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.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY
Meeting Location: Council Chambers, 305 West Third Street
July 5, 2022
Closed Session - 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: 836 3774 8862**
3. **Passcode: 925803**

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

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

C. CLOSED SESSION (5:00 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

2. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION (Government Code section 54957)
Title: City Attorney
Legislative Body: City Council

3. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION (Government Code section 54957)
Title: City Manager
Legislative Body: City Council

4. CONFERENCE WITH LABOR NEGOTIATORS (Government Code section 54957.6)
Agency designated representative: Bryan MacDonald, Mayor Pro Tem.
Unrepresented employees: City Attorney and City Manager.
Legislative Body: City Council

D. OPENING CEREMONIES (6:00 PM)
Pledge of allegiance to the flag of the United States.

E. CEREMONIAL ITEMS

1. SUBJECT: Presentation of a Resolution to Kevin Thompson for Twenty-Eight Years of Outstanding Service to the City of Oxnard.

2. SUBJECT: Presentation of a Proclamation Designating the Month of July, 2022 as "Parks and Recreation."

F. 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.

G. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY

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

1. Public Works Department

SUBJECT: Ratification of Director Orders regarding the water shortage emergency and mandatory water conservation measures.

RECOMMENDATION: That the City Council adopt a resolution ratifying orders issued by the Director in response to the previously proclaimed water shortage emergency and mandatory water conservation measures.

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

H. 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 Attorney Department

SUBJECT: Resolution Supporting Reproductive Rights.

RECOMMENDATION: That the City Council adopt a resolution declaring:

1. The City of Oxnard’s commitment to women’s rights and reproductive freedom;
2. The City of Oxnard as a Right-To-Choose sanctuary city; and
3. Support for the codification of the right to an abortion into Federal and California Constitutional law.

Legislative Body: City Council

Contact: Stephen Fischer, (805) 385-7483

I. REVIEW OF INFORMATION/CONSENT AGENDA

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

J. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

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

K. INFORMATION/CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the City Council approve the minutes of the June 7, 2022 regular meetings as presented.

Legislative Body: City Council

Contact: Rose Chaparro, (805) 385-7805

2. Public Works Department

SUBJECT: Agreement A-8468 with Parkhouse Tire, Inc. for Tire Retreading and Repair Services.

RECOMMENDATION: That the City Council approve and authorize the Mayor to execute Agreement A-8468 with Parkhouse Tire, Inc. in an amount not to exceed $600,000 for a three year term, with each year renewable in one year increments beginning September 4, 2022 and ending September 3, 2025 upon agreement by both parties for tire retreading and repair services.

(Public Works and Transportation Committee approved 3-0)

Legislative Body: City Council

Contact: Michael Wolfe, (805) 385-8055

3. Cultural & Community Services Department

SUBJECT: First Amendment to Agreement with the Hueneme Elementary School District for the Operations of the After School Education and Safety Grant.

RECOMMENDATION: That the City Council:

1. Approve and authorize the Mayor to execute a First Amendment to Agreement with the Hueneme Elementary School District (HESD) {A-8337} in the amount of $3,857,261 for a new not to exceed agreement amount of $7,017,157 for operations of the Hueneme After School Education and Safety (ASES) Grant;

2. Adopt a resolution amending Resolution 15,593 pursuant to Chapter 4 of the City Personnel Rules and Regulations; and

3. Approve a budget appropriation recognizing $1,901,786 in grant funding for FY 2022-2023.

Legislative Body: City Council

Contact: Terrel Harrison, (805) 385-7994

4. Housing Department

SUBJECT: Remittance to the United States Department of Housing and Urban Development

Department for Ineligible Costs Related to the Community Development Block Grant Program.
RECOMMENDATION: That the City Council:

1. Authorize the City Manager to repay $369,083.20 to the United States Department of Housing and Urban Development Department to comply with the 2021 Monitoring Review requirements; and

2. Authorize the City Manager or designee to appropriate up to $369,083.20 of General Funds, if needed, and authorize the Finance Department to conduct a cash transfer to the United States Treasury and the return of funds to the appropriate line of credit as directed by the United States Department of Housing and Urban Development.

(This item did not originate in Committee.)
Legislative Body: City Council
Contact: Emilio Ramirez, (805) 385-8094

L. ADJOURNMENT

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD COMMENDING KEVIN THOMPSON FOR TWENTY-EIGHT YEARS OF OUTSTANDING SERVICE TO THE CITY OF OXNARD

WHEREAS, Kevin Thompson has given 28 years of outstanding service to the City of Oxnard as a member of the Oxnard Police Department; and

WHEREAS, Kevin Thompson began his law enforcement career in 1994 when he graduated from the Rio Hondo Police Academy where his passion for public service was ignited; and

WHEREAS, throughout his career, Officer Kevin Thompson held a wide variety of assignments within the Police Department including Patrol, Bicycle Patrol Team, Youth Services Officer (Frank, Fremont and Haydock Intermediate Schools, Nueva Vista Alternative, Bernice Curren, Cesar Chavez, Christa McAuliffe, Driffill, Emilie Ritchen, Kamala, Lemonwood, McKinna, Norman Brekke, Ramona, Rose Avenue, and Sierra Linda Elementary Schools). He also served as the Youth Service Officer for the Hueneme and Ocean View School Districts during his career. Officer Thompson served as a proud member of the Oxnard Police Department's Honor Guard for 28 years; and

WHEREAS, Officer Kevin Thompson has been a champion for the youth in Oxnard. Officer Thompson participated in numerous youth sports events including: Oxnard Police "Blue" Basketball Team and was the three time MVP of the annual Pride Bowl. Officer Thompson was a basketball coach at Santa Clara High School for 14 years and eight years at Oxnard High School. Officer Thompson was the Police Activities League (PAL) Officer of the Year for 2017. Officer Thompson was also a five-time Officer of the Quarter and two-time Officer of the Year recipient for the Oxnard Police Department; and

WHEREAS, Officer Thompson's positive interactions have earned the respect of his fellow Officers, City employees and the community. He has developed countless friendships and partnerships within our City.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to commend, recognize, and extend its gratitude to Officer Kevin Thompson for 28 years of dedicated service to the City of Oxnard and extends our best wishes for a fun and fulfilling retirement with family and friends.

PASSED AND ADOPTED THIS 5th day of July 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

6/21/2022

Stephen M. Fischer, City Attorney

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY
AGENDA ITEM NO. G.1

DATE: July 5, 2022

TO: City Council

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

SUBJECT: Ratification of Director Orders regarding the water shortage emergency and mandatory water conservation measures.

RECOMMENDATION

That the City Council adopt a resolution ratifying orders issued by the Director in response to the previously proclaimed water shortage emergency and mandatory water conservation measures.

BACKGROUND

STRATEGIC PRIORITIES

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Michael Wolfe, Public Works Director

ATTACHMENTS
None

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

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

DATE: July 5, 2022

TO: City Council

FROM: Stephen Fischer, City Attorney, (805) 385-7483, stephen.fischer@oxnard.org

SUBJECT: Resolution Supporting Reproductive Rights.

RECOMMENDATION

That the City Council adopt a resolution declaring:

1. The City of Oxnard's commitment to women's rights and reproductive freedom;
2. The City of Oxnard as a Right-To-Choose sanctuary city; and
3. Support for the codification of the right to an abortion into Federal and California Constitutional law.

BACKGROUND

On May 17, 2022, Councilmember Lopez proposed the City Council consider a resolution declaring the City's support for women's rights and reproductive freedom. Councilmember Lopez's proposal was motivated by a leaked draft opinion of the U.S. Supreme Court on *Dobbs v. Jackson Women's Health Clinic*. The opinion revealed the Court's intent to overturn the longstanding decision of *Roe v. Wade*, which granted women a Constitutional right to an abortion.

DISCUSSION

Decided in 1973, *Roe v. Wade* established a women's right to an abortion as a Constitutional right of privacy under the 14th Amendment. The ruling was subsequently upheld in the 1992 case of *Planned Parenthood v. Casey*. If *Roe* is overturned, roughly 22 states are set to restrict access to abortion, preventing approximately 100,000 women from accessing abortions within the first year. Restricting access to abortion does not reduce the demand for abortions as one in four women will have an abortion in their reproductive lifetimes. If *Roe* is struck down, California will become a destination for many women seeking care that may be illegal in their home cities and states.

It is estimated that 49% of abortion patients live at or below the poverty level, while 59% of abortion patients already have children and 55% are experiencing at least one disruptive life event. Moreover, according to a 2020 study, women denied abortions are more likely to fall into debt, file for bankruptcy, and use social services. Marginalized groups, particularly low-income women and women of color, will be the most impacted if *Roe* is overturned, causing greater societal inequity. Access to reproductive healthcare, including access to abortion, is therefore essential to the personal autonomy, health, and equality of women.

In early May of this year, the U.S. House of Representatives passed the Women's Health Protection Act, which would have codified a women's right to terminate her pregnancy. However, the Act did not pass the U.S. Senate. More recently, on June 8th, SCA 10—granting a constitutional right to an abortion and contraceptives—was introduced in the California State Senate. If SCA 10 passes both the Senate and Assembly before June 30th, it will be placed on the November ballot for a vote of the people.

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: Chelsey Ballot, Deputy City Attorney

ATTACHMENTS

1. Oxnard Reso re Reproductive Rights_6.2022

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD DECLARING THE CITY OF OXNARD'S COMMITMENT TO WOMEN'S RIGHTS AND REPRODUCTIVE FREEDOM; DECLARING THE CITY OF OXNARD A RIGHT-TO-CHOOSE SANCTUARY CITY; AND SUPPORTING CODIFICATION OF THE RIGHT TO AN ABORTION INTO FEDERAL AND CALIFORNIA CONSTITUTIONAL LAW

WHEREAS, in 1973, the U.S. Supreme Court affirmed in *Roe v. Wade* the right to an abortion as a Constitutional right of privacy under the 14th Amendment; and

WHEREAS, in 1992, the U.S. Supreme Court upheld the right to receive an abortion in *Planned Parenthood v. Casey*; and

WHEREAS, in May 2022, a leaked draft opinion of the U.S. Supreme Court on *Dobbs v. Jackson Women's Health Clinic* revealed the Court's likely intent to overturn *Roe v. Wade*; and

WHEREAS, at least one in four women will have an abortion in their reproductive lifetimes; and

WHEREAS, overturning *Roe* will greatly impact marginalized groups who already face barriers accessing abortion care, particularly low-income women and women of color, causing further inequity; and

WHEREAS, in a recent survey of abortion patients, 49% are living below the federal poverty line, 59% already have children, and 55% are experiencing a disruptive life event; and

WHEREAS, the legalization of abortion reduced the maternal death rate in Black women by 30-40%; and

WHEREAS, women with access to legal abortions are more likely to finish college, pursue higher education, participate for a longer period in the labor force, achieve higher-paying occupations, and are much less likely to fall into poverty later in life; and

WHEREAS, the legalization of abortion has reduced the number of child abuse and neglect cases, reduced the number of children living in poverty, and reduced the likelihood of living in poverty and receiving public assistance later in life; and

WHEREAS, researchers have estimated that if *Roe* is overturned roughly 100,000 women will be unable to reach an abortion provider within the first year; and

WHEREAS, according to a 2020 study, women who are denied abortions are more likely to fall into debt, file for bankruptcy, and use social services compared to women of the same socioeconomic status; and

WHEREAS, if *Roe v. Wade* is overturned, roughly 22 states will enact restrictions on abortions; and

WHEREAS, unsafe abortions are a leading cause of maternal mortality; and

WHEREAS, the demand for abortion access will not change in overturning *Roe v. Wade*, making California a destination for individuals seeking care that may be made illegal in their home cities and states; and

WHEREAS, access to reproductive healthcare, including access to abortion, is a human right and essential to the personal autonomy, health, and equality of women; and

WHEREAS, the City of Oxnard can affirm its support and commitment to protecting reproductive rights and freedoms, including family planning and safe access to legal abortion.

NOW, THEREFORE, the City Council of the City of Oxnard resolves that the City of Oxnard hereby 1) affirms its commitment to the Constitutional right afforded to all women under *Roe v. Wade*, and to oppose any laws or regulations that pose a threat to reproductive freedom and reproductive rights; 2) declares itself a Right-To-Choose Sanctuary City; and 3) affirms its support for proposed legislation that would make access to a safe abortion a Federal and State Constitutional right and urges the Federal and State governments to take immediate action.

PASSED AND ADOPTED THIS __th 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

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. K.1

DATE: July 5, 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 June 7, 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 06 07 2022 CC Regular Meeting

MINUTES
OXNARD CITY COUNCIL
Regular Meeting
June 7, 2022

A. ROLL CALL, POSTING OF AGENDA

At 4:31 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.

Councilmember Basua arrived at 4:35 p.m., and Councilmember Lopez joined the meeting at 4:55 p.m.

Housing Authority Commissioner Jose Andrade and Commissioner Francisco Vega were absent.

Staff members present in person were Alexander Nguyen, City Manager; Ashley Golden, Assistant City Manager; Shiri Klima, Deputy City Manager; Samantha Shapiro, Project Manager; Stephen M. Fischer, City Attorney; Jason Benites, Police Chief; Alexander Hamilton, Fire Chief; Michael Wolfe, Public Works Director; Brian Yanez, Assistant Public Works Director; Steve Howlett, Assistant Public Works Director; Joseph Marcinko, Assistant Public Works Director; Tatiana B. Arnaout, P.E., City Engineer; Eric L. Storrie, Special Districts Manager; Vyto Adomaitis, Community Development Director; Joe Pearson II, AICP, Senior Planner; Steve Naveau, Human Resources Director; Betsy George, Chief Financial Officer; Eden Alomeri, Revenue & Licensing Director & Assistant City Treasurer; and Terrel Harrison, Cultural & Community Services Director.

Staff members Brenda Lopez, Housing Programs Manager; Rhonda Hodge, Housing Financial Officer; Jennifer Yates, Purchasing Manager; and Kevin Thompson, Parks Manager participated via videoconference.

Amanda Welker, Financial Analyst, NBS Local Government Consultants; also participated via videoconference.

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

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

C. CLOSED SESSION (4:30 PM)

1. CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
   Name of case: Aaron Starr v. Rose Chaparro; et al.
   Court of Appeal of the State of California, Second Appellate District, Case No. B307585 (Super. Ct. No. 56-2020-00541757-CU-WM-VTA)
   Legislative Body: City Council

2. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
   Name of case: Tai Hartley; et al. v. City of Oxnard; et al.
   Ventura County Superior Court, Case No. 56-2022-00565918-CU-WM-VTA

Legislative Body: City Council

3. CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
   Name of case: City of Oxnard v. County of Ventura
   Court of Appeal of the State of California, Second Appellate District, Case No. B312348 (Super. Ct. No. 56-2021-00552428-CU-WM-VTA)
   Legislative Body: City Council

At 4:33 p.m., the City Council recessed to a closed session. At 6:04 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 Commendation to Jaime Villa for his Superior Performance during COVID.

Mayor Zaragoza read the proclamation and presented it to Jaime Villa, EMS Coordinator. Fire Chief Alexander Hamilton commended and thanked Mr. Villa for his commitment and service to the City staff and community during the Covid-19 pandemic. Councilmembers followed with remarks.

2. SUBJECT: Presentation of a Proclamation Designating the Month of June, 2022 as "Pride Month in the City of Oxnard."

Mayor Zaragoza read the proclamation and presented it to Luis Andrade, Diversity Collective Ventura County Pride Director and A.J. Holmes, Board Member. They followed with remarks.

3. SUBJECT: Presentation of a Proclamation Designating the Month of June, 2022 as "Elder and Disability Abuse Awareness Month."

Mayor Zaragoza read the proclamation and presented it to Police Chief Benites, Sergeant Scott Aaron; and other Police Department staff. Chief Benites commended and thanked the Police Department team for their dedication and level of service that they provide to the community. Councilmembers followed with remarks.

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Lang Martinez (homeless advocate, homeless concerns), Jim Carr (Assessment District #4 and overgrown landscape at Mandalay Beach), Kevin White (Increased taxes and dangerous sidewalks), Pat Brown (Hotline to report the roads in bad condition), Alicia Percell (Ballot Measures Court Ruling), and Douglas Partello (public funds).

G. REPORT OF CITY MANAGER

Alexander Nguyen, City Manager, provided a Covid-19 update and announcements. He also provided an overview of the activities during the 2022 Oxnard Insect Festival. He thanked the Recreational Department staff for their efforts in coordinating the successful event. The festival was held at the Plaza Park on Saturday, June 4, 2022.

H. CITY COUNCIL REPORTS

Mayor Zaragoza attended an event at the Rio Vista Middle School to rename the school gymnasium to the John V. McGarry Gymnasium. He also attended the 2022 Sergeant Ron Helus "Ride for the Blue" memoral motorcycle event. He also attended the 2022 Oxnard Insect Festival. Mayor Zaragoza requested an item regarding gun violence regulations be considered for a future agenda.

Mayor Pro Tem MacDonald supported Mayor Zaragoza's request for a future agenda item regarding gun violence regulations. He announced that dogs will be allowed on train rides. He also announced that Gold Coast Transit District will be purchasing hydrogen vehicles for future transportation.

Councilmember Teran also supported the request for a future agenda item regarding gun violence regulations. He attended the Riverpark Neighborhood Council, the Freemont North Neighborhood Council, and the Sierra Linda Neighborhood Council meetings.

Councilmember Madrigal announced that he also attended the 2022 Oxnard Insect Festival.

Councilmember Basua participated in a tour of the Boys and Girls Club and can see all the great benefits it offers to the community. She also also supported the request for a future agenda item regarding gun violence regulations.

Councilmember Perello attended the 2022 SCCa Policy Summit – Smart Coast California, a summit on sea level rise planning. Kathleen Mallory, Planning & Sustainability Manager, also attended the summit. He attended the Clean Power Alliance meeting. He also attended the 2022 Oxnard Insect Festival.

Councilmember Lopez attended the Airport Authority meeting. She announced two upcoming community meetings about the South Oxnard Aquatics Center on June 29 and August 1 at the South Oxnard Center to preview potential design ideas. She encouraged the public to participate and provide feedback.

I. REVIEW OF INFORMATION/CONSENT AGENDA

Items K-1 through K-9 were discussed among the Council and staff.

J. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Public comments were received from Kevin White (K-4) and Pat Brown (K-4 and K-5).

K. INFORMATION/CONSENT AGENDA

1. City Clerk Department
   SUBJECT: Approval of Minutes.

RECOMMENDATION: That the City Council approve the minutes of the April 19, 2022 regular meeting as presented.

2. Finance Department
SUBJECT: Annual Delegation of Investment Authority
RECOMMENDATION: That the City Council adopt **Resolution #15,576** delegating investment authority to the City Treasurer for FY 2022-23.

3. Public Works Department
SUBJECT: Agreement A-8466 with MNS Engineers, Inc. for Professional Services for the Safe Routes to School Safety and Enhancements Project PW 22-87.
RECOMMENDATION: That the City Council:

1. Approve and authorize the Mayor to execute Agreement A-8466 with MNS Engineers, Inc. in the amount of $511,652 for Plans, Specifications and Estimates and Non-Infrastructure Plans for the Safe Routes to School Safety and Enhancements Project 223109; and
2. Approve a budget appropriation in the amount of $61,402 from the available fund balance in Transportation Development Act (TDA) Article 3 Fund 214 to Safe Routes to School Safety and Enhancements Project 223109.

(This item did not originate in Committee as this is a capital improvement project specifically listed in the City's Capital Improvement Program budget, which was previously approved by the City Council.)

4. Public Works Department
SUBJECT: Senate Bill 1 (SB1) Local Streets and Road Maintenance and Rehabilitation Account (RMRA) Project List for Fiscal Year 2022-23.
RECOMMENDATION: That the City Council adopt **Resolution #15,577** to:

1. Adopt the Fiscal Year 2022-23 project list of Senate Bill 1 (SB1) proposed projects that will be funded in part or solely with Road Maintenance and Rehabilitation Account revenues; and
2. Authorize the City Manager to take whatever actions are necessary and appropriate to carry out the purpose and intent of the resolution.

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

5. Community Development Department
SUBJECT: Deferred Development Impact Fee Agreement for Central Terrace Project, located at 217-235 East Sixth Street.
RECOMMENDATION: That the Oxnard City Council approve, and authorize the Mayor to execute Agreement No. A-8473 with Many Mansions Central Terrace LP deferring development impact fees to the time of final inspection or the date the certificate of ocupancy is issued, whichever comes first, in the amount of $825,683.16 for the Central Terrace Project (PZ 20-200-06).

6. Finance Department
SUBJECT: Increase of $100,000 to the Not to Exceed (NTE) Amount for Amazon Business.

RECOMMENDATION: That the City Council ratify the City's not to exceed limit for Amazon Business by adding $100,000 (for a new total of $300,000) for the continued purchase of products through June 30, 2022.
(Finance and Governance Committee approved 2-0)

7. City Attorney Department

SUBJECT: Adoption of a **City Ordinance #3014** that establishes a Military Equipment Use Policy for the Police Department.

RECOMMENDATION: That the City Council adopt **Ordinance #3014** amending Chapter 2 Article III Division 7 of the Oxnard City Code that is titled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD AMENDING CHAPTER 2 ARTICLE III DIVISION 7 TO THE OXNARD CITY CODE GOVERNING THE USE OF MILITARY EQUIPMENT BY THE OXNARD POLICE DEPARTMENT"

8. City Manager Department

SUBJECT: Sixth Amendment to Exclusive Negotiation Agreements between the City of Oxnard and Clear Channel Outdoor, LLC and between the City of Oxnard and Outfront Foster Interstate, LLC, both regarding potential digital billboard sites along U.S. Highway 101.

RECOMMENDATION: That the City Council approve and authorize the Mayor to execute a Sixth Amendment to Exclusive Negotiation Agreement:

1.) Between the City of Oxnard and Clear Channel Outdoor, LLC (A-8152) regarding potential digital billboard sites on the north side of U.S. Highway 101 between Rose Avenue and Del Norte Boulevard and the south side of U.S. Highway 101 between Vineyard Avenue and Rice Avenue to allow additional time and amend the area covered by the ENA; and

2.) Between the City of Oxnard and Outfront Foster Interstate, LLC (A-8153) regarding potential digital billboard sites adjacent to RiverPark Boulevard near Vineyard Avenue (APN 132-003-301) and City-owned property and right-of-way on the north side of U.S. Highway 101 between Vineyard Avenue and Rose Avenue to allow additional time.

(This item was not heard in Committee as it was authorized by the City Council on November 17, 2020).

9. Housing Department

SUBJECT: Acquisition of Property Located at 625 North A Street for the Proposed Family Justice Center.

RECOMMENDATION: That the City Council:

1. Approve and authorize the City Manager to sign a purchase and sale agreement with J & L Properties – Oxnard LLC (A-8478) with a purchase price of $2,050,000 to acquire improved real property located at 625 North A Street in Oxnard (the “Property”);

2. Authorize the payment of a brokerage fee to CBRE in the amount of $60,000 plus transaction costs up to $25,000; and

3. Authorize the City Manager to take additional necessary actions to facilitate the acquisition of the Property consistent with the terms of the transaction approved by the City Council.

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

L. REPORTS

1. City Manager Department

SUBJECT: Approval of Proposed Special Event Support Program and Budget for FY 22-23 (0/10/10)

RECOMMENDATION: That the City Council:

1. Approve the City's new proposed Special Event Support Program; and
2. Allocate $115,000.00 toward the Special Event Support Program in the FY 22-23 Budget.

Alexander Nguyen, City Manager presented and introduced Samantha Shapiro, Project Manager, who was available to answer questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Mayor Zaragoza, 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.

2. Public Works Department

SUBJECT: Utility Ratepayers Assistance Program (Project Assist) Update. (0/10/5)

RECOMMENDATION: That the City Council:

1. Adopt **Resolution #15,578** for the Utility Ratepayers Assistance Program (Project Assist) for Fiscal Year 2022-23 to assist eligible Oxnard residents and authorize staff to grant financial relief equal to a monthly $15.00 maximum credit per utility bill charged to customers who meet the eligibility requirements discussed in this staff report up to the amount funded for Fiscal Year 2022-23; and

2. Authorize staff to direct up to $145,000 from penalties charged to City utility customers who pay their bills late to fund Project Assist in Fiscal Year 2022-23.
(Finance and Governance Committee approved 3-0.)

Michael Wolfe, Public Works 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 Basua, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

3. Public Works Department

SUBJECT: Agreement A-8463 with Kiewit Infrastructure West Co. for Oxnard Wastewater Treatment Plant Reliability Improvements Project (Rebid) PW 20-27R. (0/5/5)
RECOMMENDATION: That the City Council approve and authorize the following for a total of $64,960,800 in Project funds for the Oxnard Wastewater Treatment Plant Reliability Improvements Project (Rebid), Specification No. PW 20-27R (No. 226606):

1. The Mayor to execute Agreement A-8463 with Kiewit Infrastructure West Co. in the amount of $54,134,000 for the Project;
2. A Project contingency amount of $5,413,400 for the Project;
3. A Project allocation amount of $5,413,400 for engineering, inspection, survey and project management for the Project; and
4. Authorize the Finance Director or designee to approve administrative budget appropriation transfers of available balances for the use of this Project in the total amount not to exceed $44,130,652.

This item did not originate in Committee as this is a capital improvement project specifically listed in the City's Capital Improvement Program budget, which was previously approved by the City Council.

Michael Wolfe, Public Works Director introduced Tatiana B. Arnaout, P.E., City Engineer, who presented and answered questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Councilmember Perello, 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.

4. Finance Department
SUBJECT: FY 2022-23 Public Safety Property Tax Assessment. (0/10/10)
RECOMMENDATION: That the City Council adopt **Resolution #15,579** establishing the FY 2022-23 tax rates on property in the City of Oxnard for the payment of voter-approved obligations related to public safety personnel pension expenses.
(Item did not originate in Committee.)

Betsy George, Chief Financial Officer, 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.

5. City Manager Department
SUBJECT: Schedule for Weaning Off Measure O (0/10/10)
RECOMMENDATION: That the City Council adopt a schedule of budget adjustments to programs funded through Measure O in anticipation of the coming 2029 sunset of the Measure O half cent-sales tax.

Shiri Klima, Deputy City Manager, 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 Lopez, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Zaragoza voted in favor; motion passed 7-0.

6. Public Works Department
SUBJECT: Fiscal Year 2022-23 Special Tax Levy for Community Facility Districts No. 1, 2, 3, 4, 5 and 2000-3. (0/5/5)
RECOMMENDATION: That the City Council acting as the legislative body for Community Facilities Districts (CFD) No. 1, 2, 3, 4, 5 and 2000-3:

1. Adopt **Resolution #15,580** setting a special tax rate within CFD No. 1 (Westport at Mandalay Bay) for Fiscal Year 2022-23;

2. Adopt **Resolution #15,581** setting a special tax rate within CFD No. 2 (Westport at Mandalay Bay) for Fiscal Year 2022-23;

3. Adopt **Resolution #15,582** setting a special tax rate within CFD No. 3 (Seabridge at Mandalay Bay) for Fiscal Year 2022-23;

4. Adopt **Resolution #15,583** setting a special tax rate within CFD No. 4 (Seabridge at Mandalay Bay) for Fiscal Year 2022-23;

5. Adopt **Resolution #15,584** setting a special tax rate within CFD No. 5 (Riverpark) for Fiscal Year 2022-23;

6. Adopt **Resolution #15,585** setting a special tax rate within CFD No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) for Fiscal Year 2022-23; and

7. Authorize the Public Works Director, or designee, to execute an agreement for Billing of Direct Assessments with the Ventura County Auditor-Controller to provide the service of placement of direct assessments on the Ventura County Secured Tax Roll.

Eric L. Storrie, Special Districts Manager introduced Amanda Welker, Financial Analyst, NBS Local Government Consultants; who presented and answered questions. Public comments were received from Tai Hartley and Douglas Partello. Discussion ensued among the Council and staff.

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.

M. PUBLIC HEARINGS

1. Public Works Department
SUBJECT: Adoption **Resolution #15,586** Approving the Amended Engineer's Report and Ordering the Levy and Collection of Assessments for Fiscal Year 2022-23 within the City's Landscape

Maintenance Districts. (0/5/5)
RECOMMENDATION: That the City Council, acting as the legislative body for the City of Oxnard's (City) Landscape Maintenance Districts (LMDs):

1. Hold a public hearing to receive public testimony regarding the proposed Fiscal Year 2022-23 assessments in the City's LMDs; and
2. Adopt a resolution approving the Fiscal Year 2022-23 Amended Consolidated Engineer's Report and ordering the levy and collection of assessments for Fiscal Year 2022-23 within the City's LMDs pursuant to the Landscaping and Lighting Act of 1972.
(Finance & Governance Committee approved 3-0.)

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

Eric L. Storrie, Special Districts Manager, 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 Madrigal, to approve the recommended action. VOTE: Basua, Lopez, MacDonald, Madrigal, Teran, and Zaragoza voted in favor; Perello abstained; motion passed 6-0-1. Councilmember Perello abstained due to the location.

2. Public Works Department
SUBJECT: Adoption **Resolution #15,587** for the FY 2022-23 Levy Assessments in Waterways Maintenance District. (0/5/5)
RECOMMENDATION: That the City Council, acting as the legislative body for the Waterways Maintenance Assessment District:

1. Hold a public hearing regarding proposed assessments for the Waterways Maintenance District for Fiscal Year 2022-23, and
2. Adopt a resolution to levy the special assessments within the Waterways Maintenance District for Fiscal Year 2022-23.

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

Eric L. Storrie, Special Districts Manager, 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 Councilmember Lopez, 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.

3. Public Works Department
SUBJECT: Adoption **Resolution #15,588** for the FY 2022-23 Levy Assessments in Mandalay Beach Maintenance District. (0/5/5)
RECOMMENDATION: That the City Council, acting as the legislative body for the Mandalay Beach Maintenance District:

1. Hold a public hearing to receive public testimony regarding the proposed Fiscal Year 2022-23 assessments for the Mandalay Beach Maintenance District; and
2. Adopt a resolution to levy the special tax assessment for Fiscal Year 2022-23 within the Mandalay Beach Maintenance District for Fiscal Year 2022-23.

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

Eric L. Storrie, Special Districts Manager, 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 Councilmember Lopez, 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.

4. Finance Department
SUBJECT: FY 2022-23 Operating Budget Public Hearing. (0/15/15)
RECOMMENDATION: That the City Council and Housing Authority Board conduct a public hearing on the Fiscal Year (FY) 2022-23 proposed budgets for the City of Oxnard and Oxnard Housing Authority and provide staff direction regarding any adjustments to the proposed budget, in preparation for final budget adoption on June 21, 2022.
(Finance and Governance Committee approved 3-0.)

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

Alexander Nguyen, City Manager and Betsy George, Chief Financial Officer presented and answered questions.

Mayor Zaragoza opened the public testimony portion of the public hearing. Public comments were received from Hugo Arellano.

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

Council requested that two (2) Civilian Fire Inspectors for the Fire Department and a crossing guard program

for the (K-12) schools throughout the City be added to the budget.

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Perello, to approve the recommended action as amended. 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 8:14 p.m.

ROSE CHAPARRO
City Clerk

JOHN C. ZARAGOZA
Mayor

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. K.2

DATE: July 5, 2022

TO: City Council

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

SUBJECT: Agreement A-8468 with Parkhouse Tire, Inc. for Tire Retreading and Repair Services.

RECOMMENDATION

That the City Council approve and authorize the Mayor to execute Agreement A-8468 with Parkhouse Tire, Inc. in an amount not to exceed $600,000 for a three year term, with each year renewable in one year increments beginning September 4, 2022 and ending September 3, 2025 upon agreement by both parties for tire retreading and repair services.

(Public Works and Transportation Committee approved 3-0)

BACKGROUND

The Fleet Services Division of the Public Works Department oversees maintenance and repairs on the City's 932 fleet vehicles and equipment valued at over $48 million. This includes preventive maintenance, comprehensive inspections and light to heavy repairs as needed.

In addition to passenger vehicles and trucks, the City's fleet includes approximately 100 heavy duty trucks, including but not limited to refuse trucks, dump trucks, semi-tractor/trailers and Fire apparatus that utilize tire repair and retread services. Parkhouse Tire, Inc. is our current vendor for heavy equipment tire services and has provided service to the Fleet Division for the past 18 years. Parkhouse Tire, Inc. is located in the City of Oxnard.

DISCUSSION

A Request for Bid PW 22-96 (RFB) was issued by the Purchasing Division on March 17, 2022, with a closing date of April 14, 2022. As part of this agreement, services include tire retreading, mounting, dismounting, plug and patch and additional road services 365 days per year. Offsite services for City vehicles include flat repairs at various locations within and outside the City limits. Per the RFB, the Vendor must dispatch sufficient equipment and arrive at the service location within 30 minutes of receiving a service call.

Tire services were competitively bid and the City received three responses to the RFB; Daniels Tire Service, Parkhouse Tire, Inc. and Santa Maria Tire, Inc. As a result of the RFB, the City determined Parkhouse Tire, Inc. to be the lowest responsive bidder. Parkhouse meets all required City contractual provisions including possession of a City business tax certificate, insurance certificates and corporate filing with the California Secretary of State. Furthermore, they have continued to perform effective and dependable services.

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 total cost for this agreement with Parkhouse Tire, Inc. shall not exceed $600,000 over three years. Funding will begin in Fiscal Year 2022-23 and has been considered in the FY 2022-23 Proposed Budget from the Fleet Services Fund (741). The estimated spending plan is shown in the table below. Funding for subsequent fiscal years will be requested in the annual budget process.

Estimated Spending Plan				
Account Number	**FY 22-23**	**FY 23-24**	**FY 24-25**	**TOTAL**
741-7501-853-82-33	$200,000	$200,000	$200,000	$600,000

COMMITTEE OUTCOME

The Public Works and Transportation Committee approved 3-0 on June 14, 2022 to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Jose Arreola, Fleet Services Manager, Brian Yanez, Assistant Public Works Director

ATTACHMENTS

1. Agreement A-8468

AGREEMENT FOR TRADE SERVICES
COVER PAGE

(1) Agreement Start Date: September 3, 2022

(2) Vendor: Parkhouse Tire Service, Inc.

(3) Services: Tire Retread and Repair Services

(4) Schedule of Services: See Scope of Service Exhibit

(5) Agreement Ending Date: September 3, 2025

(6) Total Agreement Amount: $600,000

(7) City's Project Manager: Jose Arreola

(8) Vendor's Project Manager: Alan Mongeau

(9) Insurance Coverage: INS-I

(10) What wages are required for this Project?

☑ Living wage but not prevailing wages, in which case: Section 20(a) through (c) and the Living Wage Policy Exhibit are incorporated and are required; but Section 20(d) and the Prevailing Wage Exhibit are not incorporated and are not required.
☐ Prevailing wages but not living wage, in which case: Section 20(d) and the Prevailing Wages Exhibit are incorporated and are required; but Section 20(a) through (c) and the Living Wage Policy Exhibit are not incorporated and are not required.
☐ Both living wage and prevailing wages, in which case Section 20, the Living Wage Policy Exhibit, and the Prevailing Wages Exhibit are incorporated and required.
☐ Neither living wage nor prevailing wages, in which case Section 20, the Living Wage Policy Exhibit, and the Prevailing Wages Exhibit are not incorporated and are not required.

(11) Addresses for Notice:

FOR VENDOR:

Parkhouse Tire Service, Inc.
Attn: Alan Mongeau, Sales Manager
663 Maulhardt Ave.
Oxnard, CA 93030

FOR CITY:

City of Oxnard
Attn: Jose Arreola, Fleet Services Manager
1060 Pacific Ave. Bldg. 2
Oxnard, CA 93030

(12) Contact Emails:

VENDOR'S PROJECT MANAGER:

amongeau@parkhousetire.com

CITY'S PROJECT MANAGER:

jose.arreola@oxnard.org

The Agreement for Trade 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
☑ Rates and Costs Exhibit
☐ Schedule of Services Exhibit
☑ Living Wage Policy Exhibit
☐ Prevailing Wages Exhibit
☑ Insurance Exhibit (INS-I)

AGREEMENT FOR TRADE SERVICES

THIS AGREEMENT FOR TRADE 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) Vendor" on the Cover Page, subject to the following terms and conditions:

1. Scope of Services. Vendor shall provide to City the services listed as "(3) Services" on the Cover Page (the "Services"). Vendor 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. 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.

3. Compensation. For the Services performed during the term of this Agreement, City shall pay Vendor an amount not to exceed the amount that is listed as "(6) Total Agreement Amount" on the Cover Page, at the rates listed in the Rates and Costs Exhibit, attached hereto and incorporated herein by this reference. The rates in the Rates and Costs Exhibit shall be in effect through the end of this Agreement unless otherwise stated therein.

4. Invoices. Vendor 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.

5. Most Favored Nation. Throughout the term of the Agreement, in the event Vendor provides the Services having terms more favorable than this Agreement to any person or entity other than City, Vendor shall notify City within 10 calendar days of signing the other contract, or if there is no other contract, of finalizing that deal or providing any services, whichever occurs first in time. In that notice, Vendor shall offer City to amend this Agreement to reflect such more favorable terms into this Agreement without any contingency to amend any other provision of this Agreement.

6. Acceptance of Payment. Vendor's acceptance of final payment made pursuant to this Agreement shall constitute a release of City from all claims and liabilities for compensation to Vendor 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 Vendor 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 Vendor and its employees, agents and subcontractors. Vendor 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 Vendor or materials or products provided to City by Vendor, Vendor shall pay the sales tax. City shall not reimburse Vendor for sales taxes paid by Vendor.

7. Non-binding Terms. Any terms and conditions that are typed, printed, or otherwise included in any Vendor invoice rendered pursuant to this Agreement shall be deemed to be solely for the convenience of the parties. No such term or condition shall be binding upon City, and no action by City (including, without limitation, the payment of any such invoice in whole or in part) shall be construed as binding City with respect to any such term or condition, unless the specific term or condition has been previously agreed to by Vendor and City in this Agreement or in a binding amendment thereto.

8. Non-Appropriation of Funds. Payments to be made to Vendor 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 or Department Director. Vendor hereby designates the person in the position listed in "(8) Vendor'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 Vendor.

10. Personnel. Vendor represents that it has or shall secure at its own expense all personnel required to perform the Services. Vendor shall make reasonable efforts to maintain the continuity of Vendor's staff who are assigned to perform the Services. Vendor 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 Vendor'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 Vendor'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. Vendor shall perform such work, and City shall pay for such additional work, in accordance with the Rates and Costs Exhibit. Should the work not fall under any such listed rate or cost, Vendor 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 Vendor for any work that does not fall under a rate or cost listed in the Rates and Costs Exhibit, and for which Vendor 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. Advertising and Publicity. Vendor shall not use the name of or refer to City directly or indirectly in any advertisement, news release, or professional or trade publication without prior written approval from the City Manager. This Section shall survive the termination of this Agreement.

13. Audit. City shall have the option of inspecting, auditing and/or reproducing all records and other written materials: used by Vendor in preparing its billings to City as a condition precedent to any payment to Vendor; or for other purposes relating to the Agreement. Vendor 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 Vendor for a period of 3 years after final payment under the Agreement. Regardless of whether a State audit is permitted, Vendor shall maintain and preserve all such records for a period of at least 3 years after final payment under the Agreement or until an audit has been completed and accepted by City, whichever occurs later. Vendor shall 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. Vendor shall include a copy of this Section in all contracts with its subcontractors, and Vendor 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.

14. Termination. City may terminate this Agreement at any time, with or without cause and without penalty, upon 15 calendar days' prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 15 calendar days from the date of the notice. Vendor may terminate this Agreement at any time, with or without cause and without penalty, upon 30 calendar days' prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 30 calendar days from the date of notice and only if all assignments accepted by Vendor 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 Vendor, City shall pay Vendor 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 Vendor receive an amount exceeding that which would have been paid to Vendor for the full performance of the Services. If City pays for any materials, City shall be entitled to the title and possession of such.

15. Hold Harmless, Defense and Indemnity.

To the fullest extent permitted by law, Vendor shall immediately defend, indemnify, and hold harmless City, its legislative and advisory bodies, and the City's officials, directors, officers, employees, and agents (the "Indemnitees") from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with Vendor's performance of this Agreement or Vendor'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. Vendor's obligation to indemnify applies unless it is adjudicated that any of the liabilities covered by this Section 15 are the result of the sole active negligence or sole willful misconduct of any of the Indemnitees.

a. The duty to defend is a separate and distinct obligation from Vendor's duty to indemnify. Vendor shall be obligated to defend in all legal, equitable, administrative, or special proceedings with counsel approved by the City Attorney immediately upon tender to Vendor 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 any of the Indemnitees shall not relieve Vendor from its separate and distinct obligation to defend the Indemnitees. 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 Vendor asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnitees. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of any of the Indemnitees, Vendor may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

b. The review, acceptance or approval of Vendor's work or work product by any of the Indemnitees shall not affect, relieve or reduce Vendor's indemnification or defense obligations. This Section 15 shall survive completion of the Services or termination of this Agreement. The provisions of this Section 15 shall not be restricted by and do not affect the provisions of this Agreement relating to insurance.

16. Insurance. Vendor 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 Risk Manager waives, in writing, the requirement that Vendor obtain and maintain such insurance coverages. Such insurance must be issued by a company satisfactory to the Risk Manager. Vendor shall, before performance of any Services pursuant to this Agreement, file with the 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 Vendor is a material element of this Agreement. Vendor's failure to maintain or renew insurance coverages or to provide renewal evidence may be considered a material breach of this Agreement.

17. 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 Vendor pursuant to this Agreement ("Documents and Materials") shall be the property without restriction or limitation upon its use, duplication or dissemination by the City. 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. Vendor shall not obtain or attempt to obtain copyright protection as to any Documents and Materials. Vendor 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 17.

b. Vendor 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 Vendor 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 Vendor prepares Documents and Materials on a computer, Vendor shall provide City with said Documents and Materials both in a printed format and in an electronic format that is acceptable to the City. Vendor may retain copies of these Documents and Materials but must request permission from the City before use, duplication or dissemination 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 uncompleted Documents and Materials, without the written consent of Vendor, shall be at City's sole risk and without liability or legal exposure to Vendor.

d. Vendor 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. Vendor 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. Vendor 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, Vendor, 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 17 shall survive the termination of this Agreement.

18. 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 Vendor or is developed by Vendor 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 Vendor without the written consent of the City, except as may be necessary for Vendor to fulfill its obligations to the City.

c. Notwithstanding the above, these limitations shall not apply to information that (i) is already known to Vendor at the time of that information's disclosure or becomes publicly known through no wrongful act or omission of Vendor, (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 Vendor 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, Vendor 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. Vendor 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 Vendor. 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 Vendor in reliance on any Confidential Information disclosed under this Agreement.

f. This Section 18 shall survive the termination of this Agreement.

19. Independent Contractor. Vendor 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 Vendor or any of its employees, except as stated in this Agreement. Vendor 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 Vendor, 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 Vendor wishes except as expressly provided in this Agreement. This Agreement shall not be interpreted to prevent or preclude Vendor from rendering any services for Vendor's own account or to any other person or entity as Vendor in its sole discretion shall determine; provided, however, that performing such services shall not materially interfere with the Services Vendor shall perform for the City. Except as City's Project Manager specifies in writing, Vendor 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. Vendor and its employees are not employees of City. Vendor 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. Vendor 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. Vendor agrees to pay all required taxes on amounts paid to Vendor 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. Vendor shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Vendor'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 Vendor under this Agreement any amount due to City from Vendor as a result of its failure to promptly pay to City any reimbursement or indemnification arising under this Section.

20. Wages. If the first option is selected in response to (10) on the Cover Page and, thus, the payment of living wage is required, only this paragraph and subsections (a) through (d) of this Section 20 shall apply. If the second option is selected in response to (10) on the Cover Page and, thus, the payment of prevailing wages (and related Labor Code provisions) is required, only this paragraph and subsection (e) of this Section 20 shall apply. If the third option is selected in response to (10) on the Cover Page and, thus, both the payment of living wage and prevailing wages (and related Labor Code provisions) is required, this paragraph and subsections (a) through (e) shall apply, meaning Vendor shall compensate all of its employees providing services to City in accordance with both the City's Living Wage Policy and State-required prevailing wages. In the event of a conflict between the City's Living Wage Policy and State-required prevailing wages, the higher of the two shall prevail. If the fourth option is selected in response to (10) on the Cover Page and, thus, neither the payment of living wage nor prevailing wages (and related Labor Code provisions) is required, no part of this Section 20 shall apply.

If either the first or third option is selected in response to (10) on the Cover Page, Vendor shall compensate any employee of Vendor who provides Services to the City under this Agreement in accordance with the Living Wage Policy Exhibit, which is attached hereto and incorporated herein by this reference. While this Agreement is in effect, Vendor shall pay such employee no less than $16.89 per hour for each hour that such employee provides services under this Agreement. This hourly rate shall be adjusted on July 1, 2022, and each July 1 thereafter, according to the percentage change in the Consumer Price Index, all items, prepared by the Bureau of Labor Statistics for the Los Angeles area relating to all urban consumers (CPI-U), index base 1982-84=100, comparing May of the previous year

to May of the current year. In addition, while this Agreement is in effect, Vendor shall provide to such employee no less than 96 hours of paid leave per calendar year.

a. Vendor agrees to post, at a location readily accessible to those employees providing services to the City, a copy of the Living Wage Policy adopted by the Oxnard City Council on July 9, 2002, and effective October 1, 2002.

b. If Vendor fails to compensate such employee pursuant to the Living Wage Policy, the City Manager or designee shall terminate this Agreement on written notice to Vendor, effective immediately.

c. In addition, if Vendor fails to comply with the Living Wage Policy in any manner, Vendor shall pay to City a fine of $500 and shall pay to any employee providing services under this Agreement a penalty of three times the amount or value of the compensation owed to such employee under the Living Wage Policy. Vendor shall pay such fine and penalty within 15 days after the City Manager or designee provides written notice to Vendor of the amount owed.

d. If either the second or third option is selected in response to (10) on the Cover Page, in accordance with Labor Code Section 1770 *et seq*., the Project is a "public work." The Vendor shall pay wages in accordance with the determination of the Director of the Department of Industrial Relations ("DIR") regarding the prevailing rate of per diem wages. Copies of those rates are on file with the Public Works Director and are available to any interested party upon request. The Vendor shall post a copy of the DIR's determination of the prevailing rate of per diem wages at the job site. The Vendor shall comply with all provisions of the Prevailing Wage Exhibit, which is attached hereto and incorporated herein by this reference.

21. Nondiscriminatory Employment. Vendor 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. Vendor understands and agrees that it is bound by and will comply with all legal nondiscrimination mandates. For every subcontractor who will perform Services, Vendor shall be responsible for such subcontractor's compliance with this Section.

22. Vendor's Representations. Vendor represents, covenants and guarantees that: a) Vendor 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 Vendor's full performance under this Agreement; c) to the extent required by the standard of practice, Vendor 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.

23. Compliance with Laws. In performing the Services under this Agreement, Vendor shall comply with all applicable laws, ordinances and regulations. Before performing the Services under this Agreement, Vendor shall obtain all required licenses and permits, including a City business tax certificate.

24. Conflict of Interest. If, in performing the Services set forth in this Agreement, Vendor 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, Vendor 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 Vendor's personnel providing the Services set forth in this Agreement. Furthermore, Vendor 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 Vendor "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 Vendor has been retained pursuant to this Agreement.

25. Fictitious Name. If Vendor has a fictitious name, Vendor shall submit to City a new Fictitious Business Name Statement approved by any California county before Vendor's prior Fictitious Business Name Statement expires if such expiration may occur during the term of this Agreement, including any term amendment.

26. Non-Assignability. Vendor 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 Vendor shall hold harmless, defend and indemnify Indemnitees regarding all Claims arising from or relating to any unauthorized assignment.

27. Protection of Services. Vendor shall continuously maintain adequate protection of all of Vendor's work from damage and shall protect the City's property from any and all injury or loss arising in connection with this Agreement. Vendor shall take all necessary precaution for the safety of employees on the job and shall comply with all applicable provisions of federal, State and municipal safety laws and building codes to prevent accidents or injury to persons on, about or adjacent to any premises where the Services are being performed.

28. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Vendor.

29. 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.

30. 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.

31. Force Majeure. Neither City nor Vendor 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.

32. Authority. Any person executing this Agreement on behalf of Vendor warrants and represents that s/he has the authority to execute this Agreement on behalf of Vendor and to bind it to the performance of these obligations.

33. 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.

34. Cumulative Remedies. All rights and remedies of City herein shall be in addition to all other rights and remedies available at law or in equity, including, without limitation, specific performance for the enforcement of this Agreement, and temporary and permanent injunctive relief.

35. Integration; Amendment. This Agreement, including any other documents incorporated herein by specific reference, constitutes the entire and integrated agreement of City and Vendor 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.

36. 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.

37. 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 Vendor 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 Vendor, 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.

38. 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 relieve 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.

39. 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) on the third business day following deposit in the United States mail, postage prepaid—to the addresses listed as "(11) Addresses for Notice" on the Cover Page or to such other address as one party may notify the other in writing.

40. 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 either of City or Vendor's Project Managers' emails listed in "(12) 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.

41. 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

☑ John C. Zaragoza, Mayor[1] Date
☐ Alexander Nguyen, City Manager
☐ Jennifer Yates, Purchasing Manager
☐ [name], Buyer

ATTEST:

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

APPROVED AS TO FORM:

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

PARKHOUSE TIRE SERVICES, INC.

Jim Parkhouse, CEO [2] Date

Brian Parkhouse, President 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.

[2] The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC (company directors, not lower-level managers); or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

SCOPE OF SERVICES EXHIBIT

Onsite services are to be performed at the following locations:

Fleet Services Division
1060 Pacific Ave, Building 2
Oxnard, CA 93030

Environmental Resources Division
111 S. Del Norte Blvd.
Oxnard, CA 93030

Services are to include tire retreading, mounting, dismounting, plug and patch, and additional road services 365 days a year.

Offsite services are to be performed at various locations within and outside City limits and include flat tire and blowout services.

Live dispatch personnel will be required to be available to respond to service calls at all times by the City.

The vendor must dispatch sufficient equipment within 15 minutes from the time the call is received.

The vendor shall arrive at the service location within 30 minutes of receiving the call.

RATES AND COSTS EXHIBIT

Field Road Service – Flat Tires & Blowouts				
Hours of Service	Location	Cost Per Mile	Cost Per Hour	Mileage Fee
7:00am - 5:00pm	Within City limits	$ N/A	$ 94.50	$ no charge
5:01pm - 6:59am	Within City limits	$ N/A	$ 125.00	$ no charge
7:00am - 5:00pm	Outside City Limits	$ N/A	$ 94.50	$ no charge
5:01pm - 6:59am	Outside City Limits	$ N/A	$ 125.50	$ no charge

Tire Retread			
Tire Size	Manufacturer	Model	Cost Per Tire
315/80R22.5	Bandag	BRM	$ 190.00
315/80R22.5	Bandag	BRM3	$ 219.00
11R22.5	Bandag	UDR Drive	$ 158.00
11R22.5	Bandag	4.3 Drive	$ 135.00
11R22.5	Bandag	BRM	$ 164.00
11R22.5	Bandag	BRM	$ 164.00
11R22.5	Bandag	BDL Drive	$ 134.00
11R22.5	Bandag	BRM	$ 164.00
11R22.5	Bandag	BDX Drive	$ 149.00

Tire Mount/Dismount		
Service Description	Location	Cost Per Tire
Mount/Dismount tires on Vehicle	Onsite	$ hourly rate
Mount/Dismount Tires Loose	Onsite	$ hourly rate
Mount/Dismount tires on Vehicle	Vendor Location	$ 20.00
Mount/Dismount Tires Loose	Vendor Location	$ 10.00

Repair Services		
Service Description	Location	Cost Per Tire
Plug and Patch	Onsite	$ 8.76
Plug and Patch	Vendor Location	$ 8.76
Flat Repair	Onsite	$ hourly rate
Flat Repair	Vendor Location	$ 25.00

Make necessary repairs to casings to be recapped. Repairs will be billed at the below-listed price for the type of repairs being performed.

Retreading			
Product ID	Product Description	List Price	Fleet Price
215684	Repair with Retread SP-8 Radial	$ 10.16	$ 5.08
215379	Repair with Retread LP-10 Radial	$ 20.76	$ 10.38
215786	Repair with Retread B-24	$ 33.28	$ 16.64
215600	Repair with Retread CO-33	$ 49.40	$ 24.70
215601	Repair with Retread CO-35	$ 53.78	$ 26.89
215602	Repair with Retread CO-37	$ 58.08	$ 29.04
215888	Repair with Retread B-40	$ 55.92	$ 27.96
215922	Repair with Retread B-42	$ 60.36	$ 30.18
215956	Repair with Retread B-44	$ 65.72	$ 32.86
215633	Repair with Retread Spot	$ 40.00	$ 20.00
215667	Repair with Retread Radial Bead	$ 40.00	$ 20.00
215718	Repair Only SP-8 Radial	$ 17.16	$ 8.58
215381	Repair Only LP-10 Radial	$ 41.64	$ 20.82

INSURANCE EXHIBIT

Exhibit INS-I

INSURANCE REQUIREMENTS FOR VENDORS
(WHO DELIVER, INSTALL OR MAINTAIN PRODUCTS)

1. Vendor 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 sale and delivery, installation or maintenance of products by vendor, its agents, representatives, or employees.

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. 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. Vendor 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-I. 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. Vendor 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. Vendor 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 vendor; products and completed operations of vendor; premises owned, occupied or used by vendor; or automobiles owned, leased, hired or borrowed by vendor. 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-I 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 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 vendor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

6/22

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 you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

INS-I.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 $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**				

SAMPLE

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

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ _____ with an Aggregate of $_____ applies to _____ coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ 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		
☐ _____		
☐ _____		

OTHER PROVISIONS

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:

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.

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.

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.

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.

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.

SCOPE OF COVERAGE. This policy, if primary, affords coverage at least as broad as:
Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
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 _____

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ _____ with an Aggregate of $_____ applies to _____ coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

☐ COMMERCIAL AUTO POLICY
☐ BUSINESS AUTO POLICY
☐ OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ _____ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.
Name: _____
Address: _____
Telephone: (____) _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

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.

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.

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.

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.

SCOPE OF COVERAGE. This policy, if primary, affords coverage at least as broad as:
Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: 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 _____

LIVING WAGE POLICY EXHIBIT

The Living Wage Policy of the City of Oxnard is hereby adopted by the City Council on July 9, 2002 to be effective October 1, 2002.

1. Pursuant to this Living Wage Policy, Vendor shall pay those employees who provide services to the City under contract:

(a) Effective October 1, 2002, at least $9.00 an hour for the time during which the employee is providing services to the City;

(b) Effective July 1, 2003, at least $9.25 an hour for the time during which the employee is providing services to the City and 32 hours of paid leave per every calendar year in which an employee provides services to the City;

(c) Effective July 1, 2004, at least $10.59 an hour for the time during which the employee is providing services to the City and 64 hours of paid leave per every calendar year in which an employee provides services to the City; and

(d) Effective July 1, 2005, at least $12.22 an hour for the time during which the employee is providing services to the City and 96 hours of paid leave per every calendar year in which an employee provides services to the City.

2. The hourly rates established in Section 1 shall be adjusted July 1, 2006 and, each July 1 thereafter, according to the percentage change since July 1, 2005 in the Consumer Price Index prepared by the Bureau of Labor Statistics for the Los Angeles area relating to all urban consumers.

3. A service contractor executing a service contract with the City for which the City will pay the contractor $25,000 or more during the contract term shall be subject to the Living Wage Policy.

4. A service contractor executing more than one service contract with the City, and the combined monetary total of the payments by the City pursuant to such contracts is $25,000 or more for the combined contract terms shall be subject to the Living Wage Policy.

5. This Living Wage Policy shall not govern the following types of contracts for: (a) the purchase, rental or lease of goods, products, equipment, supplies or other personal property; (b) public works projects as defined in State or local law; and (c) professional services.

6. This Living Wage Policy shall not govern the following service contractors: (a) nonprofit entities organized under IRS Code section 501(c)(3); (b) public entities such as cities, counties, special districts, states and the federal government; and (c) businesses employing fewer than five persons.

7. The City Attorney is directed to include in all standard trade services contracts and all contracts involving unique trade services, the language set forth in **Exhibit 1** attached hereto and incorporated herein by this reference.

8. If Vendor fails to comply with this Living Wage Policy, the City Manager is directed to terminate the subject service contract immediately and to impose appropriate fines and penalties as set forth in the service contract.

9. The City Manager and the City Attorney are responsible for the administration and enforcement, respectively, of the Living Wage Policy. If an employee of a service contractor governed by the Living Wage Policy concludes that he/she has been retaliated against for the exercise of rights under the Living Wage Policy, the employee should contact the City Manager at 385-7430.

10. The City Manager shall reasonably cooperate with representatives of the Ventura County Living Wage Coalition to ensure the effective administration and enforcement of the Living Wage Policy.

11. This Living Wage Policy may be changed only by City Council and only after a duly noticed public hearing.

12. The City Manager is directed to ensure that the City Council will review the Living Wage Policy as part of the FY 2003-2004/05 budget process.

Exhibit 1

Living Wage Policy

Pursuant to the Living Wage Policy adopted July 9, 2002 by the City Council and effective October 1, 2002, the City Manager and City Attorney are directed to include the following language in all standard trade services contracts and all unique trade services contracts governed by the Living Wage Policy.

A. Vendor shall compensate any employee of Vendor who provides services under this Agreement in accordance with the Living Wage Policy, attached hereto and incorporated herein by reference as the Living Wage Policy Exhibit. While this Agreement is in effect, Vendor shall pay such employee no less than $16.89 per hour for each hour that such employee provides services under this Agreement. In addition, while this Agreement is in effect, Vendor shall provide to such employee no less than 96 hours of paid leave per calendar year.

B. Vendor agrees to post, at a location readily accessible to those employees providing services to the City, a copy of the Living Wage Policy adopted by City Council on July 9, 2002 and effective October 1, 2002.

C. If Vendor fails to compensate such employee pursuant to the Living Wage Policy, the City Manager or designee shall terminate this Agreement on written notice to Vendor, effective immediately.

D. In addition, if Vendor fails to comply with the Living Wage Policy in any manner, Vendor shall pay to City a fine of $500 and shall pay to any employee providing services under this Agreement a penalty of three times the amount or value of the compensation owed to such employee under the Living Wage Policy. Vendor shall pay such fine and penalty within 15 days after the City Manager or designee provides written notice to Vendor of the amount owed.

CITY OF OXNARD LIVING WAGE REQUIREMENTS
EFFECTIVE JULY 1, 2021

42. Vendor shall compensate any employee of Vendor who provides services under this Agreement in accordance with the Living Wage Policy, attached hereto and incorporated herein by reference as Exhibit 1. While this Agreement is in effect, Vendor shall pay such employee no less than **$16.89 per hour** for each hour that such employee provides services under this Agreement. **This hourly rate shall be adjusted on July 1, 2022, and each July 1 thereafter, according to the percentage change in the Consumer Price Index**, all items, prepared by the Bureau of Labor Statistics for the Los Angeles area relating to all urban consumers (CPI-U), index base 1982-84=100, comparing May of the previous year to May of the current year. In addition, while this Agreement is in effect, Vendor shall provide to such employee no less than 96 hours of paid leave per calendar year.

a. Vendor agrees to post, at a location readily accessible to those employees providing services to the City, a copy of the Living Wage Policy adopted by the Oxnard City Council on July 9, 2002 and effective October 1, 2002.

b. If Vendor fails to compensate such employee pursuant to the Living Wage Policy, the City Manager or designee shall terminate this Agreement on written notice to Vendor, effective immediately.

c. In addition, if Vendor fails to comply with the Living Wage Policy in any manner, Vendor shall pay to City a fine of $500 and shall pay to any employee providing services under this Agreement a penalty of three times the amount or value of the compensation owed to such employee under the Living Wage Policy. Vendor shall pay such fine and penalty within 15 days after the City Manager or designee provides written notice to Vendor of the amount owed.

d. The foregoing requirements are restated on page 5 of the Agreement for Trade Services.

PREVAILING WAGES EXHIBIT

1. Vendor acknowledges that the Project defined in the Agreement between Vendor and City is a "public work" as defined in Division 2, Part 7, Chapter 1 of the California Labor Code ("Chapter 1"), and that this Agreement is subject to Chapter 1 and the rules and regulations established by the Director of Industrial Relations ("DIR") implementing such statutes. Vendor shall perform the Project as a public work. Vendor shall comply with and be bound by all the terms, rules and regulations described in Chapter 1 and the DIR's rules and regulations as though set forth in full herein.
2. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Vendor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Vendor shall post such rates at each job site covered by this Agreement.
3. Vendor is required to post job site notices, as prescribed by regulation. See Labor Code Section 1771.4(a)(2).
4. Vendor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. Vendor shall, as a penalty to City, forfeit not more than $200 for each calendar day or portion thereof for each worker paid less than the DIR's determined prevailing rates for the work or craft in which the worker is employed pursuant to this Agreement by Vendor or any subcontractor. The Labor Commissioner shall determine the amount of the penalty as described in Section 1775.
5. Vendor shall comply with Labor Code Section 1776, which requires Vendor and each subcontractor to (1) keep accurate payroll records and verify such records in writing under penalty of perjury, (2) certify and make such payroll records available for inspection, and (3) inform City of the location of the records.
6. Vendor shall comply with Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Administrative Code Title 8, Section 200 *et seq*. concerning the employment of apprentices on public works projects for all apprenticeable occupations. Before commencing work under this Agreement, Vendor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within 60 days after concluding the Project, Vendor and each of its subcontractors shall submit to City a verified statement of the journeyman and apprentice hours performed under this Agreement.
7. Vendor may not be debarred or suspended throughout the Agreement Term pursuant to Labor Code Section 1777.1 or 1777.7. If he, she or it becomes debarred or suspended in the Agreement Term, Vendor must immediately notify City.
8. Vendor is not qualified to bid on, be listed in a Bid proposal, or engage in the performance of any contract for public work, as defined in Labor Code Sections 1720 through 1861, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. Vendor shall continue without interruption to stay registered and qualified to perform public work pursuant to Section 1725.5 for the duration of the term of this Agreement. This provision does not apply to construction, alteration, demolition, installation or repair work of $25,000 or less or to maintenance work of $15,000 or less.
9. Vendor acknowledges that 8 hours labor constitutes a legal day's work. Vendor shall comply with and be bound by Labor Code Section 1810.
10. Vendor shall comply with and be bound by Labor Code Section 1813 concerning penalties for workers who work excess hours. Vendor shall, as a penalty to City, forfeit $25 for each worker employed in the performance of this Agreement by Vendor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any calendar day and 40 hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code Section 1815, work performed by Vendor's employees in excess of 8 hours per day and 40 hours per week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 ½ times the basic rate of pay.
11. The Project listed in the Agreement is subject to compliance monitoring and enforcement by the DIR.
12. Vendor shall be responsible for each and every one of its subcontractors' compliance with Chapter 1, the DIR's rules and regulations, and Labor Code Sections 1860 and 3700. Vendor shall include in the written contract between it and each subcontractor a copy of, and a requirement that each subcontractor shall comply with, those statutory provisions. Vendor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractors' compliance, including without limitation, conducting a periodic review of the certified payroll records of each subcontractor, and upon becoming aware of the failure of the subcontractor to pay its workers the specified prevailing rate of wages, Vendor shall diligently take corrective action to halt or rectify any failure.
13. To the maximum extent, Vendor shall hold harmless, defend (with counsel approved by the City Attorney) and indemnify City, its legislative bodies, and its officials, officers, employees and agents from any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed above by any person or entity (including Vendor, its subcontractors, and each of their officials, officers, employees and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all attorneys' fees and other related costs. All duties of Vendor under this Section shall survive Agreement termination.

SCHEDULE OF SERVICES EXHIBIT

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. K.3

DATE: July 5, 2022

TO: City Council

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

SUBJECT: First Amendment to Agreement with the Hueneme Elementary School District for the Operations of the After School Education and Safety Grant.

RECOMMENDATION

That the City Council:

1. Approve and authorize the Mayor to execute a First Amendment to Agreement with the Hueneme Elementary School District (HESD) {A-8337} in the amount of $3,857,261 for a new not to exceed agreement amount of $7,017,157 for operations of the Hueneme After School Education and Safety (ASES) Grant;

2. Adopt a resolution amending Resolution 15,593 pursuant to Chapter 4 of the City Personnel Rules and Regulations; and

3. Approve a budget appropriation recognizing $1,901,786 in grant funding for FY 2022-2023.

BACKGROUND

In November 2002, California voters approved the After School Education and Safety (ASES) Initiative with the passage of Proposition 49. In 2006, the governor signed into law Senate Bill 638, making ASES operational. Decades of research show that afterschool programs help kids learn, grow, and avoid risky behaviors. Afterschool and summer learning programs are locally-designed school and community solutions that provide a safe place for students and provide much-needed support for families to balance work with home.

In 2008, a partnership began between the Recreation and Community Services' City Corps Program ("City") and Hueneme School District (HESD). Today, the partnership focuses on the strength of each organization – classroom learning by HESD and enrichment learning by the City. The most notable outcome of this deep district-city partnership is the effective access by ASES youth to the many activities that introduce them to the world of work and service. Younger students are introduced to service and its connection to work and the discernment of work likes and dislikes. Since City Corps has staffed the program, there have been numerous City Corps participants who have entered the workforce as credentialed teachers. On a daily basis, the ASES program serves over 1,040 students at ten (10) school sites and provides employment training to approximately 60 individuals between the ages of 18-24.

The program model incorporates the following three (3) elements, which integrates the school's curriculum, instruction and learning support activities:

1. Educational and Literacy Element: This element provides tutoring and/or homework assistance designed to help students meet state standards in one or more of the following core academic subjects: reading/language arts, mathematics, history and social studies, or science.

2. Educational Enrichment Element: This element offers an array of additional services, programs, and activities that reinforce and complement the school's academic program. Educational enrichment may include but is not limited to, positive youth development strategies, recreation and prevention activities. Such activities may involve the visual and performing arts, music, physical activity, health/nutrition promotion, general recreation, community service-learning and other youth development activities based on student needs and interests.

3. Homework Center Element: On a daily basis, the program serves over 1,040 students throughout 10 school sites. After eating a nutritious snack, the students participate in homework assistance, math, arts, reading and recreational sports programming.

DISCUSSION

The proposed amendment will keep the first year of the current agreement as is and increase the amount the City receives from HESD in year two (FY 2022-23) and year three (FY2023-24) for a new total agreement value of $7,017,157. See additional details in the Financial Impact section of this report.

The increased funding allows for more programming and the associated staffing to implement the programs. The current staffing includes:

- one (1) Recreation Coordinator (FTE)
- fifty (50) Part-time Afterschool Instructors (EH)

In FY 2022-2023 the staffing will increase to:

- one (1) Recreation Supervisor (FTE) (new)
- one (1) Recreation Coordinator (FTE)
- eleven (11) Recreation Leader IIIs (FTE) (new)
- one hundred (100) Part-time Afterschool Instructors (EH) (50 new)

The new full-time positions will provide an increase in services, such as: expanding the number of students served at each of the 10 school sites, tracking attendance and enrichment program progress for each site, student enrollment, communication with HESD staff and overarching program and staff development planning. These additional part-time instructor positions will directly support the increased enrollment capacity for the ASES program at each school site. The Recreation Supervisor will provide the necessary supervision, support, and leadership for the additional permanent staff and the existing Recreation Coordinator position. The existing Recreation Coordinator will continue to support the operation of the ASES program at the 10 school sites by directly supervising the Recreation Leader III positions and their development.

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, promote safe neighborhoods, encourage community engagement, and support our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

The agreement with HESD for 2021-2024 (A-8337) for an amount of $3,159,896 was approved on June 29, 2021. The Year One amount of $1,053,299 was included in the adopted FY 2021-2022 budget in the ASES fund (272-5511). The amendment to the original memorandum of understanding (A-8337) will adjust the annual amount for FY 2022-23 (Year Two) and FY2023-24 (Year Three) in the ASES Fund (272-5511) as follows:

Year	Fiscal Year	Current Contract Amount	Proposed Increase (Amendment Amount)	Total
1	FY 2021-2022	$1,053,299.00	$ —	$1,053,299.00

2	FY 2022-2023	$1,053,299.00	$1,901,786.00	$2,955,085.00
3	FY 2023-2024	$1,053,298.00	$1,955,475.00	$3,008,773.00
Totals		$3,159,896.00	$3,857,261.00	$7,017,157.00

This anticipated increase in grant funding will essentially add twelve (12) new full-time authorized positions: one (1) new Recreation Supervisor with an estimated annual cost of $133,484 annually, eleven (11) new Recreation Leader III with an estimated cost of $940,302 (85,482/each), fifty (50) Extra Help Afterschool Instructors with an estimated cost of $828,000 totaling approximately $1,901,786 for year two. These positions rely on grant funding. Any decrease in future funding can affect the number of positions, meaning a loss of funding may result in the elimination of these positions.

The school district requests that the City assist with the grant funding match portion by providing $54,000 of in-kind services per fiscal year. This requested match is met through the general fund (101-5511) by providing office space for the ASES program, administrative support, staff support at the end of the year "June Jamboree" and student participation in the other various established City Corps/Recreation programs, such as the Kiwanis Track Meet, Community Roots Garden field trips, beach clean-ups, the Oxnard Holiday Parade and other like programs.

COMMITTEE OUTCOME

The Community Services Committee approved 3-0 on June 14, 2022.

Prepared by: Julie Estrada, Recreation Coordinator, Sandra Diaz, Administrative Assistant

ATTACHMENTS

1. Original Agreement with Hueneme Elementary School District A-8337
2. First Amendment with Hueneme Elementary School District ASES
3. Amend Position Resolution 15593 - Hueneme ASES
4. BA for Hueneme ASES FY 22-23 (Amendment)
5. HSD ASES Amendment Presentation 2022-24

Memorandum of Understanding between the Hueneme Elementary School District (HESD), fiscal agency of the After School Education and Safety (ASES) Program and the City of Oxnard

The scope of this document is to define the roles and responsibilities of a partnership between the City of Oxnard, City Recreation and Community Services-City Corps (OCC) to provide staff to supervise and support students who participate in the Hueneme Elementary School District (HESD) ASES Program. The ASES Program is an extended learning day offered each day that school is in session from regular day dismissal to 6:00 p.m.

This serves as a Memorandum of Understanding and Responsibility Agreement that HESD and OCC will work together toward meeting the ASES Program Plan goals for the 2021-2024 school years at the following schools: Richard Bard, Charles Blackstock, E.O. Green, Art Haycox, Julien Hathaway, Hueneme, Ansgar Larsen, Parkview, Sunkist and Fred Williams. Each agency, according to its defined role, agrees to participate in coordinating, providing and financing the following services for the purpose of this agreement.

OCC agrees to:

1. Provide a program leader to support all OCC staff and oversee implementation of items 2-12 below: 2. Provide an Activity Leader for each site who will meet regularly with the After School Program Site Coordinator and/or Principal to coordinate:
    a. Oversight of implementation of the unified ASES Schedule each week by all City Corps. staff.
    b. Inform the Site Coordinator of supplies and materials needed each month.
    c. Ensure all staff explain to parents how to sign students out daily to meet grant requirements.
    d. Meet daily with the Youth Development Instructor staff to celebrate successes and address concerns based on the prior day program.
    e. Supervise and support the Youth Development Instructor staff towards meeting the essential responsibilities in working in the ASES program.
    f. Supervision of students daily at arrival, during and at dismissal of program.
    g. Ensure snacks, supplies and materials are organized and available daily.
    h. Work with the Site Coordinator to collect data for evaluation purposes.
    i. Ensure that the staff uses appropriate behavior management and discipline techniques at all times and assist the staff in solving discipline problems; All staff use CHAMPS approach for teaching students expectations for appropriate behavior for all scheduled activities and transitions.
    j. Plan activities using appropriate instructional strategies taught at professional learning days.
3. Provide staff daily to serve required student to staff ratio of 20:1 for all sites.
4. Ensure all employees attend monthly professional learning provided in the school year and use planning time to prepare lessons and activities and to implement instructional strategies taught at the trainings.
5. Provide all staff with planning time daily prior to the start of the program as outlined in the ASES Staff Work Schedule for each school.
6. All personnel must pass District Para-educator Test and receive training in the following areas: CPR/First Aid and provide copy of certificate, Mandated Reporting, Sexual Harassment and pass fingerprint clearance prior to being offered employment.
7. Ensure all employees are able to meet with the Site Coordinator at each school site for 4 hours of planning time prior to the first day of school and that they attend all Summer Professional Learning days.
8. Provide an in-kind matching grant of a minimum of $54,000 to help meet the 33% matching grant requirement.
9. Ensure all ASES staff attend and participate in collaborative planning and meetings.
10. Ensure all employees maintain confidentiality of student records per the Contract with HESD.

COUNCIL APPROVED
06-29-2021 KB(2)
DATE

11. Maintain all materials provided for the ASES staff by having staff return items at the end of each day.
12. Provide budgetary information to HESD as required.

OCC will be provided with an annual total of $1,053,299 paid in 10 monthly installments of $105,323 through a subcontract with HESD in the 2021-22, 2022-23 and 2023-24 fiscal years and a maximum of $3,159,896 for the duration of this three year contract.

HESD agrees to:

1. Manage the program budget, including collaborating with OCC to ensure the 2021-2024 ASES Program Plan goals are being met and for proper payment for services.
2. Provide professional learning and follow-up coaching support to ASES staff.
3. Provide supplies and materials for use in the ASES Program.
4. Visit sites to ensure grant compliance on programmatic levels.
5. Coordinate with agencies to ensure proper implementation and modification, as needed.
6. Work with collaborating agencies to address any parent, teacher, student, or other program participant concerns that may arise.
7. Collaborate with Oxnard City Recreation and Community Services Project Manager annually to monitor overall program progress and achievement of goals.

Additionally, HESD will provide one on-site After School Program Site Coordinator/Academic Liaison who will be responsible for the daily operation of the ASES Program as follows:

1. Coordinate with OCC Activity Leader to order supplies and materials for enrichment activities each month.
2. Recruit and enroll eligible program participants from each site.
3. Maintain after-school records regarding enrollment, waivers, emergency cards, permission slips, etc…
4. Work with teachers to communicate student needs.
5. Arrange substitutes for academic classes, as needed.
6. Serve as liaison between After School Program and regular day staff.
7. Work with teachers, parents and students to ensure appropriate placement.
8. Coordinate with ASES staff to provide arrival/intake and snack services.
9. Monitor implementation of weekly schedule for program in coordination with the OCC Activity Leader and site administrator.
10. Meet with Site/District administration on a monthly basis to ensure the meeting of program goals.
11. Appropriately address any issues of concern raised by parents, students, teachers, or other program participants at the site by working with the ASES and regular day staff and the principal.
12. Represent their program at monthly District-level After School Site Coordinator meetings.

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This agreement shall begin on July 1, 2021 and continue to be implemented until June 30, 2024. Either party may negotiate the terms of this agreement by calling a meeting to redefine the terms. Ongoing review of this agreement will be the responsibility of both parties. Either party can initiate release of this agreement with a 30-day notice. Funding for the ASES Program is contingent upon state funding.

For City of Oxnard:

John C. Zaragoza
Mayor

6-29-21
Date

ATTEST:

Rose Chaparro
City Clerk

6/29/21
Date

APPROVED AS TO FORM:

for
Stephen M. Fisher
City Attorney

6/16/21
Date

For Hueneme Elementary School District:

Christine Walker
Dr. Christine Walker
Superintendent

6/28/21
Date

FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN THE HUENEME ELEMENTARY SCHOOL DISTRICT (HESD), FISCAL AGENCY OF THE AFTER SCHOOL EDUCATION AND SAFETY (ASES) PROGRAM AND THE CITY OF OXNARD

This First Amendment ("First Amendment") to the Memorandum of Understanding between the Hueneme Elementary School District, Fiscal Agency of the After School Education and Safety Program and the City of Oxnard ("Agreement") is made and entered into in the County of Ventura, State of California, this _____ day of July, 2022 by and between the City of Oxnard, a municipal corporation ("City"), and the Hueneme Elementary School District ("HESD"). This First Amendment amends the Agreement entered into on July 1, 2021, by City and HESD.

City and HESD agree as follows:

1. In the Section of the Agreement that begins with "OCC agrees to:", Section 13 is hereby added to read as follows: "**Exhibit A** is hereby incorporated herein by this reference."

2. In the Section of the Agreement that begins with "OCC agrees to:", Section 14 is hereby added to read as follows: "**Exhibit B**, *Responsibilities of the City of Oxnard Recreation Positions for the Hueneme Elementary School District After School Education and Safety (ASES) Programs*, is hereby incorporated herein by this reference."

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 Agreement on the date first written above.

CITY OF OXNARD

_____ _____

John C. Zaragoza, Mayor

HUENEME ELEMENTARY SCHOOL DISTRICT

_____ _____

Dr. Christine Walker, Superintendent

ATTEST:

_____ _____

Rose Chaparro, City Clerk Date

APPROVED AS TO FORM:

_____ _____

Stephen M. Fischer, City Attorney Date

Exhibit A

Responsibilities of City of Oxnard Recreation Positions for the Hueneme Elementary School District After School Education and Safety (ASES) Programs

The City of Oxnard Recreation Staff assigned to this program is responsible for supporting all afterschool programs by providing staff training and follow-up coaching support of specialized program components that are built into the after-school program schedule and oversight and coordination of the expanded learning opportunity program at a school site.

The classifications listed below shall hold responsibility for the described examples of duties. The city of Oxnard will staff each school site to meet the 20:1 ratio with the following understanding:

1. The **Recreation Supervisor (new position)** will work year-round (12 months/year) and be responsible for the oversight of the program, records, employee management, and communication between the City and the School District. The Recreation Supervisor will also to the best of their ability ensure all requirements are met and if necessary communicate any conflicts to the School District in a timely manner. This employee is not considered part of the 20:1 ratio.
2. The **Recreation Coordinator** will work year-round (12 months/year) and be responsible for the planning, training, and execution of the assigned Afterschool Program components. The Recreation Coordinator is to ensure the recreation leader III staff have all necessary materials to run the daily operations, schedules substitutes as needed, and in the absence of the Recreation Supervisor may assist in those duties. This employee is not considered part of the 20:1 ratio.
3. The **Recreation Leader III (new position)** shall work year-round (12 months/year) and run the daily operations of the program and support staff working directly with students. The recreation leader position shall address the administrative responsibilities of the program and partner with the district site coordinator to aid in the administrative upkeep of the daytime Enhanced Learning Opportunity Program (ELOP). The leader taking a group is the exception and not the rule. The 11 positions available are each to lead specific enrichment components based on that school year's priorities.
4. The **Afterschool Site Leader (activity leader)** shall assist the recreation leader III with the daily operations of the program and provide additional support to staff working directly with students. The activity leader position shall address the administrative responsibilities of the program. The activity leader will be responsible for a group that does not exceed the 20:1 ratio. In the absence of the recreation leader, the activity leader may be responsible for daily operations.
5. **Afterschool Instructors** are defined as the staff working with the groups of students during the program. Instructors will have a group that does not exceed the 20:1 ratio and provides activities they have received for the week and based on regularly scheduled trainings.

HUENEME ELEMENTARY SCHOOL DISTRICT
AFTER SCHOOL EDUCATION AND SAFETY (ASES) PROGRAMS

EXHIBIT B
July 1, 2022 - June 30, 2024

The District is requesting additional City Corps staff to work in the after school programs to provide an extended learning day experience to students in grades K-8 participating in the ASES Program based on additional funding provided by AB 130 to increase the number of students eligible to participate in an extended learning opportunity program.

Hueneme ASES Contract Amendment - Additional Staffing

School Year 2022-2023		School Year 2023-2024	
Staff	*Total Costs with Benefits*	*Staff*	*Total Costs with Benefits*
1 After School Program Instructor - EXTRA HELP *(at $17.25 (includes benefits) x 960.00 Hours)*	$ 16,560.00 **$ 16,560.00**	(1) After School Program Instructor - EXTRA HELP *(at $17.25 (includes benefits) x 960.00 Hours)*	$ 16,560.00 **$ 16,560.00**
Staff	*Total Costs with Benefits*	*Staff*	*Total Costs with Benefits*
(1) Recreation Leader III	$ 85,482.00 **$ 85,482.00**	(1) Recreation Leader III	$ 89,756.10 **$ 89,756.10**
Staff	*Total Costs with Benefits*	*Staff*	*Total Costs with Benefits*
(1) Recreation Supervisor	$ 133,484.00 **$ 133,484.00**	(1) Recreation Supervisor	$ 140,158.20 **$ 140,158.20**

SCHOOL YEAR 2022-2023 TOTALS	Costs	SCHOOL YEAR 2023-2024 TOTALS	Costs
After School Program Instructor (EXTRA HELP) ($ 17.25 x 960 Hours x 50 Staff)	$ 828,000.00	After School Program Instructor (EXTRA HELP) ($ 17.25 x 960 Hours x 50 Staff)	$ 828,000.00
Recreation Leader III ($85,482.00 x 11 Rec. Leader III's)	$ 940,302.00	Recreation Leader III ($89,756.10 x 11 Rec. Leader III's)	$ 987,317.10
Recreation Supervisor	$ 133,484.00	Recreation Supervisor	$ 140,158.20
2022-2023 Amendment Total	**$ 1,901,786.00**	**2023-2024 Amendment Total**	**$ 1,955,475.30**

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AMENDING RESOLUTION NO. 15,593 AUTHORIZING FULL-TIME EQUIVALENT POSITIONS PURSUANT TO CHAPTER 4 OF THE CITY PERSONNEL RULES AND REGULATIONS

WHEREAS. Chapter 4, Section 4.7 of the City of Oxnard Personnel Rules and Regulations provides that the City Manager from time to time may revise the number of positions in each classification as necessary to perform the work of the classification, provided that the total expense to be incurred for such work shall be limited to the amount appropriated by the City Council for the classification: and

WHEREAS, the City Council has reviewed the revisions and finds that they are desirable and in the interest of maintaining an efficient municipal organization.

NOW, THEREFORE. the City Council of the City of Oxnard resolves to amend Resolution No. 15,593 with the following changes to the adopted FY 22/23 position allocations as specified, subject to approval of a budget appropriation for the revised allocation:

Department	**Title**	**Adopted 21/22**	**Proposed Change**	**New Allocation**
Cultural & Community Services	Recreation Supervisor	5	1	6
	Recreation/Human Serv LDR III	45.75	11	56.75
GRAND TOTAL		50.75	12	62.75

PASSED AND ADOPTED this 5th day of July 2022, by the following vote:

YES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Mayor

ATTEST:

_____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Fischer, City Attorney

REQUEST FOR BUDGET APPROPRIATION - FISCAL YEAR 2022-23

Department: CCS-Recreation **Date:** May 25, 2022
Project/Program Hueneme ASES
Manager: Terrel Harrison **Phone:** 385-7994

Reason for Appropriation:

To recognize and appropriate an increase of $1,901,786 (per agreement amendment with the Hueneme Elementary School District (A-8337) from original grant award amount of $1,053,298. The revised total grant award is $2,955,084 for FY 22-23.

Accounts and Descriptions		AMOUNT
Fund: 21ST CENTURY CLCP-ASESP (272)		
Revenues/Transfers In		
5511 (City Corps) Project AS0956		
272-5511-531-7201	**Federal & State Sources/Federal Grant Rev.**	1,901,786
	Sub-total Revenues	1,901,786
Expenditures/Transfers Out		
5511 (City Corps) Project AS0956		
272-5511-805-8001	Persnl Svs-Direct Labor Regular	1,073,786
272-5511-805-8002	Persnl Svs-Direct Labor Temporary	828,000
	Sub-total Expenditures	1,901,786
	Net Change to Fund Balance	**0**
	Net Appropriation Change	**0**

Approvals

Department Director _____

Chief Financial Officer _____

City Manager _____

BA# (Finance Use Only)_____
BA Doc# (Finance Use Only)_____

REQUIRES CITY COUNCIL AUTHORIZATION

Revised : 2/23/2012

After School Education & Safety

Parks, Recreation & Community Services Committee – June 30, 2022
By: Renee Rakestraw, Cultural & Community Services Assistant Director

Recommendation

That the City Council approve and authorize the Mayor to execute an amendment to the agreement (A-8337) with the Hueneme Elementary School District (HESD) for the operations of the Hueneme After School Education and Safety (ASES) Grant to:

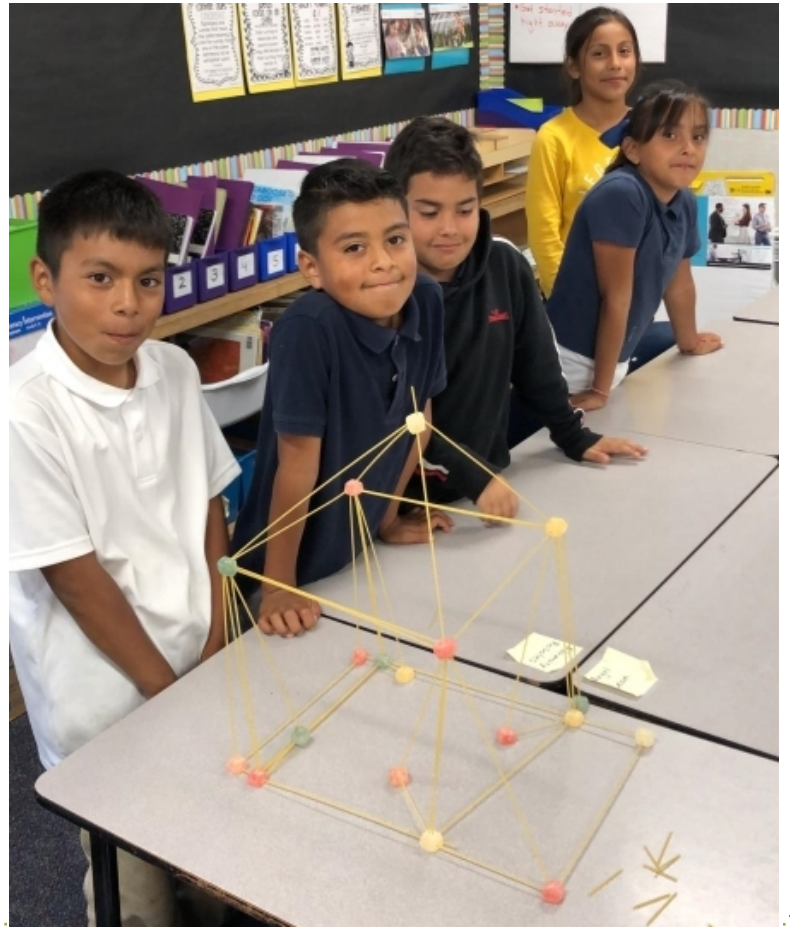
1) Increase the agreement amount by $3,857,261 resulting in a total agreement amount of $7,017,157 over three years;
2) Amend Resolution No. 15,593 authorizing Full-Time Equivalent Positions in the City Services effective July 1, 2022.
3) Approve a budget appropriation recognizing $1,901,786 in grant funding for FY 2022-2023.

Overview

- Serving over 1,000 Oxnard students
- Employing over 70 individuals between the ages 18-25
- Over 100 Hours of Ongoing Professional Staff Development Training provided by School Districts
- Hours of Operation 1:30 p.m. - 6:00 p.m.
- Over 1,000 Volunteer Hours
- Through special events and programs the afterschool program comes in contact with 1,500-2,000 parents and other family members.

Educational and Literacy Element

- Homework Assistance
- English Language Development
- Math Fluency
- Reading Fluency/High Frequency Words



Enrichment Opportunities

- Visual and Performing Arts
- Music
- Physical Activity/Recreation
- Health/Nutrition/Cooking
- Science & Technology
- Community Service-Learning Opportunities

Community Involvement and Service Learning

- Coastal Cleanup
- Community Roots Garden
- Downtown Christmas Parade
- Young Authors Fair
- Kiwanis Track Meet
- June Jamboree

Funding

In 2002, California voters passed Proposition 49 which funds the After School Education and Safety (ASES) Grant

- State of California grants funds to school districts that collaborate with community partners to provide safe and educationally enriching alternatives for children and youths during non-school hours.
- School districts, as grantees are responsible for creating, reviewing, and updating the program plan every three years as well as tracking its outcomes.

Amendment

- Increase total agreement value from $3,159,896 to $7,017,157
  - Year One (FY 2021-2022) remaining unchanged
  - Year Two (FY 2022-2023) increase to not exceed $2,955,085
  - Year Three (FY 2023-2024) increase to not exceed $3,008,773

Amendment

The increase in funding will include an increase to the necessary part-time extra help (EH) and full-time (FTE) staffing levels beginning in FY 2022-23 from:

- one (1) Recreation Coordinator (FTE)
- fifty (50) Part-time Afterschool Instructors (EH)

to consist of the following staff positions:

- one (1) Recreation Supervisor (FTE) (new)
- one (1) Recreation Coordinator (FTE)
- eleven (11) Recreation Leader IIIs (FTE) (new)
- one hundred (100) Part-time Afterschool Instructors (EH) (50 new)

INSPIRE · THRIVE · EMPOWER
HUENEME ELEMENTARY
SCHOOL DISTRICT
TOGETHER, EVERY DAY

CITY OF
OXNARD
CALIFORNIA

OXNARD
CITY CORPS

QUESTIONS?

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. K.4

DATE: July 5, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Remittance to the United States Department of Housing and Urban Development Department for Ineligible Costs Related to the Community Development Block Grant Program.

RECOMMENDATION

That the City Council:

1. Authorize the City Manager to repay $369,083.20 to the United States Department of Housing and Urban Development Department to comply with the 2021 Monitoring Review requirements; and

2. Authorize the City Manager or designee to appropriate up to $369,083.20 of General Funds, if needed, and authorize the Finance Department to conduct a cash transfer to the United States Treasury and the return of funds to the appropriate line of credit as directed by the United States Department of Housing and Urban Development.

(This item did not originate in Committee.)

BACKGROUND

The City of Oxnard receives entitlement grant funding from the United States Department of Housing and Urban Development (HUD) for three major programs, including the Community Development Block Grant, HOME Investment Partnerships and the Emergency Solutions Grant every year. These programs are used to address critical, unmet local needs in the areas of affordable housing, public facilities, infrastructure, economic development, homeless services and public services.

The primary objective of the Community Development Block Grant program is to revitalize communities, through assisting low- and moderate-income households, aid in the prevention of slums or blight or meeting some other urgent community development need. In order to meet these objectives, funds can be used for a wide range of activities, such as, infrastructure projects, business assistance programs, public services, homeownership assistance and child care. Each activity carries its own requirements and regulations that must be followed in order to be in full compliance.

Entitlement grants are grants entitled to cities, counties, states, and urban areas, given the jurisdiction provides a Five-Year Consolidated Plan, and subsequent Annual Action Plans that describe the needs and gaps of the community, in addition to the eligible activities the jurisdiction proposes to address those needs and gaps. Within each Five-Year Consolidated Plan period, HUD often conducts a monitoring review of activities to ensure they are meeting federal compliance.

During the weeks of June 7, 2021 and June 14, 2021, HUD monitored the City of Oxnard's 2018-19 and 2019-20 Community Development Block Grant program activities. The purpose of the monitoring visit is to ensure the City of Oxnard's activities were administered in accordance with all program regulations. On November 26, 2021, HUD concluded their monitoring review and identified fifteen findings and two concerns.

Two of the fifteen findings identified a requirement to repay funds to HUD based on their determination that some of the activities conducted were ineligible. Although HUD approved the Annual Action Plans associated activities, they did not identify any concerns to the City of Oxnard prior to approving the plan. Within the two findings, there were eight projects HUD requested be repaid:

1. Program Administration ($1,851.04) – Approved by Council in Fiscal Year 2018

2. Police Community Cameras ($5,137.16) – Approved by Council in Fiscal Year 2017

3. Fire Operations Chief Mobile Command ($120,000) – Approved by Council in Fiscal Year 2018

4. ALS Paramedic Support ($69,343) – Approved by Council in Fiscal Year 2019

5. Fire Station Alerting System ($47,752) – Approved by Council in Fiscal Year 2019

6. Fire Station Mobile Data Equipment ($125,000) – Approved by Council in Fiscal Year 2019

Amount to be Repaid: $369,083.20

The remainder of the findings were primarily related to the Housing Department's grant policies and procedures. The policies and procedures have been updated to better align with the Housing Department's internal systems and federal regulations. In addition, modifications to three programs were needed in the HUD database to better reflect the appropriate regulatory categories – Housing Rehabilitation, Down Payment Assistance, and Fair Housing.

DISCUSSION

In February 2022, the Housing Department issued a response to HUD's letter dated November 26, 2021, contesting several activities they deemed ineligible, including the Police Community Cameras, the ALS Paramedic Support, the Fire Station Alerting System, and the Fire Station Mobile Data Equipment. A response from HUD was received on May 2, 2022 reaffirming their stance on the ineligibility of each.

Below is a summary for each activity HUD deemed ineligible:

Program Administration

Program Administration covers staffing and operational costs to operate the HUD programs. One ineligible activity that HUD does not allow is to pay for memberships or subscriptions with CDBG funds when the organization's primary purpose is lobbying. According to HUD's monitoring letters, HUD's determination was cited incorrectly. However, the memberships purchased with CDBG funding in Fiscal Year 2018 - 2019 do have lobbying components, therefore future subscriptions should be paid through another funding source. Staff recommends that City Council approve the repayment of $1,851.04 to close out this finding.

Police Community Cameras

The Police Community Cameras activity was awarded $120,000 by City Council within Fiscal Year 2016-17. HUD's concern is relative to Police staff training, which amounted to the $5,137.16. HUD could not tie back the training to the cameras. However, the installation and the equipment for the cameras were deemed eligible. Staff recommends that City Council approve the repayment of $5,137.16 to close out this finding.

Fire Operations Chief Mobile Command

This activity was awarded $120,000 by City Council within Fiscal Year 2017-18. The monitoring review letter dated November 26, 2021 (Attachment 1) states that although the vehicle may contain life-saving equipment, it serves as a mobile command center for use by the Battalion Chief and is not used by firefighters to save lives. HUD considers this to be a general government expense, which is an ineligible use of funds. Staff recommends that City Council approve the repayment of $120,000 to close out this finding.

ALS Paramedic Support

This activity was awarded $70,000 by City Council in Fiscal Year 2018-19. The activity included the purchase of a paramedic support vehicle for the Fire Department commonly used where fire trucks are unable to travel. Purchases of life-saving equipment for Fire Departments are eligible expenses, including fire trucks when the Fire Department is located in a low-income census tract. The City of Oxnard's petition was that the vehicle would respond to emergencies, in areas such as agricultural sites or narrow corridors, where a fire truck was incapable of traveling through. HUD's response was that the vehicle was indeed eligible for purchase. However, the Fire Department needed to track the time and location of the vehicle in support of serving low-income neighborhoods, and to ensure there was record of eligible and ineligible uses documented. The Fire Department was not informed of conducting the need for this action and was unable to provide the records needed to comply with HUD's request. It was the Housing Department's understanding, at the time of awarding the activity, that since the entire City of Oxnard is 60% low-income, the census tract documentation would suffice, yet HUD disagreed. Staff recommends that City Council approve the repayment of $69,343 to close out this finding.

Fire Station Alerting System

The Fire Station Alerting System activity was awarded $225,000 by City Council in Fiscal Year 2018-19 and includes the installation of an alarm system to four fire stations, all located in low-income neighborhoods. Prior to receiving these improvements, the fire stations did not meet the industry standard. HUD identified this activity as ineligible and considered it a general maintenance of government facilities. The City contested this finding as the activity was providing a facility improvement. However, HUD has reaffirmed their original position. Staff recommends that City Council approve the repayment of $47,752 to close out this finding.

Fire Station Mobile Data Equipment

This activity included the purchase of computer equipment installed in the fire vehicles that allowed staff to upload medical data directly to the hospitals to expedite life-saving measures for the patients while the patients and emergency responders are in route to the hospital. HUD deemed that this was not life-saving equipment. The City contested that the equipment supported life-saving measures, especially for those with chronic conditions or pose unique barriers to adequate healthcare. HUD has reaffirmed their original position deeming the activity ineligible. Staff recommends that City Council approve the repayment of $125,000 to close out this finding.

Since HUD's monitoring letter, the Housing Department has diligently worked with HUD to address all findings. On May 9, 2022, Housing Department staff submitted updated Community Development Block Grant Policies and Procedures to HUD for their approval. HUD requested that the policies and procedures be updated to better align the Housing Department's internal systems and federal regulations.

The City of Oxnard sent a subsequent letter to HUD addressing all the remaining findings, including the subject remittance payment. Staff notified HUD of the proposed action before you today, requesting the use of General Funds for the payment remittance. In the same letter, Housing Department staff also requested that HUD not require the remittance payment, and take into consideration the challenges the pandemic imposed on the City of Oxnard.

STRATEGIC PRIORITIES

The Community Development Block Grant program supports both the Economic Development and Quality of Life strategies.

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 site-based 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 CDBG program is typically self-sustaining. It does not require matching funds, and the program has some administrative funding to support most administrative staff and resources needed to operate the CDBG program. When activities are deemed ineligible in instances such as a monitoring visit, HUD has the option to request repayment of funds.

The fiscal impact for this item, if HUD does not agree to waive the reimbursement, is to increase FY 2021-22 spending in the general fund in the amount of $369,083.20.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. HUD Monitoring Review Report Letter dated November 26, 2021
2. City Response Letter dated February 8, 2022
3. HUD Monitoring Review Report Letter dated May 2, 2022
4. City Response Letter dated May 9, 2022

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development
Los Angeles Field Office
300 N. Los Angeles St., Ste. 4054
Los Angeles, CA 90012

November 26, 2021

Alexander Nguyen, City Manager
City of Oxnard
300 W. Third Street
Oxnard, CA 93030

Dear Mr. Nguyen:

SUBJECT: Fiscal Year 2021 Remote Monitoring
Community Development Block Grant (CDBG) Program
Grant Numbers: B-18-MC-06-0534 and B-19-MC-06-0534

From June 7, 2021 - June 14, 2021, this Office conducted a remote monitoring of the Community Development Block Grant (CDBG) Program, in order to assess your organization's performance and compliance with applicable Federal requirements. Program performance was assessed through a review of operations, file documentation, and interviews. The purpose of this letter is to transmit HUD's monitoring report, which provides the details of our review. HUD's review of these areas of program performance may result in the identification of Findings, Concerns, or exemplary practices.

A Finding is a deficiency in program performance based on a violation of a statutory or regulatory requirement. A Concern is a deficiency in program performance that is not based on a statutory or regulatory requirement but is brought to the grantee's attention. Corrective Actions to address the noncompliance are identified for all Findings. Recommended Corrective Actions are identified for Concerns. An exemplary practice is a noteworthy practice or activity being carried out by the grantee and may possibly be duplicated by another grantee.

The enclosed report contains 15 Findings and two Concerns. The status of four previous open Findings from 2018 and 2015 have also been incorporated into this year's monitoring report. Within 30 days from the date of this letter, you have the opportunity to provide additional information demonstrating that you have met the requirements of each Finding. If you fail to respond within 30 days, or if the response is unsatisfactory to HUD, you must undertake corrective actions. Similarly, if you disagree with any of HUD's determinations or conclusions in this monitoring letter, please address these issues in writing to this Department within 30 days of the date of this letter. Your written communication should either provide supporting information to demonstrate the requirement has been met, or explain your reasons why you disagree, along with supporting evidence. While a response is not required for Concerns, we would appreciate any information you would like to provide. Written responses should be sent to the address listed below.

I would like to thank you and your staff for your professionalism and cooperation during the review. The City of Oxnard is carrying out valuable programs that are successfully supporting housing and community development activities. Your HUD CPD Representative, Roy Mata, is available to discuss the results of this monitoring report or provide technical assistance, if requested, and can be reached at: (213) 534-2572 or roy.i.mata@hud.gov. All communication should be sent to the Department of Housing and Urban Development email box at CPDLA@hud.gov.

Sincerely,

for

Rufus Washington, Director
Office of Community Planning
and Development

U.S. Department of Housing & Urban Development
(Los Angeles Field Office, California)

Monitoring Report

Community Development Block Grant (CDBG) Program

City of Oxnard, CA

Grants: B-18-MC-06-0534, $2,502,719
B-19-MC-06-0534, $2,516,091

Monitoring Dates: June 7, 2021 - June 14, 2021

OVERVIEW

Monitoring is the principal means by which HUD ensures program effectiveness and management efficiency, and that programs are carried out in compliance with applicable laws and regulations. It assists grantees in improving their performance, developing or increasing capacity, and augmenting their management and technical skills. Also, it provides a method for staying abreast of CPD-administered programs and technical areas within the communities that HUD programs serve. Monitoring assesses the quality of performance over time and promptly resolves the findings of audits and other reviews. In determining which grantees will be monitored, the Department uses a risk-based approach to rate grantees, programs, and functions, including assessing the Department's exposure to fraud, waste, and mismanagement. This process not only assists the Department in determining which grantees to monitor but also identifies which programs and functions will be reviewed.

Specifics relating to this review are as follows:

Date(s) Monitoring Conducted:	June 7 - July 7, 2021
Type of Monitoring:	Remote
HUD Reviewer(s):	Roy Mata, Community Planning and Development Representative Develyn Rhodes-Johnson, Senior Financial Analyst
Grantee Staff and Other Participants:	Emilio Ramirez, Housing Director Denise Ledesma, Grants Coordinator
Entrance Conference:	
Date	June 7, 2021
Representatives	Roy Mata, Community Planning and Development Representative Develyn Rhodes-Johnson, Senior Financial Analyst Emilio Ramirez, Housing Director Denise Ledesma, Grants Coordinator
Exit Conference:	
Date	July 7, 2021
Representatives	Roy Mata, HUD CPD Representative Develyn Rhodes-Johnson, HUD Senior Financial Analyst Chin Woo Choi, HUD Program Manger Alexander Nguyen, City Manager Emilio Ramirez, Housing Director Elsa Brown, Affordable Housing Manager Eva Magana, Loan Specialist

SUMMARY OF RESULTS AND CONCLUSIONS

This report details the results of the monitoring review and contains **15 Findings and two Concerns**. A Finding is identified as a deficiency in program performance based on a statutory, regulatory, or program requirement for which sanctions or other corrective actions are authorized. A Concern is a deficiency in program performance that is not based on a statutory, regulatory, or other program requirement but is brought to the grantee's attention. Required corrective actions are

identified for all Findings. Recommended actions are identified for Concerns. Findings must be responded to within 30 days of this report. Although you are not required to respond to a Concern, a response to any actions you are taking would be appreciated.

The following areas were reviewed: CDBG Housing Services consisting of Homeowner Down Payment Assistance and Homeowner Rehabilitation Assistance, Fire Department equipment purchases, Fair Housing Services, Lead-Based Paint Review, and Procurement Policy Procedures.

The purpose of this review is to determine if the City of Oxnard has developed systems and procedures for ensuring that CDBG funds are used in accordance with program requirements and whether the appropriate documentation has been maintained by the grantee for individual CDBG funded projects.

Exhibits from the *Community Planning and Development Monitoring Handbook 6509.2* were used to guide the review. They are available at: https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2.

Mr. Roy Mata, CPD Representative, is available to discuss the results of this monitoring report or provide technical assistance, if requested, and can be reached at (213) 534-2572 or roy.i.mata@hud.gov. If you disagree with any of HUD's determinations or conclusions in this monitoring report, please address these issues in writing to this Department within 30 days of this report. Your written communication should explain your reasons why you disagree along with supporting evidence and documentation. All communication should be sent to the Department of Housing and Urban Development email box at CPDLA@hud.gov.

SCOPE OF REVIEW

The review encompassed City of Oxnard PY 2018 CDBG grant (B-18-MC-06-0534) in the amount of $2,502,719 and PY 2019 CDBG grant (B-19-MC-06-0534) in the amount of $2,516,091. Specifically, the following activities were reviewed:

2018 IDIS Activity 2241: Housing Services	$230,000.00
2018 IDIS Activity 2252: Operations Chief Mobile:	$120,000.00
2018 IDIS Activity 2253: Fire Station Generators:	$136,622.73
2019 IDIS Activity 2304: Housing Services	$200,000.00
2019 IDIS Activity 2306: Fair Housing Program	$106,038.51
2019 IDIS Activity 2311: ALS Program Enhancement:	$ 69,343.21
2019 IDIS Activity 2312: Fire Station Alerting:	$225,000.00
2019 IDIS Activity 2319: FD-Mobile Data Equipment:	$125,000.00

The financial management review was accomplished by evaluating the City's accounting policies and procedures, records retention schedule, chart of accounts, and source documentation for five PY 2018 vouchers and five PY2019 vouchers identified in the section below. These vouchers were randomly selected to include different types of costs to obtain an understanding of the source documentation required by the City to pay different types of costs.

The Housing Services activity consists of the staff costs related to Citywide Homebuyer Loan Program and the Citywide Single-Family and Mobile home Rehabilitation Loan Programs both administered by staff from the Housing Department's Affordable Housing and Rehabilitation Division. The Affordable Housing Manager in charge of administering the Down Payment and Rehabilitation Programs.

The City's Compliance Services Manager from the Housing Department's Homeless Services Division oversees the Fair Housing Program and has grants management responsibilities of the pass-through funds provided to its subrecipient, Housing Rights Center, which provides fair housing services to Oxnard residents. The Housing Department, which administered by the Housing Director, is responsible for the management of grant funds awarded to the Affordable Housing and Rehabilitation Division, the Homeless Services Division, as well as equipment and vehicle purchases for the City of Oxnard's Fire Department.

Area Reviewed and Results

Eligibility

The purpose of this review was to monitor the City's documentation that each CDBG-assisted activity is eligible under section 105 of the Housing and Community Development Act of 1974, as amended, as implemented at 24 CFR 570.200(a) and 570.201 respectively. Monitoring of this area was conducted using the monitoring Exhibit 3-1, Guide for Review of Eligibility. The following CDBG activities completed in program year (PY) 2018 and 2019 were reviewed:

2018 IDIS Activity 2241: Housing Services	$230,000.00
2018 IDIS Activity 2252: Operations Chief Mobile:	$120,000.00
2018 IDIS Activity 2253: Fire Station Generators:	$136,622.73
2019 IDIS Activity 2304: Housing Services	$200,000.00
2019 IDIS Activity 2306: Fair Housing Program	$106,038.51
2019 IDIS Activity 2311: ALS Program Enhancement:	$ 69,343.21
2019 IDIS Activity 2312: Fire Station Alerting:	$225,000.00
2019 IDIS Activity 2319: FD-Mobile Data Equipment:	$125,000.00

There were two Findings identified in this area.

CDBG-Funded Fair Housing Program

The purpose of this review is to determine whether the appropriate documentation has been maintained by the grantee and subrecipient Housing Rights Center (HRC) for the Fair Housing Program provided to Oxnard residents. Client eligibility, as well as subrecipient agreement, staff time and activity documents, and corresponding supportive financial documentation were examined as part of the monitoring review. In addition, interviews were conducted with personnel from the City's Homeless Services Division regarding the procedures used to administer the program and conduct grant management responsibilities of its subrecipient in implementing the Fair Housing Program. Based on this monitoring review, it was determined that the Fair Housing Program was not in compliance with HUD requirements.

2019 IDIS Activity 2306: Fair Housing Program	$106,038.51

Finding One: Fair Housing Eligibility

Condition: The City did not provide sufficient documentation to support HRC's eligibility and national objective. In addition, since the Fair Housing Services Project is being funded as a Public Service (as reported in Oxnard's Consolidated Plan and Annual Action Plan) instead of under Planning and Administration, there is a higher level of documentation required to support that a national objective was met. The following deficiencies were identified:

- HRC submitted contact lists documenting that Oxnard residents were provided affordable housing services from July 2017 through December 2019, however, the information did not provide specific Oxnard addresses or client income amounts but only listed the name of the city and income levels (i.e. Extremely Low, Low, Moderate, etc.) for clients on the list. The subrecipients determined that providing HUD with clients' personal addresses and income information in an off-site and remote manner is of a sensitive nature and infringes on the confidentiality of its clients. Therefore, HUD was unable to determine that the national objective was met.

- HUD was unable to verify the time associated with the Oxnard clients served nor account codes assigned specifically to Oxnard CDBG funds in HRC's accounting records. In addition, HRC is paid on a cost allocation basis for all related CDBG costs for the City of Oxnard as well as other jurisdictions served by HRC.

- The City provided HUD with copies of the subrecipient's document consisting of case logs, outreach and education Reports, program summary, and statistical reports as verification of case management and outreach activities to support the number of Oxnard clients served. In analyzing these documents, HUD was unable to verify the time associated with the Oxnard clients served nor account codes assigned specifically to Oxnard CDBG funds in relation to CDBG or other government funds provided by other participating jurisdictions within HRC's accounting records. Without these financial standards, HUD was unable to verify the legitimacy of funds invoiced by the subrecipient and paid by the City.

Criteria: Per 24 CFR 570.208(a)(2)(i)(C) and 24 CFR 570.506(b)(3)(iii), documents are to support the classification of the activity based on income eligibility requirements that restrict it exclusively to low- and moderate-income persons. A grantee's files must have documentation to support that all persons benefiting from a CDBG activity are low- and moderate-income.

Further, per 2 CFR part 200.336, Access to records, the Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents. To summarize, if the City uses Federal funds, the awarding Federal agency is entitled to review all records for activities paid for with those funds. Indirect costs as a part of a cost allocation plan are allowed under CDBG regulations in 24 CFR 570.206(e) as an eligible program administration cost and further outlined in the regulations at 200.414 Indirect costs which clarifies that indirect costs must be classified within two broad categories: facilities and administration.

Cause: The City and its subrecipient, HRC, have determined that based on, the nature of services

provided to protect and assist clients with affordable housing information and advocacy service, releasing sensitive client data off-site via HUD's Grant Document Exchange system, puts the privacy rights of its constituents at risk. Per review and interview with fiscal staff, the City was not aware that by designating the Fair Housing Program as a Public Service project, the cost allocation plan in place between Oxnard and HRC requires that the subrecipient should be billing per staff time and clients served, which necessitates documenting the eligibility of Oxnard clients based on income and residency. Further, per regulatory standards described above, such documentation must be made available to federal funding agency.

Effect: Without client eligibility to determine Oxnard residency, HUD is unable to verify that the City has met the national objective of benefitting a low and moderate-income limited clientele. HRC's Financial Management system does not meet the financial standards described at §200.302 (b)(3) nor §200.430(i) , and, therefore, the City grants management responsibilities are also not in compliance.

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) The City must revise Section D of its Grants Management Policy and Procedures to include the financial standards as specified at §200.302 (b) Financial Management, including §200.302 (b) (3) and §200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and Procedures shall include the standards that the Finance Department shall follow to ensure compliance with §200.302 Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures shall be provided to HUD 30 days after receipt of this monitoring letter.

2) The City must reclassify the Fair Housing Program and the services provided by the Housing Rights Center as Planning and Administration beginning in PY 2021. The City can utilize either CDBG planning and administration or HOME planning and administration funds.

CDBG-City of Oxnard Fire Department Equipment Purchase Activities

2018 IDIS Activity 2252, Operations Chief Mobile:	$120,000.00
2018 IDIS Activity 2253, Fire Station Generators:	$136,622.73
2019 IDIS Activity 2311, ALS Program Enhancement:	$ 69,343.21
2019 IDIS Activity 2312, Fire Station Alerting:	$225,000.00
2019 IDIS Activity 2319, FD-Mobile Data Equipment:	$125,000.00

The purpose of this review is to determine whether the appropriate documentation has been maintained by the grantee to verify the CDBG eligibility of equipment and vehicles purchased by the City of Oxnard's Fire Department. The Inter-Department City agreement, equipment and vehicle description of use and specifications, City census tract map, and procurement documentation were examined as part of the monitoring review. In addition, interviews were conducted with personnel from the City's Housing Department regarding the procedures used to administer the program and conduct grant management responsibilities of the City's Fire Department purchasing, equipment use, and reporting.

Based on this monitoring review, it was determined that some of the Fire Department activities were not in compliance. As a result, there is one (1) Finding specific to the several activities associated with equipment and vehicles purchased by the City's Fire Department.

Finding Two: Fire Station Equipment and Vehicles

Condition: The equipment and vehicles purchased by the City's Fire Department used CDBG funds to offset the limited budget provided by other funding sources in order to replace an older command vehicle, increase the number of paramedic emergency response units, and equip the department with updated items and technology. Based on the documentation submitted, fire station generators (IDIS Activity 2253) is an ineligible use of CDBG funds.

Criteria: Per 24 CFR 570.201(c) Fire protection equipment, fire protection equipment is considered to be an integral part of a public facility. Thus, purchase of such equipment would be eligible under the category of Public Facilities and Improvements, provided that a national objective is also met. This includes fire engines and specialized tools such as "jaws of life" and life-saving equipment as well as protective clothing worn by fire fighters.

In addition, the multiple roles for the paramedic support vehicle (PSV), as described in the Oxnard Fire Department Activities Response, was reviewed by the local HUD Field Office as well as the HUD Desk Officer. The roles, which are outlined in the first item or bullet of the CQI/Education section, serve as the preliminary basis for determining which roles are eligible such as Incident Response, Special Operations, and the sidewalk CPR training. This is in contrast to roles that are ineligible such as Logistical Support or platform/command post for the paramedic manager.

Cause: Based on the description of Fire Department equipment and vehicles purchased, as well as the responses provided by staff regarding the use and description of these items, it was determined that the City considers the services provided by the Fire Department as fire protection and life-saving, and, therefore, has determined that all equipment and vehicles utilized by Fire Department stations and staff are eligible uses of CDBG funds.

Effect: The following equipment and vehicles per the funded activity have been determined as ineligible:

a) Operations Chief Mobile Command (IDIS Activity 2252) - Although the vehicle may contain life-saving equipment, it serves as a mobile command center for use by the Battalion Chief and is not used by firefighters to save lives. This item is considered a general government expense and is not eligible.

b) Fire Station Alerting (IDIS Activity 2312) - This first responder alert system located in four fire stations is not included in the definition of fire *protection* equipment. This system is considered a maintenance cost and a general government expense, which is not eligible.

c) FD-Mobile Data Equipment (IDIS Activity 2319) - Based on the description provided, the data equipment consists of items such as laptops and mobile tablets which are not permanently installed in fire engines. Further, the primary purpose of this equipment is to track records and is not directly used for fire prevention or to save lives.

d) ALS Program Enhancement (IDIS Activity 2311) - It appears from the information provided that the Paramedic Support Vehicle (PSV) purchased is similar to an ambulance and is operated by the fire department. If that is the case, then the purchase can be eligible just as ambulance or

rapid response vehicles can be eligible. Use of the PSV unit to provide services to Oxnard residents such as Incident Response, Special Operations, and sidewalk CPR training are eligible. However, use of the PSV unit as a command post for the paramedic manager or supportive role is not eligible. The cost of the PSV unit may only be paid with CDBG funds proportionate to the percentage of time it will be used as an ambulance or to provide the above-described training to Oxnard residents. To determine which services provided by the PSV vehicle are eligible, the City must calculate the percentage of time the PSV has been used to carry out CDBG-eligible activities.

Corrective Action: To address this deficiency, Oxnard is requested to take the following action(s):

1) Remit costs associated with the purchase of the ineligible items noted above back to the 2018 and 2019 CDBG line of credit for the ineligible expenses completed under the following activities:

   a) Operations Chief Mobile Command (IDIS Activity 2252)
   b) Fire Station Alerting (IDIS Activity 2312),
   c) FD-Mobile Data Equipment (IDIS Activity 2319)

2) For ALS Program Enhancement (IDIS Activity 2311), submit a breakdown of documented time of eligible as well as ineligible roles associated with the PSV. Based on the information provided, the City is to remit to its CDBG line of credit, the costs associated with all service time spent on the ineligible roles.

3) While the PY 2020 Fire Department activities related to the purchase of equipment and vehicles were not part of the current monitoring, the City should use the eligibility standards described earlier to modify the implementation of current and future uses of CDBG and CDBG-CV funds such as PY 2020 IDIS Activity 2349, Emergency Operations to replace and upgrade computers, and for IDIS Activity 2354 CV-Paramedic. The city should track the time and use of CDBG-eligible uses of the purchased equipment.

National Objective – Low- to Moderate–Income Area Benefit

The purpose of this review was to monitor the City's documentation that each CDBG-assisted activity met a national objective as defined in section 105 of the Housing and Community Development Act of 1974, as amended, as implemented at 24 CFR 570.200(a) and 570.208, respectively. Monitoring of this area was conducted using the monitoring Exhibit 3-2: Guide for Review of National Objective of Low- and Moderate-Income Area Benefit for IDIS Activities 2252, 2253, 2311, 2312, and 2319 to determine if the proposed national objective of Low- and Moderate-Income Area Benefit was met.

The City's written agreement, equipment and vehicle description of use and specifications, City census tract map, and procurement documentation were examined as part of the monitoring review. In addition, interviews were conducted with personnel from the City's Housing Department regarding the procedures used to administer the program and conduct grant management responsibilities of the City's Fire Department purchasing, equipment use, and reporting.

Based on this monitoring review, it was determined that the Fire Department activities were in compliance. **As a result, there are no Findings specific to the national objective of Low- and Moderate-Income Area Benefit**.

National Objective – Low- to Moderate–Income Limited Clientele

The purpose of this review was to monitor the City's documentation that each CDBG-assisted activity met a national objective as defined in section 105 of the Housing and Community Development Act of 1974, as amended, as implemented at 24 CFR 570.200(a) and 570.208, respectively. Monitoring of this area was conducted using the monitoring Exhibit 3-3: Guide for Review of National Objective of Low- and Moderate-Income Limited Clientele. The following activity was reviewed:

2019 IDIS Activity 2306: Fair Housing Program	$106,038.51

As indicated in Finding One, HRC submitted a contact list documenting the Oxnard residents provided affordable housing services from July 2017 through December 2019. This document listed the name of the client's city and income levels (i.e. Extremely Low, Low, Moderate, etc.) and did not provide specific Oxnard addresses or client income amounts. The subrecipients determined that providing HUD with clients' personal addresses and income information in an off-site and remote manner is of a sensitive nature and infringes on the confidentiality of its clients. Therefore, HUD was unable to determine that the national objective was met.

The Finding is in this area is addressed in Finding One.

National Objective – Low- to Moderate-Income – Housing

The purpose of this review was to monitor the City's documentation that each CDBG-assisted activity met a national objective as defined in section 105 of the Housing and Community Development Act of 1974, as amended, as implemented at 24 CFR 570.200(a) and 570. 208, respectively. Monitoring of this area was conducted using the monitoring Exhibit 3-4: Guide for Review of National Objective of Low-and Moderate-Income Housing. The following activities were reviewed:

2018 IDIS Activity 2241: Housing Services	$230,000.00
2019 IDIS Activity 2304: Housing Services	$200,000.00

There were three Finding and two Concerns identified in this area.

CDBG-Funded Housing Services

The purpose of this review is to determine if the City of Oxnard has developed systems and procedures for ensuring that CDBG funds are used in accordance with program requirements and whether the City maintained appropriate documentation has been maintained for individual CDBG-funded projects. Exhibits, loan documents, homeowner eligibility, contractor agreements, inspection reports, and environmental review records were examined as part of the monitoring review. We assessed the City's Affordable Housing & Rehabilitation Division HOME & CDBG Loan Program Policies (effective April 12, 2021), eligibility documents, loan determination criteria, and agreements, as well as the activity information found in IDIS (national objective code, IDIS matrix code, etc.). In addition, interviews were conducted with personnel from the City's Affordable Housing and Rehabilitation Division regarding the procedures used to implement and manage the housing services projects.

Housing Services PY 2018 activity #2241 and PY 2019 activity #2304 consisted of both the

Citywide Homebuyer Loan Program and the Citywide Single-Family and Mobile home Rehabilitation Loan Programs. The City should report the homebuyer program separate from the rehabilitation programs under individual activity codes and, more importantly, with the correct IDIS matrix code based on the type of HUD grants (CDBG vs. HOME, etc.) and project guidelines and services. Since the CDBG homebuyer loan program falls under separate regulations from the rehabilitation program, each must be reported by the accurate, corresponding IDIS matrix mode to ensure proper compliance and reporting.

HUD examined three of the six homebuyer loan participant files reported in 2018, a sample base of 50 percent of reported CDBG-funded participants. The following three loan participant files identified by the specific activity code designated by the City, the address, and the loan amount provided were reviewed:

Activity Code #2218;	Riverpark Blvd	$30,000
Activity Code #2223;	North H Street	$30,000
Activity Code #2225.	Jefferson Square	$30,000

For the 2019 Homebuyer Loan Program staff informed us that CDBG funds did not provide loans to homeowners in 2019, therefore, we did not review any participant files for that year.

For the Single-Family and Mobile Home Rehabilitation Loan Program portion of Housing Services Activity 2241 for 2018 and Activity 2304 for 2019, the City reported that four participants were provided CDBG rehabilitation loans in 2018 and six participants were provided CDBG rehabilitation loans in 2019. Of the four participants in 2018, HUD reviewed two participant files, representing a sample base of 50 percent of the total reported CDBG-funded participants.

Activity Code #2216	E. Pleasant Valley Rd.	$30,000
Activity Code #2226	N. Bonita Avenue	$37,471.72

Of the six participants in 2019, HUD reviewed three files representing a sample base of fifty percent of the total reported CDBG-funded participants.

Activity Code #2273	Gaviota Place	$17,414
Activity Code #2274	Tulsa Drive	$29,549
Activity Code #2322	Arrowhead	$20,000

The remaining Homebuyer and Rehabilitation program participants were provided loans with HOME funds, and, therefore, these client files were not reviewed nor part of the CDBG total from which the sample numbers were determined.

Based on this monitoring review, it was determined that Housing Services' activity was not in compliance. As a result, there are three Findings and two Concerns specific to the Housing Services activities reviewed.

Finding Three: **Citywide Homebuyer Loan Program**

Condition: HUD examined three homebuyer loan participant files reported in 2018. We assessed the City's overall program policies and procedures, eligibility documents, loan determination criteria, and agreements, as well as the national objective and IDIS matrix code reported for this activity codes 2241

and 2304 on the IDIS PR03 Report. It was determined that the City based their $30,000 loans on gap financing instead of limiting the amount of the loan to 50% of the Required Down Payment as specified in the CDBG regulations. As a result, the Homebuyer Loan Program provided all participants a standard loan amount of $30,000 despite the variances in each homeowner's finances, purchase price, and gap financing calculation.

Criteria: 24 CFR 570.506(a) requires that the City establish and maintain the records required to support its eligibility determinations for CDBG-assisted activities. Further, due to the specific and separate nature of services between both programs, the City should have classified the Homebuyer Loan Program as IDIS matrix code, "13B - Homeownership Assistance-excluding Housing Counseling under 24 CFR 5.100" in which CDBG funds may be used to provide direct homeownership assistance under 24 CFR 570.201(n) and Section 105(a)(24) of the HCDA under the low- and moderate-income housing national objective [24 CFR 570.208(a)(3) and 570.483(b)(3)]. Under these regulations, homeownership assistance may include "Paying up to 50 percent of the down payment required by the mortgagee for the purchase on behalf of the homebuyer. The 50 percent limitation on down payment assistance is a statutory requirement. Grantee records must document what amount of down payment is required by the mortgagee, and must clearly distinguish between the amount of CDBG funds being provided for down payment assistance vs. the amount provided for subsidizing the mortgage principal, for closing costs, for mortgage insurance, etc. In addition, the Rehabilitation Loan Program should have been classified under the more accurate IDIS matrix code, "14A - Rehabilitation: Single Unit Residential."

Cause: The City did not properly classify the eligibility of the Housing Services Activity 2241 nor 2304 but combined and classified both the CDBG Homebuyer Loan Program and the Rehabilitation Loan Program together under the IDIS matrix code 14J which is specific to HOME funds.

Effect: As a result of this incorrect classification, the City's Affordable Housing & Rehabilitation Division failed to adhere to the proper classification and regulations that would limit the amount of homebuyer down payment assistance to 50 percent of the required down payment. Participants were, therefore, provided an excess of CDBG funds assistance in the form of down payment loans. During the interview sessions, the City could not justify why the program's policies stipulated that all homeowners would be provided with $30,000 assistance which exceeded the allowable 50 percent limit of down payment assistance. While the City conducted gap financing calculations for each client, all participants were provided with $30,000 assistance despite the variances in the homeowners' finances but should have requested the required down payment amount from the lender to determine the 50 percent limit in CDBG assistance.

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) Classify the Homebuyer Loan Program under the correct IDIS matrix code separate from the correctly classified Rehabilitation Loan Program.

2) Revise the Affordable Housing & Rehabilitation Division HOME & CDBG Loan Program Policies to ensure that the amount of homebuyer loan assistance is limited to 50 percent of the required down payment. The City should also provide current policies and procedures for procurement including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

Finding Four: Conflict of Interest

Condition: Of the three PY 2018 homeowner loan participant files reviewed, it was determined participant #2218's file was a City employee at the time of participation and loan assistance. There is no evidence that the City determined whether a conflict of interest existed. There is no evidence in the program policies and procedures that addresses under what conditions to allow for City staff to apply for the program as well as the following:

a) Conditions and documentation to prevent the actual or perceived advantage of unfair advantage or preference given to City staff over non-City employed residents

b) Policies which should include that HUD be notified when a City employee has applied and is being considered for assistance

Criteria: Per 2 CFR Part 200.112 Conflict of Interest, the Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy. In essence, until such an approval in writing is received from HUD, the City cannot fund the particular activity with CDBG funds.

Cause: The City has not updated its Homebuyer Loan Program policies and procedures which describe if and under what conditions and criteria an eligible City employee may apply for the program and benefit from its assistance.

Effect: Without a Conflict of Interest section in the program policies and procedures to allow eligible City employees to benefit from this program, it may appear that City employees have an unfair advantage or are given preference over non-City employed residents.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Revise current policies and procedures for the Homebuyer Loan Program as well as all other programs that assist its residents and businesses to describe if and under which conditions and criteria a City employee (and immediate family and relatives) may apply for program services and assistance. These policies must contain procedures in which HUD or the applicable Federal agency is notified of the eligibility of City-employed applicants and prior to receiving program benefits assistance. The City should provide current policies and procedures for Conflict of Interest including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

Finding Five: Time and Activity Sheets

Condition: The City provided HUD with copies of Housing Services staff time sheets, activity logs, and related documents in support of CDBG funds committed to the Affordable Housing & Rehabilitation Division's administration and implementation of the Citywide Homebuyer Loan Program and the Citywide Single-Family and Mobilehome Rehabilitation Loan Programs. In analyzing these documents, HUD was unable to determine account codes assigned to specific CDBG activities, the CFDA title, and the grant number within its accounting records. The only code utilized in the time and activity sheets was accounting code "285-5115-804-8001" which, per the Finance Department's Chart of Accounts, represented Personnel Services – Direct Labor-Regular for Community Development staff instead of Housing staff but, more importantly, is not project/activity specific to Housing Services Homebuyer or

Rehabilitation Programs. To summarize, the City has not provided documentation associating staff costs charged to the CDBG program with eligible housing activities carried out. Without these financial standards, HUD was unable to identify the source and application of the CDBG award.

Criteria: Per §200.302(b)(3) Financial management, the financial management system of each non-Federal entity must provide for records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.

In addition, per §200.430 (i) Compensation – personal services (i) *Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities.

Cause: The City was not aware of all the financial standards criteria requirements of §200.302 (b) (3) nor §200.430 (i). Fiscal staff was under the impression that the account code and the grant year within accounting records were sufficient to track HUD grant transactions.

Effect: As a result of the condition noted, the City's Financial Management system does not meet all criteria of the financial standards requirements per the regulations at §200.302(b)(3) and §200.430 (i)

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) The City will need to utilize proper accounting codes which tie back to the eligible housing activities separately between the homebuyer loan and the rehabilitation program.

2) The City will need to revise Section D of its Grants Management Policy and Procedures to include financial standards as specified at §200.302 (b) Financial Management, including §200.302 (b) (3) and §200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and Procedures shall include standards that the Finance Department shall follow to ensure compliance to §200.302 Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures including certification of implementation from the certifying authority shall be provided to HUD 30 days after receipt of this monitoring letter.

Concern One: Incorrect identification and mislabeling of program funding

Condition: Several of the Down Payment or Rehabilitation participant documentation such as approval letters and agreements incorrectly identified the loans as provided by HOME instead of CDBG funds. It

appears that the program uses standardized or template forms which are primarily funded by HOME funds, however, those specific participants were funded with CDBG funds.

Cause: The condition noted was caused by insufficient internal controls and monitoring of participant documents and agreements to ensure the differentiation and correct identification of program funds among various participants. It appears as if staff utilized template agreements and other corresponding documents which primarily identified the HOME program as the funding source.

Effect: Participants are not properly informed of the HUD programs that are providing them assistance. In addition, the City program and finance staff may rely on inaccurate information contained in participant files to then fund and report on the incorrect HUD program funds.

Recommended Corrective Action: The City is requested to review its internal controls and procedures to ensure that the correct HUD programs are identified in Housing Services program documents and agreements, especially those made available to its applicants and participants.

Concern Two: The Homebuyer Loan Program's policies require that applicants attend Homebuyer Classes, however, only one of the program participant client files contained a copy of the Certificate of Homebuyer Training Course Completion

Condition: Of the homebuyer loan program participant files reviewed, only one (P. Vasquez, Activity Code #2223) contained a copy of the Certificate of Homebuyer Training Course completed. HUD requested copies of the missing certificates, however, the documents provided did not correspond to the two other participant files reviewed. In addition to missing documents, it should be noted that there were instances where other participant documents were incomplete and/or unsigned.

Cause: The City does not adhere to its program policies and procedures to ensure that all required documents are contained in all participant files.

Effect: The City is not in compliance with its own requirements by not ensuring that all necessary documents are contained within participant files.

Recommended Corrective Action:

1) The City is requested to review its internal controls and revise its policies and procedures to ensure that all documents are completed in their entirety and are properly located in each participant file.

2) It should be noted that the Grant Management Division Desk Procedures provided by the City are a copy of the HUD program guidelines and the "Basically CDBG Toolkit" available on HUD websites. For that reason, it is recommended that the City draft and implement its own policies and procedures based on HUD regulations. These policies and procedures must provide guidance on the City's policies on subjects such as eligibility, conflict of interest, program assistance limits, and documentation. The City should provide current policies and procedures including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

CDBG-Funded Rehabilitation Activities

The purpose of this review was to monitor the City's documentation that each CDBG-assisted activity met a national objective as defined in section 105 of the Housing and Community Development Act of 1974, as amended, as implemented at 24 CFR 570.200(a) and 570.208, respectively. Monitoring of this area was conducted using the Exhibit 3-11: Guide for Review of Individual CDBG-Funded Rehabilitation Activities. IDIS Activities 2241 and 2304 were reviewed to determine if the proposed national objective was met.

Finding Six: Lead-Based Paint

Program participants whose homes were built prior to 1978, the City must document that they have been provided with the current Lead-Based Paint informational brochure.

Condition: For those homes built after 1978, the City's rehabilitation program relies on a form signed by the City Inspector indicating that the home was built after 1978 to determine when a property requires lead-based paint inspection, assessment, and correction, and that a program participant is provided with a copy of the current lead-based paint informational brochure.

Criteria: Per 24 CFR Part 35 – Lead-based Paint Poisoning Prevention in Certain Residential Structures, rehabilitation projects must be evaluated properly to determine the applicability of general lead-based paint requirements. In addition, per 24 CFR 35.910(b) Notices, in cases where evaluation or hazard reduction or both are undertaken as part of federally funded rehabilitation, the grantee or participating jurisdiction shall provide notice to occupants in accordance with §35.125. The homeowner or occupant is to be informed of potential lead hazards through receipt of the Notice of Lead Hazard Information and the Renovation, Repair and Painting Rule pamphlets.

Cause: Per review and interview with fiscal staff, the City was under the impression that a report provided by the City Inspector indicating the age of the property was satisfactory without additional supportive documents to verify this date.

Effect: Without first source documentation such as appraisal reports, property details, and other legal documents used to confirm the age of the property and included in the participant files, the age of the property cannot be verified. As a result, the applicability of the Lead-Based Paint requirement and informational policies cannot be confirmed.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) The City should revise its policies and procedures to include other source documentation such as appraisal reports or property details to confirm the age of the property. This documentation should be included in participant files to support the report provided by the City Inspector and to ensure that the City acknowledges providing a copy of the lead-based paint informational brochure to program participants. The City should provide current policies and procedures for lead-based paint including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

Procurement

This area monitors procurement requirements for any CPD program subject to the procurement requirements found in §§200.317-200.326 of 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* HUD evaluated a representative sample

of procurement transactions undertaken by Oxnard. HUD attempted to evaluate the documentation related to the selected transactions: Oil Field Electric Fire Generator, Physio-Control, IN LifePak Monitors and Access, Johnson Equipment Outfitting BC Vehicle, Office Depot, and Housing Authority Inspection Service and used this information to verify Oxnard's responses to the questions in this Exhibit 34-3a Guide for Review of Procurement.

Based on monitoring of this area, it was determined that there were deficiencies within the area of Procurement. As a result, there are three Findings within this area.

Finding Seven: The City's written policies and procedures for selection, award, and administration of contracts did not conform to other applicable requirements in 2 CFR part 200.

Condition: The City provided HUD with its purchasing policy manual which outlines its procurement standards. The Grants section within the City's purchasing manual identified its compliance with §200.318 thru §200.326. However, the written policies and procedures did not address if cost plus a percentage of cost and percentage of construction cost methods of contracting were prohibited.

Criteria: §570.502 (a) Applicability of uniform administrative requirements. Grantees and subrecipients shall comply with 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".
§200.324 Contract cost and price, (d) the cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

Cause: The City did not keep abreast of regulatory requirements nor make amendments to its equipment records process to ensure compliance to Part 200 requirement

Effect: As a result, the City has not fully documented its compliance to procurement requirements as identified in Part 200.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) The City shall submit to HUD revised written policies and procedures to contain its compliance to §200.324 Contract cost and price. The City should provide current policies and procedures for procurement including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter including certification of implementation from the certifying authority.

Finding Eight: Documentation provided to HUD was not sufficient to detail the procurement history of sampled procurement transactions.

Condition: The City provided HUD with a listing of procurement transactions. From this list, HUD selected five procurement transactions (Oil Field Electric Fire Generator, Physio-Control, IN LifePak Monitors and Access, Johnson Equipment Outfitting BC Vehicle, Office Depot, and Housing Authority Inspection Service) for review. From the review, Oxnard's documentation was not sufficient to detail the procurement history to identify the rationale for the method of procurement, the selection of contract type, contract selection or reject, or the basis for the cost or price of the contract.

In addition, HUD was unable to determine the following within its procurement history documents: description of the item or service requested, a completed sub-award versus contractor

determination form, alignment with program/award/project/activity type to confirm the requested item(s) or service is consistent with the purpose of the program/award/project/activity, that the City confirmed amount of sufficient funds in the budget plan, in accordance with the established budget work breakdown structure, for the procurement estimate amount, the signature of a budget official confirming the funding amount available for the request, the signature of an authorized program/project official confirming the requested items(s) or service is consistent with the purpose of the program/award/project/activity, and alignment of the proposed amount with an independent cost estimate.

Criteria: Per §570.502 (a) Grantees and subrecipients shall comply with 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In addition, per §200.302(b), the financial management system of each non-Federal entity must provide for the following (see also §§200.334, 200.335, 200.336, and 200.337):

1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.

2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §200.328 and §200.329. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports based on an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports based on an analysis of the documentation on hand.

3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.

4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §200.303.

5) Comparison of expenditures with budget amounts for each Federal award.

6) Written procedures to implement the requirements of §200.305.

7) Written procedures for determining the allowability of costs in accordance with subpart E of this part and the terms and conditions of the Federal award.

According to §200.318(i) General Procurement standards, the non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

In addition, per §200.319(a) Competition, all procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and §200.320.

Cause: The City did not keep abreast of regulatory requirements nor make amendments to its procurement standards to ensure compliance to Part 200 requirement

Effect: As a result, the City has not fully documented its procurement standards as identified within Part 200.

Corrective Action: To address this deficiency, Oxnard is requested to take the following action:

1) It is strongly advised that Oxnard shall create a procurement checklist to capture the following procurement criteria:
   - identify the rationale for the method of procurement,
   - the selection of contract type,
   - contract selection or rejection,
   - the basis for the cost or price of the contract,
   - description of the item or service requested,
   - a completed sub-award versus contractor determination form,
   - alignment with program/award/project/activity type to confirm the requested item(s) or service is consistent with the purpose of the program/award/project/activity,
   - confirmation amount of sufficient funds in the budget plan, in accordance with the established budget work breakdown structure,
   - for the procurement estimate amount, the signature of a budget official confirming the funding amount available for the request,
   - signature of an authorized program/project official confirming the requested items(s) or service is consistent with the purpose of the program/award/project/activity, and
   - alignment of the proposed amount with an independent cost estimate.

   This documentation shall be provided to HUD within 30 days from receipt of this letter.

Finding Nine: Procurement Procedures for both Housing Services Programs and the Fire Department Activities.

Condition: For the Down Payment and Rehabilitation Program, which utilized the professional services of an environmental consultant, Criterion, for lead-based paint-related assessment and inspection, the City did not have policies to guarantee that environmental consultants are procured for based on qualifications. For the rehabilitation program, the City has utilized the same short list of three construction companies of which the same contractor, Daniels Construction, was awarded the contract in all five files reviewed. In several of the files reviewed, Daniels Construction was the only bidder and there was no evidence of promotion and outreach efforts to DBE contractors (MBE/WBE). There was no evidence provided for the procurement of select fire department equipment and vehicles.

Criteria: Per §570.502 (a) Applicability of uniform administrative requirements, grantees and subrecipients shall comply with 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards". In addition, per §200.324(d) Contract cost and

price, the cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

Cause: The City did not keep abreast of regulatory requirements nor make amendments to its equipment records process to ensure compliance to Part 200 requirement

Effect: As a result, the City has not fully documented its compliance to procurement requirements as identified in Part 200.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Oxnard shall submit to HUD revised written policies and procedures to contain its compliance to §200.324 Contract cost and price. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter including certification of implementation from the certifying authority.

Financial Management and Audit Requirements

Under this area, HUD assessed the City's compliance to financial management requirements to 2 CFR Part 200. Monitoring of this area was conducted using the monitoring Exhibit 3-4-1A: Guide for Review of Financial Management and Audits. Areas examined under financial management and audits included financial management, internal controls, program income, budget period, record retention and access requirements, and audit requirements. HUD examined financial documents provided by the City to include accounting/fiscal policies and procedures, CDBG account balance reports, records management policy, purchasing policy, accounts payable procedure, subrecipient agreements, chart of accounts, organizational chart, budget variance reports, and the Single Audit for the period ending June 30, 2020. In addition to this, the following vouchers and source documentation to support expenditure costs were reviewed:

Grant number	**Voucher Number**	**Voucher Amount**
B18MC060534	6410895	$251,048.35
	6326046	3,766.97
	6355367	54,677.89
	6304219	20,690.43
	6396938	71,034.07
Total		**$401,217.71**
B19MC060534	6326046	$11,416.77
	6406880	1,993.66
	6406875	726.14
	6406937	2.00
	6474810	35,778.93
Total		**$49,917.50**

In addition, to further understand the City's fiscal processes and internal controls, interviews were conducted with Oxnard's fiscal staff. Based on this monitoring review, it was determined that there

were deficiencies within the area of financial management. As a result, there are five Findings and no Concerns.

Finding Ten: The City's Financial Management System does not comply with all criteria identified within the financial standards found within 2 CFR Part 200.

Condition: The City of Oxnard provided HUD with various accounting records to include CDBG account balance reports, chart of accounts, budget variance reports, and sampled vouchers along with source documentation to support voucher expenditures. In analyzing these documents, HUD was unable to determine the account codes assigned to specific CDBG activities, the CFDA title, and the grant number within its accounting records. Without these, HUD was unable to identify the source and application of the CDBG award.

Criteria: Per §570.502(a) Applicability of uniform administrative requirements, grantees and subrecipients shall comply with 2 CFR part 200. In addition, per §200.302 (b) Financial Management, a non-Federal entity's FMS must provide for the following:

1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.

2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§200.328 and 200.329. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports based on an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports based on an analysis of the documentation on hand.

3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.

Cause: Per review and interview with fiscal staff, the City was not aware of all the financial standards criteria requirements of §200.302 (b). Fiscal staff was under the impression that the account code and the grant year within accounting records were sufficient to track HUD grant transactions.

Effect: As a result of the condition, the City's Financial Management system does not meet all criteria of the financial standards requirements per the regulations noted above.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Revise Section D of its Grants Management Policy and Procedures to include financial standards as specified in §200.302 (b) Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and

implemented Grants Management Policy and Procedures shall be provided to HUD 30 days after receipt of this monitoring letter including certification of implementation from the certifying authority.

Finding Eleven: Source documentation did not support all expenditure costs of select vouchers reviewed

Condition: The City of Oxnard provided HUD with source documentation to support the following IDIS vouchers: 6410895, 6326046, 6355367, 6304219, 6396938, 6406880, 6406875, 6406937, and 6474810. From the review of the vouchers and source documentation, two vouchers contained ineligible costs and two vouchers did not have sufficient source documentation to support the voucher expenditure.

Voucher 6304219 showed $1,851.04 CDBG admin charges for professional organization memberships. CDBG regulatory citation 570.206 Program administrative costs identify specific eligible costs that are allowable under CDBG admin. Membership costs for professional organizations are not identified as an eligible CDBG admin expense. In addition, voucher 6326046 showed a total of $5,137.16 in expenditures for the City's Community Camera activity. The Community Camera activity is described as CDBG funds are used to acquire and maintain neighborhood crime prevention cameras. Source Documentation provided to support these costs were the following: $50 for CA Gang Task Force, $3,545.24 for the NATIA Conference, and $1,541.92 for Southwest airfare. It is unclear how these expenditures correlate to acquiring and maintaining crime prevention cameras.

For voucher 6474810, source documents supported $35,355.87 of the $35,778.93. Source documentation was insufficient to support $423.06 in expenditures. A portion of the source documentation provided for voucher 6410895 supported an expense of $13,086. However, the remaining source documentation was not codified to tie to the specific activities of either the Community Center East Park Improvement or the Enhanced Medical Services Equipment. The City will need to tie source documents to the remaining voucher total of $237,962.35.

Criteria: Per 570.502(a) Applicability of uniform administrative requirements stipulates grantees and subrecipients shall comply with 2 CFR part 200.

Per §200.302 (b) Financial Management, a non-Federal entity's FMS must provide for the effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

In addition, per §200.303 Internal controls, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Cause: The City was under the impression that the expenses for the Community Camera activity were eligible under the CDBG award. In addition, the City did not follow appropriate internal control procedures to ensure source documentation fully supported CDBG expenditures. The City did not exercise effective control over HUD funds, nor did it adequately safeguard all assets and assure that HUD funds were used solely for authorized purposes.

Effect: As a result, the City charged CDBG funds for ineligible costs and has not supported costs with appropriate source documentation to support expenditures.

Corrective Action: To address this deficiency, Oxnard is requested to take the following action(s):

1) Remit $5,137.16 from non-federal funds back to the 2019 CDBG line of credit for the ineligible expenses completed under the Community Camera activity.

2) For the unsupported costs of $238,385.41, provide the appropriate source documentation

3) From voucher 6474810, provide appropriate source documentation to support $423.06 in CDBG expended costs.

4) From voucher 6474810, provide appropriate source documentation to support $237,962.35 in CDBG expended costs.

The source documentation provided should show the origin of the expense. Remitted funds must come from a non-Federal funding source and be received by HUD within 30 days from receipt of this letter.

Finding Twelve: The City's record retention and access policy did not comply with 2 CFR part 200 requirements

Condition: As part of the financial management review, the City provided its record management policies and procedures. Through evaluation of these policies and procedures, it was determined that the City is not in compliance with record retention and access requirements as outlined in Part 200 and within its policies and procedures. In addition, the City's policies and procedures did not address each HUD award's program-specific retention requirements, nor did it address access requirements.

Criteria: The CDBG Regulations at §570.502(a)(7) Applicability of uniform administrative requirements, addresses the specifics retention requirements for recipients and subrecipients. According to §200.334 Retention requirements for records, financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action is taken.

b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

c) Records for real property and equipment acquired with Federal funds must be retained for 3

years after final disposition.

d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.

e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates)

(1) *If submitted for negotiation.* If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(2) *If not submitted for negotiation.* If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or another accounting period) covered by the proposal, plan, or other computation.

In addition, Per §200.337(a) Access to records - Records of non-Federal entities, the Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

b) *Extraordinary and rare circumstances.* Only under extraordinary and rare circumstances would such access include a review of the true name of victims of a crime. Routine monitoring cannot be considered extraordinary and rare circumstances that would necessitate access to this information. When access to the true name of victims of a crime is necessary, appropriate steps to protect this sensitive information must be taken by both the non-Federal entity and the Federal awarding agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by the head of the Federal awarding agency or delegate.

c) *Expiration of right of access.* The rights of access in this section are not limited to the required retention period but last as long as the records are retained. Federal awarding agencies and pass-through entities must not impose any other access requirements upon non-Federal entities.

Cause: The City did not evaluate nor assess its existing record management policies and procedures to determine update requirements or compliance to CDBG regulatory and Part 200 requirements.

Effect: As a result, the City is non-compliant with the requirements of CDBG regulatory requirements and Part 200 requirements.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Update its record management policies and procedures to reflect compliance with CDBG record retention requirements and Part 200 requirements. These updated record management policies and procedures shall be submitted to HUD within 30 days after receipt of this letter including certification of implementation from the certifying authority.

Finding Thirteen: The City did not provide written documentation to support an internal control self-assessment nor measures to safeguard protected personally identifiable (PII) information.

Condition: The City did not provide documentation to support it conducted a self-assessment of its internal control system. In addition, the City's written policies and procedures did not address conducting a self-assessment of its internal control system, as well as how it safeguards PII.

Criteria: Per §570.502(a) Applicability of uniform administrative requirements, this requirement stipulates that grantees and subrecipients shall comply with 2 CFR part 200.

According to §200.303 Internal controls, the non-Federal entity must:

> a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
>
> e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and confidentiality.

Cause: From the interview with City fiscal staff and a review of its Grant Management policy and procedures, it is apparent to HUD that internal control measures are in place. However, since the City has not consistently assessed its existing Grant Management policy and procedures, the City's internal controls do not align with those described in Part 200.

Effect: As a result of the condition described, the City's written internal controls are not compliant with §200.303. In addition, as HUD has found from this review, insufficient source documents to support CDBG expenditures and ineligible costs charged to the CDBG award are indications that the City has neither effectively assessed its internal control system nor maintained updates to its policies and procedures per Part 200.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Revise its Grant Management policies and procedures to include updated internal control measures that align to §200.303 Internal Controls. The City shall also address pertinent internal control measures such as PII. These revised Grant Management policies and procedures shall be submitted to HUD 30 days after receipt of this letter including certification of implementation from the certifying authority.

Finding Fourteen: HUD is unable to determine if measures are in place to ensure HUD awards are charged no more than a reasonably proportionate share of costs

Condition: HUD requested documentation to support if HUD awards are charged no more than a reasonably proportionate share of the audit costs. HUD did not receive documentation or any additional feedback regarding this request.

Criteria: According to §200.403(b) Factors affecting allowability of costs, this requirement indicates that, except where otherwise authorized by statute, costs must meet the criteria of conforming to any limitations or exclusions outlined in these principles or as allowed in the Federal award.

Cause: The City has not kept abreast of Part 200 requirements and updates. In addition, the lack of robust internal control measures among the fiscal and programmatic units has created weaknesses in effectively administering HUD awards.

Effect: By charging HUD awards more than its proportionate share of audit costs, the city is not in compliance with Part 200 requirements.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Oxnard shall submit to HUD a copy of the invoice submitted by its auditor, Eadie + Payne, LLP, for the Single Audit services for the period ending June 30, 2020. The copy of this invoice shall reflect the program account codes and appropriate calculations to show the amounts each program was charged for the audit services. The City shall provide this documentation within 30 days from receipt of this letter.

Equipment Management and Disposition

This review determines the non-Federal entity's compliance with the equipment management and disposition requirements at 2 CFR 200.310, 200.313, and 200.316 for any CPD program which is subject to 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Monitoring of this area was conducted using the monitoring Exhibit 3-21: Guide for Equipment Management and Equipment Disposition. The city of Oxnard provided HUD with a listing of its equipment transactions. From this listing, HUD examined the following five equipment transactions: Generator Fire Station #2, Generator Fire Station #3, Operations Vehicle, LifePak15 Defibrillator/Monitor, and Medical Squad 68.

Based on this monitoring review, it was determined that there were deficiencies within the area of equipment management and disposition. As a result, there was one Finding identified.

Finding Fifteen: The City's equipment records do not comply with all requirements of part 200

Condition: During the review, HUD determined that the City's equipment records are not in compliance with Part 200 requirements concerning equipment use and management requirements.

Criteria: Per §570.502 (a)(6), Applicability of uniform administrative requirements, grantees and subrecipients shall comply with 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

Further, per §200.313(c)(2) and (3) Use, during the time that equipment is used on the project or program for which it was acquired, the non-Federal entity must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the Federal awarding agency that financed the equipment, and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally funded programs or projects is also permissible. User fees should be considered if appropriate.

Notwithstanding the encouragement in §200.307 to earn program income, the non-Federal entity must not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment.

In addition, according to §200.313(d)(1) Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

1) Property records must be maintained that include a description of the property, a serial number or identification number, the source of funding for the property (including the FAIN), who holds the title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

2) A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

4) Adequate maintenance procedures must be developed to keep the property in good condition.

5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Cause: The City did not keep abreast of regulatory requirements nor make amendments to its equipment records process to ensure compliance to Part 200 requirement

Effect: As a result, the City has not fully documented its equipment per the criteria outlined in Part 200.

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) Submit an updated equipment log to include the following criteria: property description and location, serial number or identification number, funding source (including the Federal Award Identification Number, or FAIN), titleholder, acquisition date and cost, percentage of Federal participation in original acquisition cost, use and condition of equipment, if applicable, disposition data, such as date of disposal and sales price.

2) The policies and procedures pertaining to equipment shall ensure compliance to equipment use per §200.313(c) and management requirements found at §200.313. Compliance with these regulatory citations shall be documented along with its revised City's equipment inventory report log.

The City shall submit this documentation within 30 days from receipt of this letter including certification of implementation from the certifying authority.

Single Audit Compliance

The Audit review consists of an evaluation of the City's performance in fulfilling the audit requirements of the CDBG program in accordance with 2 CFR Part 200.501 audit requirements. The City submitted the appropriate annual audit by Eadie + Payne, LLP for the period ending June 30, 2020. The City received one repeat finding for its CDBG program. The City provided a response and responsible person to address the finding by a planned implementation date of July 1, 2021.

Review of Prior Monitoring Findings

The City has three monitoring findings that remain outstanding from prior year monitorings. Each finding was assessed resulting in closure or re-opening in this report. The City has four monitoring findings that remain outstanding, three from the 2015 monitoring and one from the 2018 monitoring. Each finding was assessed resulting in closure or re-opening in this report. For the 2015 monitoring, Findings Three and Five remain open. Finding Seven is closed and incorporated into Finding Five. For the 2018 monitoring, Finding Two is closed and incorporated into Finding Six.

Prior Monitoring Findings that Remain Open

Finding Sixteen (2015 Finding Three: Rental Project Terry's Place)

Original Condition: The City did not secure the appropriate written agreement with all the required HOME regulatory provisions including a budget, the scope of work, appropriate benchmarks for project completion, etc. The City provided HOME funds for acquisition without securing the appropriate appraisal to determine the value of the property. The bridge loan provided was a line of credit for the organization and not a specific loan for the HOME project. The supporting documentation for invoices included costs that may not be eligible. For example, line of credit fees that cannot be directly associated with the HOME project and staff costs for marketing activities that were not supported with time and activity sheets. Finally, the sellers of the project were not provided a voluntary acquisition letter as required.

Current Condition: The City provided copies of all the documents signed for the project identified in the original condition excepted an amendment to implement the HOME requirements signed and dated by

both parties.

Criteria: HOME regulation at 24 CFR Part 92.504(b) states that before committing funds to a project, the participating jurisdiction (PJ) must enter into a written agreement. In addition, 24 CFR Part 92.504(c) (5) (ii) establishes the provisions that are required in the HOME written agreement. 49 CFR Part 24.1(a) requires the PJ to notify the seller in writing prior to the start of negotiations that the property will neither be taken through eminent domain nor purchased without an amicable agreement, and to disclose the estimated market value of the property. HUD Info Bulletin CPD 2014-04 contains related requirements. In accordance with HOME regulations at 92.2, the definition of commitment requires that all signatures be dated.

Cause: A deficient system to maintain all the HOME requirements.

Effect: The HOME funds were committed without a sufficient HOME written agreement and HOME expenditures are not sufficiently supported. The sellers of the property were not adequately notified of their rights under the Uniform Relocation and Real Property Acquisitions Policies Act.

Corrective Action: The amendment provided was previously submitted and no signatures on the written amendment between the City and Many Mansions were dated. Please submit a signed and dated amendment that incorporates the HOME regulatory requirements to close this finding.

Finding Seventeen (2015 Finding Five: Environmental Review Process)

Original Condition: The City completed the environmental review process for Terry's Place but incurred costs before the request for release of funds was in hand.

Cause: The City does not have sufficient policies and procedures to ensure the environmental review process is completed timely.

Effect: The City's records do not sufficiently document compliance with the required environmental reviews.

Corrective Action: The City must establish and implement policies and procedures to conduct environmental reviews for all projects prior to committing and expending HOME funds, in accordance with the rules and regulations, and keep the record in each project file. Please submit the established policies and procedures, including certification of implementation from the authorized official.

Prior Monitoring Findings that are Closed

2018 Finding

Finding Two: Lead-based Paint Inspection and Interim Measures

Original Condition: Lead-based paint practices are not modified relative to the level of HUD assistance.

Cause: To its credit, the City routinely provides HUD-approved notices to households applying for rehabilitation loans. It also includes a visual inspection for lead-based paint when preparing work-writeups. This practice is acceptable for rehabilitation projects below $5,000, but the City routinely approves loans as high as $25,000. Loans of this level trigger a more rigorous inspection and mitigation

for lead-based paint.

Criteria: 24 CFR 92.355

Effect: Residential rehabilitation costs exceeding $5,000 (but below $25,000) require a risk assessment performed by a certified inspector to determine the presence, type, severity, and location of lead-based paint hazards (including lead hazards in paint, dust, and soil) and it provides suggestions as to how to control these hazards. Risk assessments must be performed by an approved and certified risk assessor.

Required Corrective Action: The City of Oxnard is to implement Lead-based Paint practices in conformity with the most recent HUD guidance. This will involve soliciting certified Risk Assessors and providing clear guidance to homeowners and contractors about interim measures that will reduce the risk of releasing lead into the environment during construction.

HUD Determination: A review of rehabilitation program participant files determined that lead-based paint practices in conformity with the most recent HUD guidance have been implemented including soliciting certified Risk Assessors and documented inspection, assessment, and corrections. **This Finding is closed.**

2015 Finding Seven (2012 Re-opened Finding): Eligibility and Classification

Condition: The City provided CDBG funds to administer all HOME-funded housing rehabilitation programs and reported its accomplishments to HUD in IDIS. However, there was no record indicating what housing rehabilitation projects were included in CDBG Housing Rehabilitation Administration Costs. City staff stated that they treated this project like HOME administration costs; so they did not track the CDBG Housing Rehabilitation costs per project. In addition, the City provided CDBG funds to Greater Oxnard Economic Development Corporation (EDCO) to provide business technical assistance; the City classified the national objective for the project as LMJ in program year 2010 and LMA in program year 2011. Based on the City's records and an on-site visit to EDCO, the subrecipient EDCO did not track and maintain beneficiary data.

Current Condition: The City has not provided documentation of the housing activities that staff worked on and provided a list of the projects the staff worked on needs to submit documentation to support the national objective for CDBG Housing Rehabilitation (IDIS activities #1762 and #1820) and EDCO (IDIS activity #1761).

Criteria: CDBG Regulation at 24 CFR 570.206 states that CDBG funds may be used to pay for program administration of the HOME program and such assistance must also meet HOME income targeting requirements. In addition, 24 CFR 570.201(p) describes that in order to use the CDBG funds, the grantee must determine, prior to providing the assistance, the eligibility of the activity for which capacity is to be built and that there is a reasonable expectation that a national objective can be met once the entity has received the technical assistance and undertakes the activity.

Cause: The deficiencies were caused by a lack of knowledge of the specific requirements of the regulations.

Effect: The Department is unable to verify that CDBG funds were spent on eligible activities.

HUD Determination: The City's current policies and procedures do not address or resolve this issue;

this is covered under Finding Five. **This Finding is closed.**

Alexander Nguyen
City Manager

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February 8, 2022

Rufus Washington, CPD Director
U.S. Department of Housing and Urban Development (HUD)
Office of Community Planning and Development
Los Angeles Field Office
300 N. Los Angeles Street, Suite 4054
Los Angeles, CA 90012

Subject: Response to Fiscal Year 2021 Remote Monitoring
Community Development Block Grant Program
Grant Numbers: B-18-MC-06-0534 and B-19-MC-06-0534

Dear Mr. Washington:

On November 26, 2021, the City of Oxnard Housing Department ("City") received the monitoring review letter, for program years 2018 and 2019, from the U.S. Department of Housing and Urban Development (HUD) Community Development and Planning (CPD) Representative Roy Mata. The report contained 15 Findings and 2 Concerns with the requirement of responding within 30 days. It was requested that the City be allowed 60 days to respond due to the City working on the 2020 CAPER modifications needed for HUD to accept the report and HUD was kind enough to approve this request.

The City was able to review and research the outcomes described in the monitoring report. There are some that the City was able to provide conclusive responses to and some others we ask that HUD consider extended time for, as some of the actions that HUD is requiring will need to be approved by the City Council. The responses that need extra time will be noted with a request for 90 days to complete the changes in policies, navigating the changes through the City Council process to include public noticing requirements, ultimately for the Council's adoption of the updated policies and procedures for future HUD compliance needs.

The City understands that there are areas that require improving systematic processes, in addition to improving the training and capacity-building of the staff. Conversely, the City believes that there are some sections within the review where the remote monitoring may have created limitations further creating negative outcomes that would not have occurred if the circumstances (i.e. pre-pandemic) were different. The City's responses include supporting documentation in addition to our position on each Finding, and Concern, as applicable.

Should there be any additional information you require, please feel free to contact Andrea Palmer, Grants Manager, by email at andrea.palmer@oxnard.org, or by phone at (805) 385-7959. Thank you.

Sincerely,

Alexander Nguyen
City Manager

Below are the responses for each Finding. Please note each will be summarized according to the chronological Findings and backup will be attached as exhibits.

Finding Number One – Fair Housing Eligibility

The monitoring report describes that the City did not provide sufficient documentation to support Housing Rights Center's (HRC) eligibility and national objective. In addition, since the Fair Housing Services Project is being funded as a Public Service (as reported in Oxnard's Consolidated Plan and Annual Action Plan) instead of under Planning and Administration, and that there is more supporting documentation required under the Public Service regulation such as income levels to determine low- and moderate-income statuses. It further describes that HUD was unable to verify City staff time, or HRC time associated with the program through the accounting codes provided during the monitoring visit.

HUD Proposed Corrective Actions

1) The City must revise Section D of its Grants Management Policy and Procedures to include the financial standards as specified at §200.302 (b) Financial Management, including §200.302(b)(3) and §200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and Procedures shall include the standards that the Finance Department shall follow to ensure compliance with §200.302 Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures shall be provided to HUD 30 days after receipt of this monitoring letter.

2) The City must reclassify the Fair Housing Program and the services provided by the Housing Rights Center as Planning and Administration beginning in PY 2021. The City can utilize either CDBG planning and administration or HOME planning and administration funds.

City's Response to Finding Number One –

1) The City will amend its Housing policies and procedures to include the financial standards as specified at §200.302(b), Financial Management, including §200.302(b)(3) and §200.430(i) Compensation.

Oxnard's Responsibilities and Procedures section of its Grants Management Policy and Procedures shall include the standards that the Finance Department shall follow to ensure compliance with §200.302 Financial Management. These revised policies and procedures will be approved and implemented by the City's Council. It is requested that HUD allow the City 90 days to complete this requirement.

2) The City will reclassify the Fair Housing Program to include services of the Housing Rights Center from Public Services to Planning and Administration for the 2021-2022 program year. It is requested that HUD allow 90 days to change the project from Public Services to Planning and Administration, as it will be included in the mid-year reallocation presented to City Council as a change in budget.

Finding Number Two – Fire Station Equipment and Vehicles

Finding number two identifies one vehicle and three equipment purchases through a total of four projects funded by the City's CDBG funding:

a) **Operations Chief Mobile Command (IDIS Activity 2252)** - Although the vehicle may contain life-saving equipment, it serves as a mobile command center for use by the Battalion Chief and is not used by firefighters to save lives. This item is considered a general government expense and is not eligible.

b) **Fire Station Alerting (IDIS Activity 2312)** - This first responder alert system located in four fire stations is not included in the definition of fire *protection* equipment. This system is considered a maintenance cost and a general government expense, which is not eligible.

c) **FD-Mobile Data Equipment (IDIS Activity 2319)** - Based on the description provided, the data equipment consists of items such as laptops and mobile tablets which are not permanently installed in fire engines. Further, the primary purpose of this equipment is to track records and is not directly used for fire prevention or to save lives.

c) **ALS Program Enhancement (IDIS Activity 2311)** - It appears from the information provided that the Paramedic Support Vehicle (PSV) purchased is similar to an ambulance and is operated by the fire department. If that is the case, then the purchase can be eligible just as ambulance or rapid response vehicles can be eligible. Use of the PSV unit to provide services to Oxnard residents such as Incident Response, Special Operations, and sidewalk CPR training are eligible. However, use of the PSV unit as a command post for the paramedic manager or supportive role is not eligible. The cost of the PSV unit may only be paid with CDBG funds proportionate to the percentage of time it will be used as an ambulance or to provide the above-described training to Oxnard residents. To determine which services provided by the PSV vehicle are eligible, the City must calculate the percentage of time the PSV has been used to carry out CDBG-eligible activities.

HUD Proposed Corrective Actions

1) Remit costs associated with the purchase of the ineligible items noted above back to the 2018 and 2019 CDBG line of credit for the ineligible expenses completed under the following activities:

a) Operations Chief Mobile Command (IDIS Activity 2252)
b) Fire Station Alerting (IDIS Activity 2312),
c) FD-Mobile Data Equipment (IDIS Activity 2319)

2) For ALS Program Enhancement (IDIS Activity 2311), submit a breakdown of documented time of eligible as well as ineligible roles associated with the PSV. Based on the information provided, the City is to remit to its CDBG line of credit, the costs associated with all service time spent on the ineligible roles.

3) While the PY 2020 Fire Department activities related to the purchase of equipment and vehicles were not part of the current monitoring, the City should use the eligibility standards described earlier to modify the implementation of current and future uses of CDBG and CDBG-CV funds such as PY 2020 IDIS Activity 2349, Emergency Operations to replace and upgrade computers, and for IDIS Activity 2354 CV-Paramedic. The city should track the time and use of CDBG-eligible uses of the purchased equipment.

City's Response to Finding Number Two - Fire Station Equipment and Vehicles

The Oxnard Fire Department operates with minimal resources, some of the lowest in the state, which has a direct impact on the ability to save lives. The City of Oxnard is the largest city within Ventura County and has very high call volumes and antiquated equipment that impacts call responses for a city its size. The department is reliant on grant funding to provide adequate emergency services to the community. The equipment purchased is considered life-saving and would not have been made if not for the CDBG funding that supported these projects. The equipment purchased supports expedited emergency services to low-income Oxnard residents that allow a shorter response period and increased opportunity to save lives through the resources funded through CDBG. Please refer to the City's responses to each section of Finding Number Two below:

1a) Operations Chief Mobile Command (IDIS Activity 2252)

The City is prepared to remit costs to HUD for the Operations Chief Mobile Command Vehicle.

1b) Fire Station Alerting System (IDIS Activity 2312)

The City supports its award of the Fire Station Alerting System as a public infrastructure project (as described in the CDBG Guide to National Objectives, Public Facilities and Improvements, page 2-11; see Exhibit 1-1), as the prior system was antiquated and inefficient to attend to residents as an active first response to an incident. It is requested that HUD reconsider its determination from the project being ineligible to eligible as the stations are located in low-income census tracts and primarily serve the low-income communities of the City (see Exhibit 1-2, Census Tract Map).

The Fire Station Alerting Systems were upgraded in four fire stations located in LMI areas of the City. The alerting systems are hard wired into the fire stations infrastructure and provide a direct line of communication from the dispatch center to the fire stations. The alerts provided are both audible and have a light system of communication. The alerting systems used in these fire stations previously had started to fail and were no longer supported by the manufacturer. Prior to the infrastructure improvements to the four stations, three alerting systems were pieced together using equipment borrowed from a neighboring agency. The cost to replace the systems was prohibitive based on the City's financial constraints. System failures resulted in dispatch communications not being received and firefighters not responding to emergency calls for service. A call notification being missed by one station requires that another fire station be contacted to respond to the emergency, causing unnecessary delays that could result in loss of life or property, as each minute counts.

The equipment that was purchased and installed brings the four stations' alerting systems up to the industry standard, overcoming the subpar communication system that was in place for these low-income areas. Included are heat maps (Exhibit 1-3) showing the 2021 response for each station overlaid on the HUD LMI/LMA districts. The rehabilitation of these fire stations through the procurement and installation of current technology will save lives. Utilizing the new equipment, dispatch will now be able to clearly alert fire personnel of incoming 9-1-1 calls for response. Through verbal communication and a colored light system firefighter are notified of the type of call (medical response, traffic collision, residential fire, etc) immediately by the dispatch center and are able to rapidly deploy to the emergency. The liability of lives lost due to faulty and substandard equipment is relieved with the support of this equipment. The City

1c) FD-Mobile Data Equipment (IDIS Activity 2319)

The City supports its determination on the Mobile Data Equipment and it is requested that HUD close this finding based upon the consideration that this is life-saving, fire equipment based upon the information provided and in support of the low-income census tract areas that this equipment primarily serves.

The Mobile Data Center (MDC) is a permanently installed piece of communication equipment in each emergency response vehicle. The MDC is used for dispatching purposes and is a direct line of communication between emergency responders and the dispatch center. The computer is a lifeline for first responders. Critical response information is shared on the computer system that may not be appropriate for radio communication, this may include information on the location of response, including a dangerous or armed suspect, history of a patient that has requested medical assistance, or staging directions for the response vehicles. The computers provide maps and blueprints of buildings, locations of fire hydrants, and known hazards at the response location.

A critical enhancement that the upgraded technology of the replacement MDC allows is the installation of a modem, converting each fire engine, truck and apparatus into a mobile wi-fi hotspot. This technological enhancement allows the medical equipment used on a distressed patient, such as automated external defibrillator (AED) or LifePack (a mobile device used by paramedics to monitor patient vitals and provide life-saving procedures such as cardiac assessments) to communicate directly with the hospital. By sending

patient information to a hospital while a patient is in transit, the hospital personnel will be best equipped to start life saving measures upon arrival, saving minutes of data sharing between medics and doctors on arrival. In a life-threatening emergency, minutes not only save lives, but improve the quality of life of the survivor. The Fire Department wants to give patients the best chance of a full recovery; the time saved by transferring patient data electronically prior to arrival of the patient is critical to making this goal a reality.

In low- to moderate-income communities access to medical care can pose unique challenges. Social Determinants of Health indicate low-income, unemployment, lack of housing, lack of insurance and disability creates barriers to access for primary and preventative medical care. As a result of these barriers to primary health care many socioeconomically disadvantaged individuals are compelled to make decisions that negatively impact their health needs based upon the ability to pay. This can result in sacrificing basic health care or medications needed for the treatment of chronic conditions to provide for other necessities such as food and housing. The deferment of primary health care directly correlates with a higher use of emergency medical services (EMS) among low to moderate income populations. Manageable chronic diseases may remain unchecked, resulting in a more severe life-threatening illness when assistance is required. These patients require more advanced prehospital (911 medical response) where the level of service provided can be the difference between life and death. Transmitting critical data through the modems attached to the MDC directly to the hospital while the patient is in transit is essential for survival.

The MDC replacement has brought the City of Oxnard Fire Department to the same standard of mobile data centers used by surrounding fire departments. The MDCs are managed by the Ventura County Fire Protection District, the same agency that provides dispatch services to the City of Oxnard.

2) Advance Life Support Program Enhancement (ALS) (IDIS Activity 2311)

The City supports the ALS Program Enhancement and Paramedic Support Vehicle Operations as an eligible project based upon HUD regulations and asks that HUD to reconsider the Paramedic Support Vehicle as life-saving equipment based upon the fact that the entire city is over 60% low-income and the equipment is more frequently used within the low-income neighborhoods than non-low-income neighborhoods (refer again to Exhibit 1-3, Heat Maps), in addition to the supported information described below:

The Paramedic Support Vehicle (PSV) adds a highly efficient, mobile, platform for incident responses, primarily in densely populated areas, where the Fire trucks may have challenges getting to. The PSV provides the capabilities for a Paramedic Supervisor or Manager to fulfill multiple roles that serve the entire community. A PSV is a standard piece of equipment for fire departments to provide Advanced Life Support (ALS) program responses. The ALS program is a citywide enhancement program targeting low- to moderate-income and medically underserved communities with advanced, paramedic level emergency medical services (EMS). The ALS program was developed in response to increased call volumes and delays of paramedic ambulance services disproportionately to low- and moderate-income communities. The Oxnard Fire Department would not have this capability without the use of CDBG funds. The PSV has four functions exclusive to meeting emergency needs to residents and two exclusively considering the needs of the City's low- and moderate-income residents. They are as follows:

Incident Responses

The PSV unit part of the greater Oxnard Paramedic-level Emergency Medical Services (EMS) system with specific capabilities to support the EMS mission. As a smaller, light, easily maneuverable, and 4x4 capable vehicle, the PSV allows the Paramedic to navigate the high-density areas within south Oxnard easier and safer than most large apparatus. The 4x4 capability provides access to patients located in difficult to reach areas, such as agricultural fields, where heavy apparatus such as the standard Fire truck, could not. The City contains multiple agricultural locations, populated with farmworkers and little to no paths for emergency access.

The paramedic manager, to which the vehicle is assigned, is able to respond to emergencies quickly throughout the City providing additional ALS support. The unit is built with a special purpose truck vault that provides an EMS command post. This provides the paramedic manager a platform to operate in large scale, multi casualty incidents with full access to radio communications and ports for dispatch data terminals, and power for devices used during longer incidents.

Logistical Support

The PSV is built with a special heavy-duty bed slide and camper shell. This enables the vehicle to serve a mobile resupply point for both advanced life support and basic life support supplies and equipment. All PSV vehicles operating in the Ventura County EMS system must stock minimum levels of certain equipment. These standards are outlined in VCEMS Policy 504. The vehicle meets the double lock standard to comply with DEA scheduled medications regulations allowing for field resupply of certain EMS schedule 2 Rx.

Special Operations

The PSV as a platform enables specific EMS response enhancements previously unavailable to Oxnard Fire. The PSV is a critical response vehicle during Tactical EMS (TEMS) operations in which the Oxnard Fire Department Paramedics are embedded with the Oxnard Police Department Special Weapons and Tactics (SWAT) team operations to provide emergency medical assistance to suspects and officers that may be injured while conducting a search warrant or raid. Calls without this unit present could have life-saving issues. TEMS units are standard across California. The City of Oxnard is unique in the high crime rate compared with the surrounding community. Oxnard is one of four SWAT teams that operates in Ventura County; Oxnard SWAT is busier than the three other teams combined.

For TEMS operations the PSV is loaded with specific "Stop the Bleed" for up to 50 active shooter gunshot victims. These supplies differ from normal trauma supply and provide enhanced basic life support bleeding control capabilities with items such as tourniquets, wound packing supply, and Quick Clot Gauze. Advanced life support supplies such as Needle Thoracostomy supply and TXA medications are also stored. PSV is staffed by no less than a TEMS technician level paramedic to allow full utilization of the mobile command functions for casualty collection point management and TEMS communications between law enforcement and fire dept rescue task force resources.

In its role of disaster response, the PSV is equipped with an additional 125-person first aid and trauma kit along with a full multi-casualty triage management system to provide logistical support and command and control functionality to disasters such as earthquakes or floods and mudslides. The vehicle itself is a Chevy Silverado Special services vehicle (SSV) which allows for better handling and off-road capabilities in disaster situations where road conditions may be poor.

In response to COVID-19 the PSV's command box enabled the implementation of a small-scale mobile testing platform. The specialized truck vault with its shelves, pull out tables, and power supplies allowed the department to implement on site COVID-19 testing of city staff and residents at both static locations such as parking lots or at the homes of those with mobility challenges. This capacity was utilized in both acute COVID-19 disease testing and for the larger Antibody (serological) community-based testing. The logistical transport capabilities enabled easy movement of very large amounts of personal protective equipment, and cleaning supplies to first responders and city staff actively engaged in mitigation of the pandemic.

Continuous Quality Improvement (CQI)/Education:

As a platform for CQI the PSV allows the Paramedic Manager to monitor and respond to 911 calls for service as a chase car to evaluate and oversee field staff providing care to the target populations. This ability

to respond in real time to calls involving both BLS and ALS staff allows for enhanced CQI program improvement by observing the care delivered to Oxnard residents while providing the additional safety net of an on-scene field training officer (FTO). This CQI enhancement further improves patient care and outcomes by allowing instant feedback to EMS providers after conclusion of calls. The PSV is a crew cab vehicle. This additional space allows the FTO to host trainee paramedics.

Future Community education opportunities, post pandemic, are also enabled as a result of the PSV addition. The platform will provide the mobile logistical, and administrative platform needed to adequately participate in education such as sidewalk CPR, and community stop the bleed education.

3) The City accepts the advisement and will proceed in accordance to the eligibility standards noted in this letter and any additional updated information provided by HUD throughout the course of this monitoring review until the final comments have been received.

Finding Number Three – Citywide Homebuyer Loan Program

Finding number three identifies that HUD reviewed three homebuyer loan participant files reported in 2018, and assessed the policies and procedures, eligibility documentation, loan determination criteria and agreements, and reviewed the national objective and IDIS matrix code reports for IDIS activities 2241 and 2304. It was determined that the City failed to properly organize both the Down Payment Assistance Program and Rehabilitation programs in accordance to regulatory and procedural compliances. Two corrective actions were determined.

HUD Proposed Corrective Actions

1) Classify the Homebuyer Loan Program under the correct IDIS matrix code separate from the correctly classified Rehabilitation Loan Program.

2) Revise the Affordable Housing & Rehabilitation Division HOME & CDBG Loan Program Policies to ensure that the amount of homebuyer loan assistance is limited to 50 percent of the required down payment. The City should also provide current policies and procedures for procurement including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

City's Response to Finding Three

1) Classify the Homebuyer Loan Program under the correct IDIS matrix code separate from the correctly classified Rehabilitation Loan Program and asks that HUD allow an additional 90-days to complete the reclassifications. It is also noted that the Loan Servicing, when the loan is declined or rejected, the project will convert to an administrative cost.

The City intends to re-open the activity and reclassify the project from 14J to the following:

New Matrix Code	Activity
13B	Homeowner Assistance
13B	Loan Servicing – Activity Delivery Costs (Approved Loans)
14A	Rehabilitation Services for Single Family Homes
14H	Rehabilitation Administration (Activity Delivery Costs)

2) The City will revise its policies and procedures to reflect the regulatory citations in HCDA, Section 105(a)(24) – provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph (8)) by using such assistance to— (A) subsidize interest rates and mortgage principal amounts for low- and moderate-income homebuyers; (B) finance the acquisition by low- and moderate-income homebuyers of housing that is occupied by the homebuyers; (C) acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees); (D) provide up to 50 percent of any down payment required from low- or moderate-income homebuyer; or (E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by low- or moderate-income homebuyers.

Once the policies and procedures manual is complete, the City will send a copy of the manual and cite the sections that have been revised for HUD's review. It is requested that HUD allow the City 90 days to complete this action.

Finding Number Four – Conflict of Interest

Finding number four describes HUD's concern that participant #2218 was an employee receiving loan assistance through the City-operated Homebuyer program and that there were no policies that addressed conflict of interest provisions or establishing conditions determining how City staff may apply for such services. HUD further describes that there was no evidence that "a) Conditions and documentation to prevent the actual or perceived advantage of unfair advantage or preference given to City staff over non-City employed residents, or that b) Policies which should include that HUD be notified when a City employee has applied and is being considered for assistance.

HUD Proposed Corrective Action

Revise current policies and procedures for the Homebuyer Loan Program as well as all other programs that assist its residents and businesses to describe if and under which conditions and criteria a City employee (and immediate family and relatives) may apply for program services and assistance. These policies must contain procedures in which HUD or the applicable Federal agency is notified of the eligibility of City-employed applicants and prior to receiving program benefits assistance. The City should provide current policies and procedures for Conflict of Interest including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

City's Response to Finding Number Four – Conflict of Interest

The City's process is to offer the Homebuyer Loan service to all eligible applicants, keeping in line with conflict of interest provisions. The City will revise its programs to include conflict of interest provisions with an added process for City employee disclosure and affidavit stating that they have not exercised or previously exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

Once the policies and procedures manual is complete, the City will send a copy of the manual and cite the sections that have been revised for HUD's review. It is requested that HUD allow the City 90 days to complete this action.

Finding Number Five: Time and Activity Sheets

The report describes that through the monitoring review the City provided HUD with copies of Housing Services staff time sheets, activity logs, and related documents in support of CDBG funds committed to the Affordable Housing & Rehabilitation Division's administration and implementation of the Citywide Homebuyer Loan Program and the Citywide Single-Family and Mobile Home Rehabilitation Loan Programs. HUD reports they were unable to determine account codes assigned to specific CDBG activities, the CFDA title, and the grant number within its accounting records. It was reported that the only code utilized in the time and activity sheets was accounting code "285-5115-804-8001" which, per the Finance Department's Chart of Accounts, represented Personnel Services – Direct Labor-Regular for Community Development staff instead of Housing staff but, more importantly, is not project/activity specific to Housing Services Homebuyer or Rehabilitation Programs. In summary, HUD noted that the City had not provided documentation associating staff costs charged to the CDBG program with eligible housing activities carried out. Without these financial standards, HUD was unable to identify the source and application of the CDBG award. The monitoring report identified two findings and two concerns, provided below.

HUD Proposed Corrective Action to Findings Numbers One and Two

1) The City will need to utilize proper accounting codes which tie back to the eligible housing activities separately between the homebuyer loan and the rehabilitation program.

2) The City will need to revise Section D of its Grants Management Policy and Procedures to include financial standards as specified at §200.302 (b) Financial Management, including §200.302 (b) (3) and §200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and Procedures shall include standards that the Finance Department shall follow to ensure compliance to §200.302 Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures including certification of implementation from the certifying authority shall be provided to HUD 30 days after receipt of this monitoring letter.

City's Response to Finding Five

1) As described in finding number three, the City will split the Housing program into two separate programs: a) the Homebuyer Loan Program and b) the Rehabilitation Loan Program. This will include the two programs distinctly documented with their own budgets and coding for billing.

The City has two financial management systems in place to manage funding sources. There is an accounting system – HTE/Naviline, that manages expenditures based upon the various departments and divisions – that identifies account numbers and corresponding invoices, and allows for tracking of expenditures based upon multiple categories generically named for the various departments within the City to use for budget, accounting, and purchasing functions. Categories include sections termed for payroll expenditures, contractors, insurance needs, and materials and supplies; the other is the Project Budget Report that allows for specific projects to be named in accordance to the projects identified in Council actions (e.g. Housing, Rehabilitation, The Salvation Army Shelter Services, etc.). Budgets and expenditures are both set up in the the two systems are updated by the Finance department once the expenditures are paid.

It is requested that HUD allow 90 days for the City to bifurcate the Housing program into the two eligible housing programs (Homebuyer Assistance and Homeowner Rehabilitation) and enter them into the Project Budget Report, then submit the updated supporting documentation to the HUD field office.

2) The City will also revise its Grants Management Policy and Procedures to include financial standards as specified at §200.302 (b) Financial Management, including §200.302 (b) (3) and §200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and

Procedures shall include standards that the Finance Department shall follow to ensure compliance to §200.302 Financial Management. The City asks that HUD allow 90 days to revise the policies and procedures and allow time for the Council process including Council adopting the revisions.

Concern Number One – Incorrect identification and mislabeling of program funding

HUD Proposed Corrective Action for Concerns One and Two
The City is requested to review its internal controls and procedures to ensure that the correct HUD programs are identified in Housing Services program documents and agreements, especially those made available to its applicants and participants.

City's Response to Concerns One
As mentioned in the City's response to Finding Number Five, the City's Housing Department will bifurcate the Housing program into two distinct different programs to comply with the appropriate regulatory citations and matrix codes. The City will also include in the Housing processes that the programs identified and operated will be clearly identified and documented in the policies and procedure manual. It is requested that HUD allow 90 days to complete this revised document and the allow the opportunity to present to Council the new document for review and approval.

The Homebuyer Loan Program's policies require that applicants attend Homebuyer Classes, however, only one of the program participant client files contained a copy of the Certificate of Homebuyer Training Course Completion

HUD Recommended Corrective Action for Concern Number Two
1) The City is requested to review its internal controls and revise its policies and procedures to ensure that all documents are completed in their entirety and are properly located in each participant file.

2) It should be noted that the Grant Management Division Desk Procedures provided by the City are a copy of the HUD program guidelines and the "Basically CDBG Toolkit" available on HUD websites. For that reason, it is recommended that the City draft and implement its own policies and procedures based on HUD regulations. These policies and procedures must provide guidance on the City's policies on subjects such as eligibility, conflict of interest, program assistance limits, and documentation. The City should provide current policies and procedures including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

City's Response to Concern Number Two
1) Please refer to the City's response to Concern Number One, as the City will revise its policies and procedures to ensure that all documents are completed and properly located in each participant file. Homebuyer Training Course Completion certificates were completed and filed in the appropriate participant files. Attached are three participant certificates for your review, labeled as Exhibits C-1.1.

2) The City will include its own policies and procedures to include the subjects of eligibility, conflict of interest, program assistance limits, and documentation. The City will provide current policies and procedures, including certification of implementation from the certifying authority for the Homebuyer Assistance Program. The City will include these revisions upon submission of the revised policies and procedure manual within the request 90-day period to revise and request Council adoption of the document.

Finding Number Six – Lead-Based Paint

Program participants whose homes were built prior to 1978, the City must document that they have been provided with the current Lead-Based Paint informational brochure.

HUD Proposed Corrective Action - The City should revise its policies and procedures to include other source documentation such as appraisal reports or property details to confirm the age of the property. This documentation should be included in participant files to support the report provided by the City Inspector and to ensure that the City acknowledges providing a copy of the lead-based paint informational brochure to program participants. The City should provide current policies and procedures for lead-based paint including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

City's Response to Finding Number Six –
The City will revise its policies and procedures to include other source documentation to confirm the age of the property. This documentation will be included in participant files to support the report provided by the City Inspector and to ensure that the City acknowledges providing a copy of the lead-based paint informational brochure to program participants. The City will provide current policies and procedures for lead-based paint including certification of implementation from the certifying authority.

The City asks HUD to allow up to 90 days to revise the policies and procedures to the HUD field office as the City will need to revise and request Council adoption of these revisions.

Finding Seven – The City's written policies and procedures for selection, award, and administration of contracts did not conform to other applicable requirements in 2 CFR part 200

The monitoring report describes HUD's review of the purchasing policy manual not complying with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, with a specific reference to 200.324, Contract Cost and Price, (d) the cost plus a percentage of construction cost methods of contracting must not be used.

HUD Proposed Corrective Action: The City shall submit to HUD revised written policies and procedures to contain its compliance to §200.324 Contract cost and price. The City should provide current policies and procedures for procurement including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter including certification of implementation from the certifying authority.

City's Response to Finding Number Seven
The City reviewed it's Procurement Policy and Procedure Manual. There have been a couple of modifications of this document within 2019, and the later version for 2019 was not submitted to HUD for review. Please refer to Exhibit 7-1, the City of Oxnard Purchasing Policy Manual, Chapter 11, to include compliance with 200.324, Contract Cost and Price – located on page 62, section 11.3(C), for a review of the appropriate written policies and procedures. This part of the manual describes the requirements for the City to adhere to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, including section 200.324 – Contract Cost and Price. Exhibit 7-2 is an email regarding the ordinance that supports the general approval of this policy and procedure manual. The Ordinance itself can be reviewed in the Purchasing Policy and Procedure Manual in Exhibit A, pages 106-121. It is requested that HUD close this finding based upon the submission of this revised Purchasing Policy and Procedure Manual.

Finding Eight: Documentation provided to HUD was not sufficient to detail the procurement history of sampled procurement transactions

HUD Proposed Corrective Action - It is strongly advised that Oxnard shall create a procurement checklist to capture the following procurement criteria:

- identify the rationale for the method of procurement,
- the selection of contract type,
- contract selection or rejection,
- the basis for the cost or price of the contract,
- description of the item or service requested,
- a completed sub-award versus contractor determination form,
- alignment with program/award/project/activity type to confirm the requested item(s) or service is consistent with the purpose of the program/award/project/activity,
- confirmation amount of sufficient funds in the budget plan, in accordance with the
- established budget work breakdown structure,
- for the procurement estimate amount, the signature of a budget official confirming the
- funding amount available for the request,
- signature of an authorized program/project official confirming the requested items(s) or
- service is consistent with the purpose of the program/award/project/activity, and
- alignment of the proposed amount with an independent cost estimate.

City's Response to Finding Number Eight

Attached is a drafted procurement checklist (Exhibit 8-1) that captures the required procurement criteria that meets both City and Federal requirements cited from 570.502(a) in addition to the 2 CFR 200s as they pertain to Grant Procurement Standards. It is requested that HUD close this finding based upon the updated form that will be implemented in program year 2021 and in future program years.

Finding Number Nine – Procurement Procedures for both Housing Services Programs and the Fire Department Activities

HUD Proposed Corrective Action – Oxnard shall submit to HUD revised written policies and procedures to contain its compliance to §200.324 Contract cost and price. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter including certification of implementation from the certifying authority.

City's Response to Finding Number Nine

As mentioned in Finding Number Seven, there was a more recent Procurement Policy and Procedure Manual than what was provided to HUD. Please refer to Exhibit 7-1, the City of Oxnard Purchasing Policy Manual, Chapter 11, to include compliance with 200.324, Contract Cost and Price – located on page 62, section 11.3(C), for a review of the appropriate written policies and procedures. It is requested that HUD close this finding based upon the submission of this revised Purchasing Policy and Procedure Manual.

Finding Number Ten – The City's Financial Management System does not comply with all criteria identified within the financial standards found within 2 CFR Part 200

The monitoring letter describes that the HUD representative was unable to follow the City's account balance reports, chart of accounts, budget reports and sampled vouchers, in addition to locating codes assigned specifically to CDBG activities.

HUD Proposed Corrective Action – Revise Section D of its Grants Management Policy and Procedures to include financial standards as specified in §200.302 (b) Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures shall be provided to HUD 30 days after receipt of this monitoring letter including certification of implementation from the certifying authority.

The City's Response to Finding Number Ten

The City's Finance Department and Housing Department will review the Grants Management Policies and Procedures development to include improved documentation in support of the City's accounting codes, project codes, and references to CDBG and its current program year. It is requested that HUD allow the City up to 90 days to revise its policies and procedure manual, and for Council to review and approve the revisions.

Finding Eleven – Source documentation did not support all expenditure costs of select vouchers reviewed

HUD Proposed Corrective Action – To address this deficiency, Oxnard is requested to take the following action(s):

1) Remit $5,137.16 from non-federal funds back to the 2019 CDBG line of credit for the ineligible expenses completed under the Community Camera activity.
2) For the unsupported costs of $238,385.41, provide the appropriate source documentation
3) From voucher 6474810, provide appropriate source documentation to support $423.06 in CDBG expended costs.
4) From voucher 6474810, provide appropriate source documentation to support $237,962.35 in CDBG expended costs.

The source documentation provided should show the origin of the expense. Remitted funds must come from a non-Federal funding source and be received by HUD within 30 days from receipt of this letter.

City's Response to Finding Number Eleven

1) The City supports its expenditures for the Community Camera activity. The Police staff attended training to support the strategic use and installation of the camera equipment. Refer to Exhibits 11-1, the NATIA Conference Registration Information, 11-2 the airplane invoices to the conference, and 11-3, the $50 invoice that was mistakenly taken as a Gang Task Force membership. It is asked that HUD close this section of Finding Number Eleven in light of the added documentation in support of the Community Camera activity.

2) See Exhibit 11-4 as the document provides $124,127.69 of expenses for the Community Center East Project, that exceeds the draw amount of $120,083.33 in eligible expenditures, and $126,706.02 of expenses for the Enhanced Medical Services project, that exceeds the draw amount of $117,879.02 in eligible expenditures.

3) See Exhibit 11-5 (last page), wire transfer documentation with notes. The City drew less than the amount expended in the Pleasant Valley Restroom project.

4) See Exhibit 11-5 for the list of expenditures, and notes, regarding the entire list of activities in the draw for the $240,411.85.

The City asks that you close this Finding, as there is sufficient documentation that supports the drawdowns for the vouchers reviewed.

Finding Number Twelve – The City's record retention and access policy did not comply with 2 CFR part 200 requirements

The monitoring letter described that the HUD review identified a lack of records retention and access requirements within the current policies and procedure manual.

HUD Proposed Corrective Action
Update its record management policies and procedures to reflect compliance with CDBG record retention requirements and Part 200 requirements. These updated record management policies and procedures shall be submitted to HUD within 30 days after receipt of this letter including certification of implementation from the certifying authority.

City's Response to Finding Number Twelve
The City's Housing Department is in the process of updating its Policies and Procedure manuals and asks that HUD allow up to 90 days to provide the updated manual and receive Council approval of the revisions, to include the specific recordkeeping requirements in accordance with the Part 200 requirements, for HUD's review and consideration of closing of this finding.

Finding Number Thirteen – The City did not provide written documentation to support an internal control self-assessment nor measures to safeguard protected personally identifiable (PII) information

HUD Proposed Corrective Action
Update its record management policies and procedures to reflect compliance with CDBG record retention requirements and Part 200 requirements. These updated record management policies and procedures shall be submitted to HUD within 30 days after receipt of this letter including certification of implementation from the certifying authority.

City's Response to Finding Number Thirteen
The City's Housing Department is in the process of updating its Policies and Procedure manuals and asks that HUD allow up to 90 days to provide the updated manual and Council approval information for review, to include a section on Protected Personally Identifiable Information, and consideration of closing this finding.

Finding Fourteen – HUD is unable to determine if measures are in place to ensure HUD awards are charged no more than a reasonably proportionate share of costs

HUD Proposed Corrective Action
Oxnard shall submit to HUD a copy of the invoice submitted by its auditor, Eadie + Payne, LLP, for the Single Audit services for the period ending June 30, 2020. The copy of this invoice shall reflect the program account codes and appropriate calculations to show the amounts each program was charged for the audit services. The City shall provide this documentation within 30 days from receipt of this letter.

City's Response to Finding Number Fourteen
The City does not charge HUD awards for services provided by its auditor, Eadie + Payne, LLP. Audit services are charged to the General Fund, Finance Department, General Accounting Division. The City has

attached (Exhibits 14-1, 14-2, and 14-3) a copy of the invoice submitted by its auditor, Eadie + Payne, LLP, for Single Audit services ending June 30, 2020 to exhibit the account code charged for audit services was Fund 101 (General Fund), Department 16 (Finance Department), Division 01 (General Accounting) funding sources [101.1601.801.8203]. Please see 3 invoices from Eadie + Payne for Single Audit services ending June 30, 2020 showing that account 101.1601.801.8203 was the source of payment and the screen shot from the City's Accounting System showing the account information details.

It is requested that HUD close this finding that exhibits the account codes billed for the audit, and that the Housing department, specifically the CDBG, HOME, nor the ESG funds were billed, proportionately or otherwise during the past two years.

Finding Fifteen – The City's equipment records do not comply with all requirements of part 200

HUD Proposed Corrective Action –
1) Submit an updated equipment log to include the following criteria: property description and location, serial number or identification number, funding source (including the Federal Award Identification Number, or FAIN), titleholder, acquisition date and cost, percentage of Federal participation in original acquisition cost, use and condition of equipment, if applicable, disposition data, such as date of disposal and sales price.

2) The policies and procedures pertaining to equipment shall ensure compliance to equipment use per §200.313(c) and management requirements found at §200.313. Compliance with these regulatory citations shall be documented along with its revised City's equipment inventory report log.

City's Response to Finding Number Fifteen, Corrective Action Number One –
See the attached equipment log, Exhibit 15-1 to include the required criteria – property description and location, serial number or identification number, funding source (including the Federal Award Identification Number, or FAIN), titleholder, acquisition date and cost, percentage of Federal participation in original acquisition cost, use and condition of equipment, if applicable, disposition data, such as date of disposal and sales price. It is requested that HUD close this portion of finding number fifteen.

City's Response to Finding Number Fifteen, Corrective Action Number Two –
The City asks HUD to allow up to 90 days to revise the policies and procedures to the HUD field office as the City will need to revise and request Council adoption of these revisions.

Prior Findings That Remain Open

Finding Sixteen (2015 Finding Three: Rental Project Terry's Place)

Original Condition: The City did not secure the appropriate written agreement with all the required HOME regulatory provisions including a budget, the scope of work, appropriate benchmarks for project completion, etc. The City provided HOME funds for acquisition without securing the appropriate appraisal to determine the value of the property. The bridge loan provided was a line of credit for the organization and not a specific loan for the HOME project. The supporting documentation for invoices included costs that may not be eligible. For example, line of credit fees that cannot be directly associated with the HOME project and staff costs for marketing activities that were not supported with time and activity sheets. Finally, the sellers of the project were not provided a voluntary acquisition letter as required.

Current Condition: The City provided copies of all the documents signed for the project identified in the original condition excepted an amendment to implement the HOME requirements signed and dated by both parties.

Criteria: HOME regulation at 24 CFR Part 92.504(b) states that before committing funds to a project, the participating jurisdiction (PJ) must enter into a written agreement. In addition, 24 CFR Part 92.504(c) (5) (ii) establishes the provisions that are required in the HOME written agreement. 49 CFR Part 24.1(a) requires the PJ to notify the seller in writing prior to the start of negotiations that the property will neither be taken through eminent domain nor purchased without an amicable agreement, and to disclose the estimated market value of the property. HUD Info Bulletin CPD 2014-04 contains related requirements. In accordance with HOME regulations at 92.2, the definition of commitment requires that all signatures be dated.

HUD Proposed Corrective Action: The amendment provided was previously submitted and no signatures on the written amendment between the City and Many Mansions were dated. Please submit a signed and dated amendment that incorporates the HOME regulatory requirements to close this finding.

City's Response to Finding Number Sixteen (Prior Monitoring Finding Number Three) Much of the City staff who executed these agreements are no longer here and current staff was able to retrieve the following in support of the required provisions described in this finding. As required by 24 CFR 92.504(c)(5)(ii), Exhibit 16-1 is a signed, dated, executed and updated agreement (7173-15-HO HPA for Terry's Place) for HUD's review.

Within the next HOME funding cycle of awards, the City will ensure all of these requirements and the most recent HOME requirements are included in future agreement templates. It is requested that HUD close this finding based upon the attachments and responses provided for this finding.

It is requested that HUD close this finding based upon the documentation provided.

Finding Seventeen (2015 Finding Five: Environmental Review Process)

Original Condition: The City completed the environmental review process for Terry's Place but incurred costs before the request for release of funds was in hand.

Cause: The City does not have sufficient policies and procedures to ensure the environmental review process is completed timely.

Effect: The City's records do not sufficiently document compliance with the required environmental reviews.

HUD Proposed Corrective Action
The City must establish and implement policies and procedures to conduct environmental reviews for all projects prior to committing and expending HOME funds, in accordance with the rules and regulations, and keep the record in each project file. Please submit the established policies and procedures, including certification of implementation from the authorized official.

City's Response to Finding Number Seventeen (Prior Monitoring Finding Number Five)
The City will add this to the Housing Policies and Procedure Manuals in support of the regulatory requirement of completing a National Environmental Policy Act (NEPA) environmental review prior to expending any funds to a project or committing funds to a project.

It is requested that HUD allow 90 days to revise the policies and procedures manual and obtain the proper approvals to make the manual an official document.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development
Los Angeles Field Office
300 N. Los Angeles St., Ste. 4054
Los Angeles, CA 90012

May 2, 2022

Alexander Nguyen, City Manager
City of Oxnard
300 W. Third Street
Oxnard, CA 93030

Dear Mr. Nguyen:

SUBJECT: Fiscal Year 2021 Remote Monitoring
Community Development Block Grant (CDBG) Program
Grant Numbers: B-18-MC-06-0534 and B-19-MC-06-0534

The Department received the City of Oxnard's February 8, 2022, response to the remote monitoring report dated November 26, 2021. The Department conducted a remote monitoring of the City's Community Development Block Grant (CDBG) grants B-18-MC-06-0534 and B-19-MC-06-0534 from the week of June 7, 2021, to June 14, 2021. Of the fifteen (15) Findings noted in the monitoring report, thirteen (13) remain open pending submission of supporting documentation, and two have been closed as described below. Of the two previous open Findings from 2015 incorporated into this year's monitoring report, one has been closed while one remains open pending submission of supporting documentation as described below. Although the City is not required to respond to a Concern, we appreciate the responses provided to the two Concerns identified in our monitoring report.

Finding One: Fair Housing Eligibility. The City did not provide sufficient documentation to support compliance with eligibility and national objective requirements for Housing Rights Center's (HRC's) fair housing activity.

Condition: The City did not provide sufficient documentation to support compliance with eligibility and national objective requirements for Housing Rights Center's (HRC's) fair housing activity. In addition, since this project was identified as a public service (as reported in Oxnard's Consolidated Plan and Annual Action Plan) instead of a planning and administration activity, there is a higher level of documentation required to support that a national objective was met. The following deficiencies were identified:

- HRC submitted contact lists documenting that Oxnard residents were provided affordable housing services from July 2017 through December 2019, however, the information did not provide specific Oxnard addresses or client income amounts but only listed the name of the city and income levels (i.e. Extremely Low, Low, Moderate, etc.) for clients on the list. The subrecipients determined that providing HUD with clients' personal addresses and income information in an off-site and remote manner is of a sensitive nature and infringes on the confidentiality of its clients. Therefore, HUD was unable to determine that the national objective was met.

- HUD was unable to verify the time associated with the Oxnard clients served nor account codes assigned specifically to Oxnard CDBG funds in HRC's accounting records. In addition, HRC is paid on a cost allocation basis for all related CDBG costs for the City of Oxnard as well as other jurisdictions served by HRC.

- The City provided HUD with copies of the subrecipient's document consisting of case logs, outreach, and education Reports, program summary, and statistical reports as verification of case management and outreach activities to support the number of Oxnard clients served. In analyzing these documents, HUD was unable to verify the time associated with the Oxnard clients served nor account codes assigned specifically to Oxnard CDBG funds in relation to CDBG or other government funds provided by other participating jurisdictions within HRC's accounting records. Without these financial standards, HUD was unable to verify the legitimacy of funds invoiced by the subrecipient and paid by the City.

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) The City must revise Section D of its Grants Management Policy and Procedures to include the financial standards as specified in 2 CFR 200.302 (b) Financial Management, including 2 CFR 200.302 (b) (3) and 2 CFR 200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and Procedures shall include the standards that the Finance Department shall follow to ensure compliance with 2 CFR 200.302 Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures shall be provided to HUD 30 days after receipt of this monitoring letter.

2) The City must reclassify the Fair Housing Program and the services provided by the Housing Rights Center as Planning and Administration beginning in PY 2021. The City can utilize either CDBG planning and administration or HOME planning and administration funds.

City's Response:

1) The City indicated that it will amend its Housing policies and procedures to include the financial standards as specified in 2 CFR 200.302(b), Financial Management, including 2 CFR 200.302(b)(3), and 2 CFR 200.430(i) Compensation. These revised policies and procedures will be approved and implemented by the City's Council. The City has requested that HUD allow 90 days to complete this requirement.

2) The City indicated that it will reclassify the Fair Housing Program to include services of the Housing Rights Center from public services to planning and administration for the 2021-2022 program year. The City has requested that HUD allow 90 days to change the project from Public Services to Planning and Administration, as it will be included in the mid-year reallocation presented to City Council as a change in the budget.

HUD's Response: HUD has made the following determination to each of the portions of this finding as detailed below:

1) **This part of the Finding remains OPEN.** HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

   Please note that while the City's response indicated that it will amend its *Housing* policies and procedures, the Corrective Action detailed in HUD's Monitoring Report is to revise Section D of its *Grants Management* Policy and Procedures based on our review of this document and the relevance of including financial standards as a grants management policy. Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document.

2) **This part of the Finding remains OPEN.** HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to reclassify the Fair Housing Program from Public Services to Planning and Administration.

Finding Two: Fire Station Equipment and Vehicles. The City purchased several equipment and vehicles which did not meet the definition of fire protection or life-saving equipment and are an ineligible use of CDBG funds.

Condition: The equipment and vehicles purchased by the City's Fire Department used CDBG funds to offset the limited budget provided by other funding sources in order to replace an older command vehicle, increase the number of paramedic emergency response units, and equip the department with updated items and technology. Based on the documentation submitted, fire station generators (IDIS Activity 2253) are an ineligible use of CDBG funds.

Corrective Action: To address this deficiency, Oxnard is requested to take the following actions:

1) Remit costs associated with the purchase of the ineligible items noted above back to the 2018 and 2019 CDBG line of credit for the ineligible expenses completed under the following activities:

   a) Operations Chief Mobile Command (IDIS Activity 2252)
   b) Fire Station Alerting (IDIS Activity 2312)
   c) Fire Department (FD) - Mobile Data Equipment (IDIS Activity 2319)

2) For Advanced Life Support (ALS) Program Enhancement (IDIS Activity 2311), submit a breakdown of documented time of eligible as well as ineligible roles associated with the PSV. Based on the information provided, the City is to remit to its CDBG line of credit, the costs associated with all service time spent on the ineligible roles.

3) While the PY 2020 Fire Department activities related to the purchase of equipment and vehicles were not part of the current monitoring, the City should use the eligibility standards described earlier to modify the implementation of current and future uses of CDBG and CDBG-CV funds such as PY 2020 IDIS Activity 2349, Emergency Operations to replace and upgrade computers, and for IDIS Activity 2354 CV-Paramedic. The City should track the time and use of CDBG-eligible uses of the purchased equipment.

City's Response:

1) The City provided the following response to HUD's request to remit costs:

   a) For Operations Chief Mobile Command, the City indicated that it is prepared to remit costs.
   b) The City requested that HUD reconsider the eligibility of the Fire Station Alerting System (IDIS Activity 2312) as the stations are located in low-income census tracts and primarily serve the low-income communities of the City.
   c) For FD-Mobile Data Equipment (IDIS Activity 2319), the City requested that HUD close this finding based upon the consideration that this is life-saving, fire equipment based on the information provided and in support of the low-income census tract areas that this equipment primarily serves.

2) The City requested that HUD reconsider ALS Program Enhancement and Paramedic Support Vehicle Operations as an eligible project and asks that HUD reconsider the Paramedic Support Vehicle as life-saving equipment based upon the fact that the entire city is over 60% low-income and the equipment is more frequently used within the low-income neighborhoods than non-low-income neighborhoods. The City provided descriptions of the various roles of the vehicle in meeting the emergency needs of its residents.

3) The City indicated that it will accept the advisement and will proceed per the eligibility standards noted in this letter and any additional updated information provided by HUD throughout this monitoring review until the final comments have been received.

HUD's Response**:** HUD has made the following determination to each of the portions of this finding as detailed below:

1) Cost remittance

   a) **This part of the Finding remains OPEN.** This finding will remain open until the City has completed the process of remitting costs associated with IDIS Activity 2252 and has notified HUD.

   Please note that while the City responded that it will remit costs to HUD, the necessary corrective action as noted in the HUD Monitoring Report is to remit costs back to the 2018 and 2019 CDBG line of credit. To ensure that the correct remittance is processed**,** please follow the guidance detailed in HUD Memorandum, dated April 15, 2021: *Methods for Returning Community Development Block Grant (CDBG) Funds*. This guidance can be found at

https://www.hudexchange.info/resource/3089/instructions-for-returning-funds-to-the-line-of-credit-and-to-us-treasury/

b) **This part of the Finding remains OPEN.** The narrative response and supportive documentation were previously submitted by the City and reviewed by HUD during the monitoring period and before its determination of a finding for this activity. No new evidence was provided. Further, the location of the items in low-income census tracts and primarily serving the low-income communities of the City is not disputed by HUD since this was not the basis for ineligibility. The equipment purchased although supporting the services of the Fire Department did not meet the regulatory definition of fire protection or life-saving equipment and is ineligible.

To close this finding, the City is instructed to remit costs associated with the purchase of the ineligible items back to the 2018 and 2019 CDBG line of credit for the ineligible expenses. **To ensure that the correct remittance is processed, please follow the guidance detailed in HUD Memorandum, dated April 15, 2021** (see hyperlink above).

c) **This part of the Finding remains OPEN.** The narrative response and supportive documentation were previously submitted by the City and reviewed by HUD during the monitoring period and before its determination of a finding for this activity. No new evidence was provided. Further, the support of the items provided to low-income census tracts of the City is not disputed by HUD since this was not the basis for ineligibility. The equipment purchased although supporting the services of the Fire Department did not meet the regulatory definition of fire protection or life-saving equipment and is ineligible.

To close this finding, the City is instructed to remit costs associated with the purchase of the ineligible items back to the 2018 and 2019 CDBG line of credit for the ineligible expenses. **To ensure that the correct remittance is processed, please follow the guidance detailed in HUD Memorandum, dated April 15, 2021** (see hyperlink above).

2) **This part of the Finding remains OPEN.** While HUD does not dispute the paramedic vehicle is life-saving equipment nor that it is more frequently used within the low-income neighborhoods, it is the portion of the usage of the vehicle that HUD determined a finding. The multiple roles detailed in the City's response letter were previously provided to HUD as a submittable entitled HUD Monitoring-Oxnard Fire Activities-Response 6.23.21during the monitoring period and served to determine that the CQI/Education role is not an eligible expense. To close this finding, the City is required to submit a breakdown of documented times of eligible as well as ineligible roles associated with the PSV. Based on the information provided, the City is to remit to its CDBG line of credit the costs associated with all service time spent on the ineligible roles.

3) **This part of the Finding is CLOSED.** HUD has determined that the City's response to

proceed per the eligibility standards and any additional updated information provided by HUD throughout this monitoring review is satisfactory. HUD reminds the City to make its determination of eligibility based on the life-saving definition and use or multiple uses of the equipment per regulations instead of the location of the equipment or service to low-income census tracts or individuals or the support to Fire Department response services

Finding Three: **Citywide Homebuyer Loan Program. The City did not report the correct IDIS matrix code for this program which per the corresponding regulations limits the amount of the loan to 50% of the Required Down Payment. In addition, the City combined both the Homebuyer Loan Program and its Rehabilitation Loan Program as one activity with the incorrect IDIS matrix code.**

Condition: HUD examined three homebuyer loan participant files reported in 2018. We assessed the City's overall program policies and procedures, eligibility documents, loan determination criteria, and agreements, as well as the national objective and IDIS matrix code reported for this activity codes 2241 and 2304 on the IDIS PR03 Report. It was determined that the City based its $30,000 loans on gap financing instead of limiting the amount of the loan to 50% of the Required Down Payment as specified in the CDBG regulations. As a result, the Homebuyer Loan Program provided all participants a standard loan amount of $30,000 despite the variances in each homeowner's finances, purchase price, and gap financing calculation.

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) Classify the Homebuyer Loan Program under the correct IDIS matrix code separate from the correctly classified Rehabilitation Loan Program.

2) Revise the Affordable Housing & Rehabilitation Division HOME & CDBG Loan Program Policies to ensure that the amount of homebuyer loan assistance is limited to 50 percent of the required down payment. The City should also provide current policies and procedures for procurement including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

City's Response:

1) The City has indicated that it will reclassify the Homebuyer Loan Program and its associated Loan Servicing activity separate from the Rehabilitation Loan Program and its associated Rehabilitation Administration activity with more appropriate matrix codes. The City has requested that HUD allow 90 days for the City to complete the reclassification.

2) The City has requested that HUD allow 90 days to revise its policies and procedures.

HUD's Response: HUD has made the following determination to each of the portions of this finding as detailed below:

1) **This part of the Finding remains OPEN.** HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022 response letter or May 9, 2022,** to complete the reclassification process of its activities.

2) **This part of the Finding remains OPEN.** HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

   Please note that while the City's response indicated that it will amend its policies and procedures manual, the Corrective Action detailed in HUD's Monitoring Report is to revise Affordable Housing & Rehabilitation Division HOME & CDBG Loan Program Policies. Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document.

Finding Four: **Conflict of Interest. The City did not provide evidence that it determined whether a conflict of interest existed in providing program benefits to a City employee.**

Condition: Of the three PY 2018 homeowner loan participant files reviewed, it was determined participant #2218's file was a City employee at the time of participation and loan assistance. There is no evidence that the City determined whether a conflict of interest existed. There is no evidence in the program policies and procedures that addresses under what conditions to allow for City staff to apply for the program as well as the following:

a) Conditions and documentation to prevent the actual or perceived advantage of unfair advantage or preference given to City staff over non-City employed residents

b) Policies should include that HUD be notified when a City employee has applied and is being considered for assistance

Corrective Action: To address this deficiency, the grantee is requested to take the following action:

1) Revise current policies and procedures for the Homebuyer Loan Program as well as all other programs that assist its residents and businesses to describe if and under which conditions and criteria a City employee (and immediate family and relatives) may apply for program services and assistance. These policies must contain procedures in which HUD or the applicable Federal agency is notified of the eligibility of City-employed applicants before receiving program benefits assistance. The City should provide current policies and procedures for Conflict of Interest including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

City's Response: The City indicated that it will revise its program policies and procedures to include employee disclosure and affidavit and has requested that HUD allow the City 90 days to complete this action.

HUD's Response: This Finding remains OPEN. Please ensure that the revised policies and procedures include language that HUD is notified of the eligibility of City-employed applicants and for the City to wait for acknowledgment and approval from HUD before providing program assistance to the City-employed applicant.

HUD has agreed to allow the City 90 calendar days **from the date of February 8, 2022 response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the revisions are satisfactory.

Please note that while the City's response indicated that it will amend its policies and procedures manual, the Corrective Action detailed in HUD's Monitoring Report is to revise its Home Buyer Loan Program Policies. Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document.

Finding Five: Time and Activity Sheets. The City did not utilize accounting codes assigned to specific CDBG activities.

Condition: The City provided HUD with copies of Housing Services staff timesheets, activity logs, and related documents in support of CDBG funds committed to the Affordable Housing & Rehabilitation Division's administration and implementation of the Citywide Homebuyer Loan Program and the Citywide Single-Family and Mobile Home Rehabilitation Loan Programs. In analyzing these documents, HUD was unable to determine account codes assigned to specific CDBG activities, the CFDA title, and the grant number within its accounting records. The only code utilized in the time and activity sheets was accounting code "285-5115-804-8001" which, per the Finance Department's Chart of Accounts, represented Personnel Services – Direct Labor-Regular for Community Development staff instead of Housing staff but, more importantly, is not project/activity specific to Housing Services Homebuyer or Rehabilitation Programs. To summarize, the City did not provide documentation that associated staff costs with the CDBG program housing activities. Without these financial standards, HUD was unable to identify the source and application of the CDBG award.

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) The City will need to utilize proper accounting codes which tie back to the eligible housing activities separately between the homebuyer loan and the rehabilitation program.

2) The City will need to revise Section D of its Grants Management Policy and Procedures to include financial standards as specified in 2 CFR 200.302 (b) Financial Management, including 2 CFR 200.302 (b) (3) and 2 CFR 200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and Procedures shall include standards that the Finance Department shall follow to ensure compliance with 2 CFR 200.302 Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures including certification of implementation from the certifying authority shall be provided to HUD 30 days after receipt of this monitoring letter.

City's Response:

1) The City has indicated that it will split the Housing program into two separate programs: a) the Homebuyer Loan Program and b) the Rehabilitation Loan Program which will document the two programs distinctly with separate budgets and coding for billing. The City has requested that HUD allow 90 days for the City to bifurcate the Housing program into the two eligible housing programs (Homebuyer Assistance and Homeowner Rehabilitation) and enter them into the Project Budget Report, then submit the updated supporting documentation to the HUD field office.

2) The City has indicated this it will also revise its Grants Management Policy and Procedures to include financial standards as specified at 2 CFR 200.302 (b) Financial Management, including 2 CFR 200.302 (b) (3) and 2 CFR 200.430 (i) Compensation. Oxnard's Responsibilities and Procedures section of its Grants Management Policy and City of Oxnard Housing Department HUD PY 2021 Monitoring Responses Procedures shall include standards that the Finance Department shall follow to ensure compliance with 2 CFR 200.302 Financial Management. The City asks that HUD allow 90 days to revise the policies and procedures and allow time for the Council process including Council adopting the revisions.

HUD's Response:

1) **This part of the Finding remains OPEN.** HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022 response letter or May 9, 2022**, to utilize proper accounting codes which tie back to the eligible housing activities separately between the homebuyer loan and the rehabilitation program. Please note: The Corrective Action in the monitoring report and noted above does not require that the City submit supportive documentation to verify this correction. To close this part of the finding it is sufficient to respond that the City has completed the necessary process to utilize proper accounting codes which tie back to the eligible housing activities separately between the homebuyer loan and the rehabilitation program.

2) **This part of the Finding remains OPEN.** HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. With regard to the City's response 1) above, it is not

necessary to submit the updated supporting documentation since the Corrective Action in the Monitoring Report HUD did not request supporting documentation. The revised policies and procedures are the only requested submittals necessary to resolve this finding. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

Please note that while the City's response indicated that it will amend its *Housing* policies and procedures, the Corrective Action detailed in HUD's Monitoring Report is to revise Section D of its *Grants Management* Policy and Procedures based on our review of this document and the relevance of including financial standards as a grants management policy. Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document.

Finding Six: Lead-Based Paint. The City did not require property documentation to determine the age of the property and provide participants with the Lead-Based Paint informational brochure.

Condition: For those homes built after 1978, the City's rehabilitation program relies on a form signed by the City Inspector indicating that the home was built after 1978 to determine when a property requires lead-based paint inspection, assessment, and correction and that a program participant is provided with a copy of the current lead-based paint informational brochure.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) The City should revise its policies and procedures to include other source documentation such as appraisal reports or property details to confirm the age of the property. This documentation should be included in participant files to support the report provided by the City Inspector and to ensure that the City acknowledges providing a copy of the lead-based paint informational brochure to program participants. The City should provide current policies and procedures for lead-based paint including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter.

City's Response: The City has indicated that it will revise its policies and procedures to include other source documentation to confirm the age of the property. The City has requested that HUD allow the City 90 days to complete this action.

HUD's Response: This Finding remains OPEN. HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and

procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

Finding Seven: The City's procurement policies and procedures did not conform to the applicable requirements in 2 CFR Part 200.324 Contract cost and price.

Condition: The City provided HUD with its purchasing policy manual which outlines its procurement standards. The Grants section within the City's purchasing manual identified its compliance with 2 CFR 200.318 thru 2 CFR 200.326. However, the written policies and procedures did not address if cost plus a percentage of cost and percentage of construction cost methods of contracting were prohibited.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) The City shall submit to HUD revised written policies and procedures to contain its compliance with 2 CFR 200.324 Contract cost and price. The City should provide current policies and procedures for procurement including certification of implementation from the certifying authority. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter including certification of implementation from the certifying authority.

City's Response: The City has indicated that at the time of the June 2021 remote monitoring, the most current version of the policies and procedures was not submitted to HUD for review. To resolve this finding, the City has submitted as Exhibit 7-1, the current City of Oxnard Purchasing Policy Manual and has specifically cited Chapter 11 section 11.3C on page 62.

HUD's Response: This Finding remains OPEN. HUD evaluated the documentation submitted by the City. The regulatory citation cited within the City of Oxnard's Purchasing Policy Manual for Contract and Price, page 62, section 11.3C reads as follows: "Cost/Price Analysis. For federally-funded procurements over the currently applicable Simplified Acquisition Threshold, including contract modifications, a cost or price analysis must be performed and must include making independent estimates before receiving bids or proposals. (See 2 CFR 200.323.)

Costs or prices based on estimated costs for federally-funded contracts are allowable only as provided in 2 CFR 200.323 Therefore, based on the language noted in your most current policies 2 CFR 200.323 is incorrectly cited instead of the required 2 CFR 200.324. Within Part 200 this specific citation, 2 CFR 200.323, speaks to Procurement of Recovered Materials, the Solid Waste Disposal Act. The appropriate citation indicated for Contract cost and price should be 2 CFR 200.324. The City's Purchasing Policy manual needs to reflect the accurate regulatory citations for each section. The City will need to revise its Purchasing Policy manual to ensure the appropriate/correct regulatory citation aligns with each specific identified topic. Please submit the revision to include recertification of implementation from the certifying authority 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022.**

Finding Eight: Documentation provided to HUD was not sufficient to detail the procurement history of sampled procurement transactions. The City's procurement transactions did not document all of the required procurement criteria.

Condition: The City provided HUD with a listing of procurement transactions. From this list, HUD selected five procurement transactions (Oil Field Electric Fire Generator, Physio-Control, IN LifePak Monitors and Access, Johnson Equipment Outfitting BC Vehicle, Office Depot, and Housing Authority Inspection Service) for review. From the review, Oxnard's documentation was not sufficient to detail the procurement history to identify the rationale for the method of procurement, the selection of contract type, contract selection or rejection, or the basis for the cost or price of the contract.

In addition, HUD was unable to determine the following within its procurement history documents: description of the item or service requested, a completed sub-award versus contractor determination form, alignment with program/award/project/activity type to confirm the requested item(s) or service is consistent with the purpose of the program/award/project/ activity, that the City confirmed amount of sufficient funds in the budget plan, in accordance with the established budget work breakdown structure, for the procurement estimate amount, the signature of a budget official confirming the funding amount available for the request, the signature of an authorized program/project official confirming the requested items(s) or service is consistent with the purpose of the program/award/project/activity, and alignment of the proposed amount with an independent cost estimate.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Create a procurement checklist to capture the following procurement criteria:
   - identify the rationale for the method of procurement,
   - the selection of contract type,
   - contract selection or rejection,
   - the basis for the cost or price of the contract,
   - description of the item or service requested,
   - a completed sub-award versus contractor determination form,
   - alignment with program/award/project/activity type to confirm the requested item(s) or service is consistent with the purpose of the program/award/project/activity,
   - confirmation amount of sufficient funds in the budget plan, in accordance with the established budget work breakdown structure,
   - for the procurement estimate amount, the signature of a budget official confirming the funding amount available for the request,
   - signature of an authorized program/project official confirming the requested items(s) or service is consistent with the purpose of the program/award/project/activity, and
   - alignment of the proposed amount with an independent cost estimate.

   This documentation shall be provided to HUD within 30 days from receipt of this letter.

City's Response: The City has attached a procurement checklist as Exhibit 8-1 that

includes the required procurement criteria to meet both City and Federal requirements cited from 570.502(a) in addition to the CFR 200s as they pertain to Grant Procurement Standards.

HUD's Response: This Finding is CLOSED. The requested Procurement checklist was provided to HUD for evaluation. From this review, the documentation addressed the requested corrective action. HUD advises the City to include this checklist with its procurement transactions.

Finding Nine: The City did not procure environmental consultant services or take affirmative steps to contract with small and minority businesses, women's business enterprises, and labor surplus area firms. Procurement Procedures for both Housing Services Programs and the Fire Department Activities.

Condition: For the Down Payment and Rehabilitation Program, which utilized the professional services of an environmental consultant, Criterion, for lead-based paint-related assessment and inspection, the City did not have policies to guarantee that environmental consultants are procured for based on qualifications. For the rehabilitation program, the City has utilized the same shortlist of three construction companies of which the same contractor, Daniels Construction, was awarded the contract in all five files reviewed. In several of the files reviewed, Daniels Construction was the only bidder and there was no evidence of promotion and outreach efforts to Disadvantaged Business Enterprises (DBE) contractors Minority Business Enterprises/ Women's Business Enterprises (MBE/WBE). There was no evidence provided for the procurement of select fire department equipment and vehicles.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Oxnard shall submit to HUD revised written policies and procedures to contain its compliance to 2 CFR 200.324 Contract cost and price. These revised policies and procedures shall be submitted to HUD within 30 days from receipt of this letter including certification of implementation from the certifying authority.

City's Response: The City has indicated that at the time of the June 2021 remote monitoring, the most current version of the policies and procedures was not submitted to HUD for review. To resolve this finding, the City has submitted as Exhibit 7-1, the current City of Oxnard Purchasing Policy Manual and has specifically cited Chapter 11 section 11.3C on page 62.

HUD's Response: The Finding remains OPEN. HUD evaluated the documentation submitted as Exhibit 7-1 by the City. The regulatory citation cited within the City of Oxnard's Purchasing Policy Manual for Contract and Price, page 62, section 11.3C reads as follows: "Cost/Price Analysis. For federally-funded procurements over the currently applicable Simplified Acquisition Threshold, including contract modifications, a cost or price analysis must be performed and must include making independent estimates before receiving bids or proposals. (See 2 CFR 200.323.) Costs or prices based on estimated costs for federally-funded contracts are allowable only as provided in 2 CFR 200.323." Therefore, based on the language noted in the City's most current policies 2 CFR 200.323 is incorrectly cited instead of 2 CFR 200.324. Within Part 200 this specific citation, 2 CFR 200.323, speaks to Procurement of Recovered Materials, the Solid Waste Disposal

Act. The appropriate citation indicated for Contract cost and price should be 200.324. The City's Purchasing Policy manual needs to reflect the accurate regulatory citations for each section. The City will need to revise its Purchasing Policy manual to ensure the appropriate/correct regulatory citation aligns with each specific identified topic. Please submit the revision to include recertification of implementation from the certifying authority 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022.**

In addition, HUD reviewed Exhibit 7-1 and determined that regulatory citations were missing to ensure that the City complies with open competition procedures and necessary affirmative steps to contract with Small and Minority Firms, Women's Business Enterprises, and Labor Surplus Firms. The revised Purchasing Policy manual did not include or reference 2 CFR 200.319 (a) and (b)(1-5) to ensure the City provides full and open competition consistent with the standards of this section and 2 CFR 200.320. Further, while the revised Purchasing Policy manual included language referencing 2 CFR 200.321 (b) regarding Affirmative steps, the manual did not include 2 CFR 200.321(a). To close this finding, please revise the Purchasing Policy to correct the citations noted in the preceding paragraph and include all sections of 2 CFR 200.319, 2 CFR 200.320, and 2 CFR 200.321.

Finding Ten: The City's Financial Management System does not comply with all criteria identified within the financial standards found within 2 CFR Part 200.

Condition: The City of Oxnard provided HUD with various accounting records including CDBG account balance reports, chart of accounts, budget variance reports, and sampled vouchers along with source documentation to support voucher expenditures. In analyzing these documents, HUD was unable to determine the account codes assigned to specific CDBG activities, the CFDA title, and the grant number within its accounting records. Without these, HUD was unable to identify the source and application of the CDBG award.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Revise Section D of its Grants Management Policy and Procedures to include financial standards as specified in 2 CFR 200.302 (b) Financial Management. These revised policies and procedures shall be approved and implemented by the City's Council. A copy of the revised, approved, and implemented Grants Management Policy and Procedures shall be provided to HUD 30 days after receipt of this monitoring letter including certification of implementation from the certifying authority.

City's Response: The City's Finance Department and Housing Department will review the Grants Management Policies and Procedures development to include improved documentation in support of the City's accounting codes, project codes, and references to CDBG and its current program year. The City has requested that HUD allow the City up to 90 days to revise its policies and procedure manual, and for Council to review and approve the revisions.

HUD's Response: This Finding remains OPEN. HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a

certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

Please note that the Corrective Action detailed in HUD's Monitoring Report is to revise Section D of its *Grants Management* Policy and Procedures based on our review of this document and the relevance of including financial standards as a grants management policy. Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document

Finding Eleven: Source documentation did not support all expenditure costs of select vouchers reviewed

Condition: The City of Oxnard provided HUD with source documentation to support the following IDIS vouchers: 6410895, 6326046, 6355367, 6304219, 6396938, 6406880, 6406875, 6406937, and 6474810. Based on this review of the vouchers and source documentation, two vouchers contained ineligible costs and two vouchers did not have sufficient source documentation to support the voucher expenditure.

Voucher 6304219 showed $1,851.04 CDBG admin charges for professional organization memberships. CDBG regulatory citation 24 CFR 570.206 Program administrative costs identify specific eligible costs that are allowable under CDBG admin. Membership costs for professional organizations are not identified as an eligible CDBG admin expense.

In addition, voucher 6326046 showed a total of $5,137.16 in expenditures for the City's Community Camera activity. The Community Camera activity is described as CDBG funds used to acquire and maintain neighborhood crime prevention cameras. Source Documentation provided to support these costs were the following: $50 for CA Gang Task Force, $3,545.24 for the National Technical Investigators' Association (NATIA) Conference, and $1,541.92 for Southwest airfare. It is unclear how these expenditures correlate to acquiring and maintaining crime prevention cameras.

For voucher 6474810, source documents supported $35,355.87 of the $35,778.93. Source documentation was insufficient to support $423.06 in expenditures. A portion of the source documentation provided for voucher 6410895 supported an expense of $13,086. However, the remaining source documentation was not codified to tie to the specific activities of either the Community Center East Park Improvement or the Enhanced Medical Services Equipment. The City will need to tie source documents to the remaining voucher total of $237,962.35.

Corrective Action: To address this deficiency, Oxnard is requested to take the following actions:

1) Remit $5,137.16 from non-federal funds back to the 2019 CDBG line of credit for the ineligible expenses completed under the Community Camera activity.

2) For the unsupported costs of $238,385.41, provide the appropriate source documentation

3) From voucher 6474810, provide appropriate source documentation to support $423.06 in CDBG expended costs.

4) From voucher 6474810, provide appropriate source documentation to support $237,962.35 in CDBG expended costs.

The source documentation provided should show the origin of the expense. Remitted funds must come from a non-Federal funding source and be received by HUD within 30 days from receipt of this letter.

City's Response:

1) The City supports its expenditures for the Community Camera activity. Exhibit 11-1, 11-2, and 11-3 were submitted as supporting documentation.

2) The City submitted Exhibit 11-4 which documents $124,127.69 of expenses for the Community Center East Project, which exceeds the draw amount of $120,083.33 in eligible expenditures, and $126,706.02 of expenses for the Enhanced Medical Services project, which exceeds the draw amount of $117,879.02 in eligible expenditures.

3) The City submitted Exhibit 11-5 (last page) which documents wire transfers with notes. The City drew less than the amount expended on the Pleasant Valley Restroom project.

4) The City submitted Exhibit 11-5 for the list of expenditures, and notes, regarding the entire list of activities in the draw for the $240,411.85.

HUD's Response:

1) **This part of the Finding remains OPEN.** For voucher 6326046, under the neighborhood crime prevention activity, CDBG funds should be used for the acquisition and maintenance of the camera(s). Expenditures for a NATIA Conference, airfare to the NATIA Conference, and a CA Gang Task fee are not deemed eligible costs to acquire and maintain cameras. As a result, the City shall remit from non-Federal sources $5,137.16 back to the CDBG grant of origin. To ensure that the correct remittance is processed**,** please follow the guidance detailed in HUD Memorandum, dated April 15, 2021: *Methods for Returning Community Development Block Grant (CDBG) Funds*. This guidance can be found at

   https://www.hudexchange.info/resource/3089/instructions-for-returning-funds-to-the-line-of-credit-and-to-us-treasury/

2) **This part of the Finding remains OPEN.** Under voucher 6304219, the $1,851.04 memberships are considered ineligible per 570.206 Program Administration. The City shall remit the $1,851.04 from non-Federal funds back to the CDBG grant of origin. **To ensure that the correct remittance is processed, please follow the guidance detailed in HUD**

Memorandum, dated April 15, 2021 (see hyperlink above).

3) **This part of the Finding remains OPEN.** The documentation provided for voucher 6410895 supported costs of $112,267.72; not the total expenditure of $120,083.33. HUD was unable to verify $7,815.61 in expended costs for the Community Center East Park Improvements activity. The City will need to provide documentation to support the $7,815.61 costs for the Community Center East Park Improvements activity or remit from non-Federal funds back to the CDBG grant of origin. **To ensure that the correct remittance is processed, please follow the guidance detailed in HUD Memorandum, dated April 15, 2021** (see hyperlink above).

4) **This part of the Finding is CLOSED.** From the review of documents provided for voucher 6474810, the City has supported the questioned costs.

Finding Twelve: The City's record retention and access policy did not comply with 2 CFR Part 200 requirements

Condition: As part of the financial management review, the City provided its record management policies and procedures. Through evaluation of these policies and procedures, it was determined that the City is not in compliance with record retention and access requirements as outlined in Part 200 and within its policies and procedures. In addition, the City's policies and procedures did not address each HUD award's program-specific retention requirements, nor did they address access requirements.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Update its record management policies and procedures to reflect compliance with CDBG record retention requirements and Part 200 requirements. These updated record management policies and procedures shall be submitted to HUD within 30 days after receipt of this letter including certification of implementation from the certifying authority.

City's Response: The City indicated that its Housing Department is in the process of updating its Policies and Procedure manuals and has requested that HUD allow up to 90 days to provide the updated manual and receive Council approval of the revisions, including the specific recordkeeping requirements per the Part 200 requirements.

HUD's Response: This Finding remains OPEN. HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022 response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

Please note that the Corrective Action in the monitoring report noted above was based on HUD's review of the City's record management policies and procedures manual and not the Housing Department's internal policies and procedures. While the City's response has indicated

that the Housing Department is in the process of revising its policies and procedures manual, it is the City's records management policies that were reviewed that require revisions. Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document.

Finding Thirteen: The City did not provide written documentation to support an internal control self-assessment nor measures to safeguard protected personally identifiable (PII) information.

Condition: The City did not provide documentation to support it conducted a self-assessment of its internal control system as well as how it safeguards PII.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Revise its Grant Management policies and procedures to include updated internal control measures that align to 2 CFR 200.303 Internal Controls. The City shall also address pertinent internal control measures such as PII. These revised Grant Management policies and procedures shall be submitted to HUD 30 days after receipt of this letter including certification of implementation from the certifying authority.

City's Response: The City indicated that its Housing Department is in the process of updating its Policies and Procedure manuals and has requested that HUD allow up to 90 days to provide the updated manual and receive Council approval of the revisions which will include a section on Protected Personally Identifiable Information.

HUD's Response: This Finding remains OPEN. HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

Please note that while the City's response indicated that it will amend its *Housing* policies and procedures, the Corrective Action detailed in HUD's Monitoring Report is to revise its *Grants Management* Policy and Procedures based on our review of this document and the relevance of updating internal control measures that align to 2 CFR 200.303 Internal Controls as a grants management policy. Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document.

Finding Fourteen: HUD is unable to determine if measures are in place to ensure HUD awards are charged no more than a reasonably proportionate share of costs

Condition: HUD requested documentation regarding the invoicing for Single Audit services to support if HUD awards are charged no more than a reasonably proportionate share of the audit costs. HUD did not receive documentation or any additional feedback regarding this request.

Corrective Action: To address this deficiency, the City is requested to take the following action:

1) Oxnard shall submit to HUD a copy of the invoice submitted by its auditor, Eadie + Payne, LLP, for the Single Audit services for the period ending June 30, 2020. The copy of this invoice shall reflect the program account codes and appropriate calculations to show the amounts each program was charged for the audit services. The City shall provide this documentation within 30 days from receipt of this letter.

City's Response: The City indicated that it does not charge HUD awards for services provided by its auditor, Eadie + Payne. Services are charged to the General Fund, Finance Department, and General Accounting Division. The City submitted as Exhibits 14-1, 14-2, and 14-3 copies of the invoice submitted by its auditor, Eadie + Payne, LLP, for Single Audit services ending June 30, 2020, to exhibit the account code charged for audit services was Fund 101 (General Fund), Department 16 (Finance Department), Division 01 (General Accounting) funding sources [101.1601.801.8203].

HUD's Response: This Finding is CLOSED. HUD evaluated the requested documentation. From the review, the documentation provided supports that the audit services were not charged to HUD awards and were charged to the City's General Fund account.

Finding Fifteen: The City's equipment records do not comply with all requirements of Part 200

Condition: During the review, HUD determined that the City's fire equipment log is not in compliance with 2 CFR Part 200 requirements concerning equipment use and management requirements.

Corrective Action: To address this deficiency, the City is requested to take the following actions:

1) Submit an updated equipment log to include the following criteria: property description and location, serial number or identification number, funding source (including the Federal Award Identification Number, or FAIN), titleholder, acquisition date and cost, percentage of Federal participation in original acquisition cost, use and condition of equipment, if applicable, disposition data, such as date of disposal and sales price.

2) The policies and procedures pertaining to the equipment shall ensure compliance to equipment use per 2 CFR 200.313(c) and management requirements found at 2 CFR 200.313. Compliance with these regulatory citations shall be documented along with its revised City's equipment inventory report log.

The City shall submit this documentation within 30 days from receipt of this letter including certification of implementation from the certifying authority.

City's Response:

1) The City submitted an equipment log as Exhibit 15-1 to include the required criteria.

2) The City has requested that HUD allow the City up to 90 days to revise its policies and procedure and for Council to review and approve the revisions.

HUD's Response:

1) **This part of the Finding is CLOSED.** The City submitted the updated fire equipment log with specified criteria as required.

2) **This part of the Finding remains OPEN.** HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

   Please note that while the City's response indicated that it will amend its policies and procedures, the Corrective Action detailed in HUD's Monitoring Report is to revise the City's Policies and Procedures pertaining to equipment based on our review of this document and the relevance of compliance to equipment use per 2 CFR 200.313(c). Please ensure for continuity of the document reviewed and found to be deficient, that the revisions are made to the specific item that HUD has instructed the City to revise as detailed in the Monitoring Report rather than submitting a new or alternate document

Prior Monitoring Findings

Finding Sixteen (2015 Finding Three: Rental Project - Terry's Place, IDIS Activity #1888)

Condition: The City did not secure the appropriate written agreement with all the required HOME regulatory provisions including a budget, the scope of work, appropriate benchmarks for project completion, etc. The City provided HOME funds for acquisition without securing the appropriate appraisal to determine the value of the property. The bridge loan provided was a line of credit for the organization and not a specific loan for the HOME project. The supporting documentation for invoices included costs that may not be eligible. For example, line of credit fees that cannot be directly associated with the HOME project and staff costs for marketing activities that were not supported with time and activity sheets. Finally, the sellers of the project were not provided a voluntary acquisition letter as required.

Condition: The City provided copies of all the documents signed for the project identified in the original condition except an amendment to implement the HOME requirements signed and dated by both parties.

Corrective Action: The amendment provided was previously submitted and no signatures on the written amendment between the City and Many Mansions were dated. Please submit a signed and dated amendment that incorporates the HOME regulatory requirements to close this finding.

City's Response: The City submitted as Exhibit 16-1 a copy of the signed, dated, and executed amendment between the City and Many Mansions.

HUD's Response: This Finding is CLOSED. The signed and dated amendment is satisfactory to close this finding.

Finding Seventeen (2015 Finding Five: Environmental Review Process)

Condition: The City completed the environmental review process for Rental Project Terry's Place, IDIS Activity #1888) but incurred costs before the request for release of funds were available.

Corrective Action: The City must establish and implement policies and procedures to conduct environmental reviews for all projects before committing and expending HOME funds, per the rules and regulations, and keep the record in each project file. Please submit the established policies and procedures, including certification of implementation from the authorized official.

City's Response: The City has indicated that it will add the regulatory requirement of completing an environmental review before expending funds to a project or committing funds to a project to its policies and procedures. The City has requested that HUD allow 90 days to revise its policies and procedures and obtain the proper approvals.

HUD's Response: This Finding remains OPEN. HUD has agreed to allow the City 90 calendar days **from the date of the February 8, 2022, response letter or May 9, 2022,** to revise and submit its policies and procedures. As noted in the Corrective Action, the City must include a certification of implementation from the certifying authority along with the revised policies and procedures for procurement. Once the City's updated policies and procedures have been received, HUD will evaluate and determine if the submitted policies and procedures are revised per the requested corrective action.

We would like to thank you and your staff for your professionalism and cooperation during the review and subsequent response. Please respond to the open findings within 30 days of receipt of this communication. For those open findings in which HUD has approved your February 8, 2022, request for 90 days to allow for the revision of policies, please respond no later than **May 9, 2022**. Roy Mata, Community Planning and Development (CPD) Representative, is available to discuss the results of this monitoring response at (213) 534-25721 or via email at roy.i.mata@hud.gov.

Sincerely,

for

Rufus Washington, Director
Office of Community Planning
and Development

Alexander Nguyen
City Manager

Office of the City Manager

300 West Third Street
Oxnard, CA 93030
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May 9, 2022

Rufus Washington, CPD Director
U.S. Department of Housing and Urban Development (HUD)
Office of Community Planning and Development
Los Angeles Field Office
300 N. Los Angeles Street, Suite 4054
Los Angeles, CA 90012

Subject: City of Oxnard Policy and Procedure Manual Submission – for HUD Review and Approval
RE: Community Development Block Grant Program 2021 Monitoring
Grant Numbers: B-18-MC-06-0534 and B-19-MC-06-0534

Dear Mr. Washington:

The City of Oxnard has prepared a Community Development Block Grant Policy and Procedure Manual, and others for the different CPD programs, in support of practices that required the necessary standards to meet both the City and Federal requirements, consistently and effectively throughout each fiscal year. During the monitoring review that occurred from June 7, 2021 through June 14, 2021, Roy Mata, U.S. Department of Housing and Urban Development (HUD) Representative and others from the Los Angeles Field Office reviewed multiple documents and also concluded, and described in the November 26, 2021 monitoring letter, that revised policies and procedures were a top priority in curing majority of the findings determined within the review.

Attached is the revised policy and procedure manuals that reflect the necessary changes identified in the City's February 8, 2022 monitoring response letter from your department. There is one deviation that must be addressed; according to the Oxnard City Code, Section 2-155 (http://oxnard-ca.elaws.us/code/coor_ch2_artiii_d3_sec2-155) states that *the city manager form of government is adopted and shall be followed by the city*, in addition to Section 2-157 (http://oxnard-ca.elaws.us/code/coor_ch2_artiii_d3_sec2-157), *the City Manager shall be the Chief Executive Officer and Administrative Officer of the City and shall have all of the powers and duties heretofore vested in the several ministerial, executive and administrative and other subordinate officers heretofore appointed by the city council except the city clerk, the city attorney and the city treasurer*", therefore I affirm that the CDBG and HOME Policy and Procedure manuals are acceptable documents for the Housing Department to officially use to manage the City's CPD-funded programs.

See Attachment 1 for review of the revised CDBG Policy and Procedure Manual. Attachment number 2 is the updated City Policy and Procedure Manual for Procurement with the corrected Federal citations listed. Just to note, Mr. Mata discussed with City staff the need to update the Procurement manual's citations, however, the citations were accurate during the program years that were reviewed. We do thank him for pointing out the need to revise it for the current year and corrected them as required. Attachment number 3 is the HOME Policy and Procedure Manual for review of the Environmental Review process that includes the language on conducting the reviews prior to committing and expending funds identified in Finding number 17.

There have been multiple emails from Mr. Mata describing specific enhancements to the City's response within very short timeframes. Staff worked diligently to achieve these requests within the tight deadline proposed. Between Attachments 1-3, you will find the corresponding updates in support of the monitoring findings:

Finding #	Description	Attachment/Reference
Finding 1:	Revise Section D of its Grants Management Policy and Procedures (Fair Housing)	Attachment #1, Pages 16-20; 92-96
Finding 3:	Revise the Affordable Housing & Rehabilitation (Bifurcating the two programs & Time/Recordkeeping for the separate programs) Division HOME & CDBG Loan Program Policies	Attachment #1, Pages 81-83 Attachment #1 Pages 227-282 Attachment #3 Page 7
Finding 4:	Revise current policies and procedures for the Homebuyer Loan Program Conflict of Interest	Attachment #1, Pages 20-21, 81-83 Attachment #1, Page 96
Finding 5:	Revise Section D of its Grants Management Policy and Procedures	Attachment #1, pages 16-20; 92-96
Finding 6:	Revise its policies and procedures to include other source documentation such as appraisal reports or property details	Attachment #2, Page 82
Finding 7:	Revise written policies and procedures to contain its compliance to 200.324 Contract cost and price.	Attachment #2, Pages 61-62
Finding 9:	Revise written policies and procedures to contain its compliance to 200.324 Contract cost and price. Minority/Women Business Enterprises + Labor Surplus Firms	Attachment #2, Pages 61-62 Attachment #2, Page 63
Finding 10:	Revise Section D of its Grants Management Policy and Procedures	Attachment #1, Pages 16-20; 92-96
Finding 12:	Update its record management policies and procedures	Attachment #1, Page 19, 95-96

Finding 13:	Revise its Grants Management policies and procedures (Internal Controls)	Attachment #1, Pages 18; 94
Finding 15:	The policies and procedures pertaining to equipment shall ensure compliance to equipment use per 200.313 (c) and management requirements found at 200.313	Attachment #1, page 180
Finding 17:	Establish and implement policies and procedures to conduct environmental reviews for all projects prior to committing and expending HOME funds	Attachment #3, pages 129-167

It is requested that HUD approve the CDBG and HOME Policy and Procedure manuals, as submitted, and close the findings related to the financial/policy findings. The City of Oxnard has a decentralized finance system where each division is fiscally responsible for its own budgets and expenditures. The Finance department facilitates and aggregates fiscal budgets and expenditures, however, they are not responsible for directly managing the CPD programs, nor the CPD programs' Subrecipients, consultants or contractors.

One additional note; On February 22, 2022, Mr. Mata emailed Housing Director, Emilio Ramirez, with specific deadlines and conditions based upon a verbal discussion of a request for a 90-day extension for the policies and procedures revisions to occur. While appreciative that this 90-day extension was granted, the City verbally requested 120-days to complete the policy and procedure manuals due to staff shortages, time working with a consultant, and the ability to ensure timely approval by Council or myself. It was also noted in the email that 30-day responses are typically requested of a Grantee and it was determined that the 90-day extension would commence on the date of the City's response letter dated February 3, 2022. Mr. Mata never received a response from the City on this proposal, nor was a response letter from HUD received by the City until May 2, 2022 formally responding to the City's February 3, 2022 letter.

The City continues to work on the findings identified in the HUD monitoring letter, and now the items in the new response letter dated May 2, 2022.

Should there be any additional information you require, please feel free to contact Andrea Palmer, Grants Manager, by email at andrea.palmer@oxnard.org, or by phone at (805) 385-7959. Thank you.

Sincerely,

Alexander Nguyen
City Manager