11. Modifications. This Regulatory Agreement is subject to written modification and termination as necessary by City in accordance with requirements contained in any future federal or state legislation and regulations. All other modifications must be in written form and approved by both parties. To the extent that any lender to, or equity investor in, the Project requires changes to this Regulatory Agreement, which changes do not materially affect the basic affordability, reporting, and enforcement provisions hereof, the City agrees to cooperate to effect such changes within a reasonable time.

12. Sale Of Property/Change Of Use. Operator 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 Regulatory 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 Regulatory Agreement shall constitute covenants which run with the land and shall be binding on Operator 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. Operator further understands and agrees that the loan funds provided to Operator under this Regulatory Agreement are made on the condition that Operator and all subsequent owners, or other successors and assigns of the Property and/or Project operate the Project in accordance with the terms and conditions of this Regulatory Agreement. In the event that Operator or any of its successors and assigns violates any of these covenants, following reasonable notice and opportunity to cure, the total amount of the Loan funds shall become immediately due and payable.

14. Notice. All notices given or required to be given to this Regulatory 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 OPERATOR: Mercy House Living Centers
203 N Golden Circle Drive, 3rd Floor
Santa Ana, CA 92705
Attention: Larry Haynes

15. Compliance With Law. Operator shall comply with all applicable laws and regulations in the implementation of this Regulatory Agreement.

17. Enforced Delay; Extension Of Times Of Performance. In addition to specific provisions of this Regulatory 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 Regulatory 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, 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 Regulatory 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 Regulatory Agreement may also be extended in writing by the mutual agreement of City's Housing Director and Operator.

18. Benefit Of Agreement. This Regulatory Agreement and every provision hereof is for the exclusive benefit of Operator and City and not for the benefit of any other party. There shall be no incidental or other beneficiaries of any of Operator's or City's obligations under this Regulatory Agreement.

19. Enforcement Of Agreement. If any terms, provisions, conditions or covenants in this Regulatory Agreement, or the application thereof to any party or circumstances, shall to any extent be held invalid or unenforceable, the remainder of this Regulatory 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 Regulatory Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. Governing Law. The terms of this Regulatory Agreement shall be interpreted according to the laws of the State of California.

21. Rights of Mortgage Holders. The provisions of these Covenants do not limit the right of the holder of any mortgage, deed of trust or other lien or encumbrance to exercise any of its remedies for the enforcement of any pledge or lien upon the Property, recorded prior in time to this Regulatory Agreement or to which this Regulatory Agreement has been subordinated in writing

22. City Successors. City, its successors and assigns, is deemed the beneficiary of the covenants contained herein, without regard to technical classification and designation. The covenants shall run in favor of City, its successors and assigns, without regard to whether City has been, remains, or is an owner of any land or interest therein.

23. Modification. City and its successors and assigns, and Operator and its successors and assigns shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in these covenants without the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property: provided, however, that the obligations set forth in paragraph 21 shall not be subject to modification without the consent of any affected lienholder.

24. No Discrimination. 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 Operator 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 buyers, tenants, lessees, subtenants, sublessees, or vendees of the Property.

The Operator 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 deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

“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) or (d) of Section 12955 of the Government code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.0 of the Government code, in the sale, lease sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original.

(Signatures appear on next page)

IN WITNESS WHEREOF, City and Operator have executed this Regulatory Agreement.

(NOTARIZATION REQUIRED)

City:

THE CITY OF OXNARD, a municipal corporation

Alexander Nguyen, City Manager

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

Operator:

MERCY HOUSE LIVING CENTERS, a California nonprofit public benefit corporation

By: Larry Haynes
Its: Chief Executive Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Place Notary Seal Above)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Place Notary Seal Above)

EXHIBIT "A"

Real property in the unincorporated area of the County of Ventura, State of California, described as follows:

A leasehold estate as created by that certain [title of sublease] dated _____, 2022, executed by and between 2nd & B, LP, a California limited partnership, as sublessor, and _____, a California nonprofit public benefit corporation, as sublessee, as evidenced by that certain "Memorandum of [title of sublease]" recorded concurrently with the Deed of Trust in the Official Records of the County of Santa Barbara, California, in and to the first floor of the building located on the following described real property:

LOTS 9, 10 AND 11 OF BLOCK 12, AS SHOWN ON A MAP OF THE NORTH ADDITION TO THE TOWN OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, RECORDED IN BOOK 5, PAGE 7, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ALL URANIUM, THORIUM AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID ASSOCIATED SOUTHERN INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED FROM ASSOCIATED SOUTHERN INVESTMENT COMPANY TO THE CITY OF OXNARD, DATED JUNE 20, 1974 AND RECORDED JUNE 28, 1974, IN BOOK 4281, PAGE 515 OF OFFICIAL RECORDS.

APN: 202-0-054-075 AND 080

EXHIBIT F
INSURANCE REQUIREMENTS

**INSURANCE REQUIREMENTS FOR CONSTRUCTION PROJECTS
(WITH BUILDER'S RISK REQUIREMENT)**

1. Borrower 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 Borrower, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than \$2,000,000 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 Borrower 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. Course of Construction Insurance providing coverage for "all risks" of loss in an amount not less than the completed value of the project, with City named as Owner and Insured. Borrower shall bind course of construction insurance immediately prior to Borrower beginning any construction activity on the Property.

e. 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. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.

2. Borrower 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-E. 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 sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No. _____
P.O. Box 100085 - OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

3. Borrower 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. Borrower 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 Borrower; products and completed operations of Borrower; premises owned, occupied or used by Borrower; or automobiles owned, leased, hired or borrowed by Borrower. 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-E 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 Borrower shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Borrower shall also be applicable to Borrower's subcontractors. Borrower 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 sample accord form.

INS-F.doc

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 \$2,000,000 PRODUCTS COMP/OP AGG. \$2,000,000 PERSONAL & ADV. INJURY \$2,000,000 EACH OCCURRENCE \$2,000,000 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
A	AUTOMOBILE LIABILITY [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$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 Contract, Course of Construction Insurance				Minimum coverage \$1,000,000 Each consultant/\$500,000 & listed sub-consultant Course of Construction Completed Value of Project

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER CITY OF OXNARD Attn: Insurance Compliance Reference No. _____ P.O. Box 100085 – OX Duluth, GA 30096 Via Email: cityofoxnard@ebix.com Via Fax: 678-259-1007	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
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GENERAL LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")						SUBMIT IN DUPLICATE	
						ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)
PRODUCER			POLICY INFORMATION:				
Telephone: NAMED INSURED			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)				
TYPE OF INSURANCE			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				
GENERAL LIABILITY			OTHER PROVISIONS				
☐ COMMERCIAL GENERAL LIABILITY ☐ Claims Made ☐ COMPREHENSIVE GENERAL LIABILITY Retroactive Date _____ ☐ OWNERS & CONTRACTORS PROTECTIVE ☐ Occurrence							
COVERAGES							
			LIABILITY LIMITS IN THOUSANDS \$				
			EACH OCCURRENCE			AGGREGATE	
☐ GENERAL ☐ PRODUCTS/COMPLETED OPERATIONS ☐ PERSONAL & ADVERTISING INJURY ☐ FIRE DAMAGE ☐ ☐						Underwriter=s representative for claims pursuant to this insurance. CLAIMS: 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 a. 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: Insurance Compliance Reference No. _____ P.O. Box 100085 – OX Duluth, GA 30096 Via Email: cityofoxnard@ebix.com Via Fax: 678-259-1007				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 _____			

MEASURE O LOAN AGREEMENT (HOMELSS SHELTER PROJECT)

This Measure O Loan Agreement (“Loan Agreement”) is made as of this ____ day of May, 2022, by and between the City of Oxnard, a municipal corporation (“Lender”) and Mercy House Living Centers, a California nonprofit public benefit corporation (“Borrower”).

RECITALS

A. Lender wishes to promote the development of housing and supportive services for homeless individuals in the City of Oxnard.

B. Borrower is in the process of completing certain tenant improvements for a permanent 110 bed homeless shelter located on the first floor of a five-story mixed use building located on a 0.48-acre parcel located in Oxnard, California as more particularly described in Exhibit A attached hereto and incorporated by this reference (the “Property”). The remaining four levels will consist of fifty-six permanent supportive affordable housing units, including one unrestricted manager’s unit.

C. Lender is utilizing City Measure O funds derived from a sales tax measure approved by the City’s voters to fund the loan. Lender desires to loan to Borrower a total of Four Million Three Hundred Ninety-Nine Thousand Two Hundred Thirteen Dollars (\$4,399,213) of such funds to assist in the completion of the Project.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of the Loan, Borrower and Lender hereby agree as follows:

ARTICLE 1 DEFINITIONS

The following terms have the meanings and content set forth in this section wherever used in this Loan Agreement, attached Exhibits, or documents incorporated into this Loan Agreement by reference.

1.1 **“BORROWER”** is Mercy House Living Centers, a California nonprofit public benefit corporation and its authorized representatives, assigns, transferees, or successors-in-interest thereto.

1.2 **“BUDGET”** means that budget for the construction and installation of the Improvements attached hereto as Exhibit B, which is hereby incorporated into this Loan Agreement by this reference and which identifies the sources and uses of Project costs and specifies the costs to be paid with Loan proceeds.

1.3 **“DEED OF TRUST”** is that certain deed of trust, assignment of rents, and security agreement placed on the Property and the improvements to be constructed thereon as

security for the Loan by Borrower as trustor with Lender as beneficiary attached hereto as Exhibit C. The terms of the Deed of Trust have been incorporated into this Loan Agreement.

1.4 **“EFFECTIVE DATE”** is May ___, 2022. All funds must be disbursed under this Agreement on or before April 30, 2024. No funds shall be disbursed after April 30, 2024.

1.5 **“HAZARDOUS MATERIALS”** means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as "hazardous substances," "hazardous wastes," "hazardous materials," "pollutants," "contaminants," or "toxic substances," under federal or state environmental and health and safety laws and regulations, including without limitation petroleum and petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos, and lead. Hazardous Materials do not include substances that are used or consumed in the normal course of developing, operating, or occupying a housing project, to the extent and degree that such substances are stored, used, and disposed of in the manner and in amounts that are consistent with normal practice and legal standards at the time of such use.

1.6 **“HOMELESS”** has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

1.7 **“IMPROVEMENTS”** means the construction of the tenant improvements within the permanent 110 bed homeless shelter, as defined in Recital B, in accordance with this Loan Agreement and the Plans and Specifications approved by City, subject to all terms and conditions of approval granted pursuant thereto.

1.8 **“INSURANCE REQUIREMENTS”** means the insurance coverage which must be in full force and effect during the term of the Regulatory Agreement with the exception of course of construction insurance, as specified in Exhibit F.

1.9 **“LENDER”** means the City of Oxnard, a municipal corporation and its authorized representatives, officers, officials, directors, employees, and agents.

1.10 **“LOAN”** means the loan of funds in the total amount of Four Million Three Hundred Ninety-Nine Thousand Two Hundred Thirteen Dollars (\$4,399,213) from the Lender to the Borrower as provided in this Loan Agreement to provide construction and permanent financing for the Project.

1.11 **“LOAN AGREEMENT”** means this loan agreement entered into between Lender and Borrower.

1.12 **“LOAN DOCUMENTS”** are collectively the Loan Agreement, the Note, the Deed of Trust, and the Regulatory Agreement, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.13 **“NOTE”** means the promissory note executed by the Borrower in favor of Lender in the amount of Four Million Three Hundred Ninety-Nine Thousand Two Hundred

Thirteen Dollars (\$4,399,213) to evidence the Loan substantially in the form attached hereto as Exhibit D.

1.14 **“NOTICE OF COMPLETION”** shall mean the notice that shall be filed by the Borrower with the City of Oxnard at completion of construction. Borrower shall not unreasonably delay filing the Notice of Completion.

1.15 **“PROJECT”** means the construction of the Improvements, operation and management of the 110 bed homeless shelter according to the terms of this Loan Agreement.

1.16 **“PROPERTY”** means the property commonly referred to as 241 W 2nd Street, Oxnard, California, as more particularly described in Exhibit A, which is incorporated into this Loan Agreement by this reference.

1.17 **“QUALIFYING HOUSEHOLD”** means a household that qualifies as Homeless in accordance with 24 CFR 578.3.

1.18 **“REGULATORY AGREEMENT”** means the regulatory agreement executed by Borrower and Lender, attached as Exhibit E, and recorded against the Property in the Official Records of Ventura County which regulates the use of the Project.

ARTICLE 2 TERMS OF THE LOAN

2.1 **LOAN.** On and subject to the terms and conditions of the Loan Documents, Lender agrees to make and Borrower agrees to accept a loan with the following terms:

2.2 **AMOUNT.** The principal amount of the Loan shall be an amount not to exceed Four Million Three Hundred Ninety-Nine Thousand Two Hundred Thirteen Dollars (\$4,399,213) and shall be evidenced by the Note.

2.3 **NO INTEREST LOAN.** Subject to the provisions of Section 2.4, the Note shall not bear interest.

2.4 **DEFAULT INTEREST.** In the event of a default by Borrower of any of its obligations under this Loan Agreement and expiration of applicable cure periods, Borrower shall pay to Lender interest on the outstanding principal of the Loan, at an annual rate equal to the lesser of (i) ten percent (10%) or (ii) the highest interest allowed by law, from the date of the default until the date that the default is cured or the Loan is repaid in full.

2.5 **TERM OF LOAN.** The principal of the Loan shall be due and payable on the earlier of: (a) fifteen (15) years after the date of Project completion as evidenced by a written notice of completion provided to the Borrower by the City of Oxnard, or (b) the date the Property is sold or otherwise transferred, or (c) Borrower has failed to commence construction as set forth in Section 4.1 of this Loan Agreement, or (d) an event of default by Borrower, as defined below in Section 8.1, which has not been cured as provided for below in Section 8.2. In the event of default by Borrower, as defined below in Section 8.1, which has not been cured as

provided for below in Section 8.2, the principal shall be due and payable in accordance with Section 8.3. The foregoing notwithstanding, if Borrower remains compliant with the terms of the Regulatory Agreement, as determined by the Lender through periodic inspections of the Project and tenant files documenting occupancy by Qualifying Households, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the Regulatory Agreement, for the fifteen (15) year term described therein, then the principal amount of the Loan shall be forgiven.

2.6 USE OF LOAN PROCEEDS. Loan proceeds shall be used only for the construction of the Improvements and shall only be disbursed in accordance with the provisions of Article 3.

2.7 SECURITY. Borrower shall secure its obligation to repay the Loan by executing a Deed of Trust and recording it as a lien against the Project.

2.8 REPAYMENT OF THE LOAN. The principal shall be due and payable in accordance with the terms set forth in Section 2.5.

2.9 PREPAYMENT OF LOAN. No prepayment penalty will be charged to Borrower for payment of all or any portion of the Loan amount prior to the end of the term described herein. However, prepayment of the Loan shall not affect Borrower's obligations under the Regulatory Agreement.

2.10 RECORDING. Concurrent with Borrower's closing of the construction loan, Escrow Holder shall record the Deed of Trust and the Regulatory Agreement with the Recorder for the County of Ventura, and shall deliver conformed copies of the recorded documents to the Lender and Borrower.

ARTICLE 3 LOAN DISBURSEMENTS

3.1 CONDITIONS PRECEDENT TO DISBURSEMENT. Lender shall not be obligated to make any disbursements of the Loan proceeds or take any other action under the Loan Documents unless the following conditions precedent are satisfied prior to the disbursement of the Loan:

A. There exists no Event of Default nor any act, failure, omission or condition that with the giving of notice or passage of time would constitute an Event of Default;

B. Borrower has executed and delivered to Lender all documents, instruments, and policies required under the Loan Documents and the Deed of Trust and the Regulatory Agreement have been recorded with the Recorder for the County of Ventura;

C. Borrower has provided to Lender a certificate of insurance or copy of the insurance policy, which policy shall be satisfactory to the Lender and which conforms to Exhibit F;

D. Borrower has secured all final permits, entitlements and approvals required by all permitting and regulatory authorities and jurisdictions; and

E. Borrower has complied with all reporting requirements set forth in this Loan Agreement.

3.2 DISBURSEMENT OF LOAN PROCEEDS. Lender shall provide Loan proceeds to Borrower on a reimbursement basis for approved Project costs incurred by Borrower and approved by Lender in accordance with the Budget and only after Project costs which are to be paid have been incurred by Borrower as evidenced by invoices. Disbursement of Loan proceeds shall not exceed a total of Four Million Three Hundred Ninety-Nine Thousand Two Hundred Thirteen Dollars (\$4,399,213).

Loan proceeds shall be disbursed through periodic payments based upon Project costs incurred and work completed, as evidenced by documentation supporting the completed work signed by the Project architect and verified by Lender. Borrower shall submit to Lender disbursement requests ("Written Disbursement Requests") in writing no more frequently than one time per month. Written Disbursement Requests shall include itemized invoices corresponding to the Budget (Exhibit B). Borrower shall also attach copies of receipts or other acceptable proof of payment by Borrower and that demonstrates date of payment, and additional documentation as necessary to comply with state and local regulations.

Written Disbursement Requests shall only be for items included in the Budget (Exhibit B). Changes in individual items comprising the Budget shall require the prior written request of Borrower and the written approval of Lender. However, Lender's obligations shall in no event exceed the amount specified above in Section 2.2. Any costs in excess of this amount that are necessary for the completion of the Project shall be the sole responsibility of Borrower.

City agrees to provide payment to Borrower within 30 days of City's receipt of the Written Disbursement Request and documentation supporting the completed work signed by the Project architect.

Notwithstanding anything in this Section 3.2 to the contrary, City may, in City's sole and absolute discretion, disburse up to ten percent (10%) of the total Loan proceeds to Borrower in an amount not to exceed Four Hundred Thirty-Nine Thousand Nine Hundred Twenty-One and 30/100 Dollars (\$439,921.30) prior to Borrower incurring any Project costs.

ARTICLE 4 DEVELOPMENT OF PROJECT

4.1 COMMENCEMENT OF CONSTRUCTION. Borrower shall commence construction of the Project on or before April 30, 2024. Commencement of construction shall mean obtaining all final permits, entitlements and approvals required by all permitting and regulatory authorities and jurisdictions and commencing work on any task associated with a line item in the Budget (Exhibit B) at the Property that requires a permit, entitlement or approval. If Borrower fails to commence construction as set forth above, Lender may terminate this Loan Agreement pursuant to Article 8 below.

4.2 COMPLETION OF PROJECT. Borrower shall diligently prosecute development of the Project to completion. Borrower shall provide proof of completion as evidenced by the recording of a Notice of Completion.

4.3 FINANCING. Borrower shall promptly inform Lender in writing of any changes in the amount, terms, and/or sources of financing or funding for the Property acquisition and Project development work.

4.4 CONTRACTS AND SUBCONTRACTS. All development work and professional services for the Project shall be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California.

All costs incurred in acquisition of the Property and development, construction and operation of the Project shall be the responsibility and obligation solely of Borrower.

4.5 ADDITIONS OR CHANGES IN WORK. Lender must be notified in a timely manner of any changes in the work required to be performed under this Loan Agreement. A written change order authorized by Lender must be obtained before any changes, additions, or deletions may be performed. If Lender has not responded to a written request for a change order by Borrower within ten (10) days of receipt of such request by Lender, such request shall be deemed approved by Lender. Consent to any additions, changes, or deletions to the work shall not release Borrower from any other obligations in the Loan Documents.

4.6 INSPECTIONS. Borrower shall permit and facilitate, and require its contractors to permit and facilitate, observation and inspection at the job site by Lender and by public authorities during reasonable business hours for the purposes of determining compliance with this Loan Agreement.

4.7 SITE SUPERVISION. During the development of the Project, Borrower shall maintain a full-time site superintendent to supervise all development and construction work on the Property. The site superintendent shall be on-site during all work hours.

4.8 CONSTRUCTION RESPONSIBILITIES. Borrower shall be solely responsible for all aspects of Borrower's conduct in connection with the Project, including, but not limited to, the quality and suitability of the construction work, the supervision of construction work, the qualifications, financial condition, and performance of all contractors, subcontractors, suppliers, consultants, and property managers. To ensure compliance with all applicable labor code requirements, Borrower shall hire a labor compliance monitor. Any review or inspection undertaken by Lender with reference to the Project is solely for the purpose of determining whether Borrower is properly discharging its obligations to Lender, and should not be relied upon by Borrower or by any third parties as a warranty or representation by Lender as to the quality of the development and construction of the Project.

4.9 BARRIERS TO THE DISABLED. The Project shall be developed and the Property shall be maintained to comply with all applicable federal, state, and local requirements for access for disabled persons.

4.10 LEAD-BASED PAINT AND ASBESTOS REMOVAL. Borrower and its contractors and subcontractors shall not use lead-based paint or asbestos in the development and construction of the Property and shall comply with Federal Regulations 24 C.F.R., 29 C.F.R., 40 C.F.R., Title X, California O.S.H.A., California health codes, and all County standards. Borrower shall incorporate or cause to be incorporated this provision in all contracts and subcontracts for work performed on the Property which involves the application of paint and/or other construction-related surfaces.

4.11 MECHANICS LIENS AND STOP NOTICES. If any claim of lien is filed against the Property or a stop notice affecting the Loan is served on Lender or any other lender or other third party in connection with the Project, Borrower shall, within sixty (60) days of such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to Lender a surety bond in sufficient form and amount, provide Lender with a lien-free endorsement or provide Lender with other assurance reasonably satisfactory to Lender that the claim of lien or stop notice will be paid or discharged.

If Borrower fails to discharge any lien, encumbrance, charge, or claim referred to herein, then in addition to any other right or remedy, Lender may, but shall be under no obligation to, discharge such lien, encumbrance, charge, or claim at Borrower's expense. Alternatively, Lender may require Borrower to immediately deposit with Lender the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof Lender may use such deposit to satisfy any claim or lien that is adversely determined against Borrower.

Borrower shall file a valid notice of cessation or notice of completion upon cessation of work on the Project for a continuous period of 30 days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property. Borrower authorizes Lender, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that Lender deems necessary or desirable to protect its interest in the Project and Property.

4.12 RELOCATION. If and to the extent that development of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, Borrower shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. Borrower shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with said relocation laws.

4.13 UNAVOIDABLE DELAY IN PERFORMANCE. The time for performance of provisions of this Loan Agreement by either party shall be extended for a period equal to the period of any delay directly affecting the Project or this Loan Agreement which is caused by: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; quarantine restrictions; or freight embargoes or other events beyond the reasonable control of the

party claiming the delay. An extension of time for any of the above-specified causes will be deemed granted only if written notice by the party claiming such extension is sent to the other party within five (5) calendar days from the commencement of the cause, and such extension of time is either accepted by the other party in writing, or is not rejected in writing by the other party within ten calendar days of receipt of the notice. In any event, construction of the Project must be completed no later than ninety (90) calendar days after the scheduled completion date specified herein, any unavoidable delay notwithstanding. Times of performance under this Loan Agreement may also be extended for any cause for any period of time by the mutual written agreement of Lender and Borrower.

ARTICLE 5 OPERATION

5.1 OPERATION OF PROJECT. Borrower shall operate and manage the Project after completion in full conformance with the terms of the Regulatory Agreement.

Borrower shall agree to maintain and operate the Project so as to provide decent, safe, and sanitary housing. Borrower shall provide supportive services as required by the provision of that separate Shelter Operation Agreement between Borrower and Lender.

5.2 PROJECT BEDS. The 110 permanent shelter beds shall be available for Qualifying Households.

5.3 CONFLICTS BETWEEN COVENANTS OR RESTRICTIONS AFFECTING THE PROPERTY. Any conflicts between the restrictive provisions contained in this Loan Agreement, Note, Deed of Trust, Regulatory Agreement, and any other agreements in connection with the Loan which affect the Property, are to be resolved by applying the more restrictive covenants or restrictions which affect the Property.

5.4 NONDISCRIMINATION. Borrower shall not discriminate or segregate in the rehabilitation, use, enjoyment, occupancy, conveyance, lease, sublease, or rental of any part of the Property on the basis of race, color, ancestry, national origin, religion, sex, sexual preference or orientation, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any other arbitrary basis. Borrower shall otherwise comply with all applicable local, state, and federal laws concerning discrimination in housing.

5.5 RECORDS. Borrower shall be accountable to Lender for all funds disbursed to Borrower pursuant to the Loan Documents. Borrower agrees to maintain records that accurately and fully show the date, amount, purpose, and payee of all expenditures drawn from Loan proceeds, and to keep all invoices, receipts, and other documents related to expenditures from said Loan proceeds for not less than five years after completion of the Project. Records must be kept accurate and current. Lender shall notify Borrower of any records it deems insufficient. Borrower shall have fifteen (15) calendar days from the date of said notice to correct any deficiency in the records specified by Lender in said notice, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Borrower shall begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Borrower shall promptly comply with all requirements or conditions of the Loan Documents relating to notices, extensions, and other events required to be reported or requested. Borrower shall promptly supply, upon the request of Lender, any and all information and documentation which involves the Project and cooperate with Lender in the development and construction of the Project.

5.6 AUDITS. Borrower shall make available for examination at reasonable intervals and during normal business hours to Lender all books, accounts, reports, files, and other papers or property with respect to all matters covered by these Loan Documents, and shall permit Lender to audit, examine, and make excerpts or transcripts from such records. Lender may make audits of any conditions relating to this Loan.

5.7 ENCUMBRANCE OF PROPERTY. Except as otherwise provided in this Loan Agreement, Borrower shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or allow any encumbrance or lien to be made on or attached to the Property, except with the prior written consent of Lender. Borrower shall notify Lender in writing in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Project or Property, and of any encumbrance or lien that has been created on or attached to the Property whether by voluntary act of Borrower or otherwise.

5.8 SUBORDINATION. Lender shall subordinate the obligations of this Loan Agreement, and the attached Regulatory Agreement and Deed of Trust to be recorded on the Property, to the Construction Loan and the permanent financing obligations for the Project. Borrower and Lender shall cooperate in the execution of any such subordination agreement required to perfect such subordinations.

5.9 TRANSFER OF PROPERTY. Borrower has not made or created, and shall not, make or permit any sale, assignment, conveyance, lease (other than the leasing of units in the Project pursuant to an approved lease), or other transfer of this Loan Agreement, the Project, or the Property, or any part thereof, without the prior written consent of Lender.

5.10 FEES, TAXES, AND OTHER LEVIES. Borrower shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project, and shall pay such charges prior to delinquency. However, Borrower shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by Lender, Borrower deposits with Lender any funds or other forms of assurance Lender in good faith from time to time determines appropriate to protect Lender from the consequences of the contest being unsuccessful.

5.11 DAMAGE TO PROPERTY. If any building or structure on the Property is damaged or destroyed by an insurable cause, Borrower shall, at its cost and expense, diligently undertake to repair or restore said buildings and structures consistent with the original

Improvements for the Project if Borrower reasonably determines that such restoration or repair is economically feasible. Such work or repair shall be commenced within 120 days after the damage or loss occurs and shall be complete within one year from such commencement, subject to any extensions of time granted pursuant to the provisions of Section 4.13. Subject to Borrower's election to rebuild, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Borrower shall make up the deficiency.

ARTICLE 6 INDEMNITY AND INSURANCE

6.1 INDEMNITY AND INSURANCE. Borrower hereby agrees to defend, indemnify and save harmless the Lender and to procure and maintain insurance in accordance with the provisions of Exhibit F attached hereto and incorporated herein by reference.

6.2 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS. No officials, employees and agents of Lender shall be personally liable to Borrower for any obligation created under the terms of these Loan Documents.

ARTICLE 7 HAZARDOUS MATERIALS

7.1 REPRESENTATIONS AND WARRANTIES. After reasonable investigation and inquiry, Borrower hereby represents and warrants to the best of its knowledge, as of the date of this Loan Agreement and except as previously disclosed and acknowledged in writing by Lender or as disclosed by the reports based on environmental audit(s) performed on the Property and submitted to Lender, that (a) the Property is not and has not been a site for the use, generation, manufacture, transportation, storage, or disposal of Hazardous Materials in violation of Federal or State law; (b) the Property is in compliance with all applicable environmental and health and safety laws, regulations, ordinances, administrative decisions, common law decisions (whether federal, state, or local) with respect to Hazardous Materials, including those relating to soil and groundwater conditions ("Hazardous Materials Laws"); (c) there are no claims or actions pending or threatened with respect to the Property by any governmental entity or agency or any other person relating to Hazardous Materials; and (d) there has been no release or threatened release of any Hazardous Materials on, under, or near the Property (including in the soil, surface water, or groundwater under the Property) or any other occurrences or conditions on the Property or on any other real property that could cause the Property or any part thereof to be classified as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

7.2 NOTIFICATION TO LENDER. Borrower shall promptly notify Lender in writing of: (a) the discovery of any concentration or amount of Hazardous Materials of which Borrower becomes aware on or under the Property requiring notice to be given to any governmental entity or agency under Hazardous Materials Laws; (b) any knowledge by Borrower (after verification of the veracity of such knowledge to Borrower's reasonable satisfaction) that the Property does not comply with any Hazardous Materials Laws; (c) the receipt by Borrower of written notice of any Hazardous Materials claims; and (d) the discovery by Borrower of any occurrence or condition on the Property or on any real property located within 2,000 feet of the Property that could cause the Property or any part thereof to be

designated as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

7.3 USE AND OPERATION OF PROPERTY. Neither Borrower, nor any agent, employee, or contractor of Borrower, nor any authorized user of the Property shall use the Property or allow the Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. Borrower shall comply and cause the Project to comply with Hazardous Materials Laws.

7.4 REMEDIAL ACTIONS. If Borrower has actual knowledge of the presence of any Hazardous Materials on or under the Property, Borrower shall take, at no cost or expense to Lender, all handling, treatment, removal, storage, decontamination, cleanup, transport, disposal or other remedial action, if any, required by any Hazardous Materials Laws or by any orders or requests of any governmental entity or agency or any judgment, consent decree, settlement or compromise with respect to any Hazardous Materials claims. The foregoing, however, shall be subject to Borrower's right of contest below.

7.5 RIGHT OF CONTEST. Borrower may contest in good faith any claim, demand, levy or assessment under Hazardous Materials Laws if (a) the contest is based on a material question of law or fact raised by Borrower in good faith, (b) Borrower promptly commences and thereafter diligently pursues the contest, (c) the contest will not materially impair the taking of any remedial action with respect to such claim, demand, levy or assessment, and (d) if requested by Lender, Borrower deposits with Lender any funds or other forms of assurance Lender in good faith from time to time determines appropriate to protect Lender from the consequences of the contest being unsuccessful and any remedial action then reasonably necessary. No Event of Default shall be deemed to exist with respect to any claim, demand, levy or attachment being contested by Borrower under the conditions of this section.

7.6 ENVIRONMENTAL INDEMNITY. Borrower shall defend, indemnify, and hold Lender free and harmless against any claims, demands, administrative actions, litigation, liabilities, losses, damages, response costs, and penalties, including all costs of legal proceedings and reasonable attorney's fees, that Lender may directly or indirectly sustain or suffer as a consequence of any inaccuracy or breach of any representation, warranty, agreement, or covenant contained in this Loan Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, release, or disposal (whether or not Borrower knew of same) of any Hazardous Materials occurring prior to or during Borrower's use or occupancy of the Property.

ARTICLE 8 DEFAULT AND REMEDIES

8.1 EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an "Event of Default" under this Loan Agreement:

A. Monetary. (1) Borrower's failure to pay when due any sums payable under the Note or any advances made by Lender under the Deed of Trust or this Loan Agreement; (2) Borrower's use of Loan proceeds for costs other than approved costs or for uses inconsistent with

other terms and restrictions in the Loan Documents; (3) Borrower's failure to obtain and maintain the insurance coverage required under this Loan Agreement; (4) Borrower's failure to make any other payment or assessment due under the Loan Documents; (5) Borrowers failure to pay taxes; (6) Borrower's default under other debt secured by the Property after the applicable notice and cure periods have expired;

B. Project Development and Construction. (1) Borrower's substantial deviation in the construction of the Improvements, without Lender's prior written consent; (2) Borrower's use of defective or unauthorized materials or defective workmanship in development and construction of the Project; (3) Borrower's failure to commence or complete construction work according to the schedule specified in this Loan Agreement; (4) the cessation of construction work prior to completion of the Project for a period of more than twenty-one (21) continuous calendar days without proper justification; (5) Borrower's failure to remedy any deficiencies in recordkeeping or failure to provide records to Lender upon Lender's reasonable request; (6) Borrower's failure to substantially comply with any applicable federal, state, or local laws or Lender policies governing Project development and construction;

C. Operation. (1) Discrimination by Borrower on the basis of characteristics prohibited by applicable law or (2) the imposition of any encumbrances or liens on the Property without Lender's prior written approval that are prohibited under this Loan Agreement or that have the effect of reducing the priority of or invalidating the Deed of Trust;

D. General performance of Loan obligations. Any substantial breach by Borrower beyond applicable notice and cure periods of any material obligations on Borrower imposed in the Loan Documents;

E. General performance of other obligations. Any substantial or continuous breach by Borrower beyond applicable notice and cure periods of any material obligations on Borrower imposed by any other agreements, including any grant agreements, with respect to the financing, construction, or operation of the Project or the Property, whether or not Lender is a party to such agreement which may materially impair Lender's security;

F. Representations and warranties. A determination by Lender that its security has or will be materially impaired due to the fact that any of Borrower's representations or warranties made in the Loan Documents, or any certificates, documents, or schedules supplied to Lender by Borrower were untrue in any material respect when made, or that Borrower concealed or failed to disclose a material fact from Lender;

G. Damage to Property. Material damage or destruction to the Property by fire or other casualty, if Borrower does not take steps to reconstruct the Property as required by the Loan Documents;

H. Bankruptcy, dissolution, and insolvency. Borrower's (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after the filing; (2) making a general assignment for the benefit of creditors; (3) applying for the

appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after the filing; (4) insolvency; (5) failure, inability or admission in writing of its inability to pay its debts as they become due.

8.2 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. For all Events of Default, Lender shall give written notice to Borrower of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the Default, (b) the action required to cure the deficiency, if an action to cure is possible, and (c) a date, which shall not be less than thirty (30) calendar days from the date of receipt of the notice or the date the notice was refused, by which such action to cure must be taken or if a cure is not possible within thirty (30) days, to begin such cure and diligently prosecute such to completion which shall, in any event, not exceed ninety (90) days from the date of receipt of the notice to cure. The Lender has the sole discretion to determine whatever additional reasonable time is needed to cure.

8.3 LENDER'S REMEDIES. Upon the happening of an Event of Default by Borrower and a failure to cure said Event of Default within the time specified in Section 8.2 above, Lender's obligation to disburse Loan proceeds shall terminate, and Lender may also, in addition to other rights and remedies permitted by the Loan Documents or applicable law, proceed with any or all of the following remedies in any order or combination Lender may choose in its sole discretion:

A. Terminate this Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Borrower by Lender under the Loan Documents including administrative costs, shall immediately become due and payable at the option of Lender;

B. Bring an action in equitable relief (1) seeking the specific performance by Borrower of the terms and conditions of the Loan Documents, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;

C. Accelerate the Loan, and demand immediate full payment of the principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Borrower by Lender under the Loan Documents;

D. Enter the Property and take any actions necessary in its judgment to complete development of the Project, including without limitation (1) making changes in the Improvements or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy;

E. Seek appointment from a court of competent jurisdiction of a receiver with the authority to complete development of Project as needed to preserve Lender's interest in seeing the Project completed in a timely manner (including the authority to take any remedial

actions with respect to Hazardous Materials that Lender or the receiver deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy);

F. Order immediate stoppage of development of Project and demand that any condition leading to the Event of Default be corrected before development of Project may continue;

G. Disburse from Loan proceeds any amount necessary to cure any monetary default;

H. Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect rents and other amounts specified in the assignment of rents in the Deed of Trust and apply them to operate the Property or to pay off the Loan or any advances made under the Loan Documents, as provided for by the Deed of Trust;

I. Initiate and pursue any private and/or judicial foreclosure action allowed under applicable law and the power of sale provision in the Deed of Trust;

J. With respect to defaults under Hazardous Materials provisions herein, pursue the rights and remedies permitted under California Civil Code Section 2929.5, and California Code of Civil Procedure Sections 564, 726.5, and 736; or

K. Pursue any other remedy allowed at law or in equity. Nothing in this section is intended or shall be construed as precluding Lender from proceeding with a nonjudicial foreclosure under the power of sale contained in the Deed of Trust in the Event of Default by Borrower.

ARTICLE 9 GENERAL PROVISIONS

9.1 **BORROWER'S WARRANTIES.** Borrower represents and warrants (1) that it has access to professional advice and support to the extent necessary to enable Borrower to fully comply with the terms of these Loan Documents and the Regulatory Agreement, and to otherwise carry out the Project, (2) that it is duly organized, validly existing and in good standing under the laws of the State of California, (3) that it has the full power and authority to undertake the Project and to execute the Loan Documents, (4) that the persons executing and delivering the Loan Documents are authorized to execute and deliver such documents on behalf of Borrower, (5) that there has been no substantial adverse change in Borrower's financial condition since the date of application for this loan such as judgment liens, tax liens, mechanic's liens, bankruptcy, etc.; and (6) that all representations in the Borrower's loan application (including all supplementary submissions) are true, correct and complete in all material respects and are offered to induce Lender to make this loan.

9.2 **MONITORING AND EVALUATION.** Except as otherwise provided for in this Loan Agreement, Borrower shall maintain and submit records to Lender within fifteen (15)

business days of Lender's request which clearly document Borrower's performance under each requirement of the Loan Documents.

9.3 CONFLICTS OF INTEREST. Borrower covenants that:

A. Except for approved eligible administrative or personnel costs, no person described in subsection (B) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this contract or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. The Borrower shall exercise due diligence to ensure that the prohibition in this Section is followed.

B. The conflict of interest provisions of Section 9.3(A) above apply to any person defined in California Government Code section 1090 and an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the City, or any person related within the third (3rd) degree of such person.

9.4 POLITICAL ACTIVITY. None of the funds, materials, property or services contributed by Lender or Borrower under this Loan Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

9.5 TERM OF THIS AGREEMENT. This Loan Agreement shall commence on the Effective Date and remain in full force and effect throughout the term of this Loan.

9.6 GOVERNING LAW. The Loan Documents shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law.

9.7 STATUTORY REFERENCES. All references in the Loan Documents or Regulatory Agreement to particular statutes, regulations, ordinances, or resolutions of the United States, the State of California, or the City of Oxnard shall be deemed to include the same statute, regulation, ordinance, or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject as the provision to which specific reference was made.

9.8 TIME. Time is of the essence in these Loan Documents.

9.9 CONSENTS AND APPROVALS. Any consent or approval of Lender or Borrower required under the Loan Documents shall not be unreasonably withheld or conditioned. Any approval required under the Loan Documents shall be in writing and executed by an authorized representative of the party granting the approval.

9.10 NOTICES, DEMANDS AND COMMUNICATIONS. Formal notices, demands and communications between Borrower and Lender shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Borrower and Lender as follows:

LENDER: City of Oxnard Housing Department
435 South D Street
Oxnard, CA 93030
Attn: Housing Director

BORROWER: Mercy House Living Centers
203 N Golden Circle Drive, 3rd Floor
Santa Ana, CA 92705
Attn: Larry Haynes

9.11 BINDING UPON SUCCESSORS. All provisions of these Loan Documents shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Loan Agreement by Borrower without Lender's consent.

9.12 RELATIONSHIP OF PARTIES. The relationship of Borrower and Lender for this Project under this Loan Agreement is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. Lender neither undertakes nor assumes any responsibility or duty to Borrower (except as provided for herein) or any third party with respect to the Project, the Property, or the Loan.

9.13 ASSIGNMENT AND ASSUMPTION. Borrower shall not assign any of its interests under this Loan Agreement or the Loan Documents to any other party, except as specifically permitted under the terms of the Loan Documents, without the prior written consent of Lender. Any unauthorized assignment shall be void.

9.14 WAIVER. Any waiver by Lender of any obligation in these Loan Documents must be in writing. No waiver will be implied from any delay or failure by Lender to take action on any breach or default of Borrower or to pursue any remedy allowed under the Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation under the Loan Documents shall not operate as a waiver or release from any of its obligations under the Loan Documents. Consent by Lender to any act or omission by Borrower shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Lender's written consent to future waivers.

9.15 **INTEGRATION.** This Loan Agreement and the other Loan Documents, including exhibits, executed by Borrower for the Property, if any, contain the entire agreement of the parties and supersede any and all prior negotiations.

9.16 **OTHER AGREEMENTS.** Borrower represents that it has not entered into any agreements that are inconsistent with the terms of the Loan Documents. Borrower shall not enter into any agreements that are inconsistent with the terms of the Loan Documents without an express waiver by Lender in writing.

9.17 **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to the Loan Documents must be in writing, and shall be made only if executed by both Borrower and Lender.

9.18 **SEVERABILITY.** Every provision of this Loan Agreement is intended to be severable. If any provision of this Loan Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

9.19 **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original.

(Signatures appear on next page)

IN WITNESS WHEREOF, Lender and Borrower have caused this Loan Agreement to be executed by their duly authorized representatives.

City:

THE CITY OF OXNARD

Alexander Nguyen, City Manager

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

APPROVED AS TO INSURANCE:

Michael More, Human Resources/Risk
Manager

Borrower:

MERCY HOUSE LIVING CENTERS, a
California nonprofit public benefit
corporation

Name: Larry Haynes
Title: Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the unincorporated area of the County of Ventura, State of California, described as follows:

A leasehold estate as created by that certain [title of sublease] dated _____, 2022, executed by and between 2nd & B, LP, a California limited partnership, as sublessor, and _____, a California nonprofit public benefit corporation, as sublessee, as evidenced by that certain "Memorandum of [title of sublease]" recorded concurrently with the Deed of Trust in the Official Records of the County of Santa Barbara, California, in and to the first floor of the building located on the following described real property:

LOTS 9, 10 AND 11 OF BLOCK 12, AS SHOWN ON A MAP OF THE NORTH ADDITION TO THE TOWN OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, RECORDED IN BOOK 5, PAGE 7, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ALL URANIUM, THORIUM AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID ASSOCIATED SOUTHERN INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED FROM ASSOCIATED SOUTHERN INVESTMENT COMPANY TO THE CITY OF OXNARD, DATED JUNE 20, 1974 AND RECORDED JUNE 28, 1974, IN BOOK 4281, PAGE 515 OF OFFICIAL RECORDS.

APN: 202-0-054-075 AND 080

EXHIBIT B**BUDGET**

Loan proceeds shall be used only for the costs attributed to the development of the Shelter, as shown below, in an amount not to exceed \$4,399,213.

Description	Total Budget
Shelter Shell	\$855,689
Rooftop Deck	\$57,986
Shelter Tenant Improvements	\$3,059,044
Design Costs	\$219,500
Construction Oversight	\$50,000
Insurance	\$73,000
Contingency 10%	\$431,522
Total Cost	\$4,746,741

The balance of this budget will be paid with loan proceeds from a separate a Loan Agreement executed between the Borrower and the City, in which City agreed to loan Borrower \$347,528 from the Permanent Local Housing Allocation (“PLHA”) program from the State of California in order to increase the affordable housing stock in the City of Oxnard.

EXHIBIT C
DEED OF TRUST

NO FEE DOCUMENT

**Recording requested by and
when recorded, mail to:**

City of Oxnard Housing Department
435 S. D Street
Oxnard, California, 93030
Attn: Housing Director

NO FEE DOCUMENT PURSUANT TO
GOVERNMENT CODE SECTION 27383

**DEED OF TRUST, ASSIGNMENT OF RENTS,
AND SECURITY AGREEMENT
(Measure O Loan – Homeless Shelter Project)**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT (“Deed of Trust”) is made as of this ____ day of _____, 2022, by Mercy House Living Center, a California nonprofit public benefit corporation (“Trustor”), to Fidelity National Title Company, a California corporation as trustee (“Trustee”), for the benefit of the City of Oxnard, a municipal corporation (“Beneficiary”).

GRANT IN TRUST

1. **GRANT.** Trustor, in consideration of the indebtedness referred to below, hereby irrevocably grants and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, all of Trustor’s interest in the leasehold estate in and to the first floor of the building located on the improved real property located in the County of Ventura, State of California, more particularly described in Exhibit A and 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; all buildings, structures, fixtures, improvements, signs, and landscaping now or hereafter erected or located on the Property, including all equipment and machinery used for supplying or distributing heating, cooling, electricity, gas, water, air, and light, all kitchen and laundry appliances such as washers, dryers, refrigerators, garbage disposals, ovens, ranges, dishwashers, all plumbing and bathroom fixtures, all security and access control equipment, fire prevention and extinguishment equipment, elevators, floor coverings, window coverings, paneling, cabinets, (provided, however, that Trustor shall have the right to remove, if necessary, such fixtures, furnishings, and equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall themselves become part of this grant); all building material and equipment either now or hereafter delivered to the Property and intended to be installed therein or any such material and equipment purchased with the Loans’ proceeds whether or not located on the Property; all reserves, accounts, deferred payments, and refunds relating to development on the Property; all rents and income generated by the Property or improvements thereon (subject however to the assignment of rents to Lender contained herein); all leases, subleases and rental agreements covering the Property or any portion thereof now existing or hereafter entered into, and all interests of Trustor in security deposits, advance rentals, accounts, or payments of similar nature with respect to such leases, subleases, or rental agreements; all easements and rights-of-way appurtenant to the Property, including parking and recreational easements, and all interests of Trustor in any land lying within the right-of-way of any street, sidewalks, and areas of land adjacent to or used in connection with the Property; all development rights and credits, air rights, water rights, and oil, gas or mineral rights with respect to the Property; all claims or demands with respect to insurance proceeds, and all awards made for a taking by eminent domain; all interests and rights in any private or government grants, subsidies, loans, or other financing with respect to development on the Property; all interests in personal property used in and about the Property (except furniture and other personal property of occupants of dwelling units on the Property); all intangible property and rights relating to the Property or operations on the Property, including trade names, goodwill, trademarks, and service marks; all government permits, approvals, and map rights

related to construction on the Property; all architectural, structural, and mechanical plans, specifications, designs, studies, and data with respect to construction of improvements on the Property; all environmental tests, studies and reports with respect to the Property; all current and future claims and rights of action of Trustor against prior owners and operators of the Property, neighboring property owners and operators, tenants and former tenants, consultants, advisors, and other third parties with respect to environmental or any hazardous materials contamination and cleanup of the Property under any federal, state, or local ordinances, statutes, regulations, or administrative decisions or common law.

All of the foregoing, together with the Property, is herein referred to as the "Security."

OBLIGATIONS SECURED

2. **OBLIGATIONS.** Trustor makes this grant for the purpose of securing the following obligations:

A. Repayment of the indebtedness of Trustor to Beneficiary in the principal sum of Four Million Three Hundred Ninety-Nine Thousand Two Hundred Thirteen Dollars (\$4,399,213), with interest thereon, evidenced by a promissory note executed by Trustor on file at the offices of Beneficiary and hereby incorporated by reference into this Deed of Trust (the "Note"); and

B. Payment of any sums advanced by Beneficiary to protect the security and priority of this Deed of Trust; and

C. Performance of every obligation, covenant or agreement of Trustor contained in the certain Measure O Loan Agreement (Homeless Shelter Project) between Trustor and Beneficiary regarding the Note ("Loan Agreement"), this Deed of Trust, and the Note, including all modifications, extensions and renewals of these obligations (collectively, the "Loan Documents"); and

D. Performance of any other obligation or repayment of any other indebtedness of Trustor to Beneficiary, where such evidence of obligation or indebtedness specifically recites that it is secured by this Deed of Trust; and

E. Performance of any obligations of Trustor in any other agreements with respect to financing of the Property the Security the absence of which would adversely affect Beneficiary, whether or not Beneficiary is a party to such agreements.

ABSOLUTE ASSIGNMENT OF RENTS AND RIGHT TO POSSESSION

3. **ASSIGNMENT.** As additional security, Trustor hereby assigns to Beneficiary: (a) all of the rents, revenues, profits, and income from the Security, any deposits now or hereafter in Trustor's possession which have been collected with respect to the Security, and any reserve or capital funds now or hereafter held by Trustor with respect to construction or operation of the Security (collectively, the "Rents"); and (b) the right to enter, take possession of, and manage the Security; provided however that Trustor shall have, before an Event of Default, as defined herein, the exclusive right to possess the Security and to collect Rents and use them in accordance with the Loan Documents. This assignment is intended to be an absolute and present transfer of Trustor's interest in existing and future Rents, effective as of the date of this Deed of Trust.

4. **ENFORCEMENT.** Upon the happening of an Event of Default which remains uncured after expiration of the applicable cure period pursuant to the terms of the Note or other Loan Documents, Beneficiary may, in addition to other rights and remedies permitted by the Note, this Deed of Trust, or applicable law: (a) enter upon, take possession of, and manage the Security, either in person as a mortgagee-in-possession, by agent, or by a receiver appointed by a court, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Security, (b) collect all Rents, including those past due and unpaid, and apply the same to pay for the costs and expenses of operation of the Security, including reasonable attorneys' fees, and pay off any indebtedness secured by this Deed of Trust, all in such order as Beneficiary may determine and/or (c) Beneficiary may make, cancel, enforce, and modify leases and rental agreements, obtain and evict tenants, set and modify rent terms, sue for rents due, enter into, modify, or terminate any contracts or agreements, or take any legal action, as it deems necessary

with respect to the Rents or to development or operation of the Security, subject to the rent restrictions imposed against the Property.

5. **APPOINTMENT OF A RECEIVER.** In any action to enforce this assignment, Beneficiary may apply for the appointment of a receiver to take possession of the Security and take whatever measures are necessary to preserve and manage the Security for the benefit of Beneficiary and the public interest. Trustor hereby consents to the appointment of a receiver. The receiver shall have all of the authority over the Security that Beneficiary would have if Beneficiary took possession of the Security under this assignment as a mortgagee-in-possession, including the right to collect and apply Rents and the right to complete construction of improvements.

6. **NO WAIVER OF POWER OF SALE.** The entering upon and taking possession of the Security and the collection of Rents shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or notice of default and, notwithstanding the continuance in possession of the Security or the collection and application of Rents, 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.

COMMERCIAL CODE SECURITY AGREEMENT

7. **GRANT.** This Deed of Trust is intended to be a security agreement and financing statement pursuant to the California Commercial Code for any of the items specified above as part of the Security which under applicable law may be subject to a security interest pursuant to the Commercial Code, and Trustor hereby grants Beneficiary a security interest in said items. Beneficiary may file a copy of this Deed of Trust in the real estate records or other appropriate index as a financing statement for any of the items specified as part of the Security. Trustor shall execute and deliver to Beneficiary at Beneficiary's request any financing statements, as well as extensions, renewals, and amendments thereof, and copies of this instrument in such form as Beneficiary may require to perfect a security interest with respect to said items. Trustor shall pay all costs of filing such financing statements and shall pay all reasonable costs of any record searches for financing statements and releases. Without the prior written consent of Beneficiary, Trustor shall not create or permit any other security interest in said items. This Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the California Commercial Code.

8. **REMEDIES.** Upon Trustor's breach of any obligation or agreement in the Loan Documents, after expiration of any applicable cure period, Beneficiary shall have the remedies of a secured party under the Commercial Code and at Beneficiary's option may also invoke the remedies provided for elsewhere in this Deed of Trust with respect to said items. Beneficiary may proceed against the items of real property and personal property specified above separately or together and in any order whatsoever.

RIGHTS AND OBLIGATIONS OF TRUSTOR

9. **PERFORMANCE OF SECURED OBLIGATION.** Trustor shall promptly perform each obligation secured by this Deed of Trust in accordance with the Loan Documents.

10. **PAYMENT OF PRINCIPAL AND INTEREST.** Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note.

11. **MAINTENANCE OF THE SECURITY.** Trustor shall, at the Trustor's own expense, maintain and preserve the Security or cause the Security to be maintained and preserved in good condition, in good repair, and in a decent, safe, sanitary, habitable and tenantable condition. Trustor shall not cause or permit any violations of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Security. Trustor shall not commit or permit waste on or to the Security. Trustor shall not abandon the Security. Beneficiary shall have no responsibility over maintenance of the Security. In the event Trustor fails to maintain the Security in accordance with the standards in this Deed of Trust, Beneficiary and after any applicable cure periods, may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest

rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

12. **INSPECTION OF THE SECURITY.** Trustor shall permit Beneficiary to enter and inspect the Security during normal business hours for compliance with these obligations upon at least 24 hours advance notice of such visit by Beneficiary to Trustor or Trustor's management agent.

13. **LIENS, ENCUMBRANCES, AND CHARGES.** Trustor shall discharge any lien or encumbrance not approved by Beneficiary in writing that may attain priority over this Deed of Trust, as provided in the Note.

14. **DEFENSE AND NOTICE OF CLAIMS AND ACTIONS.** Trustor shall appear in and defend, at its own expense, any action or proceeding purporting to affect the Security and/or the rights of Beneficiary. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding and of any condemnation offer or action with respect to the Security upon Trustor's receipt of notice thereof.

15. **SUITS TO PROTECT THE SECURITY.** Beneficiary shall have power to institute and maintain such suits and proceedings as it may deem expedient (a) to prevent any impairment of the Security or the rights of Beneficiary, (b) to preserve or protect its interest in the Security and in the Rents, and (c) to restrain the enforcement of or compliance with any governmental legislation, regulation, or order, if the enforcement of or compliance with such legislation, regulation, or order would impair the Security or be prejudicial to the interest of Beneficiary.

16. **DAMAGE TO SECURITY.** Trustor shall give Beneficiary and Trustee prompt notice in writing of any damage to the Security. If any building or improvements erected on the Property is damaged or destroyed by an insurable cause, Trustor shall, at its cost and expense, repair or restore said buildings and improvements consistent with the original plans and specifications if Trustor reasonably determines that such restoration or repair is economically feasible. Such work or repair shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be complete within one (1) year thereafter. Subject to Trustor's election to rebuild, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Trustor shall make up the deficiency.

17. **TITLE.** Trustor warrants that Trustor lawfully has legal title to the Security without any limitation on the right to encumber other than those limitations set forth in the Loan Documents or other financing documents approved by Lender.

18. **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 the Security except those required or desirable for installation and maintenance of public utilities including water, gas, electricity, sewer, cable television, telephone, or those required by law.

19. **TAXES AND LEVIES.** Trustor shall pay prior to delinquency, all taxes, fees, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security. However, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any contested liabilities. In the event that Trustor fails to pay any of the foregoing items, Beneficiary may, but shall be under no obligation to, pay the same, after Beneficiary has notified Trustor of such failure to pay and Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

20. **INSURANCE.** Trustor shall procure or cause to be procured, and maintain or cause to be maintained, throughout the term of the Note, insurance against loss or damage to any structure constituting any part of the Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot,

aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Property, excluding the cost of excavations, of grading and filling and of the land, but in any event, shall be in an amount and in a form sufficient, in the event of total or partial loss, to enable the Trustor to restore the Property to the condition existing before such loss. The Trustor may, in its discretion and with the written consent of Beneficiary, insure the Property under blanket insurance policies which insure not only the Property but also other properties as long as such blanket insurance policies comply with the requirements of this Section 20. All policies of insurance required by this Section shall provide that all proceeds thereunder shall be payable to the Beneficiary pursuant to a lender's loss payable endorsement substantially in a form approved by Beneficiary. Each insurance policy required hereunder shall require that the Beneficiary be given thirty (30) days' notice of any intended cancellation thereof or reduction of the coverage provided thereby. The Trustor shall provide Beneficiary with copies of such policies upon request. In the event Trustor fails to maintain the full insurance coverage required by this Deed of Trust, Beneficiary, after at least seven (7) business 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 such policies. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

21. **CONDEMNATION.** Subject to the rights of any senior lienholders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of taking all or any part of or interest in the Security under assertion of the power of eminent domain ("Funds") are hereby assigned to and shall be paid to Beneficiary. Beneficiary is authorized (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 Beneficiary shall determine at its sole option. All or any part of the amounts so collected and recovered by Beneficiary may be released to Trustor upon such conditions as Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust.

Notwithstanding anything to the contrary set forth herein, Beneficiary shall, prior to the application of the Funds or any portion thereof to the indebtedness or other obligations, apply such portion of the Funds as is reasonable and necessary to repair and preserve the value, marketability and rentability of the Security. Trustor shall have the right to rebuild the Property, and to use all available condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loans in balance and rebuild the Property in a manner that provides adequate security to Lender for repayment of the Loans or, if such proceeds are insufficient or such security is inadequate, then Trustor shall have funded any deficiency and/or provided additional security; (b) Lender shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement; and (c) no material default then exists under the Loan Documents other than any default which is a direct result of the condemnation.

22. **ACCELERATION ON TRANSFER OF SECURITY.** In the event that Trustor, without the prior written consent of the Beneficiary, sells, agrees to sell, transfers, or conveys its interest in the Security or any part thereof or interest therein, Beneficiary may at its option declare all sums secured by this Deed of Trust to be immediately due and payable. This option shall not apply in case of:

A. The grant of a leasehold interest to qualifying households who will occupy units in the Property as provided for under the Loan Documents; or

B. Sale or transfer of fixtures or personal property pursuant to the grant provisions in this Deed of Trust. Consent to one (1) sale or transfer shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

23. **RECONVEYANCE BY TRUSTEE.** This trust is intended to continue for the entire term of the Loan. Upon written request of Beneficiary stating that all sums secured by this Deed of Trust have been paid 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.

DEFAULT AND REMEDIES

24. **EVENTS OF DEFAULT.** Any of the events listed in the Note or the Loan Agreement as an Event of Default shall also constitute an Event of Default under this Deed of Trust. Trustor's limited partners shall have the same notice and cure rights contained in the Loan Agreement.

25. **ACCELERATION OF MATURITY.** Upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the Note, Beneficiary may declare all sums advanced to Trustor under the Note and this Deed of Trust immediately due and payable.

26. **BENEFICIARY'S REMEDIES.** Subject to the limitations set forth in the Note and upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the Note, Beneficiary may, in addition to other rights and remedies permitted by the Note, or applicable law, proceed with any or all of the following remedies:

A. Enforce the assignment of rents and right to possession as provided for in this Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect Rents;

B. Enter the Security and take any actions necessary in its judgment to complete construction on the Security, either in person or through a receiver appointed by a court;

C. Disburse from the Loans' proceeds any amount necessary to cure any monetary default under this Deed of Trust, or the Note;

D. Commence an action to foreclose this Deed of Trust pursuant to California Code of Civil Procedure Section 725(a) *et seq.*, as amended, and/or seek appointment of a receiver from a court of competent jurisdiction with the authority to protect Beneficiary's interests in the Security, including the authority to complete construction of improvements;

E. 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 and exercise its power of sale as provided for below; or

F. Pursue any other rights and remedies allowed at law or in equity.

27. **FORECLOSURE BY POWER OF SALE.** Should Beneficiary elect to foreclose by exercise of the power of sale contained in this Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust (the deposit of which shall be deemed to constitute evidence that the unpaid sums disbursed under the Notes are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

Upon receipt of such notice from 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 after notice of sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said notice of sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as they may determine unless specified otherwise by Trustor, 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 the purchaser its deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee, or Beneficiary, may purchase at the sale.

Trustee may postpone the sale of all or any portion of the Security 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.

28. **APPLICATION OF SALE PROCEEDS.** 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 as follows: first, to the payment of all sums then secured by this Deed of Trust, in such order and amounts as Beneficiary in its sole discretion determines; and second, the remainder, if any, to the person or persons legally entitled thereto.

29. **REMEDIES CUMULATIVE.** No right, power or remedy conferred upon or reserved to Beneficiary by this Deed of Trust is intended to be exclusive of any other rights, powers or remedies, but each 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.

GENERAL PROVISIONS

30. **GOVERNING LAW.** This Deed of Trust shall be interpreted under and governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

31. **STATEMENT OF OBLIGATION.** Beneficiary may collect a fee not to exceed the maximum allowable under applicable law for furnishing a statement of obligations as provided in the California Civil Code.

32. **CONSENTS AND APPROVALS.** Any consent or approval of Beneficiary required under this Deed of Trust shall not be unreasonably withheld.

33. **TIME.** Time is of the essence in this Deed of Trust.

34. **NOTICES, DEMANDS AND COMMUNICATIONS.** Formal notices, demands and communications between Trustor and Beneficiary shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Trustor and Beneficiary as follows:

BENEFICIARY: City of Oxnard
435 S. D Street
Oxnard, CA 93030
Attn: Housing Director

TRUSTOR: Mercy House Living Centers
203 N Golden Circle Drive, 3rd Floor
Santa Ana, CA 92705
Attn: Larry Haynes

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 34. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

35. **BINDING UPON SUCCESSORS.** All provisions of this Deed of Trust shall be binding upon and inure to the benefit of the successors-in-interest, transferees, and assigns of Trustor, Trustee, and Beneficiary.

36. **WAIVER.** Any waiver by Beneficiary of any obligation of Trustor in this Deed of Trust must be in writing. No waiver will be implied from any delay or failure by Beneficiary to take action on any breach or default of Trustor or to pursue any remedy allowed under the Deed of Trust or applicable law. Any extension of time granted to Trustor to perform any obligation under this Deed of Trust shall not operate as a waiver or release Trustor from any of its obligations under this Deed of Trust. Consent by Beneficiary to any act or omission by Trustor shall not be

construed to be a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's written consent to future waivers.

37. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Deed of Trust must be in writing, and shall be made only if mutually agreed upon by Beneficiary and Trustor.

38. **NOTE CONTROLS.** If there is any contradiction between this instrument and the Note, the terms of the Note shall control, except that Trustor shall have no defense or claim that this instrument does not establish a valid lien on the Property or the Security.

39. **DEFINITIONS.** Capitalized terms not otherwise defined in this Deed of Trust shall have the same meaning as defined terms in the Loan Agreement.

40. **PROOFS OF CLAIM.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, recomposition or other proceedings affecting Trustor, its creditors or its property, Trustee, 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 Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by Trustor hereunder after such date.

41. **SEVERABILITY.** Every provision of this Deed of Trust is intended to be severable. If any term or provision of this Deed of Trust is declared to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforceability of the remaining provisions shall not be affected. 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 payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

42. **SUBSTITUTION OF TRUSTEE.** Beneficiary may from time to time appoint another trustee to act in the place and instead of Trustee or any successor. Upon such appointment and without conveyance, the successor trustee shall be vested with all title, powers, and duties conferred upon Trustee.

43. **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 or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

44. **SUBORDINATION.** The lien of this Deed of Trust and the rights and interest of Beneficiary hereunder are and shall remain subordinate to the lien of that certain Deed of Trust, Security Agreement, Absolute Assignment of Leases and Rents and Fixture Filing executed by Trustor for the benefit of _____, recorded in the Official Records of the County of Ventura, California concurrently herewith.

45. **NONRECOURSE OBLIGATION.** Except as expressly provided in the second paragraph of this section, the Trustor, and the Trustor's officers, directors, employees, partners and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Note or the performance of the covenants of the Trustor under the Deed of Trust securing the Note. The sole recourse of the Beneficiary with respect to the principal of, or interest on, the Note shall be to the property securing the indebtedness evidenced by the Note. However, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Beneficiary, or (b) be deemed in any way to impair the right of the Beneficiary to assert the unpaid principal amount of the Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Trustor of personal liability for (a) fraud or willful misrepresentation; (b) the failure to pay taxes, assessments or other

charges (which are not contested by Trustor in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (c) the fair market value of any personal property or fixtures removed or disposed of by Trustor other than in accordance with the Deed of Trust; (d) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and € payment to the Beneficiary of any rental income or other income arising with respect to the Property received by the Trustor after the Beneficiary has given notice to the Trustor of the occurrence of an Event of Default, subject to the rights of any lender providing a loan secured by the Property to which the Lender has subordinated the Deed of Trust.

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IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

Mercy House Living Centers, a California nonprofit public
benefit corporation

By: _____
Larry Haynes, President/CEO

Signature must be notarized

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Place Notary Seal Above)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the unincorporated area of the County of Ventura, State of California, described as follows:

A leasehold estate as created by that certain [title of sublease] dated _____, 2022, executed by and between 2nd & B, LP, a California limited partnership, as sublessor, and _____, a California nonprofit public benefit corporation, as sublessee, as evidenced by that certain "Memorandum of [title of sublease]" recorded concurrently with the Deed of Trust in the Official Records of the County of Ventura, California, in and to the first floor of the building located on the following described real property:

LOTS 9, 10 AND 11 OF BLOCK 12, AS SHOWN ON A MAP OF THE NORTH ADDITION TO THE TOWN OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, RECORDED IN BOOK 5, PAGE 7, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ALL URANIUM, THORIUM AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID ASSOCIATED SOUTHERN INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED FROM ASSOCIATED SOUTHERN INVESTMENT COMPANY TO THE CITY OF OXNARD, DATED JUNE 20, 1974 AND RECORDED JUNE 28, 1974, IN BOOK 4281, PAGE 515 OF OFFICIAL RECORDS.

APN: 202-0-054-075 AND 080

EXHIBIT D
PROMISSORY NOTE

PROMISSORY NOTE
Measure O Loan Agreement
(Secured by Deed of Trust)

\$4,399,213

Oxnard, California
_____, 2022

FOR VALUE RECEIVED, the undersigned, Mercy House Living Centers, a California nonprofit public benefit corporation (“Borrower”), hereby promises to pay to the order of the City of Oxnard, a municipal corporation (“Lender”), the principal sum of Four Million Three Hundred Ninety-Nine Thousand Two Hundred Thirteen Dollars (\$4,399,213) or so much thereof as may be advanced by Lender pursuant to Borrower as set forth below. The term Loan as used herein, means the Loan evidenced by this Note. The Loan is made pursuant to the terms of a Measure O Loan Agreement (the “Loan Agreement”) dated as of May __, 2022, and Regulatory Agreement (“Regulatory Agreement”) executed concurrently herewith between Borrower and Lender.

All of the provisions of this Note are agreements which are secured by the Deed of Trust securing this Note. A default in observance of any of the provisions is a default with consequences under the Deed of Trust.

1. **DEFINITIONS.** Any term not defined herein shall have the meanings set forth in the Loan Agreement.
2. **AMOUNT AND TIME OF PAYMENT.** The principal of the Loan shall be due and payable on the earlier of: (a) fifteen (15) years after the date of Project completion as evidenced by a written notice of completion provided to the Borrower by the City of Oxnard, or (b) the date the Property is sold or otherwise transferred, or (c) Borrower has failed to commence construction as set forth in Section 4.1 of this Loan Agreement, or (d) an event of default by Borrower, as defined below in Section 8.1, which has not been cured as provided for below in Section 8.2. In the event of default by Borrower, as defined below in Section 8.1, which has not been cured as provided for below in Section 8.2, the principal shall be due and payable in accordance with Section 8.3. The foregoing notwithstanding, if Borrower remains compliant with the terms of the Regulatory Agreement, as determined by the Lender through periodic inspections of the Project and tenant files documenting occupancy by Qualifying Households, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the Regulatory Agreement, for the fifteen (15) year term described therein, then the principal amount of the Loan shall be forgiven.
3. **DEFAULT INTEREST.** In the event of a default by Borrower of any of its obligations under this Note and expiration of applicable cure periods, Borrower shall pay to Lender interest on the outstanding principal of the Loan, at an annual rate equal to the lesser of (i) ten percent (10%) or (ii) the highest interest allowed by law, from the date of the default until the date that the default is cured or the Loan is repaid in full.

4. **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.

5. **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, or 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 pay interest on this Note at a rate in excess of the maximum interest that may be lawfully charged under applicable law, and the provisions of this Section shall control over all other provisions of this Note and any other instruments now or hereafter executed in connection herewith; (b) if the maturity hereof shall be accelerated for any reason or if the principal of this Note is paid prior to the end of the term of 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) in the event that Lender or any other holder of this Note shall collect monies which are deemed to constitute interest which would increase the effective interest rate on this 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.

6. **PREPAYMENT.** This Note may be prepaid in whole or in part without penalty or charge.

7. **ATTORNEY'S FEES.** Should the indebtedness represented by this Note or any part thereof be collected at law or in equity or through any bankruptcy (including, without limitation, any action for relief from the automatic stay or any other bankruptcy proceeding) receivership, probate or other court proceedings or by any judicial or non-judicial foreclosure proceeding, or if this Note is placed in the hands of attorneys for collection after default, the Borrower and all endorsers, guarantors and sureties of this Note jointly and severally agree to pay, in addition to the principal and interest due and payable hereon, reasonable attorneys' fees and collection costs and expenses. Should any action be brought to construe, clarify, or obtain a declaration as to the

terms of this Note or the parties' obligations under it, the prevailing party in such action shall recover its reasonable attorneys' fees.

8. **WAIVER OF PRESENTMENT.** Borrower, and any and all endorsers, guarantors and sureties of this Note, and all other persons liable or to become liable on this Note, jointly and severally waive presentment for payment, demand, notice of demand and of dishonor and nonpayment of this Note, notice of intention to accelerate the maturity of this Note, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party, and agree to all renewals, extensions, modifications, partial payments, releases or substitutions of security, in whole or in part, with or without notice, before or after maturity. The pleading of any statute of limitations as a defense to any demand against the makers, endorsers, guarantors and sureties is expressly waived by each and all such parties to the extent permitted by law.

9. **LOSS OF NOTE.** Upon notice from any holder to Borrower of the loss, theft, destruction or mutilation of this Note and, upon receipt of indemnity reasonably satisfactory to Borrower from any holder of this note (except that if Lender is the holder of this Note, an indemnification from Lender shall be sufficient) or, in the case of mutilation hereof, upon surrender of the mutilated Note, Borrower will make and deliver a new note of like tenor in lieu of this Note.

10. **SUCCESSORS AND ASSIGNS.** This Note shall be binding upon and shall inure to the benefit of Borrower and Lender, and their successors and assigns.

11. **SEVERABLE PROVISIONS.** Every provision of this Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or enforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

12. **NOTICES.** Notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Note shall be in writing and shall be given by personal delivery, mail or telegram or facsimile and addressed, if to Lender, Oxnard Housing Department, 435 S. D Street, Oxnard, California 93030, or if to Borrower, at Mercy House Living Centers, 203 N Golden Circle Drive, 3rd Floor, Santa Ana, CA 92705. Notice by personal delivery shall be deemed effective upon the delivery of such notice to the party for whom it is intended at the recipient's address. Notice by mail shall be deemed effective two (2) business days after depositing such notice, certified or registered mail, postage prepaid, properly stamped and sealed, with the United States Postal Service, properly addressed regardless of whether or when the notice is actually received by the addressee. Notice by telegram shall be deemed effective upon the transmission of the telegram, telegraph charges prepaid, to the party for whom it is intended at the recipient's address. Notice by facsimile shall be effective upon transmission. Notice by overnight guaranteed delivery service shall be deemed effective one (1) business day after depositing such notice with said service, charges prepaid and properly addressed. Either party may give notice of any change of address in accordance with the notice procedures described above.

13. **DEFAULT.** Any failure to perform any obligation of Borrower under this Note, the Deed of Trust, the Loan Agreement, or the Regulatory Agreement shall be considered a default hereunder.
14. **JOINT AND SEVERAL.** The obligations of Borrower in this Note shall be joint and several obligations of Borrower and of each Borrower, if more than one, and of each of Borrower's heirs, devisees, legatees, administrators, executors, personal representatives, successors and assigns.
15. **GENDER.** In this Note, whenever the context so requires, the masculine gender includes feminine and/or neuter, and the singular number includes the plural.
16. **TIME OF ESSENCE.** Time is of the essence in this Note and the performance of each of the covenants and agreements contained herein.
17. **GOVERNING LAW.** This Note shall be construed and enforced in accordance with the laws of the State of California.
18. **AUTHORITY.** The person executing this Note represents and warrants that such person has the authority to execute this Note and bind borrower to its provisions.
19. **CAPTIONS AND REFERENCES.** The captions of the Paragraphs of this Note are for the purposes of convenience only and are not intended to be part of this Note and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof. All "Paragraph" references are to the paragraphs of this Note, unless otherwise indicated.
20. **SECURITY.** This Note is secured by a deed of trust executed concurrently herewith, encumbering the property described therein.
21. **NONRECOURSE OBLIGATION.** Except as expressly provided in the second paragraph of this section, the Borrower, and the Borrower's officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Note or the performance of the covenants of the Trustor under the Deed of Trust securing the Note. The sole recourse of the Lender with respect to the principal of, or interest on, the Note shall be to the property securing the indebtedness evidenced by the Note. However, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Lender, or (b) be deemed in any way to impair the right of the Lender to assert the unpaid principal amount of the Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of personal liability for (a) fraud or willful misrepresentation; (b) the failure to pay taxes, assessments or other charges (which are not contested by Trustor in good faith) which may create liens on the Property that are payable or

applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (c) the fair market value of any personal property or fixtures removed or disposed of by Trustor other than in accordance with the Deed of Trust; (d) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and (e) payment to the Lender of any rental income or other income arising with respect to the Property received by the Borrower after the Lender has given notice to the Borrower of the occurrence of an Event of Default, subject to the rights of any lender providing a loan secured by the Property to which the Lender has subordinated the Deed of Trust.

Mercy House Living Centers, a California
nonprofit public benefit corporation

Name: Larry Haynes
Its: Chief Executive Officer

EXHIBIT E
REGULATORY AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF OXNARD

Attn: _____
305 W. 3rd Street
Oxnard, California 93030

NO FEE PER GOV'T CODE SECTION 27383

APNs: 202-0-054-075 and -080

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEASURE O REGULATORY AGREEMENT
(CITY OF OXNARD)

THIS MEASURE O REGULATORY AGREEMENT (CITY OF OXNARD) ("Regulatory Agreement") is entered into effective May __, 2022, by Mercy House Living Centers, a California nonprofit public benefit corporation ("Operator") in favor of the City of Oxnard, a municipal corporation ("City") pursuant to and in evidence of a "Measure O Loan Agreement" executed by Operator concurrently herewith (the "Loan Agreement").

WHEREAS, Operator has a leasehold estate in and to the first floor of the building located on the improved real property located in the City of Oxnard ("City"), County of Ventura, State of California ("Property") described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Operator and City entered into a Loan Agreement in which City agreed to loan \$4,399,213 from local City Measure O funds in order to assist the Operator in the construction of certain tenant improvements and operation of a 110-bed homeless shelter on the Property ("Project"); and

WHEREAS, in further consideration for entering into the Loan Agreement and in furtherance of the purposes of Measure O, Operator has agreed to enter into this Regulatory Agreement. The purpose of this Regulatory Agreement is to regulate and restrict the occupancy, operation, ownership and management of the Project in compliance with Measure O requirements.

NOW, THEREFORE, IN CONSIDERATION FOR CITY'S ASSISTANCE, OPERATOR COVENANTS AND AGREES FOR THE BENEFIT OF CITY AS FOLLOWS:

AGREEMENT

1. Recitals. The foregoing recitals are a part of this Regulatory Agreement.
2. Term. The provisions of this Regulatory Agreement shall remain in effect for a period of 15 years from the date of Project completion as evidenced by a written notice of occupancy clearance provided to the Operator by the City of Oxnard.

3. City Contributions. The City has provided funds for the construction of tenant improvements for a permanent 110 bed homeless shelter located on the Property.

4. City Conditions. The Project shall meet all City conditions rules and regulations and shall be required to have approval of the Oxnard Planning Commission and City Council as required by City ordinances, resolutions, regulations and requirements.

5. Compliance with Measure O Requirements. Operator covenants that at all times its actions regarding the Project and the use of funds provided under the Loan Agreement shall be in conformity with all Measure O requirements, including the requirements of this Regulatory Agreement. Operator acknowledges that it is familiar with all Measure O requirements and has access to professional advice to the extent necessary to enable Operator to fully comply with the Measure O requirements.

6. Additional Operational Requirements. The Operator shall operate the Project consistent with the operational requirements contained in that certain Agreement to Provide Financial Support for the Construction and Operation of a Permanent, Year-Round Shelter Serving Homeless Individuals entered into by and between the County of Ventura and the City of Oxnard dated as of May 3, 2022, as may be amended from time to time. These requirements include but are not limited to the following:

a. Service Model

- i. The Shelter will provide a safe place for homeless individuals to stay and stabilize while partnering with service providers to develop a plan for safe, secure and permanent housing. The primary purpose of the Shelter beyond emergency sheltering is to leverage community resources that will assist homeless individuals in quickly securing and moving into suitable permanent housing and in achieving long-term housing stability.
- ii. City will ensure that the Shelter Operator will participate in the Ventura County coordinated entry system, Pathways to Home, and will enter all Shelter occupants into the Ventura County Homeless Management Information System.
- iii. City will ensure that the Shelter Operator shall operate and develop the appropriate individualized case plan for each Shelter occupant that is client-centered, culturally and linguistically appropriate, trauma-informed and sensitive to the wide ranges of needs of the Shelter occupants, with the goal to transition the Shelter occupant to stable and affordable housing.
- iv. The following competencies are integral parts of the program design and operation of the Shelter:
 1. Low barrier access and services.
 2. Housing first.
 3. Harm reduction.

4. Trauma informed care.
5. Client centered

7. Construction. All work on the Project shall be performed by contractors, licensed under the laws of the State of California, as Operator may employ from time to time to execute such work. Operator shall comply with all federal, State and local laws and regulations pertaining to construction of the Project, including laws relating to competitive bidding and payment of prevailing wages, to the extent the same may be applicable. All work shall be performed in a workmanlike and quality fashion, free of encumbrances and liens, in full compliance with all applicable requirements of the Uniform Building Code and the Oxnard City Code. In addition to all other obligations of Operator as set forth in this Regulatory Agreement, Operator shall seek and obtain all necessary governmental approvals for the Project and shall pay all permit application fees and development exactions then prescribed by city ordinance or resolution at the time of submittal, unless such fees or exactions are waived by City. Nothing herein excuses compliance by Operator with any or all City ordinances, resolutions or procedures in connection with development of the Project.

8. Maintenance. Operator shall, at all times during the term of this Regulatory Agreement, cause the Property and the Project to be maintained in good condition and repair regardless of cause of the disrepair. Operator 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 reasonable manner to inspect the project.

9. Reports. Operator shall submit to the City such periodic reports as deemed necessary by City to monitor Operator's compliance with this Regulatory Agreement. The reports may include, but are not limited to:

- a. an income and expense statement for the reporting period;
- b. an annual summary of the occupancy of the Project, indicating the number of unduplicated homeless individuals assisted by the Project and their income levels, as well as the number of individuals that exited homelessness, number of seniors (age 65 and over), number of veterans and number of disabled individuals assisted by the Project. This report shall be provided on or before July 10 of every year;
- c. a report on maintenance or other issues anticipated to impact the current budget needs of the Project;
- d. information on the status of waiting lists for the Project; and
- e. other information as required by City to accurately monitor Operator's performance hereunder.
- f. City may conduct on-site monitoring at City's sole discretion.

10 Hold Harmless Indemnification.

- a. Operator shall at all times defend, indemnify and save City, council members, agencies, departments, officers, employees, agents and volunteers, harmless against any and all claims, lawsuits, judgment, demands and liability against City, its council members, agencies, departments, officers, employees, agents and volunteers, including those arising from injuries or death of persons and for damages to property, arising directly or indirectly out of the operations conducted or subsidized in whole or in part by City related to this Regulatory Agreement, save and except claims or litigation arising through the sole negligence or wrongdoing and/or sole willful misconduct of City or any other indemnitee. Operator is not obligated to indemnify City or others for claims based upon their use of information provided by Operator, provided the information itself is accurate. Operator 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 Regulatory Agreement and/or any subcontract which Operator enters into relating to implementation of the Project.
- b. Operator's obligation to defend shall arise when a claim, demand or action is made or filed, whether or not such claim, demand or action results in a determination of liability or damages as to which Borrower is obligated to indemnify and hold harmless.

11. Modifications. This Regulatory Agreement is subject to written modification and termination as necessary by City in accordance with requirements contained in any future federal or state legislation and regulations. All other modifications must be in written form and approved by both parties. To the extent that any lender to, or equity investor in, the Project requires changes to this Regulatory Agreement, which changes do not materially affect the basic affordability, reporting, and enforcement provisions hereof, the City agrees to cooperate to effect such changes within a reasonable time.

12. Sale Of Property/Change Of Use. Operator 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 Regulatory 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 Regulatory Agreement shall constitute covenants which run with the land and shall be binding on Operator 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. Operator further understands and agrees that the loan funds provided to Operator under this Regulatory Agreement are made on the condition that Operator and all subsequent owners, or other successors and assigns of the Property and/or Project operate the Project in accordance with the terms and conditions of this

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 Regulatory Agreement may also be extended in writing by the mutual agreement of City's Housing Director and Operator.

18. Benefit Of Agreement. This Regulatory Agreement and every provision hereof is for the exclusive benefit of Operator and City and not for the benefit of any other party. There shall be no incidental or other beneficiaries of any of Operator's or City's obligations under this Regulatory Agreement.

19. Enforcement Of Agreement. If any terms, provisions, conditions or covenants in this Regulatory Agreement, or the application thereof to any party or circumstances, shall to any extent be held invalid or unenforceable, the remainder of this Regulatory 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 Regulatory Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. Governing Law. The terms of this Regulatory Agreement shall be interpreted according to the laws of the State of California.

21. Rights of Mortgage Holders. The provisions of these Covenants do not limit the right of the holder of any mortgage, deed of trust or other lien or encumbrance to exercise any of its remedies for the enforcement of any pledge or lien upon the Property, recorded prior in time to this Regulatory Agreement or to which this Regulatory Agreement has been subordinated in writing

22. City Successors. City, its successors and assigns, is deemed the beneficiary of the covenants contained herein, without regard to technical classification and designation. The covenants shall run in favor of City, its successors and assigns, without regard to whether City has been, remains, or is an owner of any land or interest therein.

23. Modification. City and its successors and assigns, and Operator and its successors and assigns shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in these covenants without the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property: provided, however, that the obligations set forth in paragraph 21 shall not be subject to modification without the consent of any affected lienholder.

24. No Discrimination. 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 Operator 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 buyers, tenants, lessees, subtenants, sublessees, or vendees of the Property.

The Operator 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 deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

“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) or (d) of Section 12955 of the Government code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.0 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, lesses, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original.

(Signatures appear on next page)

IN WITNESS WHEREOF, City and Operator have executed this Regulatory Agreement.

(NOTARIZATION REQUIRED)

City:

THE CITY OF OXNARD, a municipal corporation

Alexander Nguyen, City Manager

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

Operator:

MERCY HOUSE LIVING CENTERS, a California nonprofit public benefit corporation

By: Larry Haynes
Its: Chief Executive Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Place Notary Seal Above)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Place Notary Seal Above)

EXHIBIT "A"

Real property in the unincorporated area of the County of Ventura, State of California, described as follows:

A leasehold estate as created by that certain [title of sublease] dated _____, 2022, executed by and between 2nd & B, LP, a California limited partnership, as sublessor, and _____, a California nonprofit public benefit corporation, as sublessee, as evidenced by that certain "Memorandum of [title of sublease]" recorded concurrently with the Deed of Trust in the Official Records of the County of Santa Barbara, California, in and to the first floor of the building located on the following described real property:

LOTS 9, 10 AND 11 OF BLOCK 12, AS SHOWN ON A MAP OF THE NORTH ADDITION TO THE TOWN OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, RECORDED IN BOOK 5, PAGE 7, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ALL URANIUM, THORIUM AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID ASSOCIATED SOUTHERN INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED FROM ASSOCIATED SOUTHERN INVESTMENT COMPANY TO THE CITY OF OXNARD, DATED JUNE 20, 1974 AND RECORDED JUNE 28, 1974, IN BOOK 4281, PAGE 515 OF OFFICIAL RECORDS.

APN: 202-0-054-075 AND 080

EXHIBIT F
INSURANCE REQUIREMENTS

**INSURANCE REQUIREMENTS FOR CONSTRUCTION PROJECTS
(WITH BUILDER'S RISK REQUIREMENT)**

1. Borrower 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 Borrower, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than \$2,000,000 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 Borrower 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. Course of Construction Insurance providing coverage for "all risks" of loss in an amount not less than the completed value of the project, with City named as Owner and Insured. Borrower shall bind course of construction insurance immediately prior to Borrower beginning any construction activity on the Property.

e. 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. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.

2. Borrower 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-E. 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 sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No. _____
P.O. Box 100085 - OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

3. Borrower 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. Borrower 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 Borrower; products and completed operations of Borrower; premises owned, occupied or used by Borrower; or automobiles owned, leased, hired or borrowed by Borrower. 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-E 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 Borrower shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Borrower shall also be applicable to Borrower's subcontractors. Borrower 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 sample accord form.

INS-F.doc

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 \$2,000,000 PRODUCTS COMP/OP AGG. \$2,000,000 PERSONAL & ADV. INJURY \$2,000,000 EACH OCCURRENCE \$2,000,000 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
A	AUTOMOBILE LIABILITY [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$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 Contract, Course of Construction Insurance				Minimum coverage \$1,000,000 Each consultant/\$500,000 & listed sub-consultant Course of Construction Completed Value of Project

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER CITY OF OXNARD Attn: Insurance Compliance Reference No. _____ P.O. Box 100085 – OX Duluth, GA 30096 Via Email: cityofoxnard@ebix.com Via Fax: 678-259-1007	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
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[illegible]

**AGREEMENT TO PROVIDE FINANCIAL SUPPORT FOR THE CONSTRUCTION
AND OPERATION OF A PERMANENT, YEAR-ROUND SHELTER SERVING
HOMELESS INDIVIDUALS**

This Agreement to Provide Financial Support for the Construction and Operation of a Permanent, Year-Round Shelter Serving Homeless Individuals (“**Agreement**”), dated May____, 2022, for reference purposes, is hereby entered into by and between the City of Oxnard (“**City**”) and the County of Ventura (“**County**”) (City and County each a “**Party**” and collectively the “**Parties**”).

RECITALS

WHEREAS, a serious need exists for a permanent, year- round shelter for homeless individuals in Ventura County and particularly within the City of Oxnard;

WHEREAS, in April 2021, City and County entered into a Memorandum of Understanding (“**MOU**”) providing a framework for establishing a permanent, year-round homeless shelter within the City of Oxnard. This Agreement formalizes that framework and supersedes the MOU;

WHEREAS, following a competitive selection process, City determined that Mercy House, CHDO Inc., a California nonprofit public benefit corporation (“**Shelter Operator**”) was the most qualified entity to operate a permanent, year-round shelter for homeless individuals on the bottom floor of the Homeless Solutions Center, 241 W. 2nd Street, Oxnard, California (“**Shelter**”) on behalf of the City;

WHEREAS, City shall enter into a contract with Shelter Operator for the construction of tenant improvements and operation of the Shelter;

WHEREAS, City has selected and shall contract with Community Development Partners (“**CDP**”) to construct the Homeless Solutions Center, with the Shelter occupying the bottom floor and 55 permanent supportive housing units above, and CDP will provide construction management services to Shelter Operator for construction of tenant improvements in the Shelter;

WHEREAS, the parcel underlying the Homeless Solutions Center shall be donated by City to the Housing Land Trust Ventura County under the terms of a development and disposition agreement ensuring the property is deed restricted for its intended purpose for 99 years;

WHEREAS, City and County find that the Shelter is necessary to meet the growing challenge of homelessness and that the County’s financial assistance to City for the construction of tenant improvements and to operate the Shelter serves the public purpose of providing temporary housing and services to the homeless population and achieving the goal of reducing the number of individuals experiencing homelessness; and

WHEREAS, Shelter will provide access to a range of programs and supportive services to temporarily house homeless individuals. The Shelter shall meet the needs of the homeless

population and will be operated by Shelter Operator under a contract with City, with County providing financial support by contributing fifty percent (50%) of the costs for construction of tenant improvements and the Shelter's annual operating expenses, in accordance with the Agreement. To ensure that the Shelter will meet the needs of the community in serving the chronic and vulnerable homeless population, individuals will be admitted to the Shelter subject to minimal, "low-threshold" requirements so that chronic and vulnerable homeless people can easily enter and remain in the Shelter until they can find or transition to stable long-term housing.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, City and County hereby agree as follows:

1. TENANT IMPROVEMENTS

a. County and City agree that Shelter Operator, with CDP, will be responsible for the oversight and completion of the tenant improvements at the Shelter consistent with the tenant improvements described in Exhibit A of this Agreement, attached hereto and incorporated herein by this reference ("**Tenant Improvements**").

b. City and County agree to share the costs equally for the Tenant Improvements as specified in Exhibit B of this Agreement, attached hereto and incorporated herein by this reference ("**Tenant Improvement Costs**"). In the event the Tenant Improvement Costs exceed those described in Exhibit B, City shall notify County of such additional costs and, subject to budget authority, the additional costs shall be shared equally by City and County.

c. County acknowledges that City shall enter into two loan agreements with Shelter Operator for a combined sum of \$4,746,741 to fully fund the completion of the Tenant Improvements. The loan agreements shall be forgivable loans with a term of 15 years each.

d. County agrees to advance to the City, within 10 days of City's recording of a deed of trust securing the two loan agreement the sum of \$2,935,265 as County's share of the Tenant Improvement Costs to be used to fund a portion of the above referenced loans. In the event that the cost of Tenant Improvements is less than contributions by the Parties, excess funds shall be returned equally to the Parties within one-year of building occupancy.

2. DUTIES AND RESPONSIBILITIES

a. City and County With the exception of the Initial Term, the Shelter's year of operation will be coterminous with a fiscal year running from July 1 to June 30. Before the start of each year of operation, staff of each Party will meet and jointly determine the budget necessary to fund operation of the Shelter for the upcoming year of operation (or other period) and the portion of the budget to be paid by each Party. Staff of each Party will then recommend to its respective governing body that the governing body approve the budget and apportionment of the budget between the Parties as prepared by staff. If the governing body of either Party does not approve both the budget and the apportionment, then this Agreement shall automatically terminate and neither Party will have any further obligations under this Agreement. The budget and the apportionment of the budget for the operation of the shelter through June 30, 2025 is set forth in Exhibit C of this Agreement, incorporated herein by this reference.

b. City

i. City will be solely responsible for entering into a contract with the Shelter Operator and for the construction of Tenant Improvements and operation of the Shelter. County will not be a party to any contract with the Shelter Operator or for any construction contracts for the Homeless Solutions Center. Notwithstanding the foregoing, in the Shelter Operator contract, City shall require the Operator to operate the Shelter consistent with the terms of this Agreement, including the Program Objectives detailed in section 3 below.

ii. City will ensure that the Shelter is open and in operation 24 hours a day for each day of the year.

iii. City will use its best efforts to meet or exceed the following goals:

(1) Maintain an overall occupancy rate at the Shelter of 70% of the total available bed capacity.

(2) Reduce the overall number of individuals experiencing homelessness within the City of Oxnard.

(3) Connect 75% of the Shelter occupants with stable housing or "positive" exits to other acceptable living arrangements such as residential treatment, transitional housing or reuniting with relatives.

(4) Increase each Shelter occupant's income as appropriate, including disability income and other public benefits.

c. County

i. In consideration for City's operation of the Shelter pursuant to the terms of this Agreement, County will pay City fifty percent (50%) of the actual costs to operate the Shelter as specified in Exhibit C. Payments shall be made by County to City quarterly, within 30 days from receipt of a written request for payment by the City that includes evidence of City's payment of quarterly expenses to Shelter Operator and backup documentation of said expenses. Nothing in this Agreement shall be construed to make either City or County responsible for any costs incurred by Shelter Operator that have not been expressly identified and agreed to by the Parties.

ii. Payments by County for any period after June 30, 2025, are contingent on approval by the governing body of each Party of a budget for the upcoming year of operation and apportionment of the budget between the Parties, as set forth in section 2 (a) above. If the governing body of each Party approves the budget and the apportionment for the upcoming year of operation, County's payments for that year of operation will be governed by this Agreement, provided that the Agreement has not been previously terminated.

d. Additional Revenue

i. If either City or County (or both) receive grants, donations or similar contributions for use in the acquisition, development or operation of the Shelter, such funds shall be applied to the Shelter's expenses and City's and County's respective financial contributions proportionally reduced. This provision shall be implemented so that City and County benefit equally from such additional revenues. Such proportional reduction in each party's financial contribution will be made regardless of whether that additional revenue was individually or jointly pursued or awarded. However, funds received by City or County that have been historically awarded or allocated to each entity for other homeless-related programs or services, and which have not been identified for Shelter expenses, shall remain under the control of the recipient party, which shall have sole discretion over its use.

3. PROGRAM OBJECTIVE AND PERFORMANCE

City and County agree that the following are minimum standards, practices and principles that shall govern the operation of the Shelter.

a. Service Model

i. The Shelter will provide a safe place for homeless individuals to stay and stabilize while partnering with service providers to develop a plan for safe, secure and permanent housing. The primary purpose of the Shelter beyond emergency sheltering is to leverage community resources that will assist homeless individuals in quickly securing and moving into suitable permanent housing and in achieving long-term housing stability.

ii. City will ensure that the Shelter Operator will participate in the Ventura County coordinated entry system, Pathways to Home, and will enter all Shelter occupants into the Ventura County Homeless Management Information System.

iii. City will ensure that the Shelter Operator shall operate and develop the appropriate individualized case plan for each Shelter occupant that is client-centered, culturally and linguistically appropriate, trauma-informed and sensitive to the wide ranges of needs of the Shelter occupants, with the goal to transition the Shelter occupant to stable and affordable housing.

iv. The following competencies are integral parts of the program design and operation of the Shelter:

- (1) Low barrier access and services
- (2) Housing first
- (3) Harm reduction
- (4) Trauma informed care
- (5) Client centered

b. Program and Service Components

i. City shall establish, subject to County review and approval which shall not be unreasonably withheld, the policies, procedures, and protocols reasonable and necessary to operate the Shelter to achieve the goal of reducing the number of unsheltered persons in Ventura County.

ii. Program objectives shall include:

(1) Managing program resources, including reasonable pursuit of grants to offset financial contributions from the Parties to this Agreement, to achieve cost efficiencies and effectiveness and to facilitate services to as many Shelter occupants as feasible;

(2) Expanding the capacity to serve Shelter occupants by facilitating the delivery of services of multiple service providers; and

(3) Seeking additional resources to augment emergency shelter and housing opportunities for Shelter occupants.

iii. City shall ensure that each Shelter occupant has an individualized case plan and is provided the resources to achieve such a plan toward securing housing. To achieve these objectives, City will ensure that the Shelter Operator shall perform, at a minimum, the following services and functions:

(1) Connect Shelter occupants to needed resources (income, counseling, substance abuse, etc.);

(a) Develop personalized housing plan;

(b) Support Shelter occupants in managing their own lives within the scope of their resources and abilities;

(c) Provide housing location and counseling services;

(d) Establish relationships with private and public property owners and rental agencies;

(e) Willing to provide permanent housing opportunities to Shelter occupants;

(f) Assist with housing applications.

(2) The case management services shall include the development of an individualized service plan based on needs, circumstances and market conditions, focused on helping individuals find and keep stable housing and linkages to other community-based support services.

c. Reporting and Accountability Review City and County shall review the performance of the Shelter at least quarterly to assess whether, using best efforts, the following goals have been accomplished and/or maintained:

- i. Maintain an overall occupancy rate at the Shelter of 70% of the total available bed capacity.
- ii. Reduce the overall number of individuals experiencing unsheltered homelessness within the City of Oxnard.
- iii. Connect 75% of the Shelter occupants with stable housing or “positive” exits to other acceptable living arrangements such as residential treatment, transitional housing, reuniting with relatives, etc.
- iv. Increase each Shelter occupant's income, including disability income and other public benefits for each participant.

4. TERM AND TERMINATION

a. The initial term of this Agreement shall begin on May __, 2022, and expire on June 30, 2025 (“**Initial Term**”). Beginning July 1, 2025, and every July 1 thereafter (“**Anniversary Date**”), this Agreement shall automatically renew and continue in full force and effect for successive one-year terms, unless terminated as provided below or as provided in section 2 (a) above.

b. Either Party may terminate the Agreement effective on the next Anniversary Date by giving at least 120 days' written notice prior to the Anniversary Date to the other Party, with or without cause.

c. If this Agreement is terminated in accordance with the terms herein, and City continues to operate the Shelter thereafter, the costs incurred to operate the Shelter after the date of termination will be solely City’s responsibility. Termination of this Agreement will have no effect on the Parties’ obligations under this Agreement prior to the date of termination nor on the Parties' obligations under any other agreement.

5. INDEMNITY AND INSURANCE

a. City shall indemnify, defend and hold County, its officers and employees harmless from any and all liability for death or injury to persons or damages to property, including defense costs, arising out of or caused by any acts or omissions of City, its contractors (including, without limitation, the Shelter Operator), agents or assigns in carrying out the activities contemplated by this Agreement.

b. City shall maintain such insurance as will protect County from claims under the Workers' Compensation Act, from automobile liability and from claims for damages for personal injury, including death, and damage to property, which may arise from operations, including the use of any motor vehicle by City, under this Agreement or by any person directly or indirectly employed by City. City shall have County named as an additional insured in the above insurance. Certificates of such insurance shall be filed with County and shall be subject to approval by County for adequacy of protection. As an alternative to complying with this Section, City may submit a certificate of self-insurance in a form satisfactory to County.

c. If any of the activities contemplated by this Agreement will be carried out by City through an independent contractor, City shall require said contractor to fulfill the indemnification and insurance requirements of this section.

d. The insurance companies which underwrite said insurance shall agree in writing that said insurance shall not be cancelled or otherwise terminated until 10 days after written notice on automobile insurance and until 30 days after written notice on all other insurance of intended cancellation has been given to County.

6. LEGAL COMPLIANCE

City, in expending funds to operate and in operating the Shelter as contemplated in this Agreement, shall comply with all applicable federal, state and local laws, regulations and ordinances

7. DISPUTE RESOLUTION

If the Parties have a dispute that they are unable to resolve at the staff level, either Party may escalate the dispute to the executive staff level (i.e., to the City Manager and the County Executive Officer) by submitting a signed and dated request for dispute resolution. If the City Manager and the County Executive Officer are unable to resolve the dispute, the item in dispute may be presented to the City Council and the County Board of Supervisors for resolution.

8. ENTIRE AGREEMENT; AMENDMENT

This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. Once signed by both Parties, this Agreement shall supersede the MOU, which shall be of no further force or effect. This Agreement can only be amended or modified in a writing signed by each of the Parties.

9. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original.

[Remainder of page intentionally left blank.]

WHEREFORE, City and County have executed this Agreement as of the date first written above.

COUNTY OF VENTURA

CITY OF OXNARD

Chair of the Board of Supervisors

John C. Zaragoza
Mayor

ATTEST:

ATTEST:

Deputy Clerk of the Board
County of Ventura

Rose Chaparro
City Clerk

APPROVED AS TO FORM

APPROVED AS TO FORM

County Counsel
County of Ventura

Stephen M. Fischer
City Attorney

EXHIBIT A

TENANT IMPROVEMENTS

The tenant improvements in the shelter space will include everything necessary to address areas of major concern for emergency shelter clients. These areas include hygiene, hunger, safety, and sleep.

The shelter includes 110 beds total. There are 64 beds in the men's sleeping area, 34 beds in the women's sleeping area, and 12 beds in the couples' sleeping area. The tenant improvement build out will also include a respite room for recovery.

There are two separate bathrooms for men and women that have been built out to include showers for the emergency shelter clients. In addition, there are 5 sets of washers and dryers located within the shelter to wash the client's clothes and help maintain hygiene.

The shelter will include a warming kitchen, which will be used to warm the meals brought in for the clients. The shelter provides breakfast, lunch, and dinner.

The space will be equipped with 110 personal storage lockers, so clients have a safe location to store personal items. There will also be 28 bike storage stalls.

For the shelter staff, there are 3 offices where services can be provided, two private restrooms, a work room, and two storage spaces. On-site maintenance with a janitorial closet located within the shelter space.

The entrance to the emergency shelter will contain a metal detector to ensure the safety of staff and shelter clients.

Tenant Improvements will also include the buildout of the shelter shell and a rooftop deck. Administrative costs required for the tenant improvements will include design costs, insurance, and construction oversight services.

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EXHIBIT B**TENANT IMPROVEMENT COSTS**

Description	County Share	City Share	Cost- Sharing Total
Shelter Shell*	\$855,689	\$855,689	\$1,711,377
Rooftop Deck	\$28,993	\$28,993	\$57,986
Shelter Tenant Improvements	\$1,529,522	\$1,529,522	\$3,059,043
Design Costs	\$109,750	\$109,750	\$219,500
Construction Oversight	\$25,000	\$25,000	\$50,000
Insurance	\$36,500	\$36,500	\$73,000
Contingency 10%	\$258,545	\$258,545	\$517,091
Land Costs**	\$91,266	\$91,266	\$182,532
Total Cost	\$2,935,265	\$2,935,265	\$5,870,529

*In consideration of the City's \$1.5 Million loan to the developer of the Permanent Supportive Housing Units (PSH) that will be located within the same building being constructed for the Shelter, the PSH development will pay for the City's share of the Shelter shell (\$855,689) and related contingency (\$85,569) totaling \$ \$941,258.

**Amount shown represents a 50/50 share between the City and the County of the land value associated with the Shelter. City's share of these costs will be satisfied via the land donation for the Shelter

EXHIBIT C

2022-2025 BUDGET AND COUNTY PAYMENT

City has established, and County has approved, the following twelve-month budget for FY 2024-2025 for the operation of the Shelter to be located at 241 W. 2nd Street, Oxnard, California. Given that the Shelter operation is estimated to begin in the first or second quarter of 2024, an additional six-month period, beginning January 1, 2024 through June 30, 2024 has also been approved and provided below:

Description	Jan. -June 2024	FY 24/25
Operational Costs -Staffing	637,142	1,312,511
Program and Facility Cost	666,636	1,373,270
Administrative Costs -General Expenses	131,223	268,578
Contingency	60,000	
Furnishings, Fixings, Equipment (FFE) and Moving Costs	70,000	
Total Costs	1,565,000	2,954,360

Pursuant to the terms of the Agreement, County will pay City fifty percent (50%) of these costs. In the event of any delay in the operation of the Shelter, those operational costs shall be reduced pro rata, with the exception of Contingency and FFE/Moving costs which shall be funded in an amount not to exceed the budget amounts shown above during the Initial Term of this Agreement. For planning purposes, the Parties acknowledge that operational costs may, upon documentation from Shelter Operator, increase in accordance with the Los Angeles/Long Beach Consumer Price Index for all urban consumers.

FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (“Amendment”) is entered into in Ventura County, California, as of _____, 2022, by and among the CITY OF OXNARD, a municipal corporation (“City”), HOUSING TRUST FUND VENTURA COUNTY, a California nonprofit public benefit corporation (“Trust Fund”) and CDP DEVELOPERS, LLC a California limited liability company (“Developer”), who are sometimes referred to herein as the “Parties” and each a “Party”, with respect to the following facts:

RECITALS

A. WHEREAS, the Parties previously entered into that certain Disposition and Development Agreement dated March 30, 2021 (“Agreement”); and

B. WHEREAS, Article 9 of the Agreement authorizes the City’s City Manager or designee to agree to minor modifications to the Agreement necessary to implement the transaction contemplated by the Agreement, including non-material changes requested by lender(s) providing loans for development of the Site; and

C. WHEREAS, a lender providing a loan to Developer for development of the Site has requested revisions to certain provisions of the Agreement; and

D. WHEREAS, the Parties desire to incorporate the lender’s requested revisions as set forth in this Amendment; and

E. WHEREAS, in the event of any inconsistency between the Agreement and the provisions of this Amendment, the provisions of this Amendment shall supersede and control.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby agree as follows:

1. Recitals True and Correct. The foregoing Recitals are true and correct and are hereby incorporated into this Amendment as though fully set forth herein.

2. Section 1.3.4(b). Section 1.3.4(b) of the Agreement is hereby amended and restated in its entirety to read as follows:

“Notwithstanding § 1.3.4 (a), written approval of the City and Trust Fund will not be required for a transfer by Developer of its right, title, interest, duties and/or obligations pursuant to this Agreement, and any amendment thereto, to a limited partnership in which Developer, or a single purpose limited liability company wholly owned by Developer or Community Development Partners, a California corporation, is the administrative general partner, and in which an organization meeting the requirements of Revenue and Taxation

Code Section 214 is the managing general partner. Additionally, prior written approval of the City will not be required for transfers of limited partner interest in such limited partnership to an equity investor or subsequent transfers of such limited partner interests by said equity investor to its affiliates, or for transfers of general partner interests in such limited partnership to any Mortgagee, or for removal of a general partner of such limited partnership by its limited partners. Further, the Parties approve the transfer of Site from the Trust Fund to the Housing Land Trust Ventura County ("Land Trust") or a limited liability company of which Land Trust or the Trust Fund is the sole member and manager. The Parties further approve the assignment of this Agreement, including the assignment of all of Trust Fund's rights, interests, and obligations hereunder, from Trust Fund to any End Recipient."

3. Section 1.3.4(d). Section 1.3.4(d) of the Agreement is hereby amended and restated in its entirety to read as follows:

"Any Transfers in contradiction with this Section shall be null and void. Nothing in this Section 1.3.4 shall prohibit any transfers by Developer at any time to any Mortgagee or other party acquiring the Property following a foreclosure or a deed in lieu of foreclosure, or any subsequent transfer by a Mortgagee to a third-party following foreclosure or a deed in lieu of foreclosure."

4. Section 4.1.1(a). Section 4.1.1(a) of the Agreement is hereby amended and restated in its entirety to read as follows:

"Developer shall cause the demolition of the existing structures on the Site and the design and construction of the new improvements on the Site in accordance with this Article 4, and the Approved Plans (defined below) and any material changes thereto that are approved by City, the Schedule of Performance and all governmental approvals and applicable requirements of any governmental authority having jurisdiction over the development of the Site."

5. Section 4.1.2(b). Section 4.1.2(b) of the Agreement is hereby amended and restated in its entirety to read as follows:

"The Site shall be developed as established in the Approved Plans and related documents except for material changes as may be mutually agreed upon by the Parties hereto. Any such material changes shall be within the limitations of this Agreement."

6. Section 4.1.3. Section 4.1.3 of the Agreement is hereby amended and restated in its entirety to read as follows:

"4.1.3 Approval of Material Changes to Approved Plans

a. Subject to the terms of this Agreement, City shall have the right to review and approve any proposed material changes to the Approved Plans. For purposes of this Section, the approval of the Housing Director shall constitute the approval of City. City shall reasonably approve or disapprove the plans, drawings and related documents referred to in this § 4.1.3, or

material changes thereto, within reasonable times so as not to substantially alter the timeframes set forth in the Schedule of Performance.

b. Any disapproval shall state in writing the reasons for disapproval and the material changes which must be made to obtain the approval of City. Such reasons and such material changes must be consistent with this Agreement and any items previously approved hereunder. Developer, upon receipt of such a disapproval, shall promptly cause the plans, drawings and related documents to be revised, and shall resubmit to City as soon as possible after receipt of the notice of disapproval.

c. All material changes to Plans previously approved shall be subject to the reasonable approval of City in the same manner and subject to the same requirements as the plans and specifications referred to in this § 4.1. Developer shall not order or implement any material changes in Plans without the prior written approval of City, which City shall not unreasonably withhold, condition or delay.

d. During the preparation of all drawings and plans, City and Developer shall hold regular progress meetings to coordinate the preparation of and review of construction plans and related documents. The Parties agree to communicate and consult informally as frequently as is reasonably necessary to ensure that the formal submittal of any documents as required by this Section can receive prompt and speedy consideration. If any revisions or corrections of Approved Plans shall be required by any applicable governmental authority having jurisdiction over the development of the Site, the City and Developer shall cooperate in efforts to obtain such waivers as the Parties may deem appropriate.”

7. Section 4.11.3. Section 4.11.3 of the Agreement is hereby amended and restated in its entirety as follows:

“Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the improvements on the Site, the City shall at the same time deliver a copy of such notice of demand to Trust Fund or End Recipient and any Mortgagee of record. Insofar as the rights of the City are concerned, the Trust Fund, End Recipient, and Mortgagee shall have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such lender upon obtaining possession of the Site, and Mortgagee has elected to cure such default, the Mortgagee shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within ninety (90) days after obtaining possession, in which case the timeframe set forth in the Schedule of Performance shall be extended commensurate with the time necessary to obtain possession of the Site; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced within such ninety- (90) day period, such Mortgagee shall have such additional time as reasonably necessary to remedy or cure such

default with diligence and continuity, but shall cure such default in any event not later than one hundred eighty (180) days after receipt of notice of such default or obtaining possession of the Site if necessary; and provided further that such Mortgagee shall not be required to remedy or cure any non-curable default of the Developer. Any Mortgagee who forecloses on its Mortgage, or is assigned or otherwise succeeds to Developer's rights under this Agreement, shall have the right to undertake or continue the construction or completion of the improvements on the Site upon execution of a written agreement with the City by which such Mortgagee or other entity expressly assumes the Developer's rights and obligations under this Agreement, approval of which agreement shall not be unreasonably withheld by City. Any such Mortgagee or other entity properly completing such improvements shall be entitled, upon written request made to the City, to a Certificate of Completion for the Site from the City.”

8. Section 4.12.2. Section 4.12.2 of the Agreement is hereby amended and restated in its entirety to read as follows:

“If the City refuses or fails to furnish a Certificate of Completion for the Site after written request from the Developer, the City shall, within thirty (30) days of the written request, provide the Developer and any Mortgagee with a written statement which explains in reasonable detail the reason(s) the City refused or failed to furnish a Certificate of Completion. The statement shall also contain the City's specific recommendation of the action the Developer must take to obtain a Certificate of Completion for the Site; provided, however, that the statement need not include technical information or instructions.”

9. Schedule of Performance. Attachment No. 3 to the Agreement, “Schedule of Performance,” is hereby amended and restated in its entirety to read as set forth in Exhibit A attached hereto and incorporated herein by this reference.

10. Ratification. Except as expressly modified hereby, the Agreement shall remain in full force and effect, and by the Parties’ signatures below is hereby ratified, approved and confirmed to be in full force and effect.

11. Counterparts. This Amendment may be executed in any number of counterparts and by the Parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. This Amendment and any amendments may be executed and then delivered by fax, scanned email attachment or other electronic means which shall constitute effective execution and delivery.

[signatures on following page]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives.

“City”

CITY OF OXNARD

By: _____
Alexander Nguyen, City Manager

APPROVED AS TO FORM:

By: _____
Stephen Fischer, City Attorney

“Trust Fund”

HOUSING TRUST FUND VENTURA
COUNTY, a California nonprofit public
benefit corporation

By: _____
Linda Braunschweiger
Its: CEO

“Developer”

CDP DEVELOPERS, LLC, a California
limited liability company

By: _____
Its: Managing Member

Exhibit A

Amended and Restated Schedule of Performance

(See Attached)

Exhibit A

Amended and Restated Schedule of Performance

***The dates below are approximate dates.**

2020 Milestone

Receive Design Development Review (DDR) and Lot Line Adjustment (LLA), Density Bonus and Special Use Permit Entitlements

2021

January – Receive Conditional Project Based Voucher Approval

January - Submit No Place Like Home (NPLH) Application to the California Department of Housing and Community Development (HCD)

March – Receive City Funding Commitment

June - Receive NPLH Award

September - Submit 4% Tax Credit Allocation Committee (TCAC) Application

December - Receive 4% Allocation

2022

April - Execute the Donation Agreement

June - Close on Construction Financing

June – Execute Ground Lease Concurrently with Close on Construction Financing

June – Close on Donation Agreement Concurrently with Close of Construction Financing

June - Begin Construction

2023

December - Construction Completion

2024

April - Lease-Up Completion of Permanent Supportive Housing Units

Financing and Ground Lease –The Developer must close on construction financing and successfully negotiate a ground lease with the End Recipient by no later than April 30, 2025 or this agreement will automatically terminate in accordance with section 6.2.2 of the DDA.

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. 2022 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD PARTIALLY RESCINDING A PREVIOUS CITY COUNCIL RESOLUTION AND DECLARING A CITY-OWNED PROPERTY, AS DESCRIBED HEREIN AND LOCATED AT 2nd AND B STREET, OXNARD, CALIFORNIA, TO BE EXEMPT SURPLUS LAND PURSUANT TO GOVERNMENT CODE SECTION 54221(F)(1)(A) AND AUTHORIZING THE CITY STAFF TO TAKE RELATED ACTIONS

WHEREAS, the City of Oxnard owns certain real property located at 2nd and B Street, Oxnard, California. The City Council previously declared that the Surplus Land Act was not applicable to the property because the property was found to be necessary for the agency's use, as defined by Government Code Section 54221 et seq.; and

WHEREAS, the City Council continues to find and declare that it is necessary, essential and a public purpose for the City to enter into a variety of agreements to facilitate the development of a 110 bed overnight homeless shelter, office space for the provision of supportive and clinical services and 56 units of permanent supportive housing for rent to low-income individuals and families to be located at 2nd and B Street, Oxnard, California (the "Property") and to be known as The Homeless Solutions Center Project (the "Project");

WHEREAS, the Project is to be developed on the Property in accordance with the goals identified in the City's 2018 Homeless Five-Year Plan and Strategy, which includes the operation of a year-round emergency shelter and navigation center and the provision of permanent housing choices for Oxnard's homeless population; and

WHEREAS, the City Council previously passed Resolution No. 2021-15,432 related to the Project; and

WHEREAS, the City Council hereby finds and declares that this Resolution is being adopted by the City pursuant to the powers granted to the City.

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

1. Pursuant to Section 54221(b)(l) of the Surplus Land Act (Government Code Sections 54220-54234), the City Council must declare the Property to be "surplus land" or "exempt surplus land" before the City Council takes action to dispose of the Property.
2. Government Code Section 54221(f)(1)(A) defines "exempt surplus land" to include surplus land that is transferred pursuant to Government Code Section 37364.
3. Government Code Section 37364 authorizes a city to sell, lease, exchange, quitclaim, convey, or otherwise dispose of real property to provide housing affordable to persons and families of low or moderate income provided that the following conditions are met:
 - a. Not less than 80 percent of the area of the parcel will be used for the development of housing; and

- b. Not less than 40 percent of the total number of those housing units developed on the parcel shall be affordable to households whose incomes are equal to, or less than, 75 percent of the maximum income of lower income households, and at least half of which shall be affordable to very low-income households; and
 - c. Dwelling units produced for persons and families of low or moderate income under Government Code Section 37364 shall be restricted by regulatory agreement to remain continually affordable to those persons and families for the longest feasible time, but not less than 30 years, with such regulatory agreement recorded in the office of the county recorder in which the housing development is located.
4. Pursuant to the Surplus Land Act, the City Council must take formal action in a regular public meeting to declare that the Property is exempt surplus land, as supported by written findings.
5. Pursuant to the Surplus Land Act Guidelines issued by the California Department of Housing and Community Development ("HCD"), any determination by a local agency that its surplus lands are exempt from the Surplus Land Act must be provided to HCD for its review at least 30 days prior to disposition.
6. That the above recitals and resolution provisions are true and correct and are a substantive part of this Resolution.
7. The City Council hereby declares pursuant to Government Code Sections 54221(b) and 54221(f)(1)(A) that the Property is exempt surplus land because the City intends to dispose of the Property pursuant to Government Code Section 37364 for the development of the Project on the Property that complies with the requirements of Government Code Section 37364. This declaration is contingent upon the development of the Property in accordance with the requirements of Government Code Section 37364.
8. That staff of the City are hereby authorized and directed to submit a copy of this Resolution to HCD in accordance with the Surplus Land Act Guidelines.
9. That the staff and officers of the City are hereby authorized, jointly and severally, to take any other such actions as they deem necessary or proper to effectuate the purposes of this Resolution, and all actions previously taken are hereby ratified.
10. The City Council rescinds recital #2 and recital #3 of City Council Resolution No. 2021-15,432.
11. That the City Council hereby finds that the actions are not subject to California Environmental Quality Act ("CEQA") because they are activities that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378(b) of the State CEQA Guidelines. This action declares the Property exempt surplus land and directs staff to effectuate the purpose of this Resolution. This is administrative activity of government which will not result in direct or indirect physical changes to the environment. No commitment to any project is being made at this time. CEQA review requirements must be completed before any commitment to a project occurs and appropriate environmental review pursuant to CEQA will be completed at such time.
12. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

EXHIBIT A
DRAFT DEPICTION OF PROPERTY FOR ILLUSTRATIVE PURPOSES



REQUEST FOR BUDGET APPROPRIATION

Department: Housing
Project/Program _____
Manager: Elsa Brown

Date: May 17, 2022

Phone: (805) 385-7404

Reason for Appropriation:

To appropriate \$160,000 to pay for labor compliance services during the construction of the Homeless Solutions Center Permanent Supportive Housing Units and Homeless Shelter tenant improvements and to pay for closing cost escrow fees associated with the donation of the City owned property located at 241 W. Second Street.

Accounts and Descriptions

AMOUNT

Fund: **420 -SUCCESSOR AGY -HOUSING SET ASIDE**

Expenditures/Transfers Out

Housing Successor-Set Aside Operations (Project # 21501)

420-4700-861-8209 Services - Other Prof/Con 160,000

Sub-total Expenditures 160,000

Net Change to Fund Balance 160,000

Net Appropriation Change 160,000

Approvals

Department Director _____

Chief Financial Officer _____

City Manager _____

REQUIRES CITY COUNCIL AUTHORIZATION

BA# (Finance Use Only) _____

BA Doc# (Finance Use Only) _____

Revised : 2/23/2012



CITY COUNCIL AGENDA REPORT
PUBLIC HEARINGS
AGENDA ITEM NO. M.1

DATE: March 30, 2021
TO: City Council
FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org
SUBJECT: Agreements and Funding for the Homeless Solutions Center (HSC) at 241 West Second Street. (0/20/20)

RECOMMENDATION

That the City Council:

1. Conduct a public hearing to adopt a resolution authorizing the Mayor to execute a Development and Disposition Agreement by and between Housing Trust Fund Ventura County, Community Development Partners Developers, LLC, and the City of Oxnard, and further authorizing the City Manager or Designee to execute and take all needed actions in consultation with the City Attorney relative to entering into a Donation Agreement by and between Housing Trust Fund Ventura County and the City of Oxnard, Agreement Containing Covenants, and Entering into a Loan Agreement with CDP Developers, LLC for the construction of the Homeless Solutions Center at 241 West Second Street and other matters pertaining thereto; and
2. Authorize the Mayor to execute a Memorandum of Understanding by and between the City of Oxnard and the County of Ventura regarding the financial sharing arrangement for the development and operation of the permanent year-round shelter to be located on the ground floor of the Homeless Solutions Center; and
3. Approve a budget appropriation of \$1,500,000 to provide CDP Developers LLC with a gap-financing loan for the development of the Homeless Solution Center from the Low-and-Moderate Income Housing Fund of the former redevelopment agency; and
4. Approve a budget appropriation of \$94,000 for personnel expenses to pay for City staff time to carry out and administer eligible Low-and-Moderate Income Housing asset fund activities from the Low- and Moderate-Income Housing Asset Fund of the former redevelopment agency, which will allow staff to monitor, provide loan-servicing, and oversight of the Homeless Solutions Center's PSH units and loan agreement as well as provide the same services for other existing projects that were previously funded with the use of Low-and-Moderate Income Housing Asset Funds, but for which no budget was previously allocated for this purpose.

(Housing and Economic Development Committee (HEDC) recommended the Exclusive Negotiating Agreement to the City Council with a 3-0 vote. City Council approved with a 7-0 vote. On September 22, 2020 HEDC members each stated their preference to move forward with the entitlement process (DDR and SUP), followed by Council consideration of the DDA and memorandum of understanding (MOU) with the County for funding. No formal action was required.) Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/OcGSBEpiRtg>

BACKGROUND

EXECUTIVE SUMMARY

The City of Oxnard adopted the Five-Year Homeless Plan in the Fall of 2018. The Five-Year Homeless Plan established the groundwork for homeless services in the City of Oxnard focused primarily on sheltering services. Its strategies have been effective but have a plateau in its reach, and ultimately it is not geared toward ending homelessness. If we continue to focus on sheltering only, Oxnard's homeless problem will worsen.

The State of California and many urban centers throughout the nation, especially on the West Coast, have experienced a recent explosion in homelessness. While Oxnard's homeless population remains smaller than other California cities, it is becoming more and more problematic, disruptive, and in some circumstances, severe. The 2019 Ventura County Point-In-Time (PIT) count revealed there were a total of 455 unsheltered homeless persons in Oxnard. In 2020 the PIT totaled 379 unsheltered homeless persons in Oxnard.

In order to effectively resolve homelessness, on April 16, 2019, the City Manager introduced to the City Council a change in homeless policy, seeking to add a Housing First model to our Homeless Plan that can actually resolve homelessness. Communities across the country are adopting the Housing First approach, which is characterized as providing immediate access to permanent housing without reconditions thereby allowing an individual or family to use its permanent home as a platform for stability and success.

Oxnard's past approach simply manages the problems and moves homeless from place to place, while not effectively ending homelessness. As described in the April 16, 2019 Housing First report, the City expended approximately \$3,267,483 in 2018 and 2019 to address the impacts of homelessness. Of this amount, \$2,302,483 was spent on responding to the community impacts of homelessness, and \$965,000 was spent providing services to the homeless. Almost none of this ends homelessness.

The focus of Oxnard Housing First is to house individuals and families in order to:

1. Effectively help get homeless individuals on the sustained path to stability.
2. Get homeless individuals off the streets, out of the parks, away from environmentally sensitive areas, and out of the business districts.
3. Reduce the number and frequency of pop-up encampments.

The development of the Homeless Solution Center at 241 Second Street is the City's first Housing First project. In order to reduce the City's PIT and continue to house homeless persons, the City will need to continue to support similar Housing First projects throughout the City. Staff believes that, while ambitious, an average of 40 Housing First units can be achieved annually over the next ten years.

BACKGROUND

The National Guard Armory, 351 South K Street, was used as an annual alternating overnight homeless winter warming shelter from 2002-2018. In January 2019, the site transitioned to a 24-hour navigation center. The National Guard Armory is an eighty-year-old structure and is not adequate to offer the standard of operation that a modern homeless navigation center should. Furthermore, the National Guard Armory encroaches upon the "runway protection zone" of the Oxnard Airport. Operation and management of the shelter was taken over by Mercy House in June 2019. Mercy House, a homeless nonprofit service provider from Orange County, was selected as the shelter operator for both the City of Oxnard's homeless shelter and City of Ventura's homeless shelter following a complete procurement by the County of Ventura, in cooperation with the City of Oxnard and the City of Ventura. The County of Ventura has agreed to provide financial assistance towards the improvements and on-going operations of a new Navigation Center at a new permanent location in the City of Oxnard.

On June 30, 2020 the City Council approved an Exclusive Negotiating Agreement by and between Community Development Partners (CDP) and the City of Oxnard in consideration of constructing a new mixed-use Homeless

Solutions Center with permanent supportive housing on an approximate 22,000 square foot City-owned property at the northeast corner of Second Street and B Street in Oxnard. CDP is an experienced multifamily and mixed-use developer focused exclusively on creating and preserving vibrant affordable housing communities. A strong partnership between Mercy House and CDP has formed over the past ten years. The partnership has collaborated on multiple permanent supportive housing (PSH) developments where Mercy House provides supportive services.

The proposed mixed-use project will be five levels high and will include approximately 13,078 square feet of homeless shelter space that would accommodate 110 beds, 2,640 square feet of office space for leasing and supportive services, and fifty-six permanent supportive housing units. During the June 30th City Council meeting City staff discussed the proposed financing plan for the construction of the new Homeless Solutions Center mixed-use development including the City's proposed financial contribution to the project.

The Homeless Solutions Center is being developed in accordance with the goals identified in the City's 2018 Homeless Five-Year Plan and Strategy which includes the operation of a year-round emergency shelter and navigation center and providing permanent housing choices for Oxnard's homeless population. Pursuant to Government Code 54221(b)(1) and (c)(1) "Surplus land" does not include "local agency" owned property that is necessary for the agency's use. An agency's use includes land that is being used pursuant to a written plan adopted by the local agency's governing body. Therefore, this property is not subject to the Surplus Land Act.

The Homeless Solutions Center development received approval of a Major Downtown Design Development Review Permit and a Lot Line Adjustment at the Community Development Director Hearing held on November 30, 2020 and subsequently received Planning Commission approval on December 17, 2020 for a Special Use Permit to allow for the operation of the homeless shelter and resource center onsite and ministerial approval of a Density Bonus Permit to reduce the parking requirements for the site to a single space for the shelter, although the project will be providing ten spaces on site.

Outreach

Over the past decade the Oxnard community resolved to establish a year-round homeless shelter, improving upon the former bi-annual winter warming shelter operation. A local committee was formed to identify and select a site, but after more than a year of searching the committee dissolved and the search was temporarily halted. The Committee visited approximately 10 sites.

Beginning in July 2019, the Housing Department resumed its search for a permanent shelter location and considered twenty-one (21) different properties throughout the City before identifying a suitable property (1258 Saviers Road). The owner of the selected property was the only owner out of the 21 owners/managers that staff contacted that was amenable to having his property re-purposed for the operation of a homeless shelter/navigation center. After additional community outreach and further due diligence, in January 2020, the City decided to no longer pursue the 1258 Saviers Road location.

Several community meetings have been held regarding the proposed Homeless Solutions Center development:

1. Downtown Oxnard Board Meeting on January 22, 2020
2. Wilson Neighborhood Meeting held on February 2, 2020
3. Town Hall Meeting on February 11, 2020
4. Community Meeting, hosted by All Saints Church, on February 27, 2020
5. Commission on Homelessness on March 2, 2020
6. Dignity Health hosted a meeting on March 3, 2020
7. Housing & Economic Development Committee on May 26, 2020
8. City Council Meeting (Exclusive Negotiating Agreement) on June 30, 2020
9. Housing & Economic Development Committee on September 22, 2020
10. Community Development Department Workshop on October 19, 2020

11. Community Development Director Hearing (DDR & Lot Line Adjustment Permits) on November 30, 2020
12. Planning Commission Hearing (Density Bonus & Special Use Permits) on December 17, 2020

DISCUSSION

This reports discusses the funding and a number of required approvals in order for the project to move forward:

1. Disposition and Development Agreement between the City, CDP, and the Housing Trust Fund Ventura County (HTF), inclusive of
 - a. A Donation Agreement
 - b. Agreement Containing Covenants
2. Loan Agreement Between the City and CDP, inclusive of
 - a. Promissory Note
 - b. Deed Of Trust
 - c. Regulatory Agreement
 - d. Notice of Affordability Restrictions
3. Memorandum of Understanding for funding from the County
4. Budget Appropriation associated with the Loan Agreement with CDP and to pay for staff related costs

Disposition and Development Agreement

The Housing Department has engaged private special counsel from the firm Price, Postel, and Parma to draft the Disposition and Development Agreement (DDA). In addition to City staff's negotiation of the DDA with CDP Developers, LLC, to ensure long-term preservation of the City-owned property as an affordable housing and homeless shelter mixed-use site, City staff has also engaged the HTF, a non-profit organization, and invited them to negotiate, as a third party to the DDA, the terms of City's land donation to the HTF as part of the DDA.

Originally established in 2008 as Ventura County Housing Trust Fund, and launching as a 501c3 nonprofit in 2011, the organization became Housing Trust Fund Ventura County (HTF) in July 2019. The HTF aims to help increase affordable workforce housing options throughout Ventura County with an emphasis on ensuring stable housing for very-low, low- and middle-income employees, transitional age foster youth, veterans, farm workers and the homeless. Through its Revolving Loan Fund, the organization pairs non-traditional funds with creative financial products at below-market interest rates to developers who create new affordable housing within Ventura County. In 2019, the HTF formed the Housing Land Trust Ventura County (Land Trust) as a supporting non-profit to the Trust Fund. The Land Trust was incorporated by the California Secretary of State on December 15, 2020 and is currently in the process of getting Federal IRS nonprofit certification, which is expected to occur later this year. The decision to form the Land Trust was made for multiple reasons including the increasing cost of housing, the lack of affordable housing, the scarcity of land available for future development, and because it also provided an opportunity to match the appraised value of donated land with State funding which could potentially bring millions back to Ventura County and potentially to Oxnard for the creation of more affordable housing. In 2020, the HTF committed funding for three future affordable housing developments in the City Oxnard. As such, City staff feels that the HTF is a valuable partner in the development of the Homeless Solutions Center and an excellent recipient of the City owned property, which would be donated to the HTF and potentially subsequently transferred to the Land Trust under the terms of the DDA, as further discussed below.

The terms and conditions under which this City-owned property is proposed to be provided to CDP and the HTF are contained in the DDA and attachments to the DDA including a Donation Agreement by and between the City and the HTF, and an Agreement Containing Covenants by and between the City, the HTF, and CDP. The proposed terms of these agreements are summarized as follows:

1. Per the DDA and Donation Agreement, the City owned property will be conveyed to the HTF after CDP secures all funding necessary for construction of the mixed-use Homeless Solutions Center Development and closes on their construction loan.
2. Under the terms of the DDA, the HTF has the option of transferring ownership of the City donated property to their supporting non-profit, the Housing Land Trust Ventura County or a single-member limited liability company of which the Land Trust or the HTF is the sole member and manager.
3. Concurrent with City's transfer of the Property to the Trust Fund, under the Donation Agreement, the HTF and CDP are required to enter into a 99-year ground lease, containing reasonably acceptable terms to all parties including the City, even though the City will not be a party to the ground lease between the HTF and CDP.
4. The City owned property will remain under City ownership until the HTF is able to satisfy the requirements of the Donation Agreement. The Donation Agreement would be executed by the City Manager or designee (in consultation with the City Attorney) and the HTF. The property may not be conveyed until the Planning Commission makes a General Plan Consistency finding per Government Code section 65402 et seq.
5. Per the DDA and Agreement Containing Covenants, CDP must enter into a 99-year sublease of the homeless shelter space with a shelter operator selected, procured, and contracted by the City, for one dollar (\$1.00) per year.
6. The Housing Director shall have the right to approve any changes to approved plans for the development of the Homeless Solutions Center.
7. The Agreement Containing Covenants would be executed by the City Manager or designee (in consultation with the City Attorney), CDP, and the HTF and be recorded at the close of construction financing for development of the Homeless Solutions Center.
8. The Agreement Containing Covenants requires that the property be solely used for a 110 bed overnight homeless shelter, office space for the provision of supportive and clinical services, and fifty-five units of permanent supportive housing for very low-income households and one manager's unit that is not subject to this requirement.
9. The Agreement Containing Covenants requires that the permanent supportive housing units be made affordable to households whose incomes do not exceed 50% of the Area Median Income for Ventura County.
10. The requirements of the Agreement Containing Convents shall remain in effect for ninety-nine (99) years after the recordation of the Certificate of Completion for the Project.
11. Should the HTF or the end recipient of the City owned land donation fail to adhere to the terms of the Agreement Containing Covenants or should the end recipient ever dissolve the City would be authorized to recapture the property and assume ownership.

Schedule of Performance and Automatic Termination of the DDA and Donation Agreement

The DDA establishes a schedule of performance that requires CDP to secure all financing necessary to develop the Homeless Solutions Center and close on their construction loan by no later than April 30, 2025. If CDP is unable to meet this deadline, the DDA and Donation Agreement will automatically terminate and the City will maintain ownership of the City owned property. This deadline allows CDP time to diligently, and in good faith, make their best efforts to secure all necessary financing. If CDP is able to secure funding during their first-round of funding application submissions CDP would begin construction in the Spring of 2022, construction completion would occur in Summer 2023, with 100% occupancy of the permanent supportive housing units by the Fall of 2023. If funding is not secured during CDP's first round of funding application submissions then delays of 6 months to one-year intervals will occur.

Financing Plan and Affordable Housing Loan Agreement

The estimated total development budget is \$34 million which does not include all the costs associated with the tenant improvements necessary to build out the shelter portion of the development. Those tenant improvements would be the shared responsibility of the City and the County of Ventura in accordance with the Memorandum of Understanding between the City and the County, as discussed further in this staff report. The approximately \$34 million development cost reflects an increase above the previously estimated development budget of \$31,791,462. This increase considers additional costs related to the inclusion of a rooftop deck to accommodate shared open space for the shelter guests and permanent supportive housing (PSH) tenants, which was not previously included in the original design of the building and which will require a minor modification to the existing project design. The updated budget also reflects potential parking lot upgrades of a City owned parking lot located on B Street across the street from the Homeless Solutions Center site, a budget for demolition of the existing building on site (this was not in the original estimate), the additional General Contractor costs including overhead contingency, and insurance associated with increased hard costs, as well as additional costs associated with architectural fees for required design changes to accommodate the rooftop deck.

The City's financial contribution for the construction of the Homeless Solutions Center includes the land donation at the appraised value of \$840,000, and \$1,500,000 in City Low-and Moderate-Income Housing Asset set-aside funds, which may only be used for the creation of affordable housing. The remaining project costs would be brought to the project by CDP in the form of private, state and federal sources. CDP is able to secure these funding sources because of the site's proximity to transit and other social services. The anticipated funding sources include:

Potential Funding Sources	Amount	Source
Low Income Housing Tax Credit Equity	\$17,158,906	Federal
Private Permanent Loan	\$6,420,405	Private
No Place Like Home	\$7,198,578	State
City of Oxnard Affordable Housing Funds	\$1,500,000	City of Oxnard
Deferred Development Fee	\$1,686,917	Private
Total:	\$33,964,806	

To execute the Low-Income Housing Tax Credit financing structure to construct the project, Community Development Partners will be forming a limited partnership with Mercy House CHDO as the Managing General Partner and Community Development Partners as the Administrative General Partner with a tax credit investor as the Special Limited Partner. The Limited Partner entity will also contract with Mercy House Living Centers as the services provider and Community Development Partners as the Developer.

The proposed City funding source and terms of the Affordable Housing Loan Agreement for the City's \$1,500,000 contribution to the project is summarized as follows:

City Funding Source:	Low-and-Moderate Income Asset Fund
Interest Rate:	3% Simple Interest
Term:	55 Years
Repayment:	Residual Receipts Payment
Target Population:	Very Low-Income Households
Security:	Promissory Note, Deed of Trust, and Regulatory Agreement
Automatic Termination:	Community Development Partners must close on construction financing and secure all funding for development of the units by April

	30, 2025. Failure to meet this deadline will result in automatic termination of the City's Commitment of Loan Funds.
--	--

If approved by Council, the loan agreement, regulatory agreement, and Notice of Affordability Restrictions would be executed by the City Manager or designee (in consultation with the City Attorney) and CDP concurrently with the close of construction financing for development of the mixed-use Homeless Solutions Center Development. The promissory note and deed of trust would be executed by CDP concurrently with the loan agreement and regulatory agreement.

Staff is also requesting approval of a budget appropriation of \$94,000 to pay for personnel expenses for staff time to carry out and administer eligible Low-and-Moderate Income Housing asset fund activities including allowing staff to monitor, provide loan-servicing, and oversight of the Homeless Solutions Center's permanent supportive housing (PSH) units and loan agreement as well as provide the same services for other existing projects that were previously funded with the use of Low-and-Moderate Income Housing Asset Funds (also known as the Successor Agency Housing Set-Aside fund), but for which no budget was previously allocated for this purpose.

Memorandum of Understanding

The attached Memorandum of Understanding (MOU) with the County of Ventura sets up the framework and working parameters for an equal cost sharing agreement between the County of Ventura and the City of Oxnard to pay for the capital costs associated with the build out of the new shelter, which is estimated at \$4,059,128, and for on-going operating costs at the new shelter, which is estimated at \$2,902,120 for the first year of operating costs.

The City's estimated capital cost contribution for shelter related improvements is approximately \$1,500,000 and includes the construction of the ground floor space of the Homeless Solutions Center where the homeless shelter will be located, improvements required for the buildout of the shelter space, shelter related design fees, and a portion of the costs associated with amenities that will benefit shelter guests and the permanent supportive housing tenants. The City has already approved \$1.5 Million in Measure O funding for these capital costs.

Total estimated operation costs for the shelter in the first year of operation are \$2,902,120, which includes \$243,094 in contingency. The City's estimated share of the operation costs for the shelter in the first year of operation is \$1,329,513 plus an additional \$121,547 (totaling \$1,451,060) for contingency to cover any unforeseen costs including one-time costs that may be associated with the initial year of operation at the new location. The City anticipates paying the operational costs from Measure O and California Department of Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) grant funds.

The term of the MOU is for one year from the date of execution and will automatically renew annually until such time as the MOU is either terminated by either party or superseded by another agreement. Once CDP has secured all funding necessary for development of the Homeless Solutions Center, CDP and Mercy House will finalize shelter-related capital improvement and operation costs and City staff will return to Council for approval of a final and binding agreement with the County for the 50/50 cost sharing agreement of capital and operation costs at the new shelter. The County Board of Supervisors will consider the MOU by the end of April 2021.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

Approval of the recommended actions will:

1. Authorize an appropriation of \$1,500,000 of Low- and Moderate-Income Housing Asset funds to award a gap-financing loan to CDP, LLC for the development of permanent supportive housing units within the Homeless Solutions Center Development and an appropriation of \$94,000 of Low- and Moderate-Income Housing Asset funds for personnel expenses into the following accounts: 420-5127-893-8364 (Housing Assist Loan) and 420-4700-861-8001 (Labor). The current available fund balance in the Low- and Moderate-Income Housing Asset Fund also known as the Successor Agency Housing Set-Aside fund is: \$3,366,278.
2. Authorize the donation of the City owned property, with an appraised value of \$840,000, located at 241 W 2nd Street in Downtown to the Housing Trust Fund Ventura County after the terms of the Donation Agreement are satisfied.

There is no immediate financial impact to the approval of the Memorandum of Understanding by and between the City of Oxnard and the County of Ventura.

COMMITTEE OUTCOME

Request for approval of the Exclusive Negotiating Agreement was heard by the Housing and Economic Development Committee on May 26, 2020. The Committee recommended the Exclusive Negotiating Agreement to City Council with a 3-0 vote. The Exclusive Negotiating Agreement authorizing City staff to negotiate the Disposition and Development Agreement was presented to the City Council on June 30, 2020 and approved with a 7-0 vote.

On September 22, 2020 the HEDC provided direction to staff to first seek entitlement approvals for the building and use and then return to Council for consideration of the DDA and the associated implementing documents.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Development and Disposition Agreement Donation Agreement Agreement Containing Covenants
2. Loan Agreement Promissory Note Deed of Trust Regulatory Agreement Notice of Affordability Restrictions
3. Memorandum of Understanding
4. Resolution
5. Budget Appropriation
6. PowerPoint Presentation

Homeless Solutions Center

Emilio Ramirez, Director
Housing Department
City Council
May 17, 2022

WHAT ARE WE PROPOSING TO SOLVE?

HOMELESSNESS IN OXNARD - POINT IN TIME COUNT

	2019	2020	2022
Unsheltered	455	379	463



THE FIRST “HOUSING FIRST” PROJECT



THE FIRST “HOUSING FIRST” PROJECT



PUBLIC OUTREACH

1. Downtown Oxnard Board Meeting January 22, 2020
2. Wilson Neighborhood Meeting held on February 2, 2020
3. Town Hall Meeting on February 11, 2020
4. Community Meeting on February 27, 2020
5. Commission on Homelessness on March 2, 2020
6. Dignity Health hosted a meeting on March 3, 2020
7. Housing and Economic Development Committee on May 26, 2020
8. Housing and Economic Development Committee on September 22, 2020
9. Community Development Department Workshop October 19, 2020
10. Community Development Director Hearing on November 30, 2020 (DDR & Lot Line Adjustment Permits)
11. Planning Commission Hearing on December 17, 2020 (Density Bonus & Special Use Permits)

NECESSARY APPROVALS

1. First Amendment to Disposition and Development Agreement
2. Financial Cost Sharing Agreement
3. Measure O Loan Documents
4. PLHA Loan Documents
5. Surplus Declaration
6. Budget Appropriation

DEVELOPMENT SCHEDULE

DEVELOPMENT SCHEDULE

Received Entitlements

Fall/Winter 2020

City Award of Project Based Vouchers

Winter 2020

Award of NPLH Funding

June 2021

Award of 4% Tax Credit Allocation

December 2021

Begin Construction

June 2022

Occupancy

January 2024

SURPLUS DECLARATION

1. The City Council previously adopted Resolution Number 2021-15432 declaring that the Surplus Land Act was not applicable to the property because it was found to be necessary for the agency's use, as defined by Government Code Section 54221
2. The California Department of Housing and Community Development objected to this declaration but agrees that the property is exempt surplus land
3. The State has advised that the City withdraw its prior declaration and instead find, determine and declare the subject property as exempt surplus land per Government Code Section 54221(f)(1)(A) per a title transfer authorized by Government Code Section 37364, which authorizes a city to sell, lease, exchange, quitclaim, convey, or otherwise dispose of real property to provide housing affordable to persons and families of low or moderate income

RECOMMENDATION

1. Adopt a resolution of the City Council of the City of Oxnard approving and authorizing the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura and further authorizing the City Manager or Designee to execute and take all needed actions relative to entering into a Permanent Local Housing Allocation loan agreement and a Measure O loan agreement with Mercy House Living Centers for the construction of the tenant improvements;
2. Authorize the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura;
3. Approve and authorize the City Manager or designee to execute the First Amendment to the Disposition and Development Agreement by and between the City of Oxnard and Housing Trust Fund Ventura County and CDP Developers, LLC;

RECOMMENDATION

4. Adopt a resolution of the City Council of the City of Oxnard declaring 241 W Second Street to be exempt surplus land pursuant to government code section 54221(f)(1)(a) and Authorizing the City staff to take related actions;
5. Accept, recognize, and deposit a lump sum contribution of \$2,935,265 from the County of Ventura to pay for the County's share of the cost to construct tenant improvements for development of the City's new permanent year-round navigation center on the ground floor of the Homeless Solutions Center; and
6. Approve a budget appropriation of \$160,000 from the Low-and-Moderate Income Housing Fund of the former redevelopment agency.



CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. L.6

DATE: May 17, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Fiscal Year 2022-23 Landscape Maintenance Districts Initiation of Proceedings, Declaration of Intention to Levy and Collect Assessments, and Scheduling of Public Hearing. (0/5/5)

RECOMMENDATION

That the City Council acting as the legislative body of the City of Oxnard Landscape Maintenance Districts (LMDs):

1. Adopt a resolution initiating proceedings for the annual levy and collection of assessments for Fiscal Year 2022-23 within the City's LMDs; and
2. Adopt a resolution declaring intention to levy and collect assessments for Fiscal Year 2022-23 within the City's LMDs pursuant to the Landscaping and Lighting Act of 1972.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/B_qZ9BCQd_g

BACKGROUND

Special Districts is a Division of the Public Works Department and manages a total of 48 Assessment Districts which include thirty-six (36) LMDs. These LMDs were formed pursuant to the Landscaping and Lighting Act of 1972 and requires annual City Council action as the acting legislative body for the LMDs to update the assessments that appear in the Ventura County Tax Roll. Therefore, each year the City Council adopts a resolution to initiate proceedings, adopts a resolution declaring the intention to levy and collect assessments, and to set a public hearing date to receive public testimony.

DISCUSSION

NBS Government Finance Group (NBS) is contracted by the City as a consultant for Special Districts. NBS provides the annual Consolidated Engineers Report of the LMDs that estimate the annual costs for maintenance, operations, and repairs for each LMD. The Report also calculates the assessment rates required for these costs.

Approval of the attached resolutions accomplishes the following:

- Orders the preparation and filing of the Fiscal Year 2022-23 Consolidated Engineer's Report,
- Preliminarily approves the LMD assessments for Fiscal Year 2022-23,
- Declares intent to levy and collect assessments in the LMDs for Fiscal Year 2022-23,
- Identifies certain improvements and services to be provided in the LMDs for Fiscal Year 2022-2023,
- Sets the Public Hearing for the June 7, 2022 City Council Meeting, and

- Requires the City Clerk to give notice at least 10 days prior to the date of the Public Hearing by causing the Resolution to be published in a newspaper of general circulation within the City.

Following the City Council's action at the Public Hearing on June 7, 2022, the Assessment information will be delivered to the County Auditor-Controller's Office, where it is processed for the collection of the Fiscal Year 2022-23 assessments. The deadline for delivering the Assessment information to Ventura County is July 6, 2022.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

The General Benefit contribution, based on the budgeted expenses for the LMDs, totals \$82,780. An additional \$109,853 in General Fund subsidy is proposed to fund the estimated overages in utility expenses. The total Fiscal Year 2022-23 General Fund contribution is estimated to be approximately \$192,633.

COMMITTEE OUTCOME

As of the date of this City Council agenda being posted, there is not yet an outcome from the May 10, 2022 Finance and Governance Committee. Staff is available to answer any questions.

Prepared by: Steve Howlett, Assistant Public Works Director

ATTACHMENTS

1. Resolution to Initiate Proceedings
2. FY 2022-2023 Consolidated Engineer's Report & Preliminary Assessment Rolls
3. Resolution of Intent to Levy - LMDs -FY22-23
4. City of Oxnard Special Districts Map
5. City of Oxnard Special Districts List
6. Presentation

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD INITIATING PROCEEDINGS FOR THE ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2022-23 WITHIN THE CITY'S LANDSCAPE MAINTENANCE DISTRICTS

WHEREAS, the City Council of the City of Oxnard (the "City Council") has by previous Resolutions formed the City's Landscape Maintenance Districts (the "Districts"), the listing of which are included in this Resolution as Exhibit A, pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (the "Act"); and

WHEREAS, the City has retained NBS for the purpose of assisting with the annual levy of the Districts and the preparation and filing of an Annual Engineer's Report (the "Engineer's Report"); and

NOW, THEREFORE, the City Council of the City of Oxnard resolves:

1. The City Council hereby order NBS to prepare and file with the City Clerk the Engineer's Report concerning the levy and collection of assessments for the Districts for the Fiscal Year commencing July 1, 2022 and ending June 30, 2023 in accordance with *Chapter 3 Section 22622 of the Act*.

2. The City improvements within the Districts are described more fully in the Engineer's Report. The improvements authorized to be maintained are District-specific and vary between the Districts; the improvements provided may include, but are not limited to: ground cover, turf, trees, shrubs, the landscaped areas of detention basins, screen walls/fencing, park benches, trash containers, overhead structures, theme light poles, ornamental lighting, and sprinkler, irrigation and drainage systems, and may also include sidewalk and hardscape improvements along the landscaping, medians, entry monuments, mailboxes and associated appurtenant facilities. Park improvements, if applicable, vary by park and may include landscape and open space, playground structures, exercise stations, restrooms, benches, picnic tables, and litter receptacles.

Maintenance provided includes all necessary services, operations, administration and maintenance required to keep the above mentioned improvements in a healthy, vigorous and satisfactory condition which may include, but is not limited to: repair, removal or replacement of all or any part of the landscaping, sidewalks, medians, theme light poles or screen walls/fencing. Provision for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, mowing, spraying, fertilizing and treating for disease or injury. The tree trimming may not occur on an annual basis; therefore, the assessed amount is for the average annual cost. Removal of trimmings, rubbish, graffiti, debris and other solid waste from the landscaped areas, detention basins and screen walls/fencing.

3. There will be no substantial changes in existing improvements and services to the Districts for Fiscal Year 2022-23.

PASSED, APPROVED AND ADOPTED on this ____ day of _____, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

EXHIBIT A

CITY OF OXNARD

LANDSCAPE MAINTENANCE DISTRICT LISTING

District Name	Formation Date⁽¹⁾	Formation Resolution No.⁽¹⁾
Landscape Maintenance District No. 3 (River Ridge)	March 18, 1986	8983
Landscape Maintenance District No. 10 (Country Club Estates)	December 13, 1988	9587
Landscape Maintenance District No. 11 (St. Tropez)	January 3, 1989	9603
Landscape Maintenance District No. 12 (Standard Pacific)	March 28, 1989	9665
Landscape Maintenance District No. 13 (Le Village)	March 20, 1990	9894
Landscape Maintenance District No. 14 (California Cove)	June 5, 1990	9972
Landscape Maintenance District No. 16 (California Lighthouse)	July 9, 1991	10206
Landscape Maintenance District No. 23 (Greystone)	June 18, 1996	11071
Landscape Maintenance District No. 24 (Vineyards)	June 18, 1996	11072
Landscape Maintenance District No. 25 (The Pointe)	June 18, 1996	11073
Landscape Maintenance District No. 27 (Rose Island)	June 24, 1997	11259
Landscape Maintenance District No. 28 (Harborside)	June 24, 1997	11260
Landscape Maintenance District No. 30 (Haas Automation)	June 24, 1997	11261
Landscape Maintenance District No. 31 (Rancho De La Rosa)	June 23, 1998	11415
Landscape Maintenance District No. 32 (Oak Park)	February 23, 1999	11505
Landscape Maintenance District No. 33 (El Paseo)	October 19, 1999	11653
Landscape Maintenance District No. 34 (Sunrise Pointe & Sunset Cove)	October 19, 1999	11654
Landscape Maintenance District No. 36 (Villa Santa Cruz & Villa Carmel)	January 25, 2000	11684
Landscape Maintenance District No. 37 (Pacific Breeze)	January 25, 2000	11685
Landscape Maintenance District No. 38 (Aldea Del Mar)	November 28, 2000	11863
Landscape Maintenance District No. 39 (Promesa/Sueno & DR Horton/Seawinds)	March 6, 2001	11905
Landscape Maintenance District No. 40 (Cantada)	January 8, 2002	12078
Landscape Maintenance District No. 41 (Pacific Cove)	January 8, 2002	12079
Landscape Maintenance District No. 42 (Cantabria & Coronado)	May 14, 2002	12144
Landscape Maintenance District No. 43 (Greenbelt)	January 7, 2003	12295
Landscape Maintenance District No. 46 (Daily Ranch)	June 24, 2003	12440
Landscape Maintenance District No. 47 (Sycamore Place)	April 22, 2003	12355
Landscape Maintenance District No. 49 (Cameron Ranch)	June 3, 2003	12394

Landscape Maintenance District No. 50 (Pleasant Valley Senior Housing)	June 10, 2003	12404
Landscape Maintenance District No. 51 (Pfeiler)	April 19, 2005	12799
Landscape Maintenance District No. 52 (Wingfield)	February 1, 2005	12768
Landscape Maintenance District No. 53 (Huff Court)	June 7, 2005	12879
Landscape Maintenance District No. 54 (Meadowcrest)	March 28, 2006	13024
Landscape Maintenance District No. 55 (Wingfield West)	March 28, 2006	13025
Landscape Maintenance District No. 58 (Westwind)	June 6, 2006	13069
Landscape Maintenance District No. 60 (Artisan)	March 3, 2009	13604

(1) Source: City of Oxnard Resolution Initiating Proceedings for Fiscal Year 2020-21.

<https://www.oxnard.org/city-department/finance/special-assessment-districts/faqs-general-documents/>

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD DECLARING INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2022-23 WITHIN THE CITY'S LANDSCAPE MAINTENANCE DISTRICTS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972.

WHEREAS, the City Council of the City of Oxnard (the "City Council") has by previous Resolutions formed the City's Landscape Maintenance Districts (the "Districts"), the listing of which are included in this Resolution as Exhibit A, pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* (the "Act"); and

WHEREAS, on May 17, 2022 the City Council approved Resolution No. _____ initiating proceedings for the annual levy and collection of assessments for Fiscal Year 2022-23; and

WHEREAS, NBS has filed with the City Clerk the Consolidated Engineer's Report (the "Report") (Attachment 2) concerning the cost of maintaining the landscaping in such Districts as shown in Exhibit A for the 2022-23 Fiscal Year and the amount of the special benefit received therefrom by each parcel within such Districts; and

NOW, THEREFORE, the City Council of the City of Oxnard resolves:

1. The City Council preliminarily approves the Engineer's Report.
2. The City Council declares its intention to levy and collect assessments within the Districts for Fiscal Year 2022-23 in accordance with the Act.
3. A full and detailed description of the landscaping improvements, the boundaries of the Districts and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the Districts are contained in the Engineer's Report on file with the City Clerk which is made a part by reference.
4. Improvements and services to be provided for Fiscal Year 2022-23 within all Districts as reflected in Attachment 2 to this resolution.
5. Notice is hereby given that on June 7, 2022 at 6:00 p.m. in City Council Chambers, at 305 West Third Street, Oxnard, California, the City Council will hold a hearing on the levy of the proposed assessment, at which time all interested persons shall be afforded an opportunity to hear and be heard. Any interested person may, prior to the conclusion of the hearing, file a written protest with the City Clerk or, having previously filed a protest, file a written withdrawal of the protest. A written protest shall state all grounds of objection. A protest by a property owner shall contain a description sufficient to identify the property owned by that person.

6. At least 10 days prior to the date of the hearing, the City Clerk shall give notice of the hearing by causing this resolution to be published once in a newspaper of general circulation within the City.

PASSED, APPROVED AND ADOPTED on this ____ day of _____, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

EXHIBIT A

CITY OF OXNARD

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Landscape Maintenance District No. 58 (Westwind)	June 6, 2006	13069
Landscape Maintenance District No. 60 (Artisan)	March 3, 2009	13604

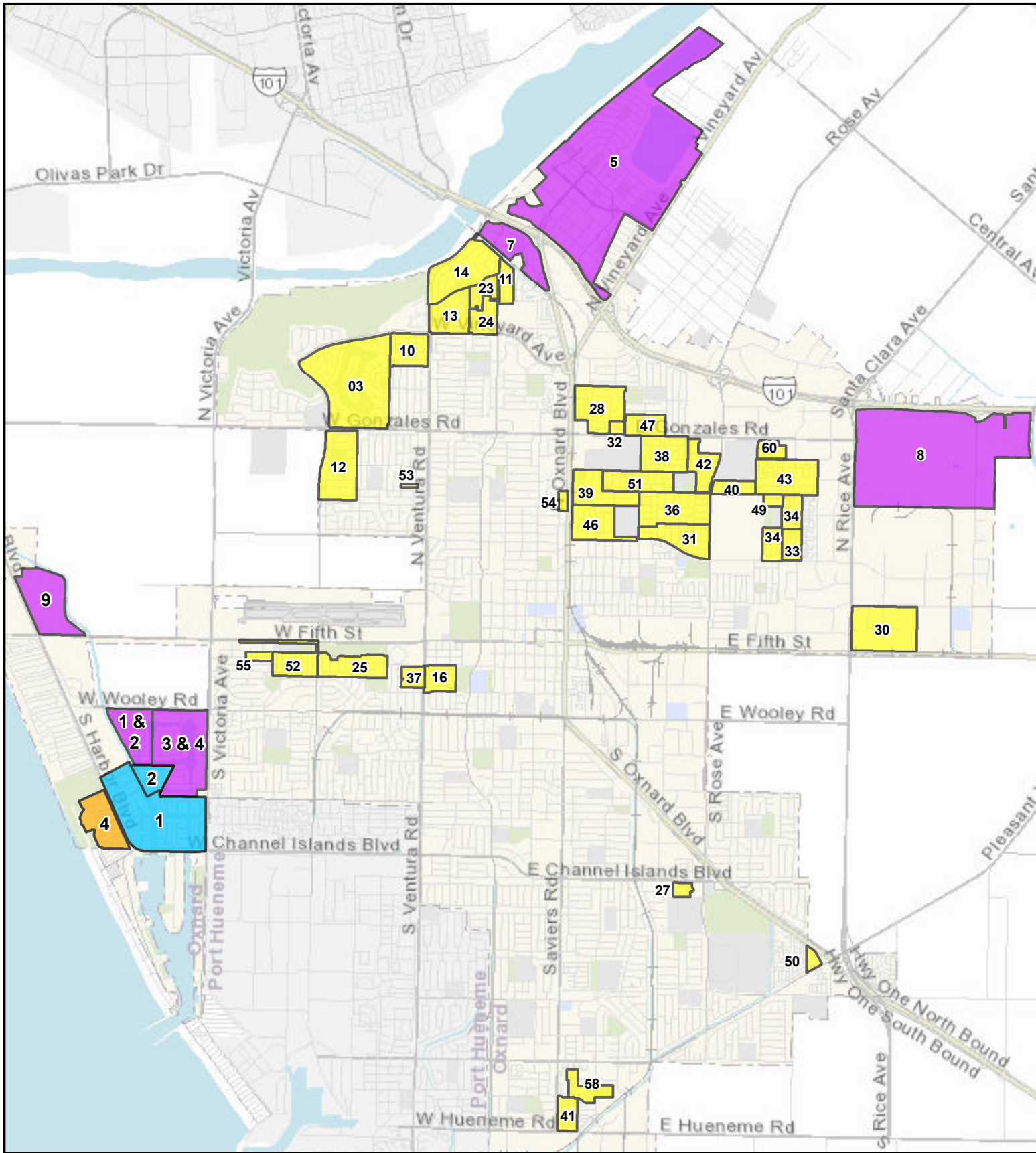
(1) Source: City of Oxnard Resolution Initiating Proceedings for Fiscal Year 2020-21.

EXHIBIT B

CITY OF OXNARD
CONSOLIDATED ENGINEER'S REPORT

DUE TO FILE SIZE, THE ENGINEER'S REPORT IS NOT BEING REPRODUCED FOR THE AGENDA PACKET, BUT IT IS AVAILABLE ONLINE AT WWW.OXNARD.ORG/CITY-MEETING AS WELL AS THE CITY CLERK'S OFFICE.

CITY OF OXNARD ASSESSMENT DISTRICTS



- | | |
|---|--|
| Maintenance Assessment District (District No.) | Community Facilities District (District No.) |
| Waterway Assessment District (Zone No.) | Landscape Maintenance District (District No.) |

CITY OF OXNARD – SPECIAL DISTRICTS

LANDSCAPE MAINTENANCE DISTRICT * COMMUNITY FACILITIES DISTRICTS
WATERWAYS ASSESSMENT DISTRICTS * MAINTENANCE ASSESSMENT DISTRICTS

COMMUNITY FACILITIES DISTRICTS	
1 & 2 – Westport at Mandalay Bay	7 – Wagon Wheel
3 & 4 – Seabridge at Mandalay Bay	8 – Sakioka Farms
5 – Riverpark	9 – Northshore at Mandalay Bay

LANDSCAPE MAINTENANCE DISTRICTS	
3 – Riverridge	37 – Pacific Cove
10 – Country Club	38 – Aldea Del Mar
11 – St Tropez	39 – El Sueno Promesa
12 – Standard Pacific	40 – Cantada
13 – Le Village	41 – Pacific Cove
14 – California Cove	42 – Cantabria/Coronado
16 – California Lighthouse	43 – Greenbelt
23 – Greystone	46 – Daily Ranch
24 – Vineyards	47 – Sycamore Place
25 – The Pointe	49 – Cameron Ranch
27 – Rose Island	50 – PV Senior Housing
28 – Harborside	51 – Pfeiler
30 – Haas Automation	52 – Wingfield
31 – Rancho De La Rosa	53 – Huff Court
32 – Oak Park	54 – Meadowcrest
33 – El Paseo	55 – Wingfield West
34 – Sunrise Pt/Sunset Cove	58 – Westwind
36 – Villa Santa Cruz	60 – Artisan

MAINTENANCE ASSESSMENT DISTRICT
4 – Mandalay Beach/Colony

WATERWAYS ASSESSEMENT DISTRICTS	
Zone 1 – Mandalay Bay Zone	2 – Harbour Island

FISCAL YEAR 2022-23 Landscape Maintenance Districts Initiation of Proceedings, Declaration of Intent to Levy and Collect Assessments, and Scheduling of Public Hearing

Finance & Governance Committee
May 10, 2022

City Council
May 17, 2022

Eric L. Storrie
Special Districts Manager

That the Finance and Governance Committee recommend that the City Council acting as the legislative body of the City of Oxnard Landscape Maintenance Districts (LMDs):

1. Adopt a resolution initiating proceedings for the annual levy and collection of assessments for Fiscal Year 2022-2023 within the City's LMDs; and
2. Adopt a resolution declaring intention to levy and collect assessments for Fiscal Year 2022-2023 within the City's LMDs pursuant to the Landscape and Lighting Act of 1972.

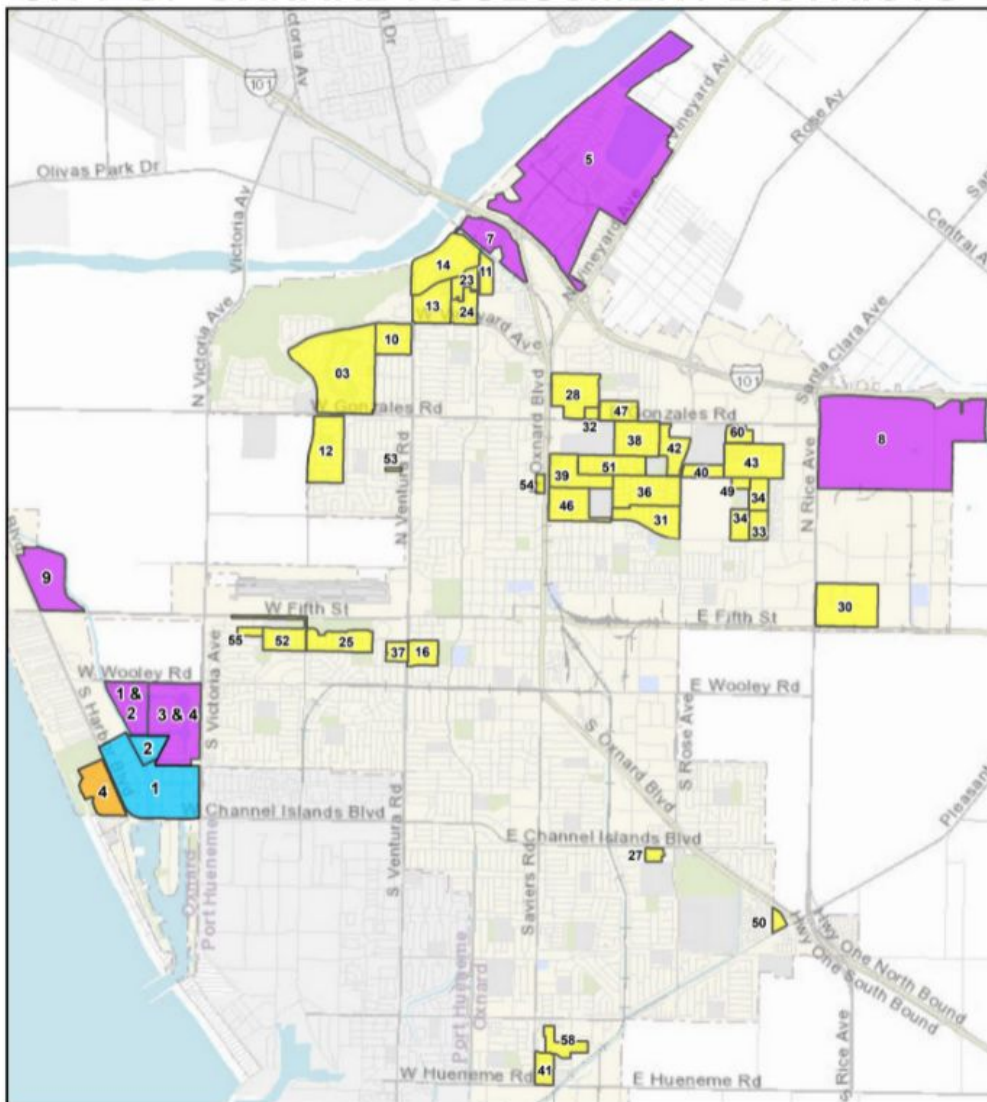
- The Special Districts Division of the Public Works Department manages 48 Assessment Districts which includes 36 LMDs.
- These Districts were formed pursuant to the Landscape and Lighting Act of 1972 and requires annual City Council action as the acting legislative body for the LMDs to update the assessments that appear in the Ventura County Tax Roll.
- Therefore, each year the City Council adopts a Resolution to Initiate proceedings, declare the Intention to Levy and Collect Assessments, and set the Public Hearing date for June 7, 2022 to receive public testimony.

- The City is contracted with NBS Financial Group (NBS) as a consultant for the Special Districts.
- NBS provides an Annual Engineers Report of the LMDs to estimate the annual costs of maintenance, operations, and repairs of the authorized improvements for each LMD.
- The Annual Engineers Report calculates the assessment rates required for these costs of maintenance, operations, and repairs.
- Approval of the Recommendation accomplishes the following:

- Orders the preparation and filing of the 2022-2023 Consolidated Engineer's Report
- Preliminarily approves the Landscape and Lighting Assessments within a total of thirty six (36) of the Districts
- Declares intent to levy and collect assessments in the Landscape Maintenance Districts for Fiscal Year 2022-23
- Identify certain improvements and services to be provided for Fiscal Year 2022-23 within the 36 Districts
- Sets a public hearing for June 7, 2022 at 6:00pm in the City Council Chambers
- Requires the City Clerk to give notice at least 10 days prior to the date of the hearing

- The General Benefit contribution based on the budgeted expenses for the Landscape Maintenance Districts totals \$82,780.
- An additional \$109,853 in General Fund subsidy is proposed to meet the estimated utility expense overage.
- The total Fiscal Year 2022-23 impact to the General Fund is \$192,633.

CITY OF OXNARD ASSESSMENT DISTRICTS



More information can be found at:

oxnard.org/city-department/finance/special-assessment-districts/

- | | |
|--|---|
| ■ Maintenance Assessment District (District No.) | ■ Community Facilities District (District No.) |
| ■ Waterway Assessment District (Zone No.) | ■ Landscape Maintenance District (District No.) |



QUESTIONS



CITY COUNCIL AGENDA REPORT

REPORTS AGENDA ITEM NO. L.7

DATE: May 17, 2022

TO: City Council

FROM: Stephen Fischer, City Attorney, (805) 385-7483, stephen.fischer@oxnard.org

SUBJECT: Setting November Election for Term Limits Measure; and Selecting Members of City Council to Sign the Argument Against the Measure. (0/10/10)

RECOMMENDATION

That the City Council:

1. Adopt a resolution titled as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ORDERING AN ELECTION TO BE HELD ON NOVEMBER 8, 2022 TO CONSIDER THE ADOPTION OF A MEASURE TITLED “TERM LIMITS FOR THE MAYOR AND COUNCILMEMBERS, EXTENSION OF MAYOR'S TERM FROM TWO YEARS TO FOUR YEARS STARING IN 2022”, REQUESTING THE COUNTY CLERK CONDUCT THE ELECTION, AND AUTHORIZING THE BOARD OF SUPERVISORS TO CANVASS THE RETURNS

2. Authorize one or more members of the City Council to sign the argument against the initiative measure.

BACKGROUND

On January 21, 2020, the City Council considered whether to adopt an initiative measure titled “Term Limits for the Mayor and Councilmembers; Extension of Mayor’s Term from Two Years to Four Years Starting in 2022” or to place it on the November 3, 2020 ballot. The term limits measure had been submitted to the City pursuant to petitions signed by the requisite number of voters.

As of January 21, 2020, the City of Oxnard did not have term limits and the term of the Mayor was two years. Instead of placing the term limits measure on the November 2020 ballot, by a 6 to 1 vote, the City Council adopted this measure at the January 21, 2020 City Council meeting; the measure went into effect immediately.

On March 3, 2020, Oxnard voters approved Measure B – the “Oxnard Government Accountability and Ethics Act” – by a vote of 25,393 to 5,395. Measure B also includes term limit provisions which superseded the term limit provisions adopted by the City Council on January 21, 2020.

Measure B’s term limits provided that after the Mayor or member of the City Council had served in office for three consecutive terms, they would not be eligible to be elected or appointed to that position again until at least two years had passed from the date that he or she left office. Measure B also changed the term of the Mayor from two years to four years effective in November 2020.

The proponent of the term limit measure subsequently filed a lawsuit seeking to require the City to place its term limit measure on the November 3, 2020 ballot.

After Ventura County Superior Court Judge Walsh ruled against the proponent, the proponent filed a writ of mandate with the Court of Appeals. The appellate court subsequently ordered that the term limit measure be placed on the November 8, 2022 ballot.

Based upon the appellate court's order, the City Council is obligated to place the initiative measure titled "Term Limits for the Mayor and Councilmembers; Extension of Mayor's Term from Two Years to Four Years Starting in 2022" on the ballot. The City Council can place the initiative measure on the ballot by the adoption of the resolution that is included with this agenda report.

Once the City Council places the initiative measure on the ballot, state law authorizes the City Council or one or more authorized members of the City Council to submit an argument against a measure that is placed on the ballot by petition. (Elections Code Section 9282 and 9287.)

Because only five individuals may sign an argument against a ballot measure, staff recommends that the City Council determine if the City Council wishes to authorize one or more members of the City Council to file a written argument against that ballot measure.

If the City Council does not formally designate one or more members of the City Council to file a written argument against the ballot measure, then the City Clerk is to accept for publication an argument against the measure filed by a bona fide association of citizens or individuals who are eligible to vote – in that specific order. (Elections Code Section 9287.)

STRATEGIC PRIORITIES

This agenda item does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

The cost for conducting an election is unknown at this time.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Kenneth Rozell, Chief Assistant City Attorney, Jason Zaragoza, Deputy City Attorney

ATTACHMENTS

1. Term Limits Resolution_ 2022

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ORDERING AN ELECTION TO BE HELD ON NOVEMBER 8, 2022 TO CONSIDER THE ADOPTION OF A MEASURE TITLED “TERM LIMITS FOR THE MAYOR AND COUNCILMEMBERS; EXTENSION OF MAYOR’S TERM FROM TWO YEARS TO FOUR YEARS STARTING IN 2022”, REQUESTING THE COUNTY CLERK CONDUCT THE ELECTION, AND AUTHORIZING THE BOARD OF SUPERVISORS TO CANVASS THE RETURNS

WHEREAS, on January 21, 2020, the City Council considered whether to adopt an initiative measure entitled “Term Limits for the Mayor and Councilmembers; Extension of Mayor’s Term from Two Years to Four Years Starting in 2022” or to place it on the November 3, 2020 ballot; and

WHEREAS, the term limits measure had been submitted to the City pursuant to petitions signed by the requisite number of voters; and

WHEREAS, as of January 21, 2020, the City of Oxnard did not have term limits and the term of the Mayor was two years; and

WHEREAS, instead of placing the term limits measure on the November 2020 ballot, by a 6 to 1 vote, the City Council chose to adopt this measure at the January 21, 2020 City Council meeting; the measure went into effect immediately; and

WHEREAS, on March 3, 2020, Oxnard voters approved Measure B – the “Oxnard Government Accountability and Ethics Act” – by a vote of 25,393 to 5,395; and

WHEREAS, Measure B also includes term limit provisions which superseded the term limit provisions adopted by the City Council on January 21, 2020; and

WHEREAS, Measure B’s term limits provided that after the Mayor or member of the City Council had served in office for three consecutive terms, they would not be eligible to be elected or appointed to that position again until at least two years had passed from the date that he or she left office; and

WHEREAS, Measure B also changed the term of the Mayor from two years to four years effective in November 2020; and

WHEREAS, the proponent of the term limit measure subsequently filed a lawsuit seeking to require the City to place its term limit measure on the November 3, 2020 ballot; and

WHEREAS, after Superior Court Judge Walsh ruled against the proponent, the proponent filed a writ of mandate with the Court of Appeals; the court subsequently ordered that the term limit measure be placed on the November 8, 2022 ballot.

NOW, THEREFORE, the City Council of the City of Oxnard hereby resolves as follows:

SECTION 1. The foregoing recitals are adopted as the findings of the City Council of the City of Oxnard and are incorporated into the operative provisions of this Resolution as though fully set forth herein.

SECTION 2. The initiative measure shall be submitted to the voters of the city at the regular election to be held on November 8, 2022.

SECTION 3. This Resolution is adopted pursuant to Elections Code Section 10403 requesting that the Board of Supervisors of Ventura County, pursuant to Elections Code Section 10401, order that this election of the city be consolidated with the statewide general election to be held on November 8, 2022, which consolidated election shall be held and conducted in the manner prescribed in Elections Code Section 10418.

SECTION 4. Pursuant to Elections Code Section 10411, the Board of Supervisors is authorized to canvass the returns of the election to be held within the boundaries of the city on November 8, 2022.

SECTION 5. Pursuant to Elections Code Section 10002, the Board of Supervisors is requested to permit the County Clerk to render the services and supplies shown on **Exhibit A**, which is attached hereto and a made a part hereof, and any and all other services and supplies necessary to complete the election on November 8, 2022.

SECTION 6. The City Manager is authorized to execute all documents and to perform all necessary acts to enter into one or more agreements for the provisions of election services consistent with this Resolution.

SECTION 7. The text of the proposed ordinance is attached to this Resolution as **Exhibit B**. The text of the proposed ordinance shall be printed in the ballot materials; a copy of the measure shall be available for public inspection in the City Clerk's office located at 300 West Third Street, 4th Floor in the City of Oxnard.

SECTION 8. The ballot question shall be substantially as follows:

“Shall an ordinance be adopted that would modify existing term limits on members of the City Council and the Mayor so that those elected officials would be limited to serving two consecutive terms as Mayor and/or Councilmember until at least two years have lapsed from the time that official last served as a member of the City Council or as Mayor?”

Yes (_____)

No (_____)”

SECTION 9. The ballots to be used at the election shall be in the form and content as required by law.

SECTION 10. The City Council directs the City Clerk to transmit a copy of the initiative measure to the City Attorney and directs the City Attorney to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280 in the manner required by law.

SECTION 11. The initiative measure shall only pass if a majority of votes cast on the measure are “yes” votes.

SECTION 12. In all particulars not recited in this Resolution, the election shall be held and conducted in the manner required by law.

SECTION 13. The City Council shall meet to declare the results of the election called for by this Resolution at its first regular meeting following the certification of election results.

SECTION 14. The city shall pay the reasonable cost of services and supplies rendered by the County Clerk.

SECTION 15. The City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County Clerk.

SECTION 16. The City Clerk shall publish a copy of this Resolution in a newspaper of general circulation once within fifteen (15) days after the adoption of this Resolution.

PASSED AND ADOPTED THIS 17st day of May, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John C. Zaragoza, Mayor

ATTEST:

APPROVED AS TO FORM:

Rose Chaparro, City Clerk

Stephen M. Fischer, City Attorney

Exhibit A

MARK A. LUNN
Clerk-Recorder, Registrar of Voters
Elections Division

VENTURA COUNTY
REQUEST FOR SPECIFIED ELECTION SERVICES
MEASURES

TO: **MARK A. LUNN**, Clerk-Recorder, Registrar of Voters

FROM: **City of Oxnard**

City Name

Signature of Authorization

ELECTION: Statewide General Election

DATE: November 8, 2022

SERVICES REQUESTED: Place a check mark next to the desired services.

ITEM #1 PUBLICATIONS

X

A. County elections official is requested to publish: Notice of Election of Measure, Election Officers and Voter Centers.

 B. City will publish.

ITEM #2 COUNTY VOTER INFORMATION GUIDE PUBLICATION

X

A. Print Full Measure Text.

 B. Full Measure Text will not be printed in the County Voter Information Guide.

ITEM #3 MEASURE/INITIATIVE PROPONENT FILINGS

 A. Random sample of 500 signatures.

 B. Full check of all signatures submitted.

ITEM #4 ELECTION NIGHT RESULTS

X

On-line results

 E-mail _____

PERCENTAGE OF VOTES REQUIRED FOR PASSAGE OF MEASURE:

50 percent plus one

ELECTIONS DIVISION SERVICES PROVIDED:

SIGNATURE CHECKING – Ventura County elections to prepare the set-up and verification of signatures submitted on an initiative, recall or referendum attempting to qualify for the ballot.

OFFICIAL FILING – Ventura County elections to serve as filing official for all measure document filings, i.e. deadline filing dates, maximum number of words, forms, and format.

MEASURE FORMS/CAMPAIGN REPORTING MATERIAL – Ventura County Elections Division to provide one master set for copying.

SPANISH TRANSLATIONS – Ventura County elections official will arrange for all translations pursuant to Elections Code Section 13307.

PRINTING OF COUNTY VOTER INFORMATION GUIDES – Ventura County elections official will arrange for all printing of arguments/analyses in the County Voter Information Guide for each election.

VOTE BY MAIL BALLOTS – Ventura County elections official will process all Vote By Mail ballots.

The undersigned requests the above election services to be performed by the Ventura County Elections Official and pursuant to Elections Code Section 10002, agrees to reimburse the County in full for services requested upon presentation of a bill.

Name of
School District: City of Oxnard

Signature & Title: _____

Date: May 17, 2022

Exhibit B

Oxnard Term Limits Act

The people of the City of Oxnard do ordain as follows:

SECTION 1. Title.

This initiative shall be known and may be cited as the “Oxnard Term Limits Act.”

SECTION 2. Findings and Declarations.

The people of the City of Oxnard (“City”) find and declare all of the following:

- a) Currently, there is no limit on the number of terms a city council member may serve;
- b) Section 36502(b) of the Government Code authorizes the residents of a city to propose to limit the number of terms a member of the city council may serve on the council and the number of terms an elected mayor may serve;
- c) With term limits in place, elected officials will be more responsible toward constituents because they will soon be constituents themselves, and will have to live under the laws they created while in office;
- d) With term limits in place, there will be more opportunities for the community to develop new leaders who will bring fresh ideas to city hall;
- e) With term limits in place, candidates will be more likely to run for the purpose of serving the people, and they would have to leave office before corruption dominates their decisions.

SECTION 3. Purposes and Intent.

The people of the City of Oxnard hereby declare their purposes and intent in enacting this measure to be as follows:

- a) To make the term of mayor the same length as other members of the city council;
- b) To limit the mayor and other members of the city council from serving more than two consecutive full terms;
- c) To apply such limits on a prospective basis; and
- d) To allow elected officials who become ineligible to serve due to term limits to become eligible again after a two-year break in service.

SECTION 4. Oxnard Term Limits Act.

A. Amendment of Section 2-3 of the Oxnard Municipal Code.

(Type formatted as underlined is added to the Municipal Code. Type formatted as ~~strikethrough~~ is deleted from the Municipal Code. Unformatted type is existing and not amended by this initiative.)

Section 2-3 of the Oxnard Municipal Code is amended to read as follows:

**SEC. 2-3 ELECTION OF MEMBERS OF THE CITY COUNCIL BY DISTRICT; AT-LARGE
MAYOR; LENGTH OF TERMS.**

(A) ~~Following the March 6, 2018 effective date of section 2-2 through 2-3.5, and upon the commencement of “by district” elections in the order established in section 2-3.5 of this code,~~
mMembers of the city council shall be elected “by district” as defined in Cal. Gov’t Code, Section

34871, or any successor statute. ~~No term of any member of the city council that commenced prior to March 6, 2018 shall be affected by the adoption of sections 2-2 to 2-3.5 of this code.~~ The term of the office of each member elected to the city council shall be four years.

~~(B) The mayor shall continue to be separately elected on an at-large basis to a two-year term.~~ The term of the office of mayor shall be four years.

~~(B) (C)~~ Registered voters signing nomination papers or voting for a member of the city council shall be residents of the geographical area making up the district from which the member is to be elected.

~~(C) Except as otherwise provided in section 2-3.5(B), the terms of the office of each member elected to the city council shall remain four years.~~

B. Addition of Section 2-4 to the Oxnard Municipal Code.

Section 2-4 is added to the Oxnard Municipal Code to read as follows:

SEC. 2-4. TERM LIMITS.

(A) Any person who has served in elective City office for two (2) consecutive full terms, or a combination of full or partial terms totaling seven (7) consecutive years, shall be ineligible to be elected or appointed to an elective City office until two (2) consecutive years has elapsed since the person last held elective City office.

(B) For purposes of this section:

(1) The phrase “elective City office” means Mayor and City Council Member.

(2) Any person who, either by appointment or election, serves more than one-half of a term in elective City office, shall be deemed to have served a full term.

(3) Notwithstanding subsection (2), a person who resigns or is removed from elective City office any time during a term, other than to assume a different elective City office, shall be deemed to have served a full term.

(4) This section shall not impose an absolute limit on the number of terms a person may serve in his or her lifetime, but only imposes a limit on the number of consecutive years a person may serve in any combination of elective City offices.

SECTION 5. Interpretation.

To the fullest extent allowed by law, the provisions of this Initiative shall prevail over, and supersede, all other provisions of the Municipal Code and any ordinances, resolutions or administrative policies of the City of Oxnard, including those adopted by the electors, that are in conflict with any provision of this Initiative.

SECTION 6. Implementation.

(A) This Initiative shall apply prospectively only to any term of office commencing on or after the date of the election at which the voters approve this Initiative.

(B) Notwithstanding (A) of this section, subdivision (B) of Section 2-3 of the Municipal Code amended by this Initiative (SECTION 4(A)), changing the term for the office of Mayor from two years to four years, shall go into effect with the term of office beginning on or after November 8, 2022. The principal

purpose of delaying the effective date of this subdivision is to ensure that potential candidates for Mayor will know with certainty the term of the office prior to filing as candidates.

SECTION 7. Proposed Standing.

The People of the City of Oxnard declare that the proponent(s) of this measure has a direct and personal stake in defending this measure and grant formal authority to the proponent to defend this measure in any legal proceeding, either by intervening in such legal proceeding, or by defending the measure on behalf of the people and the City in the event that the City declines to defend the measure or declines to appeal an adverse judgment against the measure.

In the event that the proponent is defending this measure in a legal proceeding because the City has decline to defend it or to appeal an adverse judgment against it, the proponent shall: act as an agent of the people and the City; be subject to all ethical, legal, and fiduciary duties applicable to such parties in such legal proceedings; and be entitled to recover reasonable legal fees and related costs from the City.

SECTION 8. Severability.

If any portion of this Initiative is declared invalid by a court of law or other legal body with applicable authority, the invalidity shall not affect or prohibit the force and effect of any other provision or application of the Initiative that is not deemed invalid. The voters of the city hereby declare that they would have circulated for qualification and/or voted for the adoption of this Initiative, and each portion thereof, regardless of the fact that any portion of the Initiative may be subsequently deemed invalid.