CITY OF
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Est. 1875

Winters City Council Meeting
City Council Chambers
318 First Street
Tuesday, December 2, 2014

Members of the City Council

Cecilia Aguiar-Curry, Mayor
Woody Fridae, Mayor Pro-Tempore
Harold Anderson
Wade Cowan
Pierre Neu

John W. Donlevy, Jr., City Manager
Ethan Walsh, City Attorney
Nanci Mills, City Clerk

6:00 p.m. – Executive Session

AGENDA

Safe Harbor for Closed Session – Pursuant to Government Code Section 54954.5

Pursuant to Government Code Section 54957.6 – Memorandums of Understanding - Labor Negotiator John W. Donlevy, Jr., City Manager and Nanci G. Mills, Director of Administrative Services

- Miscellaneous Employees Association
- Mid-Management Employees Association
- Confidential Employees Association
- Managers Series Employees
- Management (Department Head) Employees
- Police Officers Association
- City Manager Employment Agreement
- City Manager Compensation and Cost of Living Adjustment (COLA)

6:30 p.m. – Regular Session

AGENDA

PLEASE NOTE – The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Mayor or

Councilmembers. Public comments time may be limited and speakers will be asked to state their name.

Roll Call

Pledge of Allegiance

Approval of Agenda

COUNCIL/STAFF COMMENTS

PUBLIC COMMENTS
At this time, any member of the public may address the City Council on matters, which are not listed on this agenda. Citizens should reserve their comments for matter listed on this agenda at the time the item is considered by the Council. An exception is made for members of the public for whom it would create a hardship to stay until their item is heard. Those individuals may address the item after the public has spoken on issues that are not listed on the agenda. Presentations may be limited to accommodate all speakers within the time available. Public comments may also be continued to later in the meeting should the time allotted for public comment expire.

CONSENT CALENDAR
All matters listed under the consent calendar are considered routine and non-controversial, require no discussion and are expected to have unanimous Council support and may be enacted by the City Council in one motion in the form listed below. There will be no separate discussion of these items. However, before the City Council votes on the motion to adopt, members of the City Council, staff, or the public may request that specific items be removed from the Consent Calendar for separate discussion and action. Items(s) removed will be discussed later in the meeting as time permits.

A. Minutes of the Regular Meeting of the Winters City Council Held on Tuesday, November 18, 2014 (pp 5-7)
B. Memorandums of Understanding (MOU) and Salary Resolutions (Under Separate Cover) and Staff Report (pp 8)
   - Resolution 2014-42, Miscellaneous Employees Association MOU
   - Resolution 2014-43, Mid-Management Employees Association MOU
   - Resolution 2014-44, Confidential Employees Association MOU
   - Resolution 2014-45, Manager's Series Employees MOU
   - Resolution 2014-46, Management (Dept. Head) Employees MOU
   - Resolution 2014-47, Police Officers Association MOU
   - Resolution 2014-48, Salary Ranges

C. City Manager Employment Agreement – Amendment No. 1 (Under Separate Cover)
D. City Manager Compensation and Cost of Living Increase (pp 9)
D. Resolution 2014-38, A Resolution of the City Council of the City of Winters Amending the Adopted 2014-2015 Budget. (pp 10-11)
E. Approval of the Purchase of a New Tractor for the Public Works Department (pp 12)
F. Extend Contract with Tully & Young, Inc. Regarding Recycled Water Permit for Agriculture Irrigation to Adjacent Lands, Not to Exceed $20,000 (pp 13-15)

PRESENTATIONS

Winters Police Department Update

DISCUSSION ITEMS

1. Public Hearing and Consideration of Resolution 2014-39, a Resolution of the City Council of the City of Winters Approving the CDBG Program Income Reuse Agreement (pp 16-60)
2. Resolution 2014-40, a Resolution of the City Council of the City of Winters Approving an Infill Infrastructure Grant Application Authorization in Conjunction with the Blue Mountain Senior Housing Project (pp 61-83)
3. Historical Preservation Committee (pp 84)

CITY OF WINTERS AS SUCCESSOR AGENCY TO THE WINTERS COMMUNITY DEVELOPMENT AGENCY

1.

CITY MANAGER REPORT

INFORMATION ONLY

ADJOURNMENT

I declare under penalty of perjury that the foregoing agenda for the December 2, 2014 regular meeting of the Winters City Council was personally delivered to each Councilmember's mail boxes in City Hall and posted on the outside public bulletin board at City Hall, 318 First Street on November 26, 2014, and made available to the public during normal business hours.

Nanci G Mills by Tracy Jensen
Nanci G. Mills, City Clerk

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General Notes: Meeting facilities are accessible to persons with disabilities. To arrange aid or services to modify or accommodate persons with disability to participate in a public meeting, contact the City Clerk.

Staff recommendations are guidelines to the City Council. On any item, the Council may take action, which varies from that recommended by staff.

The city does not transcribe its proceedings. Anyone who desires a verbatim record of this meeting should arrange for attendance by a court reporter or for other acceptable means of recordation. Such arrangements will be at the sole expense of the individual requesting the recordation.

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City Hall – Finance Office - 318 First Street
During Council meetings – Right side as you enter the Council Chambers

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Wednesday at 10:00 a.m.

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Minutes of the Regular Meeting of the Winters City Council Held on November 18, 2014

Mayor Aguiar-Curry called the meeting to order at 6:35 p.m.

Present:	Council Members Harold Anderson, Wade Cowan, Woody Fridae, Pierre Neu and Mayor Cecilia Aguiar-Curry
Absent:	None
Staff:	City Attorney Ethan Walsh, Housing Programs Manager Dan Maguire, Director of Financial Management Shelly Gunby, Building Official Gene Ashdown, and City Clerk Nanci Mills.

Winters Joint Unified School District Superintendent Brent Cushenbery led the Pledge of Allegiance.

Approval of Agenda: Motion by Council Member Fridae, second by Council Member Neu to approve the agenda with no changes. Motion carried with the following vote:

AYES:	Council Members Anderson, Cowan, Fridae, Neu, Mayor Aguiar-Curry
NOES:	None
ABSENT:	None
ABSTAIN:	None

COUNCIL/STAFF COMMENTS

PUBLIC COMMENTS: None

CONSENT CALENDAR

A. Minutes of the Regular Meeting of the Winters City Council Held on Tuesday, November 4, 2014

B. Selection of Project Manager for Federal Projects

C. Resolution 2014-35, A Resolution of the City Council of the City of Winters Amending the 2014-2015 Budget for Open Purchase Orders as of 6-30-14
D. Resolution 2014-36, A Resolution of the City Council of the City of Winters Authorizing the Execution of a Standard Agreement for the State of California Housing-Related Parks Program Grant
E. Parade Permit and Amplified Sound Permit Applications for St. Anthony's Parish on Sunday, December 7, 2014 for Our Lady of Guadalupe Celebration
F. Final Acceptance of Public Improvements for St. Anthony's Church

Director of Financial Management Shelly Gunby gave an overview. Motion by Council Member Cowan, second by Council Member Fridae to approve the Consent Calendar. Motion carried with the following vote:

AYES: Council Members Anderson, Cowan, Fridae, Neu, Mayor Aguiar-Curry
NOES: None
ABSENT: None
ABSTAIN: None

PRESENTATIONS

City of Winters Building Official Gene Ashdown recently became a Safety Assessment Program Volunteer following the 2014 South Napa Earthquake that occurred on August 24th, 2014 and gave a presentation to Council. Discussion followed regarding the cost to retrofit vs. rebuilding if an earthquake was to hit downtown Winters. Council Member Fridae noted that buildings on the historic registry may enhance the value but can also limit building owners and Council Member Anderson added that City Hall is included on the historic registry. It was also suggested the Historic Committee be revived.

DISCUSSION ITEMS

1. Disposition and Development Agreement Between the City of Winters and Royal Guest LLC for the Development of a Downtown Hotel

Council Member Anderson recused himself due to a possible conflict of interest.

Housing Programs Manager Dan Maguire gave an overview and cited the late addition a corrected version of Resolution 2014-41, approving a Disposition and Development Agreement between the City of Winters and AKM Railroad LLC. This resolution doesn't change the deal points, and City Attorney Walsh said this is the first step in the process.

Motion by Council Member Cowan, second by Council Member Fridae to approve Resolution 2014-41, approving a Disposition and Development Agreement between the City of Winters and AKM Railroad LLC. Motion carried with the following vote:

AYES: Council Members Cowan, Fridae, Neu, and Mayor Aguiar-Curry
NOES: None
ABSENT: Council Member Anderson
ABSTAIN: None

Council Member Anderson returned to the dais at this time.

2. Facility Bond Update by Brent Cushenbery, Winters Joint Unified School District Superintendent

Superintendent Cushenbery reviewed Phase 1 improvements at the High School and Priority 1 improvements at the other schools, followed by the review of Phase 2 improvements at the High School, which are contingent upon "hardship dollars." He also spoke about the selling of school property, first rights of refusal, the creation of a Facilities-Finance Committee as recommended by the Board of Trustees, and the criteria regarding eligibility. Superintendent Cushenbery closed by saying the Board of Trustees want to be good stewards with the bond money and have scheduled several public meetings throughout November to present a prioritized action plan and to receive input for their facilities investments.

CITY OF WINTERS AS SUCCESSOR AGENCY TO THE WINTERS COMMUNITY DEVELOPMENT AGENCY

1. None

CITY MANAGER REPORT: None

INFORMATION ONLY: Turkeys are still needed for the Community Food Baskets.

ADJOURNMENT: Mayor Aguiar-Curry adjourned the meeting at 8:17 p.m. in honor of her father, Joe Aguiar.

Cecilia Aguiar-Curry, MAYOR

ATTEST:

Nanci G. Mills, City Clerk

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TO: Honorable Mayor and Council Members

DATE: December 2, 2014

THROUGH: John W. Donlevy, Jr., City Manager

FROM: Nanci G. Mills, Director of Administrative Services/City Clerk

SUBJECT: Memorandums of Understanding (MOU) and Salary Resolutions

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RECOMMENDATION:
Staff respectfully recommends that the City Council adopt Resolutions 2014-42, 2014-43, 2014-44, 2014-45, 2014-46, 2014-47 and 2014-48, Approving Certain Terms and Conditions of Employment for the City Associations and Salary Ranges.

BACKGROUND:
The current Memorandums of Understanding (MOU) between the City of Winters (City) and the Associations expired on June 30, 2014, but do continue until a new MOU is adopted. Represented members of the Associations ratified the tentative agreements attached.

The City and the Associations have agreed to a one year contract effective the first full payroll in July 2014 through September 30, 2015. Key points of the tentative agreement are as follows:

1. New Salary Ranges reflecting a 1.5% Cost of Living Increase (COLA).
2. Increase/Decrease in the cafeteria plan only for those employees who subscribe to the City's Health Insurance. Due to the increase in Blue Shield and the decrease in Kaiser rates there is only a few hundred dollars difference city-wide.

The City Council may choose to accept or reject any or all of the terms of the agreement. However, should the terms of this agreement be rejected or modified, the City and the Association will have to reopen negotiations.

FISCAL IMPACT:
Additional compensation to employees is $24,000, which is well within the 2013/2014 budgeted amounts.

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CITY COUNCIL
STAFF REPORT

TO:	Honorable Mayor and Councilmembers
DATE:	December 2, 2014
THROUGH:	John W. Donlevy, Jr., City Manager
FROM:	Nanci G. Mills, Director of Administrative Services/City Clerk
SUBJECT:	City Manager Compensation and Cost of Living Increase.

RECOMMENDATION:

That the City Council consider an increase to the City Manager monthly compensation.

BACKGROUND:

The salary schedule adopted for the 2013-2014 fiscal year set the City Manager compensation at $10,554 per month, however, the City Manager elected not to receive this pay increase, and continued to receive the approved amount for 2012-2013 of $10,398 per month.

The budget for 2013-2014 included the approved amount of $10,554 per month, so the City actually received a benefit of $2015 in savings by the City Manager electing not to accept the pay increase in July 2013.

The budget for 2014-2015 includes the amount of $10,712 as included on the proposed salary schedule presented.

The City Council has the options of:

A. Maintaining the current compensation rate at $10,398.
B. Approve the 2012-13 amount of $10,398.
C. Approve the budgeted 2014-15 amount of $10,712

FISCAL IMPACT:

There is no fiscal impact of this action, due to the fact that the amount is included in the budget as adopted for 2014-2015.

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CITY COUNCIL STAFF REPORT

TO:	Honorable Mayor and Councilmembers
DATE:	December 2, 2014
THROUGH:	John W. Donlevy, Jr., City Manager
FROM:	Shelly A. Gunby, Director of Financial Management Shelly
SUBJECT:	Resolution 2014-38 Amending Adopted 2014-2015 Operating budget for Updating Standards and Specifications for Public Works and Engineering

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RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2014-38 Amending Adopted 2014-2015 Operating budget for Updating Standards and Specifications for Public Works and Engineering.

BACKGROUND:

City Engineers Nick Ponticello and Alan Mitchell have advised the City of Winters that the Standards and Specifications for Public Works needs to be updated. They estimate that the cost of the update will not exceed $15,000. The cost of this update was not included in the budget as adopted for 2014-2015. The project will be funded by impact fee accounts, specifically, Street Impact Fee, Water Impact Fee, Sewer Impact Fee, Storm Impact Fee and Park Impact Fees. The cost will be split evenly among the funds.

FISCAL IMPACT:

$15,000 in increased costs, $3,000 for each impact fee fund.

RESOLUTION 2014-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINTERS AMENDING THE CITY OF WINTERS 2014-2015 ADOPTED OPERATING BUDGET FOR UPDATING PUBLIC WORKS SPECIFICATIONS AND STANDARDS

WHEREAS, On June 17, 2014 the City Council of the City of Winters adopted operating budget for Fiscal Year 2014-2015 and 2015-2016; and

WHEREAS, subsequent to the adoption of the budget, City Engineer Nick Ponticello and Alan Mitchell proposed an update of the Public Works and Engineering Specifications and Standards for the City of Winters.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Winters that the adopted operating budget for fiscal year 2014-2015 be amended as follows:

Section 1: Increase budgeted expenditures in the following funds and accounts

a. 411-54411-660 Street Impact Fee Engineering Fees	$3,000.00
b. 417-54411-630 Water Impact Fee Engineering Fees	3,000.00
c. 418-54411-640 Sewer Impact Fee Engineering Fees	3,000.00
d. 412 54411-640 Storm Drain Impact Fee Engineering Fees	3,000.00
e. 413-54411-650 Parks Impact Fee Engineering Fees	3,000.00

PASSED AND ADOPTED by the City Council, City of Winters, this 2nd day of December 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Cecilia Aguiar-Curry, Mayor

ATTEST:

_____
Nanci G. Mills, CITY CLERK

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CITY COUNCIL
STAFF REPORT

TO: Honorable Mayor and Council Members

DATE: December 2, 2014

THROUGH: John W. Donlevy, Jr., City Manager

FROM: Eric Lucero, Public Works Superintendent

SUBJECT: Purchase of a new tractor for the Public Works Department

RECOMMENDATION: Council approval for the purchase of a new tractor for the Public Works Department.

BACKGROUND: On December 1, 2014, the Public Works Department took over the daily operations and maintenance of the wastewater treatment facility. The tractor that had been used in the wastewater department belonged to Severn Trent. The Public Works staff has budgeted the cost of a new tractor that will not only be used in the wastewater department but will also replace the existing 1985 John Deere tractor that is currently not working and will be too costly to repair and maintain.

FISCAL IMPACT: Total amount not to exceed the 2014-16 fiscal budget of $34,000 for this equipment which has already been budgeted and approved by Council.

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CITY COUNCIL
STAFF REPORT

TO: Honorable Mayor and Councilmembers

DATE: December 2, 2014

THROUGH: John W. Donlevy, Jr., City Manager

FROM: Carol Scianna, Environmental Services Manager CS

SUBJECT: Extend Contract with Tully & Young, Inc not to exceed $20,000

RECOMMENDATION: Staff recommends approval for City Manager to execute an amended contract with Tully & Young Inc., to assist the City in obtaining a Recycled Water permit for agriculture irrigation to adjacent lands. Contract amount not to exceed $20,000.00

BACKGROUND: The City began working with Tully & Young in May 2014 and were able to secure a temporary recycled water permit in July 2014 from the Regional Water Quality Board (RWQCB). The program has been very successful and to date staff was able to send over 25 million gallons(MG) of recycled wastewater to the farmer adjacent to the wastewater treatment facility (WWTF), allowing 25 MG to remain in our aquifer. The amount of revenue from water sales that has been generated is over $5400, thus far.

Our temporary permit only extends to the 2014 irrigation season. Staff and Tully and Young are optimistic that we will be able to work with the RWQCB to expand and extend our reuse opportunities and obtain a Permit that extends for several years. Ongoing discussion with the current farmer and others farmers confirm that there is certainly a desire to continue using as much recycled water as we are able to provide.

Obtaining a Reuse Permit will also expand our capacity at the WWTF , the need for expanding storage ponds and spray fields would be considerably diminished, with the additional option of sending treated water to farmers.

More importantly, given the preciousness of our groundwater, a water reuse program is critical to our water conservation efforts.

FISCAL IMPACT: Not to exceed $20,000

Tully & Young
Comprehensive Water Planning

Tully & Young, Inc.
3600 American River Drive, Suite 260
Sacramento, CA 95864

November 13, 2014

Carol Scianna
Environmental Service Manager
City of Winters
318 First Street
Winters, California 95694

Re: Continued services to assist the City with furthering the City's objectives for continued and expanded use of effluent for agricultural irrigation

Dear Carol,

Thank you for the continued opportunity to assist the City with its efforts to further its objective for continued and expanded use of effluent for agricultural irrigation. As we discussed at our meeting this past Monday, we understand that you would like Tully & Young, Inc. to continue to assist the City with the following services:

1. Schedule and facilitate a briefing with RWQCB to present 2014 project successes and discuss the City's objectives for expanded operations.

2. Engage the RWQCB and CDPH, as necessary, to enable continuation and potential expansion of irrigation activities for the near future (duration to be determined through interactions with RWQCB). This task is expected to result in new approvals, but may require additional analysis, reports, etc. addressing irrigation system operations, irrigated area monitoring, groundwater monitoring, reporting details, and other anticipated requirements as defined by the regulating entities.

3. Communicate with City representatives throughout the process to ensure objectives are clear, tasks are understood, and actions are undertaken on a timely basis.

4. At the City's discretion, assist the City or its designee with necessary document preparation, studies, analyses or other functions identified through the interactions with the RWQCB and CDPH.

5. At the City's direction, assist with negotiations and execution of an agreement with the landowner(s) who will receive the water.

Under direction of the City, the tasks described above will be completed based on time and materials expended using the billing rates below, and are expected not to exceed $20,000 (estimated at approximately 100 hours). Because the level of effort associated with the defined

tasks is dependent on external factors, such as RWQCB and CDPH staff cooperation and processing of requested approvals, the stated maximum budget will be assessed periodically with the City to assure resources are being spent efficiently, with opportunities to expand the not-to-exceed budget as may be warranted. The following rates will apply:

Billing Rates	
Principal	$210/hour
Resource Planner	$145/hour
Administrative	$75/hour
Mileage	$0.56/mile (or current IRS rate)
Other Reimbursable Expenses	Actual Cost

If you have any questions or would like to discuss refinements to this proposal, please let me know. I look forward to hearing from you.

Sincerely,

Greg Young

Greg Young, P.E.
Principal
Tully & Young

Copy: John Donlevy, City Manager

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CITY COUNCIL
STAFF REPORT

TO: Honorable Mayor and Council members

DATE: December 2, 2014

THROUGH: John W. Donlevy, Jr., City Manager

FROM: Dan Maguire, Economic Development and Housing Manager DM

SUBJECT: Public Hearing and Possible Adoption of Resolution 2014-39, Approving the Adoption of the CDBG Program Income Reuse Agreement.

RECOMMENDATION:
Staff recommends that the City Council take the following actions:
1) Receive the Staff Report,
2) Open the Public Hearing to solicit Citizen Input,
3) Close the Public Hearing, and
4) Adopt Resolution 2014-39, Approving the Adoption of the CDBG Program Income Reuse Agreement.

BACKGROUND:
The City of Winters has received funding in the past from the Community Development Block Grant ("CDBG") Program. The City has used this funding to provide First Time Homebuyer loans to low income households, to rehabilitate qualifying homes and multi-family complexes in need of repair, and to assist small businesses throughout the City. As these loans have been repaid, historically the funds have gone into Revolving Loan Accounts to be re-loaned to provide assistance to additional homebuyers, homeowners, and small businesses. On June 16, 2014, HCD issued CDBG Management Memo 14-05, outlining changes to Program Income and Revolving Loan Account policies in the State CDBG Program. HCD , working with HUD determined the State's existing rules on Program Income (PI) and Revolving Loan Accounts (RLAs) were out of compliance with CDBG federal statute and regulations. Based on the new guidelines, "As of July 1, 2014, all State RLAs (including the City of Winters' RLAs) are cancelled since HUD has determined the State RLAs do not meet the RLF definition. This means that until a grantee

follows the steps to create an eligible RLF outlined below and receives the Department's approval for the RLF, **all funds on hand and within the grantee's loan portfolio are considered PI."** The Management Memo also noted that the most significant rule change is **"Funds on hand determined to be PI must be used prior to drawing down any awarded grant funds."** Based on this ruling, the City currently has approximately $435,000 that was held in Revolving Loan Accounts that is now considered Program Income.

Program Income is monitored by the State and excess program income can result in the City of Winters receiving a "hold out" letter from the State. Staff has been working with HCD staff to develop a plan to disburse the City's program income so that the City of Winters can avoid receiving a "hold out" letter from HCD. A hold out letter is sent to an agency when it has excess program income on hand. The current Program Income that triggers a hold out letter is $500,000. Hold out status prevents the agency from applying for grants until the program income is committed or spent. The City does not currently have an active open CDBG Grant.

Staff has worked with HCD CDBG staff to plan for disbursal of the PI by spending the funds on an approved program income waiver activity. However, in order to initiate this process the City must first adopt and enter into the CDBG PI Reuse Agreement with HCD. By following this process, the City could potentially allow the CDBG PI to be directed to assist the Senior Housing project, or to other allowed uses of CDBG PI in accordance with the Reuse Agreement.

The City published a "Notice of Community Development Block Grant Public Hearing" in the November 20, 2014 edition of the Winters Express. To date, no public comments have been received.

FISCAL IMPACT:
None by this action

ATTACHMENTS:
Program Income Reuse Agreement
Public Notice of Public Hearing
Resolution 2014-39

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
PROGRAM INCOME (PI) REUSE AGREEMENT

Execution of the this PI Reuse Agreement by both the Jurisdiction and the California, State Department of Housing and Community Development (Department) provides official notification of the Department's approval for the Jurisdiction to expend PI funds under the State's administration of the federal Community Development Block Grant Program (CDBG) for (1) state non-entitlement jurisdictions; and (2) former state non-entitlement jurisdictions that are now entitlement jurisdictions;, pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. CDBG funding is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program. The Agreement also includes asset repayments from activities administered under DRI contracts.

By completing this PI Reuse Agreement and signing the end of this document, the Authorized Representative certifies the Jurisdiction has read, understands and will adhere to the Program Income (PI) Reuse Overview and Process discussed in the first section of this document, the Jurisdictional Certifications in the second section of this document, and Department of Housing and Community Development (hereinafter Department) terms and conditions in the third section of this document.

SECTION ONE: OVERVIEW AND PROCESS

JURISDICTION:

GOVERNING BODY ADOPTED ON:

This PI Reuse Agreement establishes policies and procedures for the administration and utilization of PI received as a direct result of eligible activities funded under CDBG and DRI contracts with the Department. *For payments generated under DRI contracts, while the funding was loaned under DRI, when a payment is received, per DRI regulation, the payment becomes CDBG program income.*

Applicability of this Agreement:

This PI Reuse Agreement between the Jurisdiction and Department is required by CDBG federal regulation. This Agreement allows Jurisdictions receiving repayments from CDBG and DRI assets to spend those PI funds in the absence of an active Department CDBG grant contract. This Agreement applies to all current Department-eligible Non-Entitlement Jurisdictions and HUD Entitlement Jurisdictions that are still receiving Non-Entitlement PI revenue from previous State grants (CDBG and/or DRI).

RECEIPT OF PROGRAM INCOME

Pursuant to the definition of program income found at 24 CFR 570.489(e)(2), repayments of assets generated from use of CDBG funds received by the Jurisdiction from the Department are PI. These repayments of loans, lease payments, and proceeds of asset sales will be deposited into one of three separate local PI accounts depending on what activity generated the PI. It is possible that the Jurisdiction may have up to three separate accounts with which to manage PI.

1. If the Jurisdiction has a Department approved Revolving Loan Fund (RLF) for Housing and/or ED, any PI from Housing or ED activities must be deposited into the RLF associated with the activity that generated the PI.

   This means:

   a. Housing PI must be deposited into the Housing RLF.

   b. ED PI must be deposited into the ED RLF.

   ***Note**: The accounts for each RLF must be separate accounts, however they both must be interest bearing.*

2. If RLF(s) are not approved for use, the Jurisdiction must deposit all CDBG repayments into a single regular PI account which must be separate from either of the RLF accounts, but it must also be interest bearing.

3. If repayment comes from a loan or asset that was originally paid with CDBG and non-CDBG funds, the PI accounting and reporting must reflect the correct amounts and proportions of CDBG PI and non-CDBG funds invested in the asset. Only the CDBG portion of the repayment is deposited into one of the three PI accounts.

OVERVIEW OF WAYS TO USE PROGRAM INCOME

There are five (5) ways to manage PI under the Agreement.

They are:

1. *Expend PI and RLF monies first on active grant contract activities;*
2. *Expend PI General Administration (PI GA) for GA Activities (up to allowable limits)*
3. *Expend through an approved PI Revolving Loan Fund (RLF)*
4. *Expend PI on an approved waiver activity when no active contract is in force;*
5. *Return PI annually to the Department.*

The undersigned Jurisdiction certifies that PI will be expended first when there is an active grant contract with the Department. PI being received when there is no active grant contract will be deposited into separate accounts for approved activities under this Agreement (via GA, PI Waiver or RLF) and only be distributed and expended, as follows:

1. Expend PI and RLF Monies First on Active Grant Contract Activities:

If the undersigned Jurisdiction has an active grant contract with the Department, all PI on hand must be expended on open grant activities, prior to requesting grant funds from the Department.

If the undersigned Jurisdiction has a Department approved PI Revolving Loan Fund (RLF) per this Agreement, and has an active grant contract which includes the same eligible CDBG activity as the RLF, the RLF monies must be expended first before requesting any contract funds from the Department. PI must always be expended first on active contract activities, prior to requesting grant contract funds.

See the Chapter on Program Income and Revolving Loan Funds in the Department's CDBG Grant Management Manual for additional information regarding use of PI to pay costs for activities under an active grant contract in the Department.

2. ***Expend PI General Administration (PI GA) for GA Activities*** *(up to allowable limits)*

The undersigned Jurisdiction must track a calculation of up to seventeen percent (17%) of PI received annually for eligible GA costs. However, the seventeen percent (17%) PI GA only applies to PI received that is **not** generated by a RLF activity.

Since all PI must be expended first, GA funds cannot be held and used only as PI GA costs are incurred. All PI must be spent on the next funds request submitted. Thus, the Jurisdiction can choose to keep an accounting of the total amount of PI GA available for use based on all regular PI received.

PI GA funds cannot be used for planning studies or technical assistance activities, these activities can only be funded under awarded grant contracts. See the Program Income Chapter for further details on eligible PI GA activities under this Agreement.

3. **Expend PI through an approved PI Revolving Loan Fund (RLF):**

To establish one or both of the RLFs discussed below, the undersigned Jurisdiction must submit formal written request for Department approval using the required process included with this Agreement.

The undersigned Jurisdiction agrees to all the Department's RLF requirements as stated in this Agreement and detailed in the GMM Chapter.

The two RLFs and their corresponding definitions, as permitted by this agreement, are:

1) **Housing Revolving Loan Fund (RLF)**

Eligible housing activities under this RLF include:

I. Housing Rehabilitation - Single Unit Residence program for **owner and/or tenant occupied** properties. Matrix code **14A**.

II. Housing Rehabilitation - 2-4 Units program for **tenant occupied** properties. Matrix code **14B**.

III. Housing Acquisition - Single Family program for homebuyer assistance. Matrix code **13**.

2) **Economic Development (ED) Revolving Loan Funds (RLF)**

Eligible ED activities under this RLF include:

i. Business Assistance program (direct financial assistance to a for-profit business). Matrix code**18A**; and

ii. Microenterprise Financial Assistance (loans). Matrix code **18C.**

The undersigned Jurisdiction will provide program guidelines for all eligible RLF activities as part of the approval process when obtaining Department approval of a RLF. Department written approval must be received before incurring any activity or activity delivery costs associated with implementing any activities under the approved RLF. All approved RLF projects, will be required to be reported to the Department via the applicable CDBG Set-up/Completion reports.

4. **Expend PI on an Approved PI Waiver Activity when no active contract is in force.**

The undersigned Jurisdiction may only utilize the Department's PI Waiver process when it has no active grant contracts with the Department. Once there are no active contracts with the Department, the undersigned Jurisdiction can have up to two active eligible CDBG activities approved by the Department, for which PI may be expended. Waivers will consist of a single program, service or single project activity. If it is a single program activity, it cannot be the same program activity as funded under an approved RLF.

The undersigned Jurisdiction will follow all PI Waiver procedural requirements as stated in the Program Income Chapter of the Grant Management Manual (GMM).

Written Department approval is required before expending any PI funds on a Waiver activity. Each Waiver activity must clear the activity General and any Special Conditions which include federal overlays as posted on Department's webpage.

A PI Waiver project can only be approved if the total project / program cost for

the proposed activity is on hand in the Jurisdiction's PI account. Future PI may not be committed for PI Waivers.

The undersigned Jurisdiction understands that PI Waiver activities are limited to two active projects, services and/or programs, and will remain active until close out has been completed and approved by the Department. Each approved Waiver activity will be set up with the Department using current Set-Up Report.

The undersigned Jurisdiction understands if they receive a subsequent award of CDBG funds, upon execution of the new grant contract all waiver activities are to be completed first, after which, PI must be expended first on the active grant contract activities. PI Waivers will not be included in the grant, because Supplemental activities will be included in contracts.

5. **Return PI to the Department**

The undersigned Jurisdiction has the option to return PI back to the Department. However, semi-annual and annual reports are still required to confirm PI being returned.

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SECTION TWO: CERTIFICATION FOR PROCESS AND USE OF PROGRAM INCOME

Since CDBG is a federal funding source, Citizen Participation is required when utilizing any of the five (5) ways to use PI listed above. Those requirements are incorporated below.

The certifies that:

1. **Resolution:**

   The PI Reuse Agreement was formally adopted via resolution on by the Jurisdiction's Governing Body, executed by the Authorized Representative and submitted to Department with certified copy of the approving resolution attached for full execution.

2. **Citizen Participation:**

   Each of the processes discussed in this Agreement will be carried out in compliance with the CDBG Citizen Participation process as specified in federal regulations at 24 CFR 570.486, and Jurisdiction's public hearing requirements.

3. **Governing Compliance:**

   The undersigned Jurisdiction certifies the administration of all CDBG eligible activities conducted under the above described Ways to Spend PI, will be conducted in compliance with all current State and federal regulations and policies, including all applicable Grant Management Manual (GMM) chapters and Department Management Memos.

4. **Ineligible Activities and Costs:**

   The undersigned Jurisdiction acknowledges that if ineligible activities or costs are paid for with CDBG PI, those funds must be returned to the Jurisdiction's PI or RLF account (whichever account expended ineligible funds) using local Jurisdiction funds.

   The undersigned Jurisdiction acknowledges that ineligible activities or costs paid for with PI under an active grant contract must be repaid to the Department using local non-federal funds.

5. **Jurisdictions Leaving the State Non-Entitlement Program and Jurisdictions Entering the State Non-Entitlement Program:**

The undersigned Jurisdiction certifies that it will follow these procedures when leaving or entering the State CDBG Program:

A. 24 CFR 570.489(e)(3)(iii) *Transfer of program income to Entitlement program.*

Jurisdictions that are entitlement communities or part of an urban agreement, or grantees that at a later date become an entitlement community or join a urban agreement, have the following options for PI and RLFs:

PI not associated with a RLF, the jurisdiction must:

1) Complete the process to certify they will be reporting the State PI into the Entitlement Programs process, including receipting the CDBG proceeds into IDIS, or,

2) Return all State CDBG Program Income to the Department, the amounts on hand once the HUD agreement is signed and as it is received until all PI generated by State CDBG funding has been returned.

PI in an approved RLF:

Entitlement jurisdictions and those who are part of an urban agreement may keep their RLF(s) and monies within an RLF as long as the following is met:

1) They have a State Reuse Plan (Agreement) signed by the Department and the City/County Authorized Representative.

2) Agree to operate the RLF under the Department's RLF rules going forward

3) Report all expenditure, and accounting of RLF(s) as required by the Department.

4) The Jurisdiction shall be required to have loan servicing policies and asset management policies and procedures, pursuant to the Department's Grant Management Manual Chapter on Asset and Real Property Management

B. 24 CFR 570.489(e)(3) (iv) *Transfer of program income of grantees losing Entitlement status.*

Upon entry into the State CDBG program, a unit of general local

government that has lost or relinquished its Entitlement status must submit a letter to the department, signed by the Authorized Representative stating which of the following options the jurisdiction will be implementing. Keep in mind, that retaining Entitlement PI while participating in the State CDBG program will require PI reporting for both sets of funding. Entitlement PI and any PI generated by State CDBG fund cannot be comingled.

Within 90 days of leaving the Entitlement Program to join the State CDBG program, the jurisdiction must certify that it will either:

1) Retain program income generated under Entitlement grants and continue to comply with Entitlement program requirements for program income, including reporting it into IDIS or the urban county; or
2) Retain the program income and transfer it to the State CDBG program, in which case the jurisdiction must comply with the State's rules for PI and RLF address within this Memo, the Reuse Plan and Chapter 14 of the Grant Management Memo.

6. Requirements of Program Income

This PI Reuse Agreement is intended to satisfy the requirements specified in federal statute and regulation at Section 104(j) of the Housing and Community Development Act ("the Act"), as amended in 1992 and 24 CFR 570.489(e) and (f). These statutory and regulatory sections permit a unit of local government to retain PI for CDBG-eligible activities, with Department approval. Under federal guidelines adopted by the State of California's CDBG Program, local governments are permitted to retain PI as long as the local government has received advance approval from the State of a local Agreement that will govern the expenditure of the PI. This Agreement has been developed to meet that requirement when an active contract between the Department and the undersigned Jurisdiction is not in force.

The undersigned Jurisdiction certifies their PI will be used to fund eligible CDBG activities that meet a National Objective and any public benefit requirements. Eligible activities, National Objective and public benefit requirements are specified in Federal Statute at Sections 104(b), 105(a) of The Housing and Community Development Act of 1974, and in Federal Regulations at 24 CFR 570.482 and 24 CFR 570.483. The Jurisdiction understands, if it is determined that an activity/project funded with PI that does not meet a National Objective and/or meet the public benefit requirement, the Jurisdiction will be required to use its own local funds to repay the PI Account.

7. Definition of Program Income

"Program Income" means gross income earned by the Jurisdiction from grant-funded activities and is subject to CDBG regulatory requirements pursuant to

24 CFR, Part 570.489(e) - Program Administrative Requirements as amended in the CDBG Final Rule, 24 CFR, Part 570.504 - Program Income, 24 CFR Part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, and OMB Circulars A-87 and A-122 as applicable. These regulations include the requirement that the Jurisdiction record the receipt and expenditure of PI as part of the financial transactions of the grant activity(ies).

For activities generating PI that are only partially funded with CDBG funds, such income is prorated to reflect the actual percentage of CDBG participation. Examples of PI include but are not limited to: payments of principal and interest on housing rehabilitation or business loans made using CDBG funds; interest earned on PI pending its disposition; interest earned on funds that have been placed in a revolving loan account; net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; and, income (net of costs that are incidental to the generation of the income) from the use or rental of real property that has been acquired, constructed or improved with CDBG funds and that is owned (in whole or in part) by the participating Jurisdiction or Sub-recipient.

8. Fiscal Reporting of Program Income Receipts, Deposits and Disbursements

The undersigned Jurisdiction certifies that CDBG PI will be accounted for using the Department's fiscal year timeframe (July 1 to June 30). All receipts of PI or RLF revenue (and the depositing of those funds into separate account(s)) and expenditures of PI in accordance with this PI Reuse Agreement will be monitored and reported per the Department's fiscal year cycle. The undersigned Jurisdiction certifies that they will report using the Department's reports/forms and will submit them in a timely manner.

9. Duration of This Program Income Reuse Agreement

The undersigned Jurisdiction certifies that it and its Governing Body understand that this document is effective for five (5) years from the execution date by the authorized CDBG Representative listed in this Agreement. At that time unless here are no further CDBG PI assets generating repayments, or the Jurisdiction has become a HUD entitlement Jurisdiction and uses these funds for entitlement activities, a new PI Reuse Agreement will be submitted to the Department. The Department has the Authority to void the Agreement with notice for cause.

10. Program Income General Administration (PI GA)

A. After the PI Reuse Agreement is executed, the Jurisdiction reserves the right to calculate and track up to seventeen percent (17%) of PI received pursuant to Section 1, item 2 above, for payment of eligible PI GA costs. PI GA will not

be calculated for any RLF deposits. PI GA funds will not be used until General Conditions for PI GA are cleared and Departmental written approval is received. As noted above, these funds cannot be set aside since all PI must be expended first on whatever CDBG cost must be paid next, however tracking the amount of PI GA generated by the Jurisdiction's PI revenue permits the Jurisdiction to use that amount on eligible CDBG costs that don't have to meet a national objective, and ensures the Department is not exceeding the administrative funding cap of twenty percent (20%), as set by federal statute.

B. If more funds are expended than what is available under PI GA calculation, the Jurisdiction will be required to return the over-expended PI GA amount back into their PI Account.

C. Ineligible PI GA costs will be required to be returned to their PI Account.

D. PI GA funds, once approved for use, may be used to pay for costs associated with receiving Department approval of PI activities funded under this agreement. Before submitting any proposed PI activities (Waivers or RLF) for Department approval, the Jurisdiction must hold at least one formal public hearing to discuss eligible activities and proposed PI activities. Department recommends that this public hearing be conducted to review current fiscal year PI activities and proposed and possible activities for future Department applications.

11. Revolving Loan Funds (RLFs)

A. Pursuant to the criteria noted below, the undersigned Jurisdiction may be eligible to apply for the Housing RLF and/or the ED RLF.

B. RLFs listed under the Agreement will only be utilized after the Jurisdiction submits written certification as well as the required guideline documents, and receives written Departmental approval certifying that the proposed RLF meets the Department's definition as follows:

1) There are existing loans and assets from past RLF eligible activities that can be reasonable expected to generate repayments.

2) The existing loans and assets have generated at least one loan repayment in the current fiscal year.

C. The two RLFs and their respective CDBG eligible activities listed in this Agreement will be administered under the guidance and requirements provided in this Agreement and in the Department's current GMM Chapter on Program Income, and any subsequent policy, regulation, or statutory guidance, from the Department.

D. Pursuant to Management Memorandum 14-05, the undersigned Jurisdiction

certifies acknowledgement that the Department reserves the right to cancel the grantee's RLF and require the funds to be returned to the Department as a corrective action for significant, ongoing non-compliance with RLF rules.

E. The two (2) RLFs listed below each have a multiple eligible CDBG program activities. All CDBG rules pertaining to eligible RLF program activities will be followed.

1) **Housing Revolving Loan Fund**

There are three (3) housing programs that must be made available under this RLF. The Jurisdiction will get written Department approval for all three programs as part of Housing RLF approval.

Eligible housing activities under this RLF include:

i. Housing Rehabilitation - Single Unit Residence program for owner and/or tenant occupied properties. Matrix code **14A**.

ii. Housing Rehabilitation - 2-4 Units program for owner and/or tenant occupied properties. Matrix code **14B**.

iii. Housing Acquisition - Single Family program for homebuyer assistance. Matrix code **13**.

2) **Economic Development (ED) Revolving Loan Funds (RLF)**

Eligible ED activities under this RLF include:

i. Business Assistance program (direct financial assistance to a for-profit business). Matrix code**18A**; and

ii. Microenterprise Financial Assistance. Matrix code **18C.**

F. Each approved RLF will offer all eligible activities under the RLF definition.

G. Separate and formally adopted program guidelines for each eligible activity will be provided to the Department as part of General Conditions for all eligible RLF activities when obtaining Department approval of a RLF.

H. The undersigned Jurisdiction acknowledges that although all eligible activities under each approved RLF must be available, the Jurisdiction has the discretion to fund RLF loans for the activity or activities they deem to address the greatest need in their community.

I. RLF receipts on deposit may be used for one or both single family housing program activities. Although both activities are required to be approved by the Department for use under the RLF, the Jurisdiction may choose to only operate one program at time or both simultaneously.

J. In addition, each approved RLF will meet the following criteria:

1) RLFs will operate on a fiscal year of July 1 to June 30 for accounting and performance reporting.

2) Jurisdictions will set up RLFs as separate accounts (Housing and ED RLF accounts must be separate) with separate fund and transaction numbers. All other CDBG funds received as PI must be accounted for in a separate account.

3) All accounts set up pursuant to 2.G.2 will be interest bearing.

4) RLF monies will be expended first when the same RLF activity is funded under an awarded active grant contract.

5) RLF projects may be funded with both RLF monies and an active grant contract.

6) RLFs will be expended primarily on loans since RLFs must revolve. Thus, activities under an active contract that are funded using only grants rather than loans, will use contract funds not RLF monies to pay for the activity. Microenterprise grants, home repair grants and closing cost grants, that do not have loans associated with them, will not become RLF assets and therefore will not require RLF funds to be spent first on the active grant activities.

7) The RLFs will primarily provide financing instruments that will revolve, (i.e. loans), RLFs cannot fund projects primarily or solely with grants or forgivable loans.

8) RLF receipts from loans or assets generated from the same program activity, (i.e. single family housing rehabilitation loan repayments will only be deposited into a Housing RLF). Thus, repayments from the same program activities that go into an RLF must be used for originating loans for the same program activities.

9) RLF PI balances will not be moved to another approved RLF account or to the Jurisdiction's regular PI account. The Department may use a state or federal disaster declaration to formally allow for re-purposing of PI funds by the Jurisdiction. Funds approved by the Department for re-purposing to meet an urgent need are considered PI and must be expended first under active grant contracts or under approved waivers if there is no active contract.

10) RLFs that become depleted of funds and do not have additional asset repayments to sustain revolving activities, such that no longer meeting the Departments RLF definition, will be canceled by the Department.

11) RLF PI received and deposited is not allowable for PI GA expenses thus, seventeen percent (17%) cannot be set aside as with Jurisdictions with separate PI accounts.

12) RLFs with no annual revolving activities, (i.e. approved loans), are not able to be used by the Jurisdiction for reimbursement of non-revolving

costs therefore, activity delivery (AD) costs are not eligible. **AD costs are only eligible if one or more projects are funded and accomplishment data (i.e. beneficiaries), for those activity(ies), on an annual basis, are reported**.

13) RLF projects must be documented as meeting a national objective. If a project does not meet a national objective, then all expenses associated with the project (activity and activity delivery funds) must be repaid to the RLF with non-federal funds.

14) Given that RLF revenue cannot be "banked", to remain eligible, a RLF must revolve. To meet the definition of revolving, the undersigned Jurisdiction will not have more than $100,000 on deposit in an RLF within a fiscal year without making at least one loan. Nor will the undersigned Jurisdiction have more than $500,000 on hand even if making loans, each fiscal year.

15) The undersigned Jurisdiction certifies they are aware that the Department will address excess funds and revolving compliance by issuing finding letters to the grantee which could result in the Department cancelling the grantee's RLF, which immediately converts the funds to PI; and, therefore, must be used prior to drawing down grant funds.

16) RLF activity delivery funds (AD) may be used to pay for loan servicing costs.

17) Citizens of the Jurisdiction must be the primary beneficiaries of all RLF program activities.

18) Financial and performance reporting, on RLF projects will be done using current eligible activity set up, performance and completion reports for National Objective data and beneficiary demographics as HUD required accomplishment information.

19) Additional financial reports for RLF PI deposits and expenditures will be done twice a year using the Department's current PI fiscal reporting forms.

20) The Jurisdiction will be required to repay the RLF account for ineligible costs or activities with local non-federal funds.

21) RLF programs will meet the CDBG National Objective of benefit to Low/Moderate-income (Low/Mod) households. per 24 CFR Part 5, and in accordance with the Department's Income Manual.

22) Loan servicing costs under the RLFs are not eligible as PI GA costs but are eligible AD costs. As such, loan servicing costs are only eligible if one or more loans are made fiscally.

K. Activity Specific Requirements:

1) **Housing RLF:**
   a. All Housing Rehabilitation and Homeownership Assistance programs will only fund projects that meet a National Objective and comply with other State and federal requirements, including Department Management Memorandums and GMM Chapters on Housing Rehabilitation, Multi-Family Rehabilitation (2-4 units), and Homeownership Assistance.

   b. No more than nineteen percent (19%) of funds expended for **Housing Rehabilitation** in the RLF will be used for AD costs on an annual fiscal basis.

   c. No more than eight percent (8%) of funds expended in a fiscal year for **Homeownership Assistance** will be used to reimburse eligible AD costs.

   d. AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.

   e. Projects cannot be solely funded as a grant.

2) **ED RLF:**
   a. Both ED programs will only fund projects that meet a National Objective and comply with other State and federal requirements, including Department Management Memorandums and GMM Chapters on Microenterprise and BA program.

   b. Income eligibility must be met per 24 CFR Part 5 and in accordance with the Department's Income Manual.

   c. No more than 15 percent (15%) of the total funds expended for **BA or Microenterprise financial assistance** activities shall be used to reimburse Jurisdiction for eligible activity delivery (AD) costs on an annual fiscal basis.

   d. Annual AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.

   e. For **Business Assistance (BA)**, local review and underwriting of business assistance projects requesting a CDBG loan under this RLF shall be conducted under the Business Assistance Program Guidelines that have been adopted by the Governing Body of the undersigned Jurisdiction and approved in writing by the Department, as part of RLF approval.

   f. For **Microenterprise Assistance (ME)** The CDBG eligible activity

of direct financial assistant to eligible Microenterprise businesses will be conducted under this RLF. Local review and approval of microenterprise business assistance projects requesting a CDBG loan under this RLF shall be conducted under the Microenterprise Financial Assistance Program Guidelines that have been adopted by the Governing Body of the undersigned Jurisdiction and approved in writing by the Department as part of the General Conditions clearance. ***Note:*** *this subsection applies to ME loans only, not ME grants. Financial Assistance that is solely a grant cannot be made through an RLF.*

12. Loan Portfolio and Asset Management Policies and Costs

A. The undersigned Jurisdiction certifies that it has asset management policies and loan portfolio servicing policies that are in compliance with HUD standards per 24 CFR Part 570, OMB Circulars A-87, A-122 A-133, and 24 CFR Part 85.

B. The use of CDBG funds creates public financial assets. The public financial assets created can be in the form of loans or other repayment instruments which result in PI. Financial assets may also be in the form of real property or chattel (equipment and fixtures). All assets created from the use of CDBG funds must be administered in compliance with OMB Circulars A-87, A-122 A-133, 24 CFR Part 85. These policies will be used for managing all CDBG assets, including those which generate PI and RLF PI.

C. General Administration PI funds may be used to reimburse the Jurisdiction for loan servicing and asset management costs. If the Jurisdiction has no PI GA available, GA funds from active grant contracts may be used to pay for eligible loan servicing costs.

13. Program Income Waivers

A. The PI Waiver Submission Process will only be conducted when the undersigned Jurisdiction has no active grant contract(s) with the Department.

B. The process below will be followed if a PI Waiver is to be requested:

1) All PI Waiver requests will be submitted on approved Departmental forms for the Department's written approval.

2) After the Department's review of the activity for eligibility and national objective compliance, the PI Waiver will be formally adopted via public hearing and resolution of the Jurisdiction's Governing Body, as part of the PI Waiver General (and Special Conditions if applicable) Clearance process.

3) Expenditure of PI Waiver funds will not commence until clearance of all

required General and Special Conditions have been met, and written Departmental approval has been issued to the Jurisdiction.

4) Possible Waiver activities will be discussed at a properly noticed public hearing, held in front of the Jurisdiction's Governing Body, prior to submission of a Certified Resolution as part of a PI Waiver Request to the Department.

5) The PI Waiver request must be submitted in accordance with current Department policy, and any subsequent policy, regulation, or statutory guidance.

6) PI Waiver activity reporting will be submitted per current Departmental policies and includes financial accounting of all PI received and expended, including PI Waivers and PI Waiver activity performance.

7) PI Waiver activities must be fully funded with program income already on hand.

8) Only two (2) PI Waivers may be open and active at any one time.

9) RLF funds will not be used for PI Waivers, since RLF monies must be expended on the activity that generated the payments.

10) PI Waivers will not be approved for the same program activities for approved RLFs.

C. PI GA and PI Waiver financial and performance reporting will be done using current eligible activity set up and completion reports which will collect national objective data and beneficiary demographics for HUD required accomplishment information.

D. Additional financial reports for PI GA, PI Waivers, PI deposits and expenditures will be done semi-annually using the Department's current PI fiscal reporting forms.

E. Ineligible costs will be required to be repaid to the PI Account. In some cases with ongoing significant compliance issues, the Department reserves the right to require the jurisdiction return all PI to the Department until it is satisfied that the jurisdiction has resolved all compliance issues.

14. Program Income Not Associated with an RLF

A. Provided the undersigned Jurisdiction has made the Department aware at the beginning of the fiscal year they intend to exercise the $35,000 rule, PI which is received annually that has a cumulative amount up to $35,000 (RLF receipts are not included in the $35,000 calculation) may be "re-categorized" as non-CDBG funds. In electing to exercise the $35,000 rule, the Jurisdiction agrees not to expend CDBG revenue until either the fiscal year ends or the amount received goes above $35,000, at which point the jurisdiction must consider the revenue as CDBG PI and must use it, first prior to drawing CDBG contract funds.

B. The undersigned Jurisdiction certifies that it acknowledges if it has PI on hand and has not applied for or been awarded CDBG funds with the past three NOFAs, the Jurisdiction will be required to submit a PI Expenditure Plan for its PI on hand. The plan must be submitted via the CDBG PI Waiver process. If the Jurisdiction does not initiate the request, the Department will send the Jurisdiction a letter requiring submission of the plan within a set time frame. If the Jurisdiction does not respond to the Department's letter, the Jurisdiction will be required to return all PI on hand to the Department, regardless of the amount of PI.

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SECTION THREE: DEPARTMENT TERMS, CONDITIONS AND AUTHORIZATION

TERMS AND CONDITIONS: The undersigned Jurisdiction certifies that all terms and conditions listed below have been read and understood, and will be implemented and followed:

1. **Authority & Purpose**

   This Agreement provides official notification of the Jurisdiction's PI Reuse Agreement's approval under the State's administration of the Federal CDBG for Non-entitlement Jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program.

   In accepting the PI Reuse Agreement approval, the Jurisdiction agrees to comply with the terms and conditions of this Agreement, all exhibits hereto and the representations contained in the Jurisdiction's PI Reuse Agreement. Any changes made to the PI Reuse Agreement after this Agreement is accepted must receive prior written approval from the Department.

2. **Distribution for Reuse of PI**

   A. The Jurisdiction shall perform PI funded activities as described in the Distribution for Reuse in the PI Reuse Agreement. All written materials or alterations submitted as addenda to the original PI Reuse Agreement and which are approved in writing by the Department are hereby incorporated as part of the PI Reuse Agreement.

      The Department reserves the right to require the Jurisdiction to modify any or all parts of the PI Reuse Agreement in order to comply with CDBG requirements. The Department reserves the right to review and approve all work to be performed by the Jurisdiction in relation to this Agreement. Any proposed revision to the work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made in writing by the Department.

   B. The PI funded activities shall principally benefit Low/Mod-income persons or households residing in the Jurisdiction. HUD defines Low/Mod as having an annual income that is no more than 80 percent (80%) of the

county median area income, adjusted for household size.

3. **Sufficiency of Funds and Termination**

The Department may terminate this Agreement at any time for cause. . The Jurisdiction will have at least 14 days upon receipt of the Departments written notice. Termination shall consist of violations of any terms and/or conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority.

The Department reserves the right, for any significant on-going non-compliance with RLF or Program Income rules, to cancel any RLF and require, all RLF and PI funds, to be returned to the Department.

4. **Meeting National Objectives**

All activities performed under this Agreement must meet one of the National Objectives determined by the HUD regulations as included in the Application authorized under Title I of the Housing and Community Development Act of 1974, as amended.

A. Benefit to HUD defined Low/Mod-income person or household (LMI). The term Low/Mod-income is defined under CDBG as no more than 80 percent (80%) of the median area income, as determined by HUD, per Federal Regulation 24 CFR, Part 570.483(b); and/or;

B. Prevention or elimination of slums or blight. In order for an activity to meet the National Objective of elimination of slums and blight, the activity must take place in an area that meets the definition of a blighted area and the project must be shown to eliminate blight or prevent further blight per Federal Regulation 24 CFR, Part 570.483(c).

C. For Microenterprise Assistance activities, the Jurisdiction must only meet the benefit to Low/Mod-income person or household (LMI) National Objective.

5. **Inspections of Activities**

A. The Department reserves the right to inspect any activity(ies) performed hereunder to verify that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.

B. The Jurisdiction shall inspect any activity performed by contractors and subrecipients hereunder to ensure that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.

The Jurisdiction agrees to require that all activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor, respectively, until it is so corrected.

6. **Insurance**

The Jurisdiction shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Jurisdiction and the Department to be necessary for specific components of the activity(ies) described in this Reuse Agreement.

7. **Contractors and Subrecipients**

A. The Jurisdiction shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

1) Contractors are defined as program operators or construction contractors who are procured competitively.

2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded Jurisdiction to undertake eligible activities.

B. An agreement between the Jurisdiction and any contractor or subrecipient shall require:

1) Compliance with the applicable State and federal requirements of this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/Prevailing Wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.

2) Maintenance of, at minimum, the State-required Workers' Compensation Insurance for those employees who will perform the activity(ies) or any part of it.

3) Maintenance of, if so required by law, unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured

or damaged by the contractor, or any subcontractor in performing the activity(ies) or any part of it.

4) Compliance with the applicable Equal Opportunity Requirements described in this Agreement.

C. Contractors shall:

1) Perform the activity(ies) in accordance with federal, State and local housing and building codes, as are applicable.

2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

D. Subrecipients shall:

1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.

2) Permit the State, federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

8. Obligations of the Jurisdiction with Respect to Certain Third Party Relationships

The Jurisdiction shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Activities funded under this agreement with respect to which assistance is being provided under this Agreement to the Jurisdiction.

The Jurisdiction shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Jurisdiction, is carried out in accordance with the Department's Assurance and Certifications, including those with respect

to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974.

9. Periodic Reporting Requirements

During the term of this Agreement, the Jurisdiction must submit the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. The Jurisdiction's performance under this Agreement will be based, in part, on whether it has submitted the reports on a timely basis.

A. Semi-Annual PI Expenditure/Performance Report: Submit by January 31 and July 31 of each year regardless of whether or not the Jurisdiction has any unexpended PI. PI Waivers or open Grants with no accomplishment are not excluded to the reporting requirement.

B. Annual Federal Overlay Reporting: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State Fiscal Year. Annual Reporting includes but is not limited to: Section 3, and Minority Owned Business/Women Owned Business (MBE/WBE).

C. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.

D. Any other reports that may be required as a Special Condition of this Agreement.

10. Monitoring Requirements

The Department shall perform a program and/or fiscal monitoring of the activity(ies). The Jurisdiction shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Jurisdiction's performance score on future applications.

Additionally, the Department reserve the right to suspend a Jurisdiction's authority to expend PI (Waiver, RLF and/or PI attached to an open grant) based on significant compliance issues, reporting concerns or serious lack of cooperation in clearing PI monitoring findings.

11. Signs

If the Jurisdiction places signs stating that the Department is providing financing, it shall indicate in a typeface and size commensurate with the Department's

funding portion of the project that the Department is a source of financing through the CDBG Program.

12. Audit/Retention and Inspection of Records

A. The Jurisdiction must have intact, auditable fiscal records at all times. If the Jurisdiction is found to have missing audit reports from the SCO during the term of this Agreement, the Jurisdiction will be required to submit a Agreement to the State, with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Jurisdiction will be subject to termination of this Agreement and disencumbrance of the funds awarded. The Jurisdiction's audit completion Agreement is subject to prior review and approval by the Department.

B. The Jurisdiction agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Jurisdiction agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. The Jurisdiction further agrees to maintain such records for a period of five (5) years after final payment under this Agreement. The Jurisdiction shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.

C. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Jurisdiction.

D. Absent fraud or mistake on the part of the Department, the determination by the Department of allowable expenditures shall be final.

E. For the purposes of annual audits under OMB Circular A-133 (The United States Office of Management and Budget Circular for Audits of States and Local Governments), Jurisdiction shall use the Federal Catalog Number 14.228 for the State CDBG Program.

F. Notwithstanding the foregoing, the Department will not reimburse the Jurisdiction for any audit cost incurred after the expenditure deadline of this Agreement.

G. The Jurisdiction understands that the expenditure of PI is covered under the OMB A-133 Single Audit Requirements and will meet all these requirements and report said PI Expenditure along with grant funds each fiscal year.

13. **Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials**

Pursuant to 24 CFR 570.611, no member, officer, or employee of the Jurisdiction, or its designees or agents, no member of the Governing Body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have 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 its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The Jurisdiction shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this Section.

14. **Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Jurisdiction of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

15. **Litigation**

A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent Jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.

B. The Jurisdiction shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

16. Lead-Based Paint Hazards

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Jurisdiction with assistance provided under this Agreement shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these Regulations. The Jurisdiction shall be responsible for the notifications, inspections, and clearance certifications required under these Regulations.

17. Prevailing Wages

A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Jurisdiction shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Jurisdiction and a licensed building contractor, the Jurisdiction shall serve as the "awarding body" as that term is defined in the LC. Where the Jurisdiction will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

18. Compliance with State and Federal Laws and Regulations

A. The Jurisdiction agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Jurisdiction, its subcontractors, contractors or subcontractors, and the Reuse activity(ies), and any other State provisions as set forth in this Agreement.

B. The Jurisdiction agrees to comply with all federal laws and regulations applicable to the CDBG Program and to the activity(ies), and with any other federal provisions as set forth in this Agreement.

19. Anti-Lobbying Certification

The Jurisdiction shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this activity(ies) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and no more than $100,000 for such failure.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement; and,

B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

20. Bonus or Commission, Prohibition Against Payments of

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

A. Obtaining the Department's approval of the Application for such assistance; or,

B. The Department's approval of the Applications for additional assistance; or,

C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of

1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

21. Citizen Participation

The Jurisdiction is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115.

22. Clean Air and Water Acts

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

23. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. The Jurisdiction shall report all perceived or actual conflicts of interest cases to the State for review before financial benefits are given.

24. Environmental Requirements

The Jurisdiction shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR, Part 58. The Jurisdiction shall not undertake any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives under 24 CFR, Part 58.22 until HUD or the Department has issued an environmental clearance.

25. Equal Opportunity

A. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances

During the performance of this agreement, the Jurisdiction assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the

Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

B. Rehabilitation Act of 1973 and the "504 Coordinator"

The Jurisdiction further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR, Part 8, including, but not limited to, for Jurisdiction's with fifteen (15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

C. The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance

1) The activity(ies) to be performed under this Agreement are subject to the requirements of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR, Part 135.34(a)(2).

2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

3) The Jurisdiction will include these Section 3 clauses in every contract and subcontract for Work in connection with the activity(ies) and will, at the direction of the Department, take appropriate action pursuant to the contract or subcontract upon a finding that the Jurisdiction or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR, Part 135 and, will not let any contract unless the Jurisdiction or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

4) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement shall be a condition of the federal financial assistance provided to the activity(ies), binding upon the Jurisdiction, its successors, and assigns. Failure to fulfill these requirements shall

subject the Jurisdiction, its contractors and subcontractors and its successors, to such sanctions as are specified by 24 CFR, Part 135 and those sanctions specified by this Agreement.

D. Assurance of Compliance with Requirements Placed on Construction Contracts of $10,000 or More

The Jurisdiction hereby agrees to place in every contract and subcontract for construction exceeding $10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Jurisdiction furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

26. Flood Disaster Protection

A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3 (a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to FDPA, Section 102(d) of said Act.

B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said Act.

C. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.

D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

27. Federal Labor Standards Provisions

The Jurisdiction shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over $2,000.

B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from (1) providing, attempting to provide, or offering to provide any kickback; (2) soliciting, accepting, or attempting to accept any kickback; or (3) including directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.

C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.

D. Title 29, Code of Federal Regulations CFR, Subtitle A, Parts I, 3 and 5) are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Jurisdiction shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

28. Procurement

The Jurisdiction shall comply with the procurement provisions in 24 CFR, Part 85.36: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

29. Non-Performance

The Department shall review the actual National Objective and/or Public Benefit achievements of the Jurisdiction. In the event that the National Objective and/or Public Benefit requirements are not met, the Department will require the recapture of the entire PI expended on that project/activity. Additional remedies

may include suspending the Jurisdiction's authority to use PI funds until the Jurisdiction has developed capacity to ensure future PI funds will be used for eligible activities that will meet a National Objective.

30. **Relocation, Displacement, and Acquisition**

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Jurisdiction and assisted in whole or in part by funds allocated by CDBG.

31. **Uniform Administrative Requirements**

The Jurisdiction shall comply with applicable Uniform Administrative Requirements as described in 24 CFR, Section 570.502, including cited Sections of 24 CFR, Part 85.

32. **Section 3**

The Jurisdiction will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing Regulations at 24 CFR, Part 135.

33. **Affirmatively Furthering Fair Housing**

The Jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the Jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

34. **General Contract Conditions**

The following conditions apply to all activities, including set aside activities. The Jurisdiction must meet the conditions within ninety (90) days of this Agreement's execution. Failure to meet the following Special Conditions may result in termination of this Agreement.

A. Environmental Compliance

The Jurisdiction shall have satisfied all National Environmental Policy Act (NEPA) requirements and California Environmental Quality Act (CEQA) requirements. CEQA shall be approved by the Jurisdiction. The level of compliance varies by activity. NEPA review must be completed by the Jurisdiction for each activity and approved in writing by Department staff prior to incurring costs on the activity(ies).

B. Acquisition/Relocation Compliance

The Jurisdiction must document its compliance with the Uniform Relocation Act, Section 104(d) before release of funds by the Department. The Jurisdiction must submit a specific relocation assistance Agreement for each activity which may result in temporary or permanent displacement. For projects where there will be temporary or permanent displacement, the Jurisdiction must submit signed General Information Notices (GINs) from each tenant who was residing in the project at the time of Application submittal. If the Jurisdiction believes that there will be no displacement as a result of their activities, they must submit a letter explaining why no displacement or relocation will occur, which will be subject to written approval by the Department.

C. Site Control

The Jurisdiction shall demonstrate site control of the proposed project property by submitting evidence of one or more of the following to the Department:

1) Fee title;

2) A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all Program requirements;

3) An option to purchase or lease;

4) A disposition and development agreement with a public agency;

5) A land sale contract, or other enforceable agreement for the acquisition of the property; or,

6) All easements and right-of-ways (required for completion of the CDBG project) must be obtained.

D. Funding Commitments and Project Cost Estimates

All funding required for project completion must be documented and committed. If all funding is not committed, the Department shall terminate this Agreement. If the Jurisdiction has applied for other funding prior to the execution of this Agreement, the Jurisdiction must notify the Department as soon as that application is approved or denied. If the Jurisdiction must apply for other funding after the execution date of this Agreement, the Jurisdiction must apply at the earliest possible opportunity offered by the

other funding source(s) and notify the Department as soon as that application is approved or denied.

A current third-party cost estimate must be provided by the engineer or architect for the project.

E. Activity Administration Documentation

There are four methods of administering and/or completing RLF activities:

1) Use of in-house staff only;

2) Subrecipient agreement(s) with qualified non-profit(s);
3) Consultants/contractors/others obtained through federal procurement procedures; and,

4) Any combination of the above methods.

The Jurisdiction must provide the following documentation demonstrating that one or more of these methods were used for the GA of the RLF and for all activities carried out under this Agreement.

1) Use of in-house staff only: If not previously provided in the Application, submit staff resumes and duty statements that clearly identify that Jurisdiction staff has capacity and experience to complete administration of the proposed activities in the Application.

2) Subrecipient agreement(s) with qualified non-profit(s): Sub-recipients and their respective agreements with the Jurisdiction must adhere to all Program requirements. Submit the subrecipient agreement that was executed between the non-profit and the Jurisdiction. (Submitting draft documents for review prior to execution is recommended.) The scope of work in the subrecipient agreement must match the description of activity in this Agreement. Any parts of the activity description in this Agreement not covered by the subrecipient agreement must have separate procurement information. If the subrecipient is using CDBG funds to hire other consultants or subrecipients to do part or all of the Work then the procurement documentation or additional subrecipient agreements must be provided to the Department for review and approval.

3) Consultants: Submit procurement documentation that all third-party consultants are procured in accordance with Federal Procurement Procedures and the Grant Management Manual, as follows:

a. A copy of the document used to notify prospective consultants, such as a Request for Proposal or similar document.

b. A list of all bid respondents, showing respondents' contact information and the dollar amount of each proposal.

c. A brief description of the process used to select the consultant/ contractor/other, including the rationale for the selection.

d. Additional information may be found in the Grant Management Manual, Program Operators.

F. Compliance With All Loans and/or Grant Agreements

Pursuant to this Agreement, the Jurisdiction must comply with State and Federal Laws and Regulations that pertain to matters applicable to the Jurisdiction. Prior to disbursement of any funds under this Agreement, the Jurisdiction shall be in compliance with all loan and/or grant agreements to which it is a party, which are administered by the Department.

G. Easements and Rights-of-Way

If required for the completion of a CDBG project, the Jurisdiction must obtain all easements and rights-of-ways required for completion of the CDBG project within twelve (12) months of execution of this Agreement. Failure to obtain these may result in termination of this Agreement.

H. Section 504 Accessibility Requirements

1) Section 504 Regulations apply when CDBG funds are used on a new construction housing or public facility project or when an existing public facility or housing project with fifteen (15) or more units is being purchased and/or "substantially" rehabilitated. Qualified CDBG assisted housing projects are required to have a certain percentage of the units designed for and accessible to persons with mobility and sensory impairments.

2) For a federally assisted new construction housing project, Section 504 requires five percent (5%) of the dwelling units, or at least one unit, whichever is greater, to meet Uniform Federal Accessibility Standards or a standard that is equivalent or stricter, for persons with mobility disabilities. An additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.

3) Under Section 504, alterations are substantial (i.e. substantially rehabilitated) if they are undertaken to a housing project that has 15 or more units and the cost of the alterations is seventy-five percent (75%) or more of the replacement cost of the completed facility; and require that a minimum of five percent (5%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with mobility disabilities and an additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with hearing or visual disabilities.

4) The Jurisdiction shall provide documentation satisfactory to the Department verifying that the required housing units or public facility described in the project comply with the accessibility standards. CDBG funds will not be released until the necessary documentation is provided. All CDBG funded programs must, to the greatest degree possible, be conducted in buildings which meet Section 504 accessibility standards.

I. Grantee's Data Universal Numbering System (DUNS)

The Jurisdiction shall provide the Department with a DUNS number for any contractor or subcontractor prior to release of any funds under this Agreement.

35. Community Development Activity Conditions

A. Homeownership Assistance

If the Work to be performed under this Agreement involves Homeownership Assistance, the following additional special conditions apply:

1) Program Guidelines: The Jurisdiction must submit a copy of its Homeownership Assistance Program Guidelines and its PI Re-Use Agreement to the Department for review and approval within ninety (90) days of the execution date of this Agreement.

2) If the Jurisdiction proposed to assist homebuyers to purchase newly constructed units in its CDBG application under the Homeownership Assistance activity, the following requirements must be met:

a) The units must have been available for sale to the general public;

b) Development of the new subdivision must not be dependent upon the funding of the homebuyer loan;

c) CDBG funds shall not be used for construction; and,

d) Homeownership Assistance loans will not be approved prior to the foundation of the housing being in place.

B. Housing Rehabilitation

If the Work to be performed under this Agreement involves Housing Rehabilitation, the following additional special conditions apply:

1) Program Guidelines: The Jurisdiction must submit a copy of its Housing Rehabilitation Program Guidelines and its PI Re-Use Agreement to the Department for review and approval.

2) Affordable Rent: If the Jurisdiction's Housing Rehabilitation Program provides for rehabilitating rental properties, the Jurisdiction must submit to the Department its provisions for assuring affordable rent for the LMI occupants. Jurisdiction may include this information as part of the Housing Rehabilitation Program Guidelines.

36. Economic Development Activity-Specific Conditions

A. Restrictions on CDBG-Assisted Public Property

CDBG funds can be used by the Jurisdiction to purchase or rehabilitate public property. The change of use of real property provisions contained in 24 CFR 570.489(i) apply to real property within the unit of general local government's control (including activities undertaken by subrecipients), which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (currently $100,000). The restrictions shall apply from the date CDBG funds are first expended for the property until five (5) years after completion of the project. See the Federal Regulations for the full text of this regulation. The Jurisdiction must provide documentation of proper restriction on assisted property.

B. Business Assistance Activity

1) Jurisdictions implementing Business Assistance (BA) Loans, shall submit program guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR 570, Appendix

A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements" and with public benefit requirements contained in 24 CFR 570.482(f).

2) Jurisdictions implementing a BA loan shall provide a written Employment Agreement required to be executed between the Jurisdiction and the business owner [requirements of the Employment Agreement are described in 24 CFR 570.506 (b), (5), and (6)]. The written Employment Agreement must include a commitment by the business that the jobs are to be created or retained by the termination date of this Agreement and that at least fifty-one percent (51%) of all jobs created or retained (on a FTE basis) will be held by LMI persons. The Employment Agreement shall specify that, prior to receiving assistance, the business shall agree to:

   a) Provide a listing, by job title, of the permanent jobs projected to be created;

   b) Identify which jobs, if any, are part-time and the annual hours of work for each position;

   c) Identify which jobs are projected to be filled by LMI; and,

   d) Provide periodic reporting (semi-annual) not limited to: listing jobs, by job title, of all the permanent jobs actually filled, and which of those jobs are held by members of the LMI.

C. <u>Microenterprise Assistance Activities</u>

1) Jurisdictions implementing a Microenterprise Assistance activity for technical assistance and/or microenterprise loans, shall submit program guidelines that ensure compliance with CDBG requirements. Specifically, guidelines must ensure that all beneficiaries of the program are eligible micro enterprises, per HUD definitions. A microenterprise must:

   a) Have all owners of the business documented as meeting HUD family income eligibility standards; and,

   b) Have documentation that the business's owners and employees are five (5) or fewer in number.

2) When implementing a Microenterprise Program, the program guidelines shall include the proposed benefits, eligible activities and ongoing evaluation of program services. The guidelines will include

a Beneficiary Tracking Agreement, which defines the goals; identifies the roles and responsibilities of the service providers; identifies the market and focuses the outreach; defines the screening and referral process; and, tracks the beneficiaries through the program's level of service. The Beneficiary Tracking Agreement shall also describe the roles and responsibilities of the Jurisdiction and/or program operator for meeting the reporting requirements of the State CDBG Program.

3) When implementing a Microenterprise Program that is part of an integrally-related component of a larger project where non-LMI persons will be extended training and supportive services, shall submit guidelines including the methodology describing how CDBG funds will only be used towards the assistance of LMI to LMI persons under the Jurisdiction's activity.

4) Jurisdictions implementing a Microenterprise activity for loans to microenterprises made with Grant funds or PI funds, shall submit guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR, Part 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."

5) If under this Agreement, a Microenterprise Façade Improvement activity is being implemented, the Jurisdiction shall submit program guidelines that ensure compliance with CDBG National Objective requirements, as described in 24 CFR 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."

D. Required Agreements for Assisted Businesses

The Jurisdiction shall execute a written agreement between the Jurisdiction and the business receiving CDBG funds (loans or grants) under this Agreement to ensure compliance with CDBG State and federal regulations. The written agreement shall contain language to ensure each business complies with the terms of this Agreement, Exhibit A, as well as each of the criteria as set forth in 24 CFR 570.506 (b)(4) and (c).

1) Each agreement between the Jurisdiction and the business(es) shall be submitted to the Department for review and written approval, prior to execution by the business and the Jurisdiction.

2) Each agreement shall require the business to report employee information periodically to the Jurisdiction, so that the Jurisdiction can comply with its reporting requirements to the Department. The

report shall list each job position by job title and number of annual hours worked and LMI status. The report shall list all the permanent jobs actually created or retained, and identify which of those job positions are held by members of the LMI. Additionally, the report shall include the demographics of job holders (ethnicity/race, disability, status, gender, and head of household status).

3) Each agreement shall require the business(es) submit a Data Universal Numbering System (DUNS) number and be verified as not being on the current federal debarred list, prior to receiving any CDBG financial assistance. The agreement shall require proof of proper insurance for secured collateral and protecting the Jurisdiction. The agreement shall reference this Agreement between the Department and the Jurisdiction. The agreement shall contain all other special conditions as directed by the Department or local loan committee.

37. Community and Economic Development Agreement Activities

Non Implementation Activities and Planning activities are not allowed under this agreement using PI.

A. Implementation Activity

Implementation Activities are not permitted under this Agreement using PI GA funds.

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please continue to the next page.

☐ **Certified Approving Resolution Is Attached**

I certify that the foregoing is true and correct and the will follow all requirements of this agreement. I understand that my certification also acknowledges that serious compliance issue with the above requirements could result in the State suspending the authority of the to expend PI or may require to return unused PI to the State until the clears the serious compliance issues.

_____ _____

Signature of Authorized Representative Date Signed

_____

Name and Title of Authorized Representative

_____ _____

Signature of CDBG Section Chief Date Signed

_____

Name of CDBG Section Chief

NOTICE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City of Winters will conduct a public hearing by the City Council on Tuesday, December 2, 2014, at 6:30 p.m. at the City Hall Council Chambers, 318 First Street, to discuss the adoption of the Community Development Block Grant (CDBG) Program Income (PI) Reuse Agreement and to solicit citizen input. The City has approximately $435,000 in Program Income and anticipates receiving additional Program Income estimated at $50,000 for the current fiscal year (July 2014-June 2015).

CDBG activities must benefit low and moderate-income households, reduce or eliminate slums and blight, or address an urgent community need such as flood or earthquake. CDBG Program Income may be used for the following types of activities: Housing activities including assistance for acquisition and rehabilitation, public improvements such as sewer installation, street and sidewalk improvements serving low-income residential neighborhoods, and infrastructure supporting the construction of new affordable housing; public facilities including acquisition, construction or rehabilitation of shelters, health clinics, youth centers, parks or other public amenities; code enforcement activities; job creation activities including loans or grants for new business creation or expansion of existing businesses; and technical assistance, support services, loans or grants to low-income microenterprise business owners.

The purpose of the public hearing is to provide citizens an opportunity to comment on the proposed CDBG PI Reuse Agreement. If you are unable to attend the public hearing, you may direct written comments to the City of Winters Community Development Department, 318 First Street, Winters, CA 95694 or you may telephone Dan Maguire at 530-794-6718 with questions or comments. In addition, a CDBG public information file is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, or have a need for an interpreter, please contact Nanci Mills at 530-795-4910, to arrange for those accommodations to be made.

The City of Winters promotes fair housing and makes all programs available to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

Published November 20, 2014

tious Business Name

O COUNTY
CORDER
14
)AKLEY, CLERK
ch, Deputy
er 2014-957
usiness Name
Engineering and Bondgraph
ampbell Pl. Davis, CA 95618
lailing Address
x 4083, Davis, CA 95617
egistrant:
randa
ampbell Pl. Davis, CA 95618
lassification: Individual
Date of Business: 06/17/1997

s/Jose Granda

y certify that this is a true copy of the origi-
ent on file in this office. This certification is
g as there are no alterations to the docu-
as long as the document is sealed with a

State of California, County of Yolo
FREDDIE OAKLEY County Clerk/Recorder
Liz Mahovlich, Deputy Clerk
Published Nov. 13, 20, 27, Dec. 4, 2014

etimes when I reflect on all eer I drink, I feel ashamed. n I look into the glass and k about the workers in the very and all of their hopes lreams. If I didn't drink this they might be out of work d their dreams would be ered. I think, "It is better to nk this beer and let their ms come true than be self- and worry about my liver."
~Babe Ruth

titious Business Name

)LO COUNTY
RECORDER
2014
E OAKLEY, CLERK
gil, Deputy
ber 2014-886
Business Name
to Success Consulting
Tilia St., Apt. 248, Davis, CA 95616
Registrant:
Proctor
Tilia St., Apt. 248, Davis, CA 95616
Classification: Individual
g Date of Business: 10/17/14

s/Kyle Proctor

eby certify that this is a true copy of the origi-
ment on file in this office. This certification is
ong as there are no alterations to the docu-
ND as long as the document is sealed with a

State of California, County of Yolo
FREDDIE OAKLEY County Clerk/Recorder
Peggi Vigil, Deputy Clerk
Published Nov. 13, 20, 27, Dec. 4, 2014

Fictitious Business Name

FILED YOLO COUNTY
CLERK/RECORDER
Oct. 16, 2014
FREDDIE OAKLEY, CLERK
Kimberli Quam, Deputy
FBN Number 2014-881
Fictitious Business Name
Davis Kung Fu
504 Villanova Dr., Davis, CA 95616
Name of Registrant:
Daniel Pfister
504 Villanova Dr., Davis, CA 95616
Business Classification: Individual
Starting Date of Business: 10/16/2014

s/Daniel Pfister

I hereby certify that this is a true copy of the original document on file in this office. This certification is true as long as there are no alterations to the document, AND as long as the document is sealed with a red seal.

State of California, County of Yolo
FREDDIE OAKLEY County Clerk/Recorder
Kimberli Quam, Deputy Clerk
Published Nov. 6, 13, 20, 27, 2014

Fictitious Business Name

FILED YOLO COUNTY
CLERK/RECORDER
Oct. 17, 2014
FREDDIE OAKLEY, CLERK
Josephine Acevedo, Deputy
FBN Number 2014-885
Fictitious Business Name
TLC Painting
2120 Cowell Blvd. Apt. 134, Davis, CA 95618
Name of Registrant:
Chelsea Schaefer
190 Golf Course Drive,
Rohnert Park, CA 94928 Apt. 259
Business Classification: Individual
Starting Date of Business: 10/17/2014

s/Chelsea Schaefer

I hereby certify that this is a true copy of the original document on file in this office. This certification is true as long as there are no alterations to the document, AND as long as the document is sealed with a red seal.

State of California, County of Yolo
FREDDIE OAKLEY County Clerk/Recorder
Josephine Acevedo, Deputy Clerk
Published Nov. 6, 13, 20, 27, 2014

Fictitious Business Name

FILED YOLO COUNTY
CLERK/RECORDER
Oct. 24, 2014
FREDDIE OAKLEY, CLERK
Lupe Ramirez, Deputy
FBN Number 2014-907
Fictitious Business Name
Where Stars Are Born Consulting
2120 Cowell Blvd. Apt #134, Davis, CA 95616
Name of Registrant:
Sean Siddhu
2120 Cowell Blvd. Apt #134, Davis, CA 95616
Business Classification: Individual
Starting Date of Business: 10/24/14

s/Sean Siddhu

I hereby certify that this is a true copy of the original document on file in this office. This certification is true as long as there are no alterations to the document, AND as long as the document is sealed with a red seal.

State of California, County of Yolo
FREDDIE OAKLEY County Clerk/Recorder

Fictitious Business Name

FILED YOLO COUNTY
CLERK/RECORDER
Nov. 10, 2014
FREDDIE OAKLEY, CLERK
Kimberli Quam, Deputy
FBN Number 2014-963
Fictitious Business Name
Wonderboom Inc.
1612 Baywood Lane, Davis, CA 95618
Business Mailing Address
P.O. Box 1273, Davis, CA 95617
Name of Registrant:
Wonderboom Software Inc.
1612 Baywood Lane, Davis, CA 95618
Business Classification: Corporation
Starting Date of Business: N/A

s/Keri Mills

Corporation Name: Wonderboom Software Inc.
Official Title: Founder

I hereby certify that this is a true copy of the original document on file in this office. This certification is true as long as there are no alterations to the document, AND as long as the document is sealed with a red seal.

State of California, County of Yolo
FREDDIE OAKLEY County Clerk/Recorder
Kimberli Quam, Deputy Clerk
Published Nov. 20, 27, Dec. 4, 11, 2014

Fictitious Business Name

FILED YOLO COUNTY
CLERK/RECORDER
Oct. 27, 2014
FREDDIE OAKLEY, CLERK
Kimberli Quam, Deputy
FBN Number 2014-910
Fictitious Business Name
Re-Nu Salon
1059 Court St. Suite 117, Woodland, CA 95695
Business Mailing Address
1331 Newton Dr., Woodland, CA 95776
Name of Registrant:
Brenda Sue Fong Loera
1331 Newton Dr., Woodland, CA 95776
Business Classification: Individual
Starting Date of Business: N/A

s/Brenda Sue Fong Loera

I hereby certify that this is a true copy of the original document on file in this office. This certification is true as long as there are no alterations to the document, AND as long as the document is sealed with a red seal.

State of California, County of Yolo
FREDDIE OAKLEY County Clerk/Recorder
Kimberli Quam, Deputy Clerk
Published Oct. 30, Nov. 6, 13, 20, 2014

wintersexpress.com

Fictitious Business Name

FILED YOLO COUNTY
CLERK/RECORDER
Oct. 22, 2014
FREDDIE OAKLEY, CLERK
Kimberli Quam, Deputy
FBN Number 2014-897
Fictitious Business Name
Buswest, Buswest Sacramento
210 N. East Street Ste A & B, Woodland, CA 95776
Business Mailing Address
2429 Peck Rd. Attn: Claudia Lozan,
Whittier, CA 90601
Name of Registrant:
Los Angeles Truck Centers, LLC

Notice of Public Hearing

NOTICE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City of Winters will conduct a public hearing by the City Council on Tuesday, December 2, 2014, at 6:30 p.m. at the City Hall Council Chambers, 318 First Street, to discuss the adoption of the Community Development Block Grant (CDBG) Program Income (PI) Reuse Agreement and to solicit citizen input. The City has approximately $435,000 in Program Income and anticipates receiving additional Program Income estimated at $50,000 for the current fiscal year (July 2014-June 2015).

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The purpose of the public hearing is to provide citizens an opportunity to comment on the proposed CDBG PI Reuse Agreement. If you are unable to attend the public hearing, you may direct written comments to the City of Winters Community Development Department, 318 First Street, Winters, CA 95694 or you may telephone Dan Maguire at 530-794-6718 with questions or comments. In addition, a CDBG public information file is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

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The City of Winters promotes fair housing and makes all programs available to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

Published Nov. 20, 2014

Fictitious Business Name

FILED YOLO COUNTY
CLERK/RECORDER
Nov. 5, 2014
FREDDIE OAKLEY, CLERK
Kimberli Quam, Deputy
FBN Number 2014-937
Fictitious Business Name
TK Classics
2550 Del Monte St. Ste 100,
West Sacramento, CA 95691
Name of Registrant:
Cosmo Import & Export LLC
319 McMicken St., Rawlins, Wyoming 82301

RESOLUTION No. 2014-39

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINTERS APPROVING A COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME REUSE AGREEMENT

WHEREAS the City of Winters has utilized CDBG funding to provide loans for housing rehabilitation, homeowner assistance and business assistance; and

WHEREAS, the City of Winters receives payments from individuals and business for repayment of loans from CDBG funding; and

WHEREAS, the California State Department of Housing and Community Development (HCD) requires that the City of Winters enter into a Program Income Reuse Agreement to direct and determine how the loan payments are to be distributed; and

WHEREAS, a properly noticed public hearing was held on December 2, 2014 in accordance with applicable laws and regulations and as required by HCD,

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Winters that the City Council of the City of Winters Approves the Community Development Block Grant (CDBG) Program Income (PI) Reuse Agreement in the form as on file with the City Clerk of the City of Winters and authorizes the City Manager or his designee to execute said Agreement and submit the Agreement and Authorizing Resolution to HCD.

PASSED AND ADOPTED by the City of Winters this 2nd day of December, 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Cecilia Aguiar-Curry, Mayor

ATTEST:

_____
Nanci G. Mills, City Clerk

CITY OF WINTERS
california
Est. 1875

CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Council Members

DATE December 2, 2014

THROUGH: John W. Donlevy, Jr., City Manager

FROM: Dan Maguire, Economic Development and Housing Manager DM

SUBJECT: Consideration of Infill Infrastructure Grant Application for Senior Multifamily Project in Support of Affordable Housing, Resolution 2014-40

RECOMMENDATION:

Staff recommends that the City Council take the following actions: (1) receive the staff report, (2) adopt Resolution No. 2014-40 approving a Infill Infrastructure Grant Program ("IIG") Application in the amount of $2,000,000 in support of the Blue Mountain Senior Multifamily, and 3) authorize a funding commitment of $1,200,000 from the City's housing bond proceeds, subject to the preparation of the required documentation for the funding commitment.

BACKGROUND:

Staff is working with the project developer (Domus Development) to prepare a IIG Grant application for funding assistance in support of a proposed multi-family senior rental project. The total estimated cost of the project is $16,444,466.

At the April 1, 2014 City Council meeting, the Council selected Domus Development LLC from the three proposals submitted in response to a previously issued Request for Proposals/Qualifications (RFP/RFQ). Council also authorized the City Manager to Execute an Exclusive Negotiation Agreement (ENA) with Domus Development, LLC, a California Limited Liability Corporation for the development of the Baker Street Senior Affordable Housing Project. At the June 17, 2014 City Council meeting, Council authorized a funding commitment of $1,000,000 to be granted to the project from the 2007 tax exempt bond proceeds. Staff is recommending the commitment of funding to the project be increased to an

318 First Street
Winters, CA 95694
Phone.530.795.4910
Fax. 530.795.4935

COUNCIL MEMBERS
Harold Anderson
Wade Cowan
Michael Martin

MAYOR
Cecilia Aguiar-Curry

MAYOR PRO TEM
Woody Fridae

CITY CLERK
Nanci Mills

TREASURER
Michael Sebastian

CITY MANAGER
John W. Donlevy, Jr.

amount not to exceed $1,200,000, which is equal to the total remainder of the 2007 tax exempt bond proceeds.

Staff may bring future recommendations for additional project funding to the City Council for consideration. Other potential funding sources identified include CDBG program income (approximately $435,000). Additional detail on the potential funding for the project is included in the attachment titled "Blue Mountain Terrace Senior Housing Financial Narrative".

DISCUSSION:
Under the current Notice of Funding Availability (NOFA) for IIG Program, the maximum grant is $2,000,000 for this project as structured. Staff proposes that the City apply for the recommended maximum grant amount for the 2014 funding cycle. The grant application includes funding for eligible costs for site preparation, utilities, surface improvements, landscape, environmental mitigation and remediation, transit-related facilities, and impact fees; as allowed by IIG guidelines. Based on the program guidelines outlined in the Notice of Funding Availability (NOFA), if the California Department of Housing and Community Development (HCD) approves the grant application, the City of Winters and the project would receive up to $2,000,000 in funding to assist the project. The local funding commitment of the $1,200,000 grant funded through the City's 2007 housing bond proceeds provides the project with local dollar leverage, which enhances the application's scoring.

ALTERNATIVES:
The City Council has the option of not submitting a IIG application; however, staff would not recommend this alternative as funding for affordable housing is difficult to obtain. If the City is successful in its' IIG grant application, it would provide the developer with significant funding needed to complete the project.

FISCAL IMPACT:
The City would incur an expense of $1,200,000 for this project with the funding commitment from the City's housing bond proceeds (2007 bond issuance) should the project secure the other funding needed to complete the project.

ATTACHMENTS:
Resolution 2014-40
Blue Mountain Terrace Senior Housing Financial Narrative

RESOLUTION No. 2014-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINTERS AUTHORIZING SUBMITTAL OF AN INFILL INFRASTRUCTURE GRANT PROGRAM APPLICATION

THE CITY OF WINTERS HEREBY AUTHORIZESTHE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE INFILL INFRASTRUCTURE GRANT PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE INFILL INFRASTRUCTUURE GRANT PROGRAM

WHEREAS the City of Winters, A Municipal Corporation wishes to apply for and receive an allocation of funds through the Infill Infrastructure Grant Program; and

WHEREAS, the California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant Program established under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to the Infill Infrastructure Grant Program established Part 12 of Division 31 of the Health and Safety Code, commencing with Section 53545.12. Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the Infill Infrastructure Grant Program Guidelines implemented September 25, 2014; and

WHEREAS, the City will agree to provide financial assistance for gap funding for the Blue Mountain Terrace Senior Housing Project in the form of a grant from bond proceeds in a total not to exceed $1,200,000; and

WHEREAS, the City of Winters wishes to submit an application to obtain from HCD an allocation of the Infill Infrastructure Grant Program funds in the amount of $2,000,000.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Winters that:

1. The City of Winters shall submit to HCD an application to participate in the Infill Infrastructure Grant Program in response to the NOFA issued on September 25, 2014 which will request a funding allocation in the amount of $2,000,000 for the following activities:
   Infill Infrastructure Grant Program eligible costs for site preparation, utilities, surface improvements, landscape, environmental mitigation and remediation, transit-related facilities, and impact fees
2. If the application for funding is approved, the City of Winters hereby agrees to use the Infill Infrastructure Grant Program funds for eligible

activities in the manner presented in the application as approved by HCD and in accordance with program Guidelines cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the Infill Infrastructure Grant Program.

3. The City of Winters authorizes the City Manager to execute in the name of the City of Winters

PASSED AND ADOPTED by the City of Winters this 2nd day of December, 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Cecilia Aguiar-Curry, Mayor

ATTEST:

_____
Nanci G. Mills, City Clerk

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Reset Estimates
Reset Hard Codes
Set All Actuals

PROJECT INFO

GENERAL

Project Type	New Construction	Income Type	Affordable	LIHTC:	4%
Project Name	Winters Senior Housing	Census Tract	113.00	Historic TCs:	No
Address	147 East Baker Street	TCAC AMI	76,900	NMTCs:	No
City, State	Winters, CA	State AMI	76,900	State Credits:	Yes
Zip Code	95694	QCT	No	State Acq Credits:	No
County	Yolo	DDA	No	Rental Subsidy:	No
APN(s)				Housing Type:	Senior

PROJECT SUMMARY

Existing Project Metrics			Proposed Project Metrics		
Purchase Price	$65,340	$5 /Unit	Total Develompent Costs	$17,181,053	
Acquisition Loan	$0		Less: Subsidies & Dev Fees	($18,736,399)	
Acquisition Equity			Net Develompent Costs	$0	
Pre-Dev Equity			Term Equity	$0	
Existing Bldg. SF			Project SF	59,012	$0 / SF
Existing Units			Proposed Units	63 Units	$0 /Unit
NOI / Cap Rate			Development NOI / Net Cap Rate	$133,441	
			Residual Value		
			Sale Cap / Year		
			Lev. IRR / Period		

SITE

Lots		1	
Contiguous		Yes	
Total Site Area		122,414	2.81 Acres
Net Usable Area	100%	122,414	2.81 Acres
Existing Improvements		Vacant Land	
Topography		Flat	
Current Zoning	20 DU / Acre		56 Units
Proposed Project	22 DU / Acre		63 Units

Site Diagram

Site Notes

DEVELOPMENT PROGRAM

Residential Units	63	Units	Number of Buildings	1	
New Rental Units	63	Units	Building Description	Type V	
Existing Rental Units	0	Units	Levels Above Grade	3	
Commercial	0	SF	Levels Below Grade	0	
			Gross Building Area	59,012 SF	
			Net Leasable Area	41,464 SF	70%
Net Residential Square Footage	42,778	100%	Common Area / Circulation	17,548 SF	30%
Net Commercial Square Footage	0	0%	Parking Area — Surface	0 SF	0%
			Structured Sps. — 0 Spaces	0 SF	/Space

Residential Rental Unit Mix		Unit Count	Avg. Size	Market Rent	Market / SF	% Affordable	Parking Ratio
Total Rental Units							
Studios	0%	0 Units	0 SF	$0	$0.00	0%	
1 Bedrooms	92%	58 Units	657 SF	$1,004	$1.53	100%	0.67/Unit
2 Bedrooms	6%	4 Units	874 SF	$1,224	$1.40	100%	0.67/Unit
3 Bedrooms	0%	0 Units	0 SF	$0	$0.00	0%	
4 Bedrooms	0%	0 Units	0 SF	$0	$0.00	0%	

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Reset Estimates

Reset Hard Codes

Total Revenue Unit:	98%	62 Units	41,602 SF	$1,018	$1.52	100%	42 Spaces
Manangement Unit		1 Unit	1,176 SF				0.67/Unit
Total Units		63 Units	42,778 SF			Required:	43 Spaces
						Provided:	43 Spaces

Market Rental Units

Affordable Rental Units						*Rental Assistance*	
Studios	0%	0 Units	0 SF	$0	$0.00		0.67/Unit
1 Bedrooms	94%	58 Units	657 SF	$590	$0.90		0.67/Unit
2 Bedrooms	6%	4 Units	874 SF	$707	$0.81		0.67/Unit
3 Bedrooms	0%	0 Units	0 SF	$0	$0.00		0.67/Unit
4 Bedrooms	0%	0 Units	0 SF	$0	$0.00		0.67/Unit
Total Affordable Units		62 Units	41,602 SF	$598	$0.89	$0	42 Spaces

Affordability Unit Mix Matrix (Estimated)

UNDERWRITING	Avg. $/SF	% of Income	Stab. Occup.	Absorption	Income Inflation	Expense Inflation	TIs
Affordable Apts.	$0.89	100%	95%	50 Units/Mo	2.5%	3.5%	NA
Market Apts.	$1.52	0%	95%	10 Units/Mo	3.0%	3.0%	NA
Commercial	$2.00	0%	90%	4,000 SF/Qrt	3.0%	3.0%	$60 / SF

Leasing				*Commercial Parking*		Required	Provided
Start Residential:	0 Month Lag	Jun 2017	100% Pre-Lease	Retail	4 Sps/1,000 SF	0 Sps.	0 Sps.
Start Commercial:	3 Month Lag	Sep 2017					

Other Income				Expenses			
Parking				*Residential Operating Expenses*			
Affordable Residential Spaces		42 Spaces	Free	Admin	$450	/Unit	$28,350
0% Tandem	0 Spaces	$150	/Month	Utilities	$750	/Unit	$47,250
100% Single	0 Spaces	$250	/Month	Operate / Maint.	$600	/Unit	$37,800
Market-Rate Residential Spaces		0 Spaces	Free	Payroll	$1,600	/Unit	$100,800
30% Tandem	0 Spaces	$100	/Month	Taxes	$200	/Unit	$12,600
70% Single	0 Spaces	$150	/Month	Insurance / Fees	$400	/Unit	$25,200
Commercial Sps	0 Spaces	$0	/Month	Mgmt Fee / Service	$700	/Unit	$44,100
Total Parking Income		$0	/Month	**Total Expenses**	$4,700	/Unit	**$296,100**
% Residential		0.0%			69%	of Total EGI	
Commercial Reimbursement				*Commercial Operating Expenses*			
Admin / Payroll	100% Reim.	$0	/Month	Admin / Payroll	$1.50	/Commercial SF	$0
Utilities	100% Reim.	$0	/Month	Utilities	$2.00	/Commercial SF	$0
CAM - Grounds	100% Reim.	$0	/Month	CAM - Grounds	$1.50	/Commercial SF	$0
CAM - Parking	None	$0	/Month	CAM - Parking	$0.50	/Commercial SF	$0
Taxes & Insurance	80% Reim.	$0	/Month	Taxes & Insurance	$1.50	/Commercial SF	$0
Management Fee	None			Management Fee	5%	of Retail EGI	$0
Total Reimburseme	None	$0	/Month	Total Com. Exp	$0.00	/Commercial SF	**$0**
Total Other Income				*Estimated Real Estate Taxes*			
Parking		$0	/Month	Assessed Value			$12,030,013
Laundry / Etc.	$10/Unit	$630	/Month	Percentage Exempt			100.00%
				Ad Valorem	1.20000%		$144,360
Total Residential Other Income		**$630**	**/Month**	Exemption	1.00000%		($120,300)
% Affordable		100.0%		Special Taxes / Assessments			
				Estimated Tax	$382	/Unit	$24,060
Total Commercial Other Income		**$0**	**/Month**				

Stabilized Values					
Rental Value	**Total Project**	**Total Residential**	Market	Affordable	**Commercial**

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Reset Estimates
Reset Hard Codes

Gross Potential Rental Income	$444,588	$444,588	$0	$444,588	$0
Other Income / Reimbursement	$7,560	$7,560	$0	$7,560	$0
Vacancy Rate	5.00%	5.00%	5.00%	5.00%	10.00%
Vacancy	($22,607)	($22,607)	$0	($22,607)	$0
Effective Gross Income	$429,541	$429,541	$0	$429,541	$0
Operating Expenses	($296,100)	($296,100)	$0	($296,100)	$0
Net Operating Income	**$133,441**	**$133,441**	**$0**	**$133,441**	**$0**
Capitalization Rate	8.00%	8.00%	8.00%	8.00%	8.00%
Capitalized Value	$1,668,008	$1,668,008	$0	$1,668,008	$0
w/ Value of Tax Credits	$8,030,008	$8,030,008		$8,030,008	
Max Loan Calculation					
Net Operating Income	$133,441	$133,441	$0	$133,441	$0
Replacement Reserves	($34,906)	($34,906)	$0	($34,906)	
Other Fees	($13,875)	($13,875)		($13,875)	
Available For Debt Service	$67,728	$67,728	$0	$67,728	$0
Max Acquisition Loan	$0				
Max Construction Loan	$9,250,000 Including Credits				
Max Permanent Loan	$850,000	$850,000	$0	$850,000	$0
Perm Loan Limit		DSCR	DSCR	DSCR	DSCR
Actual Debt Service	$67,598	$67,598	$0	$67,598	$0

Debt Financing	Acquisition	Construction	Permanent Financing: Total	Residential	Market	Affordable	Commercial
Loan	None	Yes			None	Yes	None
Tax-Exempt		Yes	Yes	Yes		Yes	
Interest Rate		4.00%	5.05%	5.05%		5.05%	
DSCR		NA	1.25	1.25		1.25	
Amortization		Int. Only	20 Years	20 Years		20 Years	
Term		2 Years		10 Years		20 Years	
Max LTV		80%		90%		90%	
Replacement Res.		NA		$563/Unit		$563/Unit	
Avg. Balance		60%		NA		NA	
		7.81%					

STABILIZED SOURCE & USE

Sources			***Uses***		
Private Equity	0% of Total Cost	$0	Acquisition	$5 /Site SF	$65,340
Tax Credit Equity	36% of Total Cost	$6,362,000	Hard Costs	$204 /Gross SF	$12,013,663
Term Loan	5% of Total Cost	$850,000	Soft Costs	18% of Hard Costs	$2,148,626
Soft Funding	$161,905 /Unit	$10,200,000	Financing / Other	6% of Direct Costs	$779,025
Other Sources	1% of Total Cost	$174,627	Developer Fee	15% of Direct Costs	$2,174,399
TOTAL SOURCES	$279,153 /Unit	**$17,586,627**	**TOTAL USES**	$272,715 /Unit	**$17,181,053**
		$405,574			
Tie Breaker Target	0%				

PROJECT SCHEDULE & INVESTMENT RETURNS

Base Month		Jun 2014	Application Schedule		App. Due	Award
Site Control / Acquisition	1 Month	Jul 2014	TE Bonds	Yes	Jul 2015	Sep 2015
Planning Approval	5 Months	Dec 2014	4% Tax Credit	Yes	Jul 2015	Sep 2015
Soft Money / Tax Credit Award	9 Months	Sep 2015	9% Tax Credit	No		
Building Permit / Loan Closing	3 Months	Dec 2015	State HOME	No	Jul 2014	Dec 2014
Construction Start Date		Dec 2015	Other	Yes		
Completion	18 Months	Jun 2017				
Residential Lease Up Period	2 Months	Aug 2017	Loan / Sale Schedule		Accrue Interest	Timing
Stabilization Period	3 Months	Nov 2017	Acquisition	Dec 2015	No	Months
Conversion	1 Month	Dec 2017	Construction	Dec 2015	Yes	24 Months
8609s	2 Months	Feb 2018	Perm	Dec 2017		

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Reset Estimates

Reset Hard Codes

Sale Date Jan 1900

LOW INCOME HOUSING TAX CREDIT ASSUMPTIONS				
Credit Type	4%	Contribution Schedule		
Federal Price / Credit	$0.9500	Closing	15%	954,313
State Price / Credit	$0.6500	25% Comp.	0%	0
Housing Type	Senior	50% Comp.	0%	0
Tie Breaker Target	0%	75% Comp.	0%	0
Actual Tie Breaker		Completion	0%	0
Investor Allocation	99.99%	Conversion	75%	4,771,564
Annual Allocation	450,500	8609	10%	636,209
		Total		6,362,086

BASIS LIMITS	Actual	4%	9%	Threshold Basis Limit Boost		
Studio	0	163,357	144,950	Prevailing Wage	20%	2,424,772
1 Bedroom	10,924,242	188,349	167,126	Parking/Day Care/SNs	0%	0
2 Bedroom	908,800	227,200	201,600	Elevator / Seismic	10%	1,212,386
3 Bedroom	290,816	290,816	258,048	Energy Efficiency	0%	0
4 Bedroom	0	323,987	287,482	Sec. 10326 Rent Skewing	0%	0
Unadjusted	12,123,858			Subtotal	30%	3,637,157
Adjustments	3,637,157			Local Impact Fees		
Total Basis Limit	15,761,015				30%	3,637,157

TAX CREDIT CALCULATION ESTIMATE							
Uses	Residential	% Basis	Basis	Tax Credit Calc	Total	Acq Basis	Cost Basis
Acquisition	100%	0%	0	Basis Limit	15,761,015	0	15,761,015
Hard Costs	100%	100%	12,013,663	Reduction	0	0	0
Soft Costs	100%	94%	2,013,829	Boost	None		0
Financing / Other	100%	60%	468,505	Qualified	100%	0	15,761,015
Developer Fee	0%	100%	2,174,399	Total Basis	15,761,015	0	15,761,015
Total			16,670,396	Federal Alloc.	529,570	0	529,570
				State Alloc.	2,048,932	0	2,048,932
Acquisition Developer Fee		15%	0	Historic Alloc.			
Cost Developer Fee		15%	2,174,399				
Total Developer Fee			**2,174,399**	**Total Equity**	**6,362,000**	0	6,362,086

MISC CREDIT ASSUMPTIONS	4%	9%	DEVELOPER FEE ASSUMPTIONS	4%	9%
Max Annual Allocation	2,500,000	2,500,000	Max Allowable Fee	2,500,000	2,000,000
Acquisition Credit	3.36%	3.36%	Acquisition Basis	5%	5%
Cost Basis Credit	3.36%	7.70%	Acq Basis for At Risk, Subst. Rehab	15%	5%
State Acquisition Credit	13.00%	13.00%	Cost Basis	15.00%	15.00%
State Cost Basis Credit	13.00%	30.00%	Max Fee Included in Basis	2,500,000	1,400,000

221(d)(3) Limits	Total Limit	
Single	0	141,199
1 Bedroom	9,388,286	161,867
2 Bedroom	787,320	196,830
3 Bedroom	254,631	254,631
4 Bedroom	0	279,509
Max Loan	10,430,237	

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Fill In Estimates

RENTAL INCOME

Residential	Count	Beds	Baths	SF	UA	Federal Restrictions: Set Aside	Federal Restrictions: Net Rent	Subsidy: HAP / RA	Market Rents: Rent/SF	Market Rents: Rent/Mo	Restricted: Max Rent	Annual Income
Building A												
1+1 @ 50% TC	29	1	1	657	$58	50%	$662		$1.53	$1,004	$662	$230,376
1+1 @ 45% TC	10	1	1	657	$58	45%	$590		$1.53	$1,004	$590	$70,800
1+1 @ 40% TC	9	1	1	657	$58	40%	$518		$1.53	$1,004	$518	$55,944
1+1 @ 35% TC	10	1	1	657	$58	35%	$446		$1.53	$1,004	$446	$53,520
2+2 @ 50% TC	1	2	2	874	$71	50%	$794		$1.40	$1,224	$794	$9,528
2+2 @ 45% TC	2	2	2	874	$71	45%	$707		$1.40	$1,224	$707	$16,968
2+2 @ 40% TC	1	2	2	874	$71	40%	$621		$1.40	$1,224	$621	$7,452
3+2 @ Manager	1	3	2	1,176	$89	Manager						
Total Income	63		Avg:	679					$1.48	$1,002	$588	$444,588
			Total:	42,778								

Total	**63 Units**	**Avg:**	**679 SF**	**Avg:**	**$598**		**$444,588**
		Total:	**42,778 SF**	**Per SF:**	**$1.14**		

Residential Unit Detail			Studio	1 Beds.	2 Beds.	3 Beds.	4 Beds.
Total Units							
Affordable	62	98%	0	58	4	0	0
Market	0	0%	0	0	0	0	0
Manager	1	2%	0	0	0	1	0
Total	63	100%	0	58	4	1	0
			0%	92%	6%	2%	0%
Tax Credit							
60%	0	0.0%	0	0	0	0	0
50%	30	48.4%	0	29	1	0	0
45%	12	19.4%	0	10	2	0	0
40%	10	16.1%	0	9	1	0	0
35%	10	16.1%	0	10	0	0	0
Totals	62	100%	0	58	4	0	0

Operating Proforma		Proforma
Income		
Gross Income		444,588
Other Income		7,560
Vacancy Loss	5.0%	(22,607)
Effective Gross Income		**429,541**
Operating Expenses	69% of EGI	(296,100)
	$4,700 / Unit	
Net Operating Income		**133,441**
Replacement Reserves		(34,906)
Soft Debt Payments		0
Bond / Other Fees		(13,875)
Hard Debt Payments		(67,598)
Cash Flow		**17,062**

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

DEVELOPMENT BUDGET

					Adj.	LIHTC Cost Basis
LAND COSTS / ACQUISITION						
Acquisition	$5	/Site SF	65,340	$326,700	0%	
Total Acquisition Costs	$5,186	/Unit		**$326,700**	0%	0
HARD CONSTRUCTION COSTS						
Site Work	$7	/Site SF	122,414	$856,898		856,898
Building A - Residential	$120	Building A	52,972	$6,356,640		6,356,640
Building B - Community Room	$130	Building B	6,040	$785,200		785,200
Prevailing Wage	15.0%		7,998,738	$1,199,811		1,199,811
General Conditions	8.0%	of Site & Directs	9,198,549	$735,884		735,884
GC Overhead and Profit	6.0%	of Site & Directs	9,198,549	$551,913		551,913
Insurance and Bond	2.5%	of S & D + GC	9,934,433	$248,361		248,361
Developer's Contingency	10.0%	of Hard Costs (Bef	10,734,707	$1,073,471		1,073,471
TOTAL HARD COSTS	$187,431	/Unit	63	**$11,808,178**	100%	11,808,178
Hard Costs Less Contingencies	*$170,392*	*/Unit*	63	*$10,734,707*		
	$182	*/Gross SF*	59,012			
	$259	*/Net SF*	41,464			
SOFT COSTS						
Architectural / Engineering						
Architect	5.0%	of Hard Costs	11,808,178	$590,409		590,409
Architectural / Engineering	5.5%			$590,409		590,409
Permits / Government Fees						
Plan Check / Building Permits	$2.00	/Gross SF	59,012	$118,024		118,024
Other Fees	763,079	Flat	1	$763,079		763,079
Permits / Government Fees	$13,986	/Unit		$881,103		881,103
Developer Legal						
Developer Legal				$40,000		40,000
Developer Legal				$40,000		40,000
Third-Party Reports						
Appraisal				$5,000		5,000
Market Study				$6,000		6,000
Environmental - Phase 1				$4,000		4,000
Soils Report				$20,000		20,000
Survey & Field Inspection				$17,500		17,500
Other Third-Party Reports				$10,000		10,000
Third-Party Reports				$62,500		62,500
Other Soft Costs						
Testing & Inspection	1.0%	of Hard Costs	11,808,178	$118,082		118,082
Accounting / Audit				$35,000		35,000
Additional Furnishings				$35,000		35,000
Residential Marketing / Leasing				$20,000		
Organizational / Start Up				$10,000		
Title & Recording				$40,000		40,000
Printing / Copying / Mailing				$10,000		10,000
Real Estate Taxes	0.3%	of Hard Costs	11,808,178	$29,521	50%	14,761
Property Insurance	1.0%	of Hard Costs	11,808,178	$118,082	50%	59,041
Prevailing Wage Monitor				$40,000		40,000
Other Soft Costs				$455,685		351,884
SUBTOTAL SOFT COSTS				$2,029,697	95%	1,925,896

FINANCING COSTS

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

DEVELOPMENT BUDGET

				Adj.	LIHTC Cost Basis
Construction Loan					
Loan Commitment Fee	1.00% of Loan	9,250,000	$92,500		92,500
Legal Fees			$47,000		47,000
Third-Party Reports			$15,000		15,000
Lender Inspection Fees	$1,000 / Draw	18	$18,000		18,000
Construction Period Interest	4.00% Avg. Int.	11,100,000	$444,000		444,000
Construction Loan Fees			$616,500		616,500
Permanent Loan					
Commitment Fee	1.0% of Loan	850,000	$8,500		
Legal Fees			$0		
Permanent Loan Costs			$8,500		
Bond Financing Fees					
Bond Counsel	$47,500 Flat	1	$47,500		
TEFRA Fees	$2,500 Flat	1	$2,500		
Trustee Fees (Initial/Legal)	$2,500 Flat	1	$2,500		
Issuer Application Fee	$2,500 Flat	1	$2,500		
Issuer Legal Fees	$7,500 Flat	1	$7,500		
Initial Bond Issuance Fee	0.20% of Issuance	9,250,000	$18,500		
First Year Annual Issuance Fee	0.11% of Issuance	9,250,000	$10,175		
CDLAC Application/Filing Fee	0.05% of Issuance	9,250,000	$4,625		
CDIAC Fee	0.01% of Issuance	9,250,000	$1,157		
Total Bond Financing Fees			96,957		
Syndication Costs					
TCAC Application Fee			$2,000		
9% TCAC Reservation Fee	4.0% of Allocation	450,500	$18,020		
TCAC Compliance Monitoring Fee	$410 / Afford. Unit	62	$25,420		
Syndicator Legal			$65,000		
Tax Credit Fees			$110,440		
Reserves And Escrows					
Debt Service Reserve	6 Months		$58,190		
Operating Reserve	6 Months		$148,050		
Reserves & Escrows			$206,240		
SUBTOTAL FINANCING COSTS			$1,038,637	59%	$616,500
SOFT COST CONTINGENCY	10.0%	2,029,697	$202,970	83%	168,179
DEVELOPER FEE	15.0%		$2,177,813	100%	2,177,813
TOTAL DEVELOPMENT BUDGET			**$17,583,995**	95%	**$ 16,696,566**

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

DEVELOPMENT BUDGET

			Adj.	LIHTC Cost Basis
DETERMINATION OF TAX CREDIT EQUITY				
Threshold Basis Limit				
Unadjusted Basis Limit				12,123,858
Adjustments				3,637,157
Total Threshold Basis Limit	Cost Exceed By:	6%		15,761,015
Min Threshold v. Project Basis				15,761,015
Voluntary Reduction	**Tie Breaker:**	**61%**		
Historic Credit Reduction				
Requested Unadjusted Eligible Basis				15,761,015
Cost / Acquisition Split				Cost Basis
Adjusted Eligible Basis	Basis Boost:	None		15,761,015
Qualified Basis	App. Fraction:	100%		15,761,015
Credit Reduction				0
Requested Adjusted Qualified Basis				15,761,015
LIHTC Factor				3.36%
Annual Allocation		2,500,000		529,570
Annual LP Allocation		99.99%		529,517
LIHTC Equity		**$0.95**		5,030,413
Total LIHTC Equity				5,030,413
DETERMINATION OF STATE TAX CREDIT EQUITY				
State Eligible Basis (from Requested Adjusted Qualified Basis)		State Rehab Credits		15,761,015
State Tax Credit Factor				13.00%
Total Allocation				2,048,932
Annual Allocation				512,233
LP Allocation		99.99%		2,048,727
State Tax Credit Equity	Price Per Credit:	**$0.6500**		1,331,673
TOTAL COMBINED STATE AND FEDERAL CREDIT				734,463
TOTAL INVESTOR EQUITY				**6,362,086**
Calculation of Developer Fee				Cost Basis
Total Basis before Developer Fee				14,518,753
Percentage Allowable				15.00%
Potential Developer Fee				2,177,813
Allocation of Total Potential Fee				100.00%
Allowable Developer Fee		2,500,000		2,177,813
Developer Fee Included in Basis		2,500,000		2,177,813

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Fill In Estimates

INCOME AND EXPENSE DETAIL

REVENUE			Subtotals	Totals
Rental Income				
Gross Income From Affordable Units				$444,588
Tax Credit Units			$444,588	
Other Affordable			$0	
HAP Excess			$0	
Voucher Excess			$0	
Gross Income From Market Units				$0
Gross Income From Commercial Space				$0
Rental Income				$444,588
Vacancy Loss				
Affordable Income				($22,229)
Market Rate Income	5%			$0
Commercial Income				$0
Other Income	5%			($378)
Vacancy Loss				($22,607)
Other Income				
Parking Income				$0
Laundry Income	$120	/Unit		$7,560
Storage Income	$0	/Unit		$0
Tenant Charges	$0	/Unit		$0
Interest & Misc Income	$0	/Unit		$0
Commercial Reimbursement	$0.00	/Retail SF		$0
Other Income				$7,560
TOTAL REVENUE				**$429,541**

COST OF OPERATIONS			Subtotals	Totals
Administrative				
Legal Fees - Project	$12	/Unit		$750
Audit Fees	$10,000	Flat		$10,000
Accounting Fees	$90	/Unit		$5,670
Bank Fees	$500	Flat		$500
Office Supplies	$50	/Unit		$3,150
Office Equipment Lease	$0	/Unit		$0
Office Equipment Purchase	$0	/Unit		$0
Telephone/Internet	$56	/Unit		$3,500
Advertising	$16	/Unit		$1,000
Credit Reports	$1,000	Flat		$1,000
Training	$24	/Unit		$1,500
Employee Mileage	$12	/Unit		$750
Collection Expense/Bad Debt	$0	/Unit		$0
Resident Activities	$8	/Unit		$530
Miscellaneous	$0	/Unit		$0
Administrative	$450	/Unit		**$28,350**
Utilities				
Electricity	$250	/Unit		$15,750
Gas	$10	/Unit		$630
Water	$250	/Unit		$15,750
Sewer	$240	/Unit		$15,120
Additional Commercial Utilities	$0	/Unit		$0
Utilities	$750	/Unit/Yr		**$47,250**

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Fill In Estimates

INCOME AND EXPENSE DETAIL

REVENUE				Subtotals	Totals
Rental Income					
Operating & Maintenance					
Hardware Supplies	$40	/Unit	63		$2,500
Paint and Related Supplies	$16	/Unit	63		$1,000
Cleaning Supplies	$40	/Unit	63		$2,500
Interior Bldg Repairs	$24	/Unit	63		$1,500
Exterior Bldg Repairs	$24	/Unit	63		$1,500
Appliance Repairs	$8	/Unit	63		$500
Equipment Repairs	$1	/Unit	63		$50
HVAC Repairs	$12	/Unit	63		$750
Security/Gate Repairs	$20	/Unit	63		$1,250
Ground Supplies	$16	/Unit	63		$1,000
Landscaping Contract	$159	/Unit	63		$10,000
Elevator Contract	$56	/Unit	63		$3,500
Pool Contract	$0	/Unit	63		$0
Snow Removal Contract	$0	/Unit	63		$0
Warranty Contracts	$0	/Unit	63		$0
Pest Control Contract	$56	/Unit	63		$3,500
Garbage Removal Contract	$79	/Unit	63		$5,000
Equipment Replacement	$52	/Unit	63		$3,250
Additional Commercial CAM	$0	/Retail SF	0		$0
Miscellaneous	$0	/Unit	63		$0
Operating & Maintenance	$600	/Unit	63		**$37,800**
Payroll					
Rental Manager/Administrator	$37,000	Flat	1		$37,000
Assistant Rental Manager	$0	Flat	1		$0
Resident Activities Coordinator	$0	Flat	1		$0
Maintenance Manager	$42,200	Flat	1		$42,200
Maintenance Technician	$0	Flat	1		$0
Porter/Janitor	$0	Flat	1		$0
Supervisor	$0	Flat	1		$0
Compliance Supervisor	$0	Flat	1		$0
Payroll Subtotal	$1,257	/Unit	63		$79,200
Payroll Taxes	11%	of Payroll	79,200		$8,700
Worker's Compensation Ins	4%	of Payroll	79,200		$3,100
Health Ins Benefits	12%	of Payroll	79,200		$9,800
Payroll & Related	$1,600	/Unit	63		**$100,800**
Insurance & Taxes					
Property & Liability Insurance	$356	/Unit	63		$22,450
Add'l Umbrella Liability	$40	/Unit	63		$2,500
Fidelity Bond Insurance	$4	/Unit	63		$250
Property Taxes & Fees	$200	/Unit	63		$12,600
Miscellaneous Fees	$0	/Unit	63		$0
Insurance & Taxes	$600	/Unit	63		**$37,800**
Management / Service Fees					
Management Fee - Residential	$600	/Unit	63		$37,800
Management Fee - Commercial	$0	/Retail SF	0		$0
Service Provider Fee	$100	/Unit	63		$6,300
Miscellaneous	$0	/Unit	63		$0
Management / Service Fee	$700	/Unit	63		**$44,100**

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Fill In Estimates

INCOME AND EXPENSE DETAIL

REVENUE			Subtotals	Totals
Rental Income				
TOTAL COST OF OPERATIONS	**$4,700 /Unit**	63		**$296,100**
NET OPERATING INCOME			**$**	**133,441**
Replacement Reserves	$554 /Unit	63		($34,906)
Soft Debt Payments				
Bond / Other Fees	0.15% of Issuance	9,250,000		($13,875)
Hard Debt Payments				($67,598)
BEFORE TAX CASH FLOW			**$**	**17,062**
Debt Service Coverage				1.25

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

15-YEAR PROFORMA

	2014		Lease Up Period 2017	2018	2019	2020	2021	2022	2023
REVENUE	*Annual*	*Escalator*							
Rental Income	$444,588	2.50%	$478,773	$490,742	$503,011	$515,586	$528,475	$541,687	$555,229
Vacancy Loss	($22,607)	5.00%	($236,349)	($69,546)	($25,578)	($26,218)	($26,873)	($27,545)	($28,234)
Other Income	$7,560	2.50%	$8,141	$8,345	$8,553	$8,767	$8,986	$9,211	$9,441
TOTAL REVENUE	**$429,541**		**$250,565**	**$429,541**	**$485,986**	**$498,135**	**$510,589**	**$523,354**	**$536,437**
COST OF OPERATIONS	*Annual*	*Escalator*							
Administrative	$28,350	3.50%	$16,538	$28,350	$33,671	$34,849	$36,069	$37,332	$38,638
Utilities	$47,250	3.50%	$27,563	$47,250	$56,118	$58,082	$60,115	$62,219	$64,397
Operate / Maint.	$37,800	3.50%	$22,050	$37,800	$44,895	$46,466	$48,092	$49,775	$51,518
Payroll	$100,800	3.50%	$58,800	$100,800	$119,719	$123,909	$128,246	$132,734	$137,380
Taxes / Insurance	$37,800	3.50%	$22,050	$37,800	$44,895	$46,466	$48,092	$49,775	$51,518
Mgmt Fee / Services	$44,100	3.50%	$25,725	$44,100	$52,377	$54,210	$56,108	$58,071	$60,104
TOTAL COST OF OPERATIONS	**$296,100**	**3.50%**	**$172,725**	**$296,100**	**$351,674**	**$363,983**	**$376,722**	**$389,907**	**$403,554**
NET OPERATING INCOME	**$ 133,441**		**$ 77,840**	**$ 133,441**	**$ 134,312**	**$ 134,153**	**$ 133,867**	**$ 133,446**	**$ 132,883**
Replacement Reserves	($34,906)		$0	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)
Soft Debt Payments	$0		$0	$0	$0	$0	$0	$0	$0
Bond / Other Fees	($13,875)		$0	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)
Hard Debt Payments	($67,598)		$0	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)
BEFORE TAX CASH FLOW	**$ 17,062**		**$ 77,840**	**$ 17,062**	**$ 17,933**	**$ 17,774**	**$ 17,488**	**$ 17,068**	**$ 16,505**
Debt Service Coverage	1.25			1.25	1.27	1.26	1.26	1.25	1.24
Distributions									
Additional Property Tax	$0		$0	$0	$0	$0	$0	$0	$0
Deferred Developer Fee			$77,840	$17,062	$17,933	$17,774	$17,488	$17,068	$6,829
Asset Management / Partnership	$12,000		$0	$0	$0	$0	$0	$0	$9,676
Remaining			$0	$0	$0	$0	$0	$0	$0
HCD	50.00%		$0	$0	$0	$0	$0	$0	$0
Sponsor	50.00%		$0	$0	$0	$0	$0	$0	$0
Deferred Developer Fee									
Beginning Balance	171,995		$171,995	$94,155	$77,093	$59,159	$41,385	$23,897	$6,829
Interest Payment	0.00%		$0	$0	$0	$0	$0	$0	$0
Principal Payment			($77,840)	($17,062)	($17,933)	($17,774)	($17,488)	($17,068)	($6,829)
Ending Balance			$94,155	$77,093	$59,159	$41,385	$23,897	$6,829	$0
Permanent Loan									
Start Year / Months	2017	0	0	12	24	36	48	60	72
Beginning Balance	850,000		850,000	850,000	839,562	828,480	816,715	804,224	790,962
Interest Payment	6.00%		0	(50,716)	(50,072)	(49,389)	(48,663)	(47,893)	(47,075)
Principal Payment	30		0	(10,438)	(11,082)	(11,765)	(12,491)	(13,261)	(14,079)
Ending Balance			850,000	839,562	828,480	816,715	804,224	790,962	776,883

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

15-YEAR PROFORMA

	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE									
Rental Income	$569,110	$583,338	$597,921	$612,869	$628,191	$643,896	$659,993	$676,493	$693,406
Vacancy Loss	($28,939)	($29,663)	($30,404)	($31,165)	($31,944)	($32,742)	($33,561)	($34,400)	($35,260)
Other Income	$9,677	$9,919	$10,167	$10,422	$10,682	$10,949	$11,223	$11,503	$11,791
TOTAL REVENUE	**$549,848**	**$563,594**	**$577,684**	**$592,126**	**$606,930**	**$622,103**	**$637,655**	**$653,597**	**$669,937**
COST OF OPERATIONS									
Administrative	$39,990	$41,390	$42,839	$44,338	$45,890	$47,496	$49,159	$50,879	$52,660
Utilities	$66,651	$68,984	$71,398	$73,897	$76,483	$79,160	$81,931	$84,798	$87,766
Operate / Maint.	$53,321	$55,187	$57,118	$59,118	$61,187	$63,328	$65,545	$67,839	$70,213
Payroll	$142,188	$147,165	$152,316	$157,647	$163,164	$168,875	$174,786	$180,903	$187,235
Taxes / Insurance	$53,321	$55,187	$57,118	$59,118	$61,187	$63,328	$65,545	$67,839	$70,213
Mgmt Fee / Services	$62,207	$64,385	$66,638	$68,970	$71,384	$73,883	$76,469	$79,145	$81,915
TOTAL COST OF OPERATIONS	**$417,678**	**$432,297**	**$447,427**	**$463,087**	**$479,295**	**$496,071**	**$513,433**	**$531,403**	**$550,003**
NET OPERATING INCOME	**$ 132,170**	**$ 131,297**	**$ 130,257**	**$ 129,039**	**$ 127,634**	**$ 126,032**	**$ 124,222**	**$ 122,193**	**$ 119,934**
Replacement Reserves	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)
Soft Debt Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bond / Other Fees	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)
Hard Debt Payments	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)
BEFORE TAX CASH FLOW	**$ 15,791**	**$ 14,919**	**$ 13,878**	**$ 12,661**	**$ 11,256**	**$ 9,654**	**$ 7,844**	**$ 5,815**	**$ 3,556**
Debt Service Coverage	1.23	1.22	1.21	1.19	1.17	1.14	1.12	1.09	1.05
Distributions									
Additional Property Tax	$0	$0	$0	$0	$0	$0	$0	$0	$0
Deferred Developer Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0
Asset Management / Partnership	$12,000	$12,000	$12,000	$12,000	$11,256	$9,654	$7,844	$5,815	$3,556
Remaining	$3,791	$2,919	$1,878	$661	$0	$0	$0	$0	$0
HCD	$1,896	$1,459	$939	$330	$0	$0	$0	$0	$0
Sponsor	$1,896	$1,459	$939	$330	$0	$0	$0	$0	$0
Deferred Developer Fee									
Beginning Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0
Principal Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0
Permanent Loan									
Start Year / Months	84	96	108	120	132	144	156	168	180
Beginning Balance	776,883	761,935	746,065	729,216	711,329	692,338	672,175	650,769	628,043
Interest Payment	(46,206)	(45,284)	(44,306)	(43,266)	(42,163)	(40,992)	(39,748)	(38,428)	(37,026)
Principal Payment	(14,948)	(15,870)	(16,849)	(17,888)	(18,991)	(20,162)	(21,406)	(22,726)	(24,128)
Ending Balance	761,935	746,065	729,216	711,329	692,338	672,175	650,769	628,043	603,915

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

DEVELOPMENT BUDGET

					Adj.	LIHTC Cost Basis
LAND COSTS / ACQUISITION						
Acquisition	$5	/Site SF	65,340	$326,700	0%	
Total Acquisition Costs	$5,186	/Unit		**$326,700**	0%	0
HARD CONSTRUCTION COSTS						
Site Work	$7	/Site SF	122,414	$856,898		856,898
Building A - Residential	$120	Building A	52,972	$6,356,640		6,356,640
Building B - Community Room	$130	Building B	6,040	$785,200		785,200
Prevailing Wage	15.0%		7,998,738	$1,199,811		1,199,811
General Conditions	8.0%	of Site & Directs	9,198,549	$735,884		735,884
GC Overhead and Profit	6.0%	of Site & Directs	9,198,549	$551,913		551,913
Insurance and Bond	2.5%	of S & D + GC	9,934,433	$248,361		248,361
Developer's Contingency	10.0%	of Hard Costs (Bef	10,734,707	$1,073,471		1,073,471
TOTAL HARD COSTS	$187,431	/Unit	63	**$11,808,178**	100%	11,808,178
Hard Costs Less Contingencies	*$170,392*	*/Unit*	63	*$10,734,707*		
	$182	*/Gross SF*	59,012			
	$259	*/Net SF*	41,464			
SOFT COSTS						
Architectural / Engineering						
Architect	5.0%	of Hard Costs	11,808,178	$590,409		590,409
Architectural / Engineering	5.5%			$590,409		590,409
Permits / Government Fees						
Plan Check / Building Permits	$2.00	/Gross SF	59,012	$118,024		118,024
Other Fees	744,597	Flat	1	$744,597		744,597
Permits / Government Fees	$13,692	/Unit		$862,621		862,621
Developer Legal						
Developer Legal				$40,000		40,000
Developer Legal				$40,000		40,000
Third-Party Reports						
Appraisal				$5,000		5,000
Market Study				$6,000		6,000
Environmental - Phase 1				$4,000		4,000
Soils Report				$20,000		20,000
Survey & Field Inspection				$17,500		17,500
Other Third-Party Reports				$10,000		10,000
Third-Party Reports				$62,500		62,500
Other Soft Costs						
Testing & Inspection	1.0%	of Hard Costs	11,808,178	$118,082		118,082
Accounting / Audit				$35,000		35,000
Additional Furnishings				$35,000		35,000
Residential Marketing / Leasing				$20,000		
Organizational / Start Up				$10,000		
Title & Recording				$40,000		40,000
Printing / Copying / Mailing				$10,000		10,000
Real Estate Taxes	0.3%	of Hard Costs	11,808,178	$29,521	50%	14,761
Property Insurance	1.0%	of Hard Costs	11,808,178	$118,082	50%	59,041
Prevailing Wage Monitor				$40,000		40,000
Other Soft Costs				$455,685		351,884
SUBTOTAL SOFT COSTS				$2,011,215	95%	1,907,414

FINANCING COSTS

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

DEVELOPMENT BUDGET

				Adj.	LIHTC Cost Basis
Construction Loan					
Loan Commitment Fee	1.00% of Loan	9,250,000	$92,500		92,500
Legal Fees			$47,000		47,000
Third-Party Reports			$15,000		15,000
Lender Inspection Fees	$1,000 / Draw	18	$18,000		18,000
Construction Period Interest	4.00% Avg. Int.	11,100,000	$444,000		444,000
Construction Loan Fees			$616,500		616,500
Permanent Loan					
Commitment Fee	1.0% of Loan	850,000	$8,500		
Legal Fees			$0		
Permanent Loan Costs			$8,500		
Bond Financing Fees					
Bond Counsel	$47,500 Flat	1	$47,500		
TEFRA Fees	$2,500 Flat	1	$2,500		
Trustee Fees (Initial/Legal)	$2,500 Flat	1	$2,500		
Issuer Application Fee	$2,500 Flat	1	$2,500		
Issuer Legal Fees	$7,500 Flat	1	$7,500		
Initial Bond Issuance Fee	0.20% of Issuance	9,250,000	$18,500		
First Year Annual Issuance Fee	0.11% of Issuance	9,250,000	$10,175		
CDLAC Application/Filing Fee	0.05% of Issuance	9,250,000	$4,625		
CDIAC Fee	0.01% of Issuance	9,250,000	$1,157		
Total Bond Financing Fees			96,957		
Syndication Costs					
TCAC Application Fee			$2,000		
9% TCAC Reservation Fee	4.0% of Allocation	450,500	$18,020		
TCAC Compliance Monitoring Fee	$410 / Afford. Unit	62	$25,420		
Syndicator Legal			$65,000		
Tax Credit Fees			$110,440		
Reserves And Escrows					
Debt Service Reserve	6 Months		$58,190		
Operating Reserve	6 Months		$148,050		
Reserves & Escrows			$206,240		
SUBTOTAL FINANCING COSTS			$1,038,637	59%	$616,500
SOFT COST CONTINGENCY	10.0%	2,011,215	$201,122	83%	166,439
DEVELOPER FEE	15.0%		$2,174,780	100%	2,174,780
TOTAL DEVELOPMENT BUDGET			**$17,560,632**	95%	**$ 16,673,311**

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

DEVELOPMENT BUDGET

			Adj.	LIHTC Cost Basis
DETERMINATION OF TAX CREDIT EQUITY				
Threshold Basis Limit				
Unadjusted Basis Limit				12,123,858
Adjustments				3,637,157
Total Threshold Basis Limit	Cost Exceed By:	6%		15,761,015
Min Threshold v. Project Basis				15,761,015
Voluntary Reduction	**Tie Breaker:**	**62%**		
Historic Credit Reduction				
Requested Unadjusted Eligible Basis				15,761,015
Cost / Acquisition Split				Cost Basis
Adjusted Eligible Basis	Basis Boost:	None		15,761,015
Qualified Basis	App. Fraction:	100%		15,761,015
Credit Reduction				0
Requested Adjusted Qualified Basis				15,761,015
LIHTC Factor				3.36%
Annual Allocation		2,500,000		529,570
Annual LP Allocation		99.99%		529,517
LIHTC Equity		**$0.95**		5,030,413
Total LIHTC Equity				5,030,413
DETERMINATION OF STATE TAX CREDIT EQUITY				
State Eligible Basis (from Requested Adjusted Qualified Basis)		State Rehab Credits		15,761,015
State Tax Credit Factor				13.00%
Total Allocation				2,048,932
Annual Allocation				512,233
LP Allocation		99.99%		2,048,727
State Tax Credit Equity	Price Per Credit:	**$0.6500**		1,331,673
TOTAL COMBINED STATE AND FEDERAL CREDIT				734,463
TOTAL INVESTOR EQUITY				**6,362,086**
Calculation of Developer Fee				Cost Basis
Total Basis before Developer Fee				14,498,531
Percentage Allowable				15.00%
Potential Developer Fee				2,174,780
Allocation of Total Potential Fee				100.00%
Allowable Developer Fee		2,500,000		2,174,780
Developer Fee Included in Basis		2,500,000		2,174,780

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

15-YEAR PROFORMA

	2014		Lease Up Period 2017	2018	2019	2020	2021	2022	2023
REVENUE	*Annual*	*Escalator*							
Rental Income	$444,588	2.50%	$478,773	$490,742	$503,011	$515,586	$528,475	$541,687	$555,229
Vacancy Loss	($22,607)	5.00%	($236,349)	($69,546)	($25,578)	($26,218)	($26,873)	($27,545)	($28,234)
Other Income	$7,560	2.50%	$8,141	$8,345	$8,553	$8,767	$8,986	$9,211	$9,441
TOTAL REVENUE	**$429,541**		**$250,565**	**$429,541**	**$485,986**	**$498,135**	**$510,589**	**$523,354**	**$536,437**
COST OF OPERATIONS	*Annual*	*Escalator*							
Administrative	$28,350	3.50%	$16,538	$28,350	$33,671	$34,849	$36,069	$37,332	$38,638
Utilities	$47,250	3.50%	$27,563	$47,250	$56,118	$58,082	$60,115	$62,219	$64,397
Operate / Maint.	$37,800	3.50%	$22,050	$37,800	$44,895	$46,466	$48,092	$49,775	$51,518
Payroll	$100,800	3.50%	$58,800	$100,800	$119,719	$123,909	$128,246	$132,734	$137,380
Taxes / Insurance	$37,800	3.50%	$22,050	$37,800	$44,895	$46,466	$48,092	$49,775	$51,518
Mgmt Fee / Services	$44,100	3.50%	$25,725	$44,100	$52,377	$54,210	$56,108	$58,071	$60,104
TOTAL COST OF OPERATIONS	**$296,100**	**3.50%**	**$172,725**	**$296,100**	**$351,674**	**$363,983**	**$376,722**	**$389,907**	**$403,554**
NET OPERATING INCOME	**$ 133,441**		**$ 77,840**	**$ 133,441**	**$ 134,312**	**$ 134,153**	**$ 133,867**	**$ 133,446**	**$ 132,883**
Replacement Reserves	($34,906)		$0	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)
Soft Debt Payments	$0		$0	$0	$0	$0	$0	$0	$0
Bond / Other Fees	($13,875)		$0	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)
Hard Debt Payments	($67,598)		$0	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)
BEFORE TAX CASH FLOW	**$ 17,062**		**$ 77,840**	**$ 17,062**	**$ 17,933**	**$ 17,774**	**$ 17,488**	**$ 17,068**	**$ 16,505**
Debt Service Coverage	1.25			1.25	1.27	1.26	1.26	1.25	1.24
Distributions									
Additional Property Tax	$0		$0	$0	$0	$0	$0	$0	$0
Deferred Developer Fee			$77,840	$17,062	$17,933	$17,774	$17,488	$534	$0
Asset Management / Partnership	$12,000		$0	$0	$0	$0	$0	$12,000	$12,000
Remaining			$0	$0	$0	$0	$0	$4,534	$4,505
HCD	50.00%		$0	$0	$0	$0	$0	$2,267	$2,252
Sponsor	50.00%		$0	$0	$0	$0	$0	$2,267	$2,252
Deferred Developer Fee									
Beginning Balance	148,632		$148,632	$70,792	$53,730	$35,796	$18,022	$534	$0
Interest Payment	0.00%		$0	$0	$0	$0	$0	$0	$0
Principal Payment			($77,840)	($17,062)	($17,933)	($17,774)	($17,488)	($534)	$0
Ending Balance			$70,792	$53,730	$35,796	$18,022	$534	$0	$0
Permanent Loan									
Start Year / Months	2017	0	0	12	24	36	48	60	72
Beginning Balance	850,000		850,000	850,000	839,562	828,480	816,715	804,224	790,962
Interest Payment	6.00%		0	(50,716)	(50,072)	(49,389)	(48,663)	(47,893)	(47,075)
Principal Payment	30		0	(10,438)	(11,082)	(11,765)	(12,491)	(13,261)	(14,079)
Ending Balance			850,000	839,562	828,480	816,715	804,224	790,962	776,883

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

15-YEAR PROFORMA

	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE									
Rental Income	$569,110	$583,338	$597,921	$612,869	$628,191	$643,896	$659,993	$676,493	$693,406
Vacancy Loss	($28,939)	($29,663)	($30,404)	($31,165)	($31,944)	($32,742)	($33,561)	($34,400)	($35,260)
Other Income	$9,677	$9,919	$10,167	$10,422	$10,682	$10,949	$11,223	$11,503	$11,791
TOTAL REVENUE	**$549,848**	**$563,594**	**$577,684**	**$592,126**	**$606,930**	**$622,103**	**$637,655**	**$653,597**	**$669,937**
COST OF OPERATIONS									
Administrative	$39,990	$41,390	$42,839	$44,338	$45,890	$47,496	$49,159	$50,879	$52,660
Utilities	$66,651	$68,984	$71,398	$73,897	$76,483	$79,160	$81,931	$84,798	$87,766
Operate / Maint.	$53,321	$55,187	$57,118	$59,118	$61,187	$63,328	$65,545	$67,839	$70,213
Payroll	$142,188	$147,165	$152,316	$157,647	$163,164	$168,875	$174,786	$180,903	$187,235
Taxes / Insurance	$53,321	$55,187	$57,118	$59,118	$61,187	$63,328	$65,545	$67,839	$70,213
Mgmt Fee / Services	$62,207	$64,385	$66,638	$68,970	$71,384	$73,883	$76,469	$79,145	$81,915
TOTAL COST OF OPERATIONS	**$417,678**	**$432,297**	**$447,427**	**$463,087**	**$479,295**	**$496,071**	**$513,433**	**$531,403**	**$550,003**
NET OPERATING INCOME	**$ 132,170**	**$ 131,297**	**$ 130,257**	**$ 129,039**	**$ 127,634**	**$ 126,032**	**$ 124,222**	**$ 122,193**	**$ 119,934**
Replacement Reserves	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)	($34,906)
Soft Debt Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bond / Other Fees	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)	($13,875)
Hard Debt Payments	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)	($67,598)
BEFORE TAX CASH FLOW	**$ 15,791**	**$ 14,919**	**$ 13,878**	**$ 12,661**	**$ 11,256**	**$ 9,654**	**$ 7,844**	**$ 5,815**	**$ 3,556**
Debt Service Coverage	1.23	1.22	1.21	1.19	1.17	1.14	1.12	1.09	1.05
Distributions									
Additional Property Tax	$0	$0	$0	$0	$0	$0	$0	$0	$0
Deferred Developer Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0
Asset Management / Partnership	$12,000	$12,000	$12,000	$12,000	$11,256	$9,654	$7,844	$5,815	$3,556
Remaining	$3,791	$2,919	$1,878	$661	$0	$0	$0	$0	$0
HCD	$1,896	$1,459	$939	$330	$0	$0	$0	$0	$0
Sponsor	$1,896	$1,459	$939	$330	$0	$0	$0	$0	$0
Deferred Developer Fee									
Beginning Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0
Principal Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0
Permanent Loan									
Start Year / Months	84	96	108	120	132	144	156	168	180
Beginning Balance	776,883	761,935	746,065	729,216	711,329	692,338	672,175	650,769	628,043
Interest Payment	(46,206)	(45,284)	(44,306)	(43,266)	(42,163)	(40,992)	(39,748)	(38,428)	(37,026)
Principal Payment	(14,948)	(15,870)	(16,849)	(17,888)	(18,991)	(20,162)	(21,406)	(22,726)	(24,128)
Ending Balance	761,935	746,065	729,216	711,329	692,338	672,175	650,769	628,043	603,915

Winters Senior Housing
147 East Baker Street Winters, CA
63 Units

Balance
Sources & Uses

SOURCE AND USE

USES			
Acquisition	$5,186 / Unit		326,700
Hard Costs			10,734,707
Hard Cost Contingency			1,073,471
Soft Costs			2,011,215
Financing / Other			1,038,637
Soft Cost Contingency			201,122
Developer Fee			2,174,780
Total Uses	$278,740 / Unit	$	**17,560,632**

CONSTRUCTION SOURCES			
Debt Financing			
Acquisition Loan			
Construction Loan			9,250,000
Permanent Loan			
City of Winters Funding		90%	1,080,000
AHSC		100%	3,000,000
IIG		100%	2,000,000
Equity Financing			
LIHTC Equity		15%	954,300
Deferred Costs/Fees and Other Sources			
Reserves			206,240
TCAC Compliance Monitoring Fee			25,420
Developer Fee			1,044,672
Total Construction Sources		$	**17,560,632**
Construction Surplus/(Gap)			*0*
Developer Fee Available During Construction			*1,130,108*

PERMANENT SOURCES			
Debt Financing			
Permanent Loan	13,492 /Unit		850,000
City of Winters Funding	19,048 /Unit		1,200,000
AHSC	47,619 /Unit		3,000,000
IIG	31,746 /Unit		2,000,000
MHP	63,492 /Unit		4,000,000
Equity Financing			
LIHTC Equity			6,362,000
Deferred Fees and Other Sources			
Deferred Developer Fee			148,632
Total Permanent Sources		$	**17,560,632**
Surplus/(Gap)			*0*
Total Cash Developer Fee			*2,026,148*

CITY OF WINTERS
california
Est. 1875

CITY COUNCIL
STAFF REPORT

TO: Mayor and City Council

DATE: December 2, 2014

FROM: John W. Donlevy, Jr., City Manager

SUBJECT: Historical Preservation Committee

RECOMMENDATION:

That the City Council consider the re-establishment and duties of a Historical Advisory Committee.

BACKGROUND:

At the November 18, 2014 City Council Meeting, a presentation on seismic issues and concerns for the Downtown spurred the discussion on the potential to re- establish an advisory committee to assist the City and building owners determine solutions toward preservation of buildings within the Downtown.

DISCUSSION:

The City Council should discuss the potential of establishing a committee to assist the local property owners in finding solutions toward the preservation and the seismic retrofitting of their buildings.

FISCAL IMPACT:

None by this action.